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Securities Code: 4826

August 27, 2021

To Our Shareholders:

Akihiko Sakamoto
President
Computer Institute of Japan, Ltd.
1-2-24 Hiranuma, Nishi-ku, Yokohama-shi,
Kanagawa

Notice of the 46th Annual General Meeting of Shareholders

We are pleased to inform you that the 46th Annual General Meeting of Shareholders of Computer Institute of Japan, Ltd. (the “Company”) is scheduled to be held as described below.

You may exercise your voting rights by one of the following methods. Please review the following Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Wednesday, September 15, 2021 (JST).

[Exercising Voting Rights in Writing (by Mail)]

Please indicate your vote of approval or disapproval of the proposals on the enclosed voting form, and return it by postal mail so that it arrives by the deadline indicated above.

[Exercising Voting Rights by Electromagnetic Method (via the Internet)]

Please enter your vote of approval or disapproval by the deadline indicated above.

**1. Date and Time: Thursday, September 16, 2021, at 10:00 a.m. (JST)
(Reception desk will open at 9:00 a.m.)**

**2. Venue: “Nichirin,” 5F, Yokohama Bay Sheraton Hotel & Towers
1-3-23 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa**

3. Purpose of the Meeting:

Matters to Be Reported

1. The Business Report, the Consolidated Financial Statements, and the Reports on the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 46th fiscal year (from July 1, 2020 to June 30, 2021)
2. The Non-consolidated Financial Statements for the 46th fiscal year (from July 1, 2020 to June 30, 2021)

Matters to Be Resolved

- | | |
|----------------|---|
| Proposal No. 1 | Election of Nine Directors |
| Proposal No. 2 | Determination of the Maximum Amount of Remuneration for Granting Restricted Shares to Directors (excluding Outside Directors) |

- Of the attached documents to this Notice, the following items have been posted on the Company's website, in accordance with the provisions of relevant laws and regulations and the Company's Articles of Incorporation. Consequently, the relevant documents are not included in the Notice.
 1. Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
 2. Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements
- The Consolidated Financial Statements and Non-consolidated Financial Statements included in the attached documents to this Notice are a part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members in the course of the preparation of their audit reports. Furthermore, these documents are also a part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor in the course of the preparation of the financial audit report.

- When attending the general meeting of shareholders in person, you are kindly requested to submit the enclosed voting form for exercise of voting rights at the reception desk.
- If changes are made to the contents of the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, such changes will be posted on the Company's website immediately.

The Company's website (<https://www.cij.co.jp/en/>)

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Election of Nine Directors

At the conclusion of this meeting, the terms of office of all nine Directors will expire. Therefore, the Company proposes the election of nine Directors.

The candidates for Director are as follows:

Candidate No.	Name	Position and Responsibilities at the Company	Attendance at Board of Directors meetings (FY2021)
1	Reelection Akihiko Sakamoto	President and Chief Executive Officer	100% (18/18)
2	Reelection Masami Takamisawa	Director Principal Engineer	94% (17/18)
3	Reelection Nobuyasu Ibaraki	Director and Managing Executive Officer General Manager of Administration Management Div. and General Manager of Business Resource Promotion Div. and Manager of Information System Dept.	100% (18/18)
4	Reelection Shigenari Kubo	Director and Senior Executive Officer Head of Sales Sec.	100% (18/18)
5	New election Hirokazu Sakurai	Executive Officer General Manager of Financial Business Div.	-
6	Reelection Atsushi Kawakami	Director (part-time)	100% (18/18)
7	Reelection Makoto Oya Outside Independent	Outside Director	100% (18/18)
8	Reelection Tsutomu Ae Outside Independent	Outside Director	100% (18/18)
9	New election Yuji Kawashima Outside Independent	-	-

Reelection Candidate for Director to be reelected New election Candidate for Director to be newly elected

Outside Candidate for Outside Director Independent Independent officer as defined by the securities exchange

Candidate
No.
1

Akihiko Sakamoto

(Date of birth: February 1, 1964) Number of the Company's shares owned.....51,652

Reelection

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

May 1988	Joined the Company	July 2015	Director and Senior Executive Officer, and General Manager of SI Business Div.
July 2006	Manager of Wide Business Sales Dept. of Wide Business Div.	July 2016	Director and Managing Executive Officer, and General Manager of Sales Div.
Apr. 2007	Manager of Wide Business Sales Dept. of Wide Business Div., and General Manager of Chubu Branch	July 2017	Director and Managing Executive Officer, and General Manager of Sales Div. and Manager of Sales Dept. III
July 2008	Manager of Management Planning Dept.	Aug. 2017	President of Custanet Co., Ltd. (current position)
July 2010	Executive Officer, and Manager of Management Planning Dept.	July 2018	Director and Managing Executive Officer, and General Manager of Sales Div. of the Company
July 2011	Executive Officer, and General Manager of SI Business Div., and Manager of Development Support Solution Dept.	Sept. 2018	President and Chief Executive Officer, and General Manager of Sales Div.
Sept. 2011	Director and Executive Officer, and General Manager of SI Business Div., and Manager of Development Support Solution Dept.	July 2019	President and Chief Executive Officer (current position)
July 2014	Director and Senior Executive Officer, and General Manager of SI Business Div., and Manager of Development Support Solution Dept.		

Reasons for nomination as candidate for Director

Akihiko Sakamoto has a wealth of business experience and a high level of insight in the Company's business and overall business management, having served in important positions for many years in the Company's Business Division, Sales Division and Management Planning Department and serving as President and Chief Executive Officer of the Company for three years. The Company has determined that he will utilize this experience and insight in overseeing the overall management of the Group and, while leading changes toward the achievement of sustainable growth, will appropriately supervise the execution of business. Therefore, the Company has nominated him as a candidate for Director.

Candidate
No.
2

Masami Takamisawa

(Date of birth: April 16, 1956) Number of the Company's shares owned..... 131,916

Reelection

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

Apr. 1979	Joined the Company	July 2010	Director and Senior Executive Officer, and in charge of Management Planning/Legal Dept., Principal Engineer, General Manager of Business Resource Promotion Div., Office Manager of PMO and Standardization Promotion Office, and Office Manager of Legal Affair & Internal Audit Dept.
July 1998	General Manager of Tokyo Branch		
July 2001	General Manager of Mobile Technology Business Div.		
July 2002	Principal Engineer		
Sept. 2004	Director and Principal Engineer		
July 2006	Director and Executive Officer, and Principal Engineer, and Office Manager of Management Information Planning Office	July 2012	Director and Senior Executive Officer, and in charge of Management Planning, in charge of Technology Dept., Principal Engineer, General Manager of Business Resource Promotion Div., Office Manager of PMO and Standardization Promotion Office, and Office Manager of Legal Affair & Internal Audit Dept.
July 2007	Director and Executive Officer, and Principal Engineer and Manager of Management Information Planning Office		
Mar. 2008	Director and Executive Officer, and Principal Engineer, and Manager of Management Planning Dept.	July 2014	Director and Senior Executive Officer, and Principal Engineer, Manager of Management Planning Dept., and Office Manager of Legal Affair & Internal Audit Dept.
July 2008	Director and Senior Executive Officer, and in charge of Management Planning/Legal Dept., Principal Engineer, General Manager of Business Resource Promotion Div., and Office Manager of Legal Affair & Internal Audit Dept.	July 2018	Director and Senior Executive Officer, and Principal Engineer, General Manager of Administration Management Div., and Office Manager of Legal Affair & Internal Audit Dept.
		Sept. 2018	Director and Managing Executive Officer, and Principal Engineer, General Manager of Administration Management Div., and Office Manager of Legal Affair & Internal Audit Dept.
		July 2020	Director and Managing Executive Officer, and Principal Engineer and General Manager of Administration Management Div.
		July 2021	Director and Principal Engineer (current position)

Reasons for nomination as candidate for Director

Masami Takamisawa has a wealth of business experience and a high level of insight in the Company's business and overall business management and a high level of expertise in the field of software development technology, having been in charge of technical areas of the Company as Principle Engineer for many years and serving in important positions in the Management Planning Department, Legal Affairs Department, Business Resource Promotion Division and other administration management departments.

The Company has determined that he will utilize this experience and insight for the promotion of strategic R&D, enhancement of corporate governance and other measures, which will serve as the foundation of sustainable growth of the Group, and will appropriately supervise the execution of business. Therefore, the Company has nominated him as a candidate for Director.

Candidate
No.
3

Nobuyasu Ibaraki

(Date of birth: February 4, 1960) Number of the Company's shares owned.....32,114

Reelection

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

Apr. 1987	Joined the Company	July 2011	Director, and Manager of Information System Dept. of Administration Management Div.
July 2006	General Manager of SI Business Div. and Manager of Solution Technology Development Dept.	Sept. 2011	Manager of Information System Dept. of Administration Management Div.
July 2007	Executive Officer, and General Manager of SI Business Div., Manager of Solution Technology Development Dept., and General Manager of Communication & Embedded Business Div.	July 2012	Manager of Information System Dept. of Business Resource Promotion Div.
		July 2014	Executive Officer, and General Manager of Business Resource Promotion Div., and Manager of Information System Dept.
July 2008	Executive Officer, and General Manager of SI Business Div., General Manager of Communication & Embedded Business Div., and Manager of Embedded System Development Dept.	July 2016	Senior Executive Officer, and General Manager of Business Resource Promotion Div. and Manager of Information System Dept.
Sept. 2009	Director and Executive Officer, and General Manager of SI Business Div., General Manager of Communication & Embedded Business Div., and Manager of Embedded System Development Dept.	Sept. 2017	Director and Senior Executive Officer, and General Manager of Business Resource Promotion Div., and Manager of Information System Dept.
July 2010	Director and Executive Officer, and General Manager of SI Business Div., General Manager of Communication & Embedded Business Div., Manager of Solution Promotion Dept., and Manager of Embedded System Development Dept.	July 2021	Director and Managing Executive Officer, and General Manager of Administration Management Div., General Manager of Business Resource Promotion Div., and Manager of Information System Dept. (current position)

Reasons for nomination as candidate for Director

Nobuyasu Ibaraki has a wealth of business experience and a high level of insight in the Group's business and a high level of expertise in the business promotion field, having served in important positions for many years in the Company's Business Division and serving in important positions in the Business Resource Promotion Division, which is an Administration Management Department. The Company has determined that he will utilize this experience and insight in promoting transformation of the business model and business streamlining toward further growth of the Group, and will appropriately supervise the execution of business. Therefore, the Company has nominated him as a candidate for Director.

Candidate
No.
4

Shigenari Kubo

(Date of birth: May 8, 1964)

Number of the Company's shares owned.....9,300

Reelection

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

Apr. 1989	Joined NTT DATA Communications Systems Corporation	Apr. 2017	Executive Officer, and Deputy General Manager of Wide Business Div., General Manager of Seibu Branch, and General Manager of Kyushu Branch
July 2010	General Manager of Second System Management of e-community Department of Regional Business Sector of NTT DATA Corporation	July 2017	Executive Officer, and Deputy General Manager of Wide Business Sec., and General Manager of Wide Business Div.
July 2014	General Manager of Second System Management Section of Second Public Department of Public Sector 1	July 2018	Executive Officer, and General Manager of Wide Business Div.
Oct. 2016	Deputy General Manager of Wide Business Div. of the Company	Sept. 2019	Director and Executive Officer, and General Manager of Wide Business Div.
Feb. 2017	Deputy General Manager of Wide Business Div., General Manager of Seibu Branch, and General Manager of Kyushu Branch	July 2020	Director and Senior Executive Officer, and General Manager of Prime Business Div.
		July 2021	Director and Senior Executive Officer, and Head of Sales Sec. (current position)

Reasons for nomination as candidate for Director

Shigenari Kubo has a wealth of business experience and a high level of insight in the Company's business, having served in important positions in business divisions at companies in the same industry as the Company prior to serving in important positions in the Company's Business Division.

The Company has determined that he will utilize this experience and insight in promoting the development of new businesses and business streamlining toward further growth of the Group, and will appropriately supervise the execution of business. Therefore, the Company has nominated him as a candidate for Director.

Candidate
No.
5

Hirokazu Sakurai

(Date of birth: January 28, 1965) Number of the Company's shares owned.....1,700

New election

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

Apr. 1987	Joined Hitachi, Ltd.	Nov. 2012	Outside Director of Bank Computer Service Co., Ltd.
Apr. 2004	General Manager in charge of Nationwide Financial Systems Headquarters 3rd Department of Financial Systems Division	Apr. 2014	General Manager of Nationwide Financial Systems Headquarters of Financial Systems Division of Hitachi, Ltd.
Apr. 2006	General Manager of Nationwide Financial Systems Headquarters 3rd Department of Financial Systems Division	Jan. 2020	Executive Officer, and Deputy General Manager of Financial Business Div. of the Company
May 2006	Outside Director of High-Brain Co., Ltd.	July 2020	Executive Officer, and General Manager of Financial Business Div. (current position)
Oct. 2009	Head of Financial Solutions Development Center of NEXTCAP Solutions Headquarters of Financial Systems Division of Hitachi, Ltd.	Sept. 2020	Director and Vice President of Japan Financial Engineering Co., Ltd. (current position)
Oct. 2011	General Manager in charge of Nationwide Financial Systems Headquarters of Financial Systems Division		

Reasons for nomination as candidate for Director

Hirokazu Sakurai has a wealth of business experience and a high level of insight in the Company's business, having served in important positions in business divisions within the same industry as the Company prior to serving in important positions in the Company's Business Division.

The Company has determined that he will utilize this experience and insight in promoting the development of new businesses and business streamlining toward further growth of the Group, and will appropriately supervise the execution of business. Therefore, the Company has nominated him as a candidate for Director.

Candidate
No.
6

Atsushi Kawakami

(Date of birth: September 12, 1970) Number of the Company's shares owned 12,040

Reelection

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

Mar. 2000	Joined the Company	July 2018	Executive Officer, and General Manager of Financial Business Div.
July 2011	Manager of Financial Solution Dept. of SI Business Div.	Sept. 2018	Director and Executive Officer, and General Manager of Financial Business Div.
July 2015	Deputy General Manager of SI Business Div., and Manager of Financial Solution Dept.	July 2019	Director and Managing Executive Officer, and General Manager of Sales Div., and General Manager of Financial Business Div.
July 2016	Executive Officer, and General Manager of Financial Business Div. and Manager of Financial Solution Dept. IV	July 2020	Director and Managing Executive Officer, and General Manager of Sales Div.
July 2017	Executive Officer, and General Manager of Financial Business Div., and Manager of Financial Solution Dept. V	Sept. 2020	Part-time Director (current position)
		Sept. 2020	President of CIJ Next Co., Ltd. (current position)

Reasons for nomination as candidate for Director

Atsushi Kawakami has experience and achievements and a high level of insight in the Company's business, having served in important positions in the Company's Business Division and serving in important positions in the Sales Division that oversee sales for the entire Company.

On September 4, 2020, he assumed office as President of the consolidated subsidiary CIJ Next Co., Ltd. The Company has determined that he will utilize his wealth of experience and insight in further promoting Group synergies by strengthening cooperation between the companies toward further growth of the Group, and will appropriately supervise the execution of business. Therefore, the Company has nominated him as a candidate for Director.

Candidate
No.
7

Makoto Oya

(Date of birth: June 5, 1948)

Number of the Company's shares owned.....5,000

Reelection Outside Independent

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

Apr. 1972	Joined Hitachi, Ltd.	Apr. 2010	Head of Media Information Center and Library Director
Aug. 1996	General Manager of Design Department of Software Division	Sept. 2012	Outside Director of the Company (current position)
Aug. 1999	General Manager of Management Department of System Division	Apr. 2013	Dean of Graduate School of Technology of Shonan Institute of Technology
Apr. 2003	Professor of Graduate School of Information Science and Technology of Hokkaido University		
Oct. 2005	Professor of Department of Information Science of Faculty of Engineering of Shonan Institute of Technology		

Reasons for nomination as candidate for Outside Director, overview of roles expected to be performed, etc.

Makoto Oya has a high level of insight in the Company's business and a high level of expertise in the field of software development technology based on his experience as a university professor of information science.

The Company has determined that he will utilize this experience and insight and will appropriately supervise the execution of the Company's business. In addition, the Company expects that he will contribute to the realization of more transparent management by providing opinions from an independent and objective standpoint based on the viewpoints of shareholders and all other stakeholders. Therefore, the Company has nominated him as a candidate for Outside Director. If he is elected, he will provide guidance from an objective and neutral standpoint in the nomination of candidates for Directors and Audit & Supervisory Board Members and the determination of their remuneration, etc. as Chair of the Nomination and Compensation Committee.

At the conclusion of this meeting, his tenure as Outside Director of the Company will have been nine years.

Candidate
No.
8

Tsutomu Ae

Reelection Outside Independent

(Date of birth: April 25, 1943) Number of the Company's shares owned.....10,800

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

Apr. 1967	Joined Nippon Telegraph and Telephone Public Corporation	Apr. 2007	Corporate Auditor of NTTDATA CUSTOMER SERVICE Corporation
Apr. 1994	General Manager in charge of Quality Assurance Department of NTT DATA Communications Systems Corporation	June 2008	President and Representative Director of Ubiquitous Co., Ltd.
June 1994	Administrative Officer of Japan Systems Co., Ltd.	Mar. 2014	Advisor of the Company
July 1994	Managing Director	Apr. 2015	Director of Ubiquitous Co., Ltd.
June 1998	Senior Managing Director	Sept. 2015	Outside Director of the Company (current position)
June 2001	President and Representative Director	Dec. 2015	Advisor of Ubiquitous Co., Ltd.
Apr. 2006	Director and Chairman		

Reasons for nomination as candidate for Outside Director, overview of roles expected to be performed, etc.

Tsutomu Ae has a wealth of experience and achievements and a high level of insight as a corporate manager, having served in corporate management at companies in the same industry as the Company.

The Company has determined that he will utilize this experience and insight and will appropriately supervise the execution of the Company's business. In addition, the Company expects that he will contribute to the realization of more transparent management by providing opinions from an independent and objective standpoint based on the viewpoints of shareholders and all other stakeholders. Therefore, the Company has nominated him as a candidate for Outside Director. If he is elected, he will participate from an objective and neutral standpoint in the nomination of candidates for Directors and Audit & Supervisory Board Members and the determination of their remuneration, etc. as member of the Nomination and Compensation Committee.

At the conclusion of this meeting, his tenure as Outside Director of the Company will have been six years.

Candidate
No.
9

Yuji Kawashima

(Date of birth: March 4, 1956) Number of the Company's shares owned..... 0

New election **Outside** **Independent**

[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]

Apr. 1979	Joined Nippon Telegraph and Telephone Public Corporation	June 2014	President and Chief Executive Officer
Apr. 1994	General Manager in charge of Public Administration System Sector of NTT DATA Communications Systems Corporation	June 2017	CEO and President of NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.
June 2007	Senior Vice President and Senior Executive Manager of Second Public Administration System Sector of NTT DATA Corporation	June 2020	Standing Corporate Auditor of NTT DATA CUSTOMER SERVICE Corporation
June 2012	Executive Vice President and Senior Executive Manager of Regional Business Sector	June 2021	Director and Vice President of SYSTEM COORDINATE CO.,LTD. (current position)
June 2013	Representative Director and Senior Executive Vice President of NTT DATA i CORPORATION	June 2021	Outside Director of TDC SOFT Inc. (current position)

Reasons for nomination as candidate for Outside Director, overview of roles expected to be performed, etc.

Yuji Kawashima has a high level of insight regarding the Company's business and a wealth of experience and achievements as a corporate manager, having served in important positions and management at companies in the same industry as the Company. The Company has determined that he will utilize this experience and insight and will appropriately supervise the execution of the Company's business. In addition, the Company expects that he will contribute to the realization of more transparent management by providing opinions from an independent and objective standpoint based on the viewpoints of shareholders and all other stakeholders. Therefore, the Company has nominated him as a candidate for Outside Director. If he is elected, he will participate from an objective and neutral standpoint in the nomination of candidates for Directors and Audit & Supervisory Board Members and the determination of their remuneration, etc. as member of the Nomination and Compensation Committee.

- (Notes)
1. There is no special interest between any of the candidates for Director and the Company.
 2. Makoto Oya, Tsutomu Ae, and Yuji Kawashima are candidates for Outside Director.
 3. The Company has submitted notification to the Tokyo Stock Exchange, Inc. that Makoto Oya and Tsutomu Ae have been designated as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans for their designation as independent officers to continue. If the election of Yuji Kawashima is approved, the Company plans for his designation as an independent officer.
 4. The Company has entered into limited liability agreements with Makoto Oya and Tsutomu Ae to limit their liability under Article 423, paragraph (1) of the Companies Act pursuant to the Articles of Incorporation. If their reelection is approved, the Company plans to renew the aforementioned agreement with them. The limitation of liability under such agreements is the prescribed amount specified by laws and regulations. If the election of Yuji Kawashima is approved, the Company plans to enter into the same limited liability agreement with him.
 5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses that may arise from assumption of liability of the insured, including Director of the Company, incurred in the course of the performance of duties or receipt of claims pertaining to the pursuit of such liability. If each candidate is elected and assumes the office as Director, the Company plans to include every such Director as an insured in the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 2**Determination of the Maximum Amount of Remuneration for Granting Restricted Shares to Directors (excluding Outside Directors)**

At the 24th Annual General Meeting of Shareholders held on September 17, 1999, the amount of remuneration, etc. for Directors of the Company was approved up to ¥180 million or less per annum. In this proposal, the Company is requesting approval to deliver restricted shares as remuneration to Directors of the Company (excluding Outside Directors; the “eligible Directors”), for the purpose of giving incentives to eligible Directors for sustainable improvement of the Group’s corporate value, as well as raising motivation over the medium- to long-term, and further aligning their interests with those of all shareholders, separately from the abovementioned remuneration.

The total number of common shares of the Company to be issued or disposed of for eligible Directors based on this proposal shall be up to 35,000 shares or less per annum. However, if the total number of issued shares of the Company increases or decreases due to a share consolidation or share split (including gratis allotment of shares), the maximum number shall be adjusted according to the ratio.

In addition, the specific timing and allocation of payments to each eligible Director will be decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, respecting the Committee’s opinions.

At the Board of Directors meeting held on March 23, 2020, the Company established a policy for determining individual remuneration for Directors, and since said policy will continue to be considered as appropriate in the event this proposal is approved and adopted as originally proposed, there is no plan to change said policy. This proposal has necessary and rational details in order to grant individual remuneration, etc. for Directors in line with said policy, and the ratio of the total number of shares to be issued or disposed of for eligible Directors per year is 0.2% or less of total number of issued shares (as of June 30, 2021). Therefore, the Company believes that details of this proposal are appropriate.

The current number of Directors is nine (of which three are Outside Directors), and if Proposal No. 1 is approved and adopted as originally proposed, the number of Directors will be nine (of which three are Outside Directors) and the number of eligible Directors will be six.

In addition, in issuing or disposing of the Company’s common shares in accordance with this proposal, eligible Directors shall not be required to pay money, etc., and the Company shall conclude an allotment agreement for restricted shares (the “Allotment Agreement”) with eligible Directors including details below.

(1) Transfer Restriction Period

Eligible Directors shall, from the date of allocation under the Allotment Agreement to the expiration of his or her term of office (the term of office including reappointment period; the “Transfer Restriction Period”), not transfer, offer as security, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the “Allotted Shares”). These restrictions are hereinafter referred to as the “Transfer Restrictions.”

(2) Conditions for Lifting Transfer Restrictions

Provided that eligible Directors maintain the position of Director of the Company from the start date of the Transfer Restriction Period through conclusion of the Annual General Meeting of Shareholders that first arrives thereafter (the “Service Provision Period”), the Company shall lift Transfer Restrictions for all Allocated Shares upon expiration of the Transfer Restriction Period. However, notwithstanding the above provisions, if the eligible Director retires from or leaves his or her position of Director of the Company before the expiration of the Service Provision Period due to death or other justifiable reasons, Transfer Restrictions on the number of Allocated Shares and timing of lifting the Transfer Restrictions may be reasonably adjusted as necessary.

(3) Reasons for Acquisition without Contribution

If the eligible Director retires from his or her position of Director of the Company before the expiration of the Transfer Restriction Period, the Company shall rightfully acquire the Allotted Shares without contribution, unless the reason for retirement is death or other justifiable reason. In addition, the Company shall rightfully acquire the Allotted Shares for which the Transfer Restrictions have not been lifted immediately after the Transfer Restrictions have been lifted in accordance with the provisions of (2) above, without contribution.

(4) Treatment for Reorganizations, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement whereby the Company becomes the absorbed company, or a shares exchange agreement whereby the Company becomes a wholly owned subsidiary, or other matter relating to reorganization, etc. such as a share transfer plan is approved at the Company's General Meeting of Shareholder (or at a the Company's Board of Directors meeting in cases where approval at the Company's General Meeting of Shareholders is not required regarding the reorganization, etc.), by resolution of the Company's Board of Directors, the Transfer Restriction Period can be lifted prior to the effective date of the reorganization for the number of Allotted Shares reasonably determined in consideration of the period from the start date of the Transfer Restriction Period until the approval date of said reorganization, etc. In addition, in the case described above, the Company shall rightfully acquire the Allotted Shares for which the Transfer Restrictions have not been lifted immediately after the Transfer Restrictions have been lifted, without contribution.

(5) Other Matters

Other matters related to the Allocation Agreement shall be determined by the Company's Board of Directors.