

Disclaimer: This is a translation of the original notice of convocation in Japanese. In case of any discrepancy between the translation and the original Japanese, the Japanese version shall prevail.

Securities code: 9742

(Date of transmission) June 3, 2024

(Commencement date of measures for electronic provision) May 24, 2024

To Shareholders:

Shuji Hattori
President and Representative Director
INES Corporation
1-38-11, Nihonbashi Kakigara-cho, Chuo-ku,
Tokyo Japan

Notice of Convocation of the 62nd Ordinary General Meeting of Shareholders

We would like to thank all of you for your continued support of our company.

We hereby inform that the 62nd Ordinary General Meeting of Shareholders of INES Corporation (the Company) will be held as stated below.

In convening this General Meeting of Shareholders, we have taken measures to electronically provide the information contained in the Ordinary General Meeting of Shareholders Reference Documents (matters to be provided electronically) and have posted them on the following two websites on the internet. Please access either of these websites to check the information.

The Company's Website
Page of Shareholders Meeting

<https://www.ines.co.jp/ir/meeting.html>



JPX Website
Listed Company Search

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



On the JPX website, please search by the issue name (company name) "INES" or the securities code "9742," and select "Basic information" and "Documents for public inspection/PR information" to check the details.

Shareholders are kindly requested to read the information on exercising their voting rights below and review the Ordinary General Meeting of Shareholders Reference Documents before exercising their voting rights.

Particulars

1. **Date and Time:** 10:00 a.m. on June 25 (Tuesday), 2024
2. **Place:** 5F Conference Center, BELLESALLE TOKYO NIHONBASHI
Tokyo Nihonbashi Tower 2-7-1, Nihonbashi, Chuo-ku, Tokyo, Japan

3. Agenda:

Matters to be Reported:

- Item 1:** Report on the Business Report, Consolidated Financial Statements and the Audit Results on the Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors for the 62nd fiscal year (from April 1, 2023 to March 31, 2024)
- Item 2:** Report on the Non-Consolidated Financial Statements for the 62nd fiscal year (from April 1, 2023 to March 31, 2024)

Matters to be Resolved:

- Item 1:** Appropriation of Retained Earnings
- Item 2:** Partial Amendment to the Articles of Incorporation
- Item 3:** Election of Eight (8) Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)

- © The following matters, out of the matters to be provided electronically, are not included in the documents to be sent to a shareholder who applied for the issuance of documents in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation.

[Business Report]

Structure and status of implementation relating to the proper conduct of operations

[Consolidated Financial Statements]

Consolidated Statement of Changes in Shareholders' Equity

Notes to the Consolidated Financial Statements

[Financial Statements]

Non-Consolidated Statement of Changes in Shareholders' Equity

Notes to Non-Consolidated Financial Statements

- © In the event that the electronically provided matters are revised, the details will be posted on the Company's website and the JPX website described above.

4. Methods of Exercising Voting Rights

Voting rights in a general meeting of shareholders are important rights for all shareholders. Please exercise your voting rights after reviewing the “Ordinary General Meeting of Shareholders Reference Documents” provided below.

There are three methods for exercising your voting rights.

Please exercise your voting rights by one of the following methods.

Exercising Voting Rights via the Internet

**Deadline for Exercising Voting Rights: Entry completion by 5:00 p.m.
on June 24 (Monday), 2024**

· How to read the QR Code

You can log into the website for exercising voting rights without entering the “Login ID” and “Temporary Password” shown on the Voting Rights Exercise Form. Please read the QR Code on the Voting Rights Exercise Form and follow the instructions on the screen to enter your approval or disapproval.

· How to enter your login ID and temporary password

Please visit the website for exercising voting rights from your internet environment (PC or smartphone) and enter your vote according to the instructions displayed on the screen by using the “login ID” and “temporary password” entered in the enclosed Voting Rights Exercise Form.

Website for exercising voting rights:

<https://evote.tr.mufg.jp/>

* Inquiries regarding the exercise of voting rights via the internet:

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency
Division (Help Desk)

TEL: 0120-173-027 (toll free) Hours: 9:00 a.m. ~ 9:00 p.m.

Exercising Voting Rights by Mail in Writing

**Deadline for Exercising Voting Rights: Mail arriving by 5:00 p.m.
on June 24 (Monday), 2024**

Please indicate your approval or disapproval of each item on the agenda in the enclosed Voting Rights Exercise Form and return it by mail.

Any Voting Rights Exercise Form on which approval or disapproval of each item on the agenda has not been indicated shall be treated as an approval of the Company’s proposals.

Exercising Voting Rights by Attending the Meeting in Person

**Date of General Meeting of Shareholders: 10:00 a.m. on June 25 (Tuesday), 2024
(Start accepting: 9:30 a.m.)**

Please submit the enclosed Voting Rights Exercise Form at the meeting reception desk.

In the case of attendance by proxy, the proxy is limited to one (1) shareholder of the Company who has voting rights. In this case, the proxy must submit, in addition to the Voting Rights Exercise Form, a mandate form or other documents to prove power of attorney.

5. Matters concerning Exercising Voting Rights

(1) Handling of Voting Rights Exercised in Duplicate

- [1] If you have exercised your voting rights both via the internet and by mail in writing, only the contents of the vote made via the internet shall be deemed valid.
- [2] If you exercise your voting rights multiple times via the internet, the last time that you exercise your voting rights shall be deemed valid.

Ordinary General Meeting of Shareholders Reference Documents

Item 1: Appropriation of Retained Earnings

Positioning profit returns to shareholders as one of the most important policies of management, INES Corporation deems continuously implementing stable dividends as its basic policy and pays dividends after having comprehensively considered various factors, including its performance and the business environment.

In light of the above basic policy, for dividends at the end of the current fiscal year, the Company would like to further enhance profit returns to our shareholders and proposes as follows.

Fiscal year-end dividend matters

(1) Type of dividends

Cash dividends

(2) Financial assets to be distributed as dividends and total dividend amount

¥25.00 per share of common stock

¥520,081,825 total dividend payment

(3) Effective date of appropriation of retained earnings as cash dividends

June 26, 2024

For the fiscal year, since we paid an interim dividend of ¥25.00 per share on December 5, 2023, the total annual dividend for the period under review amounted to ¥50.00 per share, an increase of ¥5 from the previous fiscal year.

Item 2: Partial Amendment to the Articles of Incorporation

1. Reasons for Proposal

In order to speed up Group management decision-making, strengthen communication, and improve productivity, the Company has relocated its head office from Tsuzuki-ku, Yokohama City, Kanagawa Prefecture to Chuo-ku, Tokyo, effective April 1, 2024. Therefore, the location of the head office, as stipulated in Article 3 (Location of Head Office) of the current Articles of Incorporation, will be changed to reflect the actual head office operations.

2. Contents of Amendment

The contents of amendment are as follows:

(The underlined portions indicate those amended.)

Current Articles of Incorporation	Proposed Amendment
<p>Article 1 and Article 2 <Texts are omitted> (Location of Head Office) Article 3 The head office of the Company shall be located in <u>Tsuzuki-ku, Yokohama City, Kanagawa Prefecture.</u> Article 4 ~ Article 38 <Texts are omitted> <u>Revised on June 23, 2023</u></p>	<p>Article 1 and Article 2 <The same as the current provisions> (Location of Head Office) Article 3 The head office of the Company shall be located in <u>Chuo-ku, Tokyo.</u> Article 4 ~ Article 38 <The same as the current provisions> <u>Revised on June 25, 2024</u></p>

Item 3: Election of Eight (8) Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)

The term of office of all eight (8) Corporate Directors (excluding Corporate Directors who are Audit & Supervisory Committee members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, we propose that eight (8) Corporate Directors be elected.

According to the report from the Audit & Supervisory Committee, the Committee has confirmed the decision-making process with respect to the candidates for this proposal and that there are no particular matters to be pointed out.

The candidates for director positions are as follows:

Nominee Number	Name	Position and Duty	Attribute	Attendance Status at 2023 Board of Corporate Directors
1	Shuji Hattori	President and Representative Director	Reappointment	10 times/10 times (100%)
2	Susumu Tsukahara	Representative Director and Senior Managing Executive Officer	Reappointment	12 times/12 times (100%)
3	Koji Takada	Executive Officer	New appointee	---
4	Reiko Suzuki	Executive Officer	New appointee	---
5	Qun Jin	Outside Director	Reappointment Outside Director Independent Officer	12 times/12 times (100%)
6	Kanako Murakami	Outside Director	Reappointment Outside Director Independent Officer	12 times/12 times (100%)
7	Nobuyuki Sato	Outside Director	Reappointment Outside Director Independent Officer	12 times/12 times (100%)
8	Takashi Morisaki	Outside Director	Reappointment Outside Director Independent Officer	9 times/10 times (90%)

Nominee Number 1	Brief Personal History, Position and Duty in the Company
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>	Apr. 1988 Joined the Company Oct. 2006 Nagoya Branch Manager, the Company
Shuji Hattori (August 16, 1965)	Apr. 2012 Executive Manager, Public Sales Division, Sales Administration Group, the Company
Company Shares Owned 8,738	Oct. 2013 Executive Manager, First Operational Service Division, Operational Service Group, the Company
Term of Office as Director (As of the end of this General Meeting) 1 year	Apr. 2017 Executive Manager in charge of Business Strategy Division, the Company
	Apr. 2019 Executive Officer and Deputy Executive Manager, Public Service Systems Solutions Division, the Company
	Apr. 2021 Managing Executive Officer, the Company
His Attendance Status at Board of Corporate Directors	Jun. 2023 Director and Managing Executive Officer, the Company
10 times/10 times (100%)	Apr. 2024 President and Representative Director, the Company (Current position)
	Important Concurrent Roles N/A
	Reason for Nominating Mr. Hattori as a Director
	<p>Since joining the Company, having long been responsible for businesses in various fields including public systems operations and business planning, Candidate Mr. Hattori has become familiar with the Company's business as a whole and has made significant contributions to the promotion of each business and the Group, as a managing executive officer since 2021 and as a director and managing executive officer since 2023. As it can be expected that he will be able to bring about improvements in business performance and corporate value for future management of the Company and its Group by promoting and taking the initiative in building of new business including standardization of municipal government systems and the promotion of alliance businesses based on his wealth of business experience and insight, the Company is requesting he be reappointed as a director.</p>

<p>Nominee Number 2</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p> <p>Susumu Tsukahara (April 8, 1961)</p> <p>Company Shares Owned 27,443</p> <p>Term of Office as Director (As of the end of this General Meeting) 9 years</p> <p>His Attendance Status at Board of Corporate Directors 12 times/12 times (100%)</p>	<p>Brief Personal History, Position and Duty in the Company</p> <p>Apr. 1985 Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Jun. 2005 Assistant Head of General Planning Office, The Mitsubishi Bank, Ltd.</p> <p>May 2008 Manager, Financial Accounting Office, Corporate Planning Division, The Mitsubishi Bank, Ltd.</p> <p>Nov. 2014 Executive Officer and Executive Manager, Financial & Accounting Division, the Company</p> <p>Jun. 2015 Director, Managing Executive Officer and Executive Manager, Financial & Accounting Division, the Company</p> <p>Apr. 2021 Director and Senior Managing Executive Officer, the Company</p> <p>Jun. 2023 Representative Director and Senior Managing Executive Officer, the Company (Current position)</p> <p>Important Concurrent Roles</p> <p>N/A</p> <p>Reason for Nominating Mr. Tsukahara as a Director</p> <p>Candidate Mr. Tsukahara has engaged in finance-related business and corporate management over many years and has also contributed to the management of the Company and its Group as the Company's managing executive officer and director from 2015 and as the Company's senior managing executive officer and director since 2021 while working on building a sustainable and stable earnings structure through business planning, formulation and execution of human resources, financial and capitalization strategies. As it can be expected that he will bring about business performance improvement and corporate value enhancement for future management based on his wealth of experience and insight, the Company is requesting he be reappointed as a director.</p>
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Nominee Number 3

New appointee

Koji Takada

(December 11, 1967)

Company Shares Owned
5,771

Brief Personal History, Position and Duty in the Company

- Apr. 1990 Joined the Company
- Oct. 2011 Chubu Branch Manager, the Company
- Apr. 2015 Deputy Executive Manager, Branch Administration Group, the Company
- Apr. 2017 Executive Manager in charge of Business Strategy Division, the Company
- Apr. 2020 Executive Officer and Executive Manager, Corporate Planning Division and Business Administration Division, the Company
- Apr. 2021 Executive Officer and Executive Manager, Financial & Social Solutions Division, the Company
- Apr. 2023 Executive Officer and Executive Manager, Business Planning Division, the Company
- Apr. 2024 Executive Officer and Executive Manager, President's Office, the Company (Current position)

Important Concurrent Roles

N/A

Reason for Nominating Mr. Takada as a Director

Candidate Mr. Takada has been responsible as the branch manager of the public sector business of the Company, etc., and has contributed to the expansion of the public sector business. In addition, he has served as the head of other business divisions and planning/administrative divisions, and has extensive experience in all areas of the Company. As it can be expected that he will utilize his experience to promote engagement both within the Company and the Group, and that he will also take initiative as a member who will enhance management governance as a director, the Company is requesting he be newly appointed as a director.

Nominee Number 4

New appointee

Reiko Suzuki
(May 29, 1967)

Company Shares Owned
12,720

Brief Personal History, Position and Duty in the Company

- Apr. 1990 Joined the Company
- Apr. 2008 Manager, Third Solution Services Department, Public Systems Division, the Company
- Oct. 2010 Executive Manager, Second Public Systems Division, Public Systems Division, the Company
- Apr. 2014 Executive Officer and General Manager, Public Systems Division, the Company
- Apr. 2016 Executive Officer and Deputy Executive Manager, Personnel & General Affairs Division, the Company
- Apr. 2018 Director, INES Research Institute, Inc., the Company
- Oct. 2023 Executive Officer and Deputy Executive Manager, Public Solutions Division, the Company
- Apr. 2024 Executive Officer and Deputy General Manager, Development Division, the Company (Current position)

Important Concurrent Roles

N/A

Reason for Nominating Ms. Suzuki as a Director

Having long been in charge of facilitating development and sales of the Company's core solutions in the public sector business, the candidate has thorough knowledge regarding the Company's public sector business and human resources development. In addition, the candidate has made significant contributions to the promotion of the Company's business with a focus on diversity and human resources development. As it can be expected that the candidate will contribute to the development of the Company's core product "WebRings" in the public sector business and actively engage in human resources development in the future, based on her wealth of experience and insight in business management and operation in the areas of system development and operation, the Company is requesting she be newly appointed as a director.

<p>Nominee Number 5</p> <p style="border: 1px solid black; padding: 2px;">Reappointment</p> <p style="border: 1px solid black; padding: 2px;">Outside Director</p> <p style="border: 1px solid black; padding: 2px;">Independent Officer</p> <p>Qun Jin (September 27, 1962)</p> <p>Company Shares Owned 0</p> <p>Term of Office as Outside Director (As of the end of this General Meeting) 4 years</p> <p>His Attendance Status at Board of Corporate Directors 12 times/12 times (100%)</p>	<p>Brief Personal History, Position and Duty in the Company</p> <p>Dec. 1984 Assistant Professor and Full-time Lecturer, Department of Computer Science, Hangzhou Dianzi University, China</p> <p>Apr. 1995 Assistant Professor, Department of Information Science and Intelligent Systems, Faculty of Engineering, Tokushima University</p> <p>Apr. 1999 Assistant Professor, Department of Software, Faculty of Computer Science and Engineering, The University of Aizu</p> <p>Apr. 2003 Professor, Department of Human Informatics and Cognitive Sciences, Faculty of Human Sciences, Waseda University (Current position)</p> <p>Sep. 2018 Deputy Dean, Faculty of Human Sciences, Waseda University (in charge of international relations)</p> <p>Sep. 2018 Dean, Graduate School of Human Sciences, Waseda University</p> <p>Jun. 2020 Outside Director, the Company (Current position)</p> <p>Important Concurrent Roles</p> <p>Professor, Department of Human Informatics and Cognitive Sciences, Faculty of Human Sciences, Waseda University</p> <p>Reason for Nominating Mr. Jin as an Outside Director and Overview of his Expected Role</p> <p>In addition to the past experience as a researcher of the INES Research Institute, Inc., Candidate Mr. Jin has been engaged in research on trends and application fields of computer science at universities for many years and has professional knowledge and experience related to such technology and business. Since 2020, he has exercised appropriate oversight of the management of the Company and its Group as an outside director based on his professional knowledge and experience acquired over the course of the candidate's career. As it is expected that he will continue to exercise appropriate oversight of the business and management of the Company and its Group as well as from a technical perspective, the Company is requesting he be reappointed as an outside director.</p> <p>Matters Relating to Independence</p> <p>There is no business relationship between the organization for which the candidate concurrently serves and the Company. Therefore, the Company is certain that the independence of the candidate is fully ensured.</p>
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<p>Nominee Number 6</p> <p style="border: 1px solid black; padding: 2px;">Reappointment</p> <p style="border: 1px solid black; padding: 2px;">Outside Director</p> <p style="border: 1px solid black; padding: 2px;">Independent Officer</p> <p>Kanako Murakami (Name on the family register: Kanako Sato) (March 13, 1978)</p> <p>Company Shares Owned 0</p> <p>Term of Office as Outside Director (As of the end of this General Meeting) 2 years</p> <p>Attendance Status at Board of Corporate Directors 12 times/12 times (100%)</p>	<p>Brief Personal History, Position and Duty in the Company</p> <p>Oct. 2001 Registered as an attorney (Daini Tokyo Bar Association) (Current) Joined Nozomi Sogo Attorneys at Law</p> <p>Nov. 2012 Member, Environmental Health Committee of Tokyo Metropolitan Government</p> <p>Jun. 2020 Outside Auditor, Shinsei Trust & Banking Co., Ltd. (Current position)</p> <p>Apr. 2021 Partner, Nozomi Sogo Attorneys at Law (Current position)</p> <p>Apr. 2022 Regular Member, the Daini Tokyo Bar Association</p> <p>Jun. 2022 Outside Director, the Company (Current position)</p> <p>Apr. 2023 Executive Governor, Japan Federation of Bar Associations</p> <p>Important Concurrent Roles</p> <p>Partner, Nozomi Sogo Attorneys at Law Outside Auditor, Shinsei Trust & Banking Co., Ltd.</p> <p>Reason for Nominating Ms. Murakami as an Outside Director and Overview of her Expected Role</p> <p>Candidate Ms. Murakami has qualifications as an attorney and as a compliance officer and serves as a partner at Nozomi Sogo Attorneys at Law, and is engaged in various aspects of corporate law, including risk management, compliance, and crisis management of companies, and also exercises oversight of corporate management from the perspective of an outside auditor.</p> <p>In the Company, she has exercised appropriate oversight of the management of the Company and its Group as an outside director since 2022 based on the professional knowledge and insight acquired over the course of the candidate's career. As it is expected that she will continue to exercise appropriate oversight of the Company and its Group, the Company is requesting she be reappointed as an outside director.</p> <p>Matters Relating to Independence</p> <p>There is no business relationship between each organization for which the candidate concurrently serves and the Company. Therefore, the Company is certain that the independence of the candidate is fully ensured.</p>
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<p>Nominee Number 7</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</p> <p>Nobuyuki Sato (August 6, 1962)</p> <p>Company Shares Owned 0</p> <p>Term of Office as Outside Director (As of the end of this General Meeting) 2 years</p> <p>His Attendance Status at Board of Corporate Directors 12 times/12 times (100%)</p>	<p>Brief Personal History, Position and Duty in the Company</p> <p>Apr. 1992 Part-time Lecturer, Faculty of Law, Chuo University</p> <p>Apr. 1995 Full-time Lecturer, Faculty of Economics, Kushiro Public University of Economics</p> <p>Apr. 1997 Assistant Professor, Faculty of Economics, Kushiro Public University of Economics</p> <p>Apr. 2001 Professor, Faculty of Policy Management, Shobi University</p> <p>Apr. 2006 Professor, Chou University Law School (Current position)</p> <p>Jan. 2011 Vice-President, Chuo University (Retired in Nov. 2014)</p> <p>Jul. 2020 Vice-President, Chuo University (Current position)</p> <p>Apr. 2021 Director, Chuo University Educational Ability Research and Development Organization (Current position)</p> <p>Jun. 2022 Outside Director, the Company (Current position)</p> <p>Important Concurrent Roles</p> <p>Professor, Chou University Law School</p> <p>Vice-President, Chuo University</p> <p>Member, The Registered Foreign Lawyers Disciplinary Actions Committee, Japan Federation of Bar Associations</p> <p>Chairperson, Personal Identification Information Protection Committee, Japan Agency for Local Authority Information Systems</p> <p>Reason for Nominating Mr. Sato as an Outside Director and Overview of his Expected Role</p> <p>In addition to his career as a professor and vice-president at a university responsible for school management, Candidate Mr. Sato has a wealth of experience in education research and the public sector business related to the introduction of information systems and protection of personal information in local governments. He is also distinguished for his knowledge of fields significantly important in promoting new information processing businesses (IT services) for local governments that may become the Company's main business as well as our future core business. In the Company, he has exercised appropriate oversight of the management of the Company and its Group as an outside director since 2022 based on his professional knowledge acquired over the course of the candidate's career. As it is expected that he will continue to exercise appropriate oversight of the Company and its Group, the Company is requesting he be reappointed as an outside director.</p> <p>Matters Relating to Independence</p> <p>The amount of transactions in fiscal year 2023 between the Company and the Japan Agency for Local Authority Information Systems, where the candidate holds concurrent positions, is less than 0.1% of the Company's consolidated cost of sales. In addition, there is no business or donation relationship between each organization for which the candidate concurrently serves and the Company. Therefore, the Company is certain that the candidate's independence is fully ensured.</p>
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<p>Nominee Number 8</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</p> <p>Takashi Morisaki (January 1, 1955)</p> <p>Company Shares Owned 0</p> <p>Term of Office as Outside Director (As of the end of this General Meeting) 1 year</p> <p>His Attendance Status at Board of Corporate Directors 9 times/10 times (90%)</p>	<p>Brief Personal History, Position and Duty in the Company</p> <p>Apr. 1978 Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Apr. 2008 Managing Officer, Mitsubishi UFJ Financial Group, Inc. Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>May 2010 Managing Executive Officer and Chief Executive Officer, Headquarters for Asia of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2012 Senior Managing Executive Officer and Chief Executive, Global Markets Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Jun. 2012 Senior Managing Director and Chief Executive, Global Markets Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Jul. 2012 Managing Officer and Group Head, Integrated Global Markets Business Group of Mitsubishi UFJ Financial Group, Inc.</p> <p>May 2014 Deputy President of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Oct. 2016 Executive Vice President and Executive Officer, Mitsubishi Research Institute, Inc.</p> <p>Dec. 2016 President and Representative Director, Mitsubishi Research Institute, Inc.</p> <p>Dec. 2021 Chairperson of the Board, Mitsubishi Research Institute, Inc. (Current position)</p> <p>Jun, 2023 Outside Director, the Company (Current position)</p> <p>Important Concurrent Roles</p> <p>Chairperson of the Board, Mitsubishi Research Institute, Inc. Outside Director, Noritake Co., Limited (Audit and Supervisory Committee Member) Outside Director, Japan Business Systems, Inc.</p> <p>Reason for Nominating Mr. Morisaki as an Outside Director and Overview of his Expected Role</p> <p>Candidate Mr. Morisaki has engaged in corporate management of financial institutions and an IT industry think tank over years, and since fiscal year 2023, has served as an outside director of the Company and appropriately supervised the management of the Company and the Group based on his wealth of experience and insight as a management expert acquired over the course of the candidate's career. As it is expected that he will continue to provide appropriate supervision of the Company and its Group companies in the future, the Company is requesting he be reappointed as an outside director.</p> <p>Matters Relating to Independence</p> <p>The trade volume between Mitsubishi Research Institute, Inc. for which he currently serves as a director and the Company in fiscal year 2023 accounted for less than 0.5% of the Company's consolidated sales in terms of sales amount and less than 0.3% of the Company's consolidated cost of sales in terms of amount of purchase. The transaction amount between Japan Business Systems, Inc. for which the candidate currently serves as an outside director and the Company in fiscal year 2023 is less than 0.2% of the Company's consolidated cost of sales. Therefore, the Company is certain that the candidate's independence is fully ensured.</p>
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Notes:

1. None of the above candidates have special vested interests in the Company.
2. Candidates for directors, Mr. Qun Jin, Ms. Kanako Murakami, Mr. Nobuyuki Sato and Mr. Takashi Morisaki are candidates for outside directors.

The Company notified the Tokyo Stock Exchange of positions of Mr. Qun Jin, Ms. Kanako Murakami, Mr. Nobuyuki Sato and Mr. Takashi Morisaki as independent officers provided for in the provisions of the Tokyo Stock Exchange. If their appointment is approved, we will once again notify the said stock exchange of the above three persons' position as independent officers.

3. Each of Mr. Qun Jin, Ms. Kanako Murakami, Mr. Nobuyuki Sato and Mr. Takashi Morisaki, and the Company have entered into an agreement limiting the liability for damages provided for in Article 423 (1) of the Companies Act. The total maximum liability under such an agreement is the minimum amount required by laws and regulations.

If the appointment of each of Mr. Qun Jin, Ms. Kanako Murakami, Mr. Nobuyuki Sato and Mr. Takashi Morisaki is approved, the Company will continue the agreements with them.

4. The Company has entered into an indemnity agreement provided for in Article 430-2 (1) of the Companies Act with each of Mr. Shuji Hattori, Mr. Susumu Tsukahara, Mr. Qun Jin, Ms. Kanako Murakami, Mr. Nobuyuki Sato and Mr. Takashi Morisaki. If the appointment of each candidate is approved, the Company will continue the said indemnity agreement, and if the appointment of each of Mr. Koji Takada and Ms. Reiko Suzuki is approved, the Company will enter into the said indemnity agreement with each of them. For an overview of the indemnity agreement, please refer of the Japanese Document to the Business Report under the Summary of the Contents of the Indemnity Agreement in the section of Matters concerning Corporate Officers

5. The Company has entered into an officers and directors liability insurance agreement provided for in Article 430-3 (1) of the Companies Act with an insurance company, under which the Company's directors are the insured, and we will continue and then renew the insurance agreement. If the appointment of each candidate is approved, each of them will be insured under the insurance agreement. For an overview of the insurance agreement, please refer to the Business Report of the Japanese Document under the Summary of the Contents of the Officers and Directors Liability Insurance Agreement in the section of Matters concerning Corporate Officers.

(Reference) Skill Matrix of Directors upon closing of this Ordinary General Meeting of Shareholders

No.	Name	Position in the Company	Knowledge/Experience/Ability, etc.				
			Experience in Management	Finance/ Accounting	Legal Affairs	Knowledge about Industry	International Perspective
1	Shuji Hattori	Representative Director	○			○	
2	Susumu Tsukahara	Representative Director	○	○		○	
3	Koji Takada	Director	○			○	
4	Reiko Suzuki	Director	○			○	
5	Qun Jin	Outside Director				○	○
6	Kanako Murakami	Outside Director	○		○		
7	Nobuyuki Sato	Outside Director	○		○	○	
8	Takashi Morisaki	Outside Director	○			○	○
9	Kazumasa Otoshi	Director who is an Audit and Supervisory Committee member	○	○		○	
10	Kazuhiko Tomoda	Outside Director who is an Audit and Supervisory Committee member		○			
11	Ryo Haga	Outside Director who is an Audit and Supervisory Committee member			○		
12	Katsutoshi Hayafune	Outside Director who is an Audit and Supervisory Committee member	○	○			

Consolidated Balance Sheet
(As of March 31, 2024)

(¥ millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	(20,283)	Current Liabilities:	(7,601)
Cash and deposits	6,479	Accounts payable	1,909
Accounts receivable and contract assets	11,855	Current portion of long-term borrowings	416
Work in process	383	Accrued expenses	1,297
Raw materials and supplies	69	Income taxes payable	722
Prepaid expenses	431	Accrued consumption taxes	272
Other	1,084	Advances received	129
Allowance for doubtful accounts	△ 19	Provision for bonuses	959
Non-current Assets:	(34,143)	Provision for directors' bonuses	80
Tangible Non-current Assets:	(11,764)	Provision for loss on order received	49
Buildings and structures	851	Asset retirement obligations	230
Tools, furniture and fixture	1,025	Other	1,533
Land	5,299	Non-current Liabilities:	(9,035)
Construction in progress	4,587	Long-term borrowings	4,583
Intangible Non-current Assets:	(2,522)	Provision for directors' retirement benefits	88
Software	2,498	Net defined benefit liability	3,411
Other	23	Assets retirement obligations	154
Investments and Other Assets:	(19,857)	Other	798
Investment securities	13,535	Total Liabilities	16,637
Long-term prepaid expenses	767	NET ASSETS	
Deferred tax assets	4,147	Shareholders' Equity:	(37,398)
Other	1,407	Capital stock	15,000
		Capital surplus	10,099
		Retained earnings	12,438
		Treasury shares	△ 140
		Accumulated Other Comprehensive Income:	(391)
		Valuation difference on available-for-sale securities	54
		Remeasurements of defined benefit plans	336
		Total Net Assets	37,790
Total Assets	54,427	Total Liabilities and Net Assets	54,427

Consolidated Statement of Operations
(For the year from April 1, 2023 to March 31, 2024)

(¥ millions)

Item	Amount	
Revenue		40,557
Cost of Sales		30,827
Gross Profit		9,729
Selling, General and Administrative Expenses		6,851
Operating Income		2,877
Non-Operating Income:		112
Interest income	52	
Dividends income	27	
Dividend income on insurance	14	
Other	17	
Non-Operating Expenses:		257
Interest expenses	11	
Loss on investments in investment partnerships	8	
Office relocation expenses	233	
Other	3	
Ordinary Income		2,732
Extraordinary Income:		24
Gain on sales of investment securities	5	
Gain on liquidation of subsidiaries and affiliates	18	
Extraordinary Losses:		84
Loss on retirement of non-current assets	19	
Special retirement benefits	59	
Other	5	
Income before Income Taxes		2,672
Income Taxes and Other		860
Adjustment of Corporate Taxes		16
Net Income		1,795
Net Income attributable to Owners of Parent		1,795

Consolidated Statement of Changes in Shareholders' Equity

(For the year from April 1, 2023 to March 31, 2024)

(¥ millions)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2023	15,000	10,100	11,682	△ 155	36,627
Changes during year					
Cash dividends from retained earnings			△ 1,039		△ 1,039
Net income attributable to owners of parent			1,795		1,795
Acquisition of treasury shares				△ 2	△ 2
Disposal of treasury shares		△ 1		18	17
Net changes of items other than shareholders' equity					
Total changes during year	---	△ 1	755	15	770
Balance as of March 31, 2024	15,000	10,099	12,438	△ 140	37,398

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2023	△ 179	△ 162	△ 341	36,286
Changes during year				
Cash dividends from retained earnings				△ 1,039
Net income attributable to owners of parent				1,795
Acquisition of treasury shares				△ 2
Disposal of treasury shares				17
Net changes of items other than shareholders' equity	234	499	733	733
Total changes during year	234	499	733	1,503
Balance as of March 31, 2024	54	336	391	37,790

Non-Consolidated Balance Sheet

(As of March 31, 2024)

(¥ millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	(16,576)	Current Liabilities:	(7,365)
Cash and deposits	3,704	Accounts payable	1,685
Accounts receivable and contract assets	10,846	Short-term borrowings	1,600
Work in process	336	Current portion of long-term borrowings	416
Raw materials and supplies	69	Accrued expenses	996
Prepaid expenses	388	Advances received	89
Income taxes receivable	248	Deposits received	484
Consumption taxes receivable	793	Provision for bonuses	750
Other	199	Provision for directors' bonuses	67
Allowance for doubtful accounts	△ 11	Provision for loss on order received	49
Non-current Assets:	(32,390)	Asset retirement obligations	230
Tangible Non-current Assets:	(11,346)	Other	996
Buildings	737	Non-current Liabilities:	(7,961)
Tools, furniture and fixture	722	Long-term borrowings	4,583
Land	5,299	Provision for retirement benefits	3,229
Construction in progress	4,587	Provision for directors' retirement benefits	35
Intangible Non-current Assets:	(2,486)	Assets retirement obligations	106
Telephone rights	16	Other	7
Software	2,467	Total Liabilities	15,327
Other	3	NET ASSETS	
Investments and Other Assets:	(18,557)	Shareholders' Equity:	(33,540)
Investments securities	11,882	Capital Stock:	(15,000)
Shares in affiliates	1,089	Capital Surplus:	(10,099)
Long-term prepaid expenses	725	Capital reserve	3,750
Deferred tax assets	3,614	Other capital surplus	6,349
Guarantee deposited	1,159	Retained earnings:	(8,580)
Utility membership	80	Other retained earnings	(8,580)
Other	3	Retained earnings carried forward	8,580
		Treasury shares:	(△ 140)
		Valuation, Translation Adjustment and Other:	(△ 98)
		Valuation difference on available-for-sale securities	98
		Total Net Assets	33,639
Total Assets	48,967	Total Liabilities and Net Assets	48,967

Non-Consolidated Statement of Operations
(For the year from April 1, 2023 to March 31, 2024)

(¥ millions)

Item	Amount	
Revenue		33,353
Cost of Sales		25,782
Gross Profit		7,571
Selling, General and Administrative Expenses		6,470
Operating Income		1,100
Non-Operating Income:		481
Interest income	46	
Dividends income	404	
Dividend income on insurance	14	
Other	15	
Non-Operating Expenses:		258
Interest expenses	12	
Loss on investments in investment partnerships	8	
Office relocation expenses	233	
Other	3	
Ordinary Income		1,323
Extraordinary Income:		24
Gain on sales of investment securities	5	
Gain on liquidation of subsidiaries and affiliates	18	
Extraordinary Losses:		10
Loss on retirement of non-current assets	10	
Income before Income Taxes		1,337
Income Taxes and Other		△ 141
Adjustment of Corporate Taxes		381
Net Income		1,097

Non-Consolidated Statement of Changes in Shareholders' Equity
(For the year from April 1, 2023 to March 31, 2024)

(¥ millions)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings carried forward	Total retained earnings
Balance as of April 1, 2023	15,000	3,750	6,350	10,100	8,523	8,523
Changes during year						
Cash dividends from retained earnings				---	△ 1,039	△ 1,039
Net income				---	1,097	1,097
Acquisition of treasury shares				---		
Disposal of treasury shares			△ 1	△ 1		
Net changes of items other than shareholders' equity						
Total changes during year	---	---	△ 1	△ 1	57	57
Balance as of March 31, 2024	15,000	3,750	6,349	10,099	8,580	8,580

	Shareholders' equity		Valuation, translation adjustment and other		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation, translation, adjustment and other	
Balance as of April 1, 2023	△ 155	33,468	△ 132	△ 132	33,335
Changes during year					
Cash dividends from retained earnings		△ 1,039			△ 1,039
Net income		1,097			1,097
Acquisition of treasury shares	△ 2	△ 2			△ 2
Disposal of treasury shares	18	17			17
Net changes of items other than shareholders' equity			231	231	231
Total changes during year	15	71	231	231	303
Balance as of March 31, 2024	△ 140	33,540	98	98	33,639