

Translation:

Please note that the following purports to be a translation from the Japanese original Notice of the 16th Annual General Shareholders Meeting of TIS Inc. prepared for the convenience of shareholders outside Japan with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Securities Code: 3626)

Date of sending by postal mail: June 3, 2024

Start date of measures for electronic provision: May 18, 2024

To Our Shareholders:

TIS Inc.

17-1, Nishi-shinjuku 8-chome, Shinjuku-ku, Tokyo
President and Representative Director: Yasushi Okamoto

Notice of the 16th Annual General Meeting of Shareholders

We are pleased to invite you to attend the 16th Annual General Meeting of Shareholders of TIS Inc. (the “Company”) to be held as described below.

In convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of Reference Materials for the Meeting, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of the 16th Annual General Meeting of Shareholders” on each of the websites of the Company below. Please access any of the websites to review the information.

[Company website]

https://www.tis.co.jp/ir/stock/general_meeting/index.html (in Japanese)

The matters, for which measures for providing information in electronic format are to be taken, are also posted on the website of the Tokyo Stock Exchange (TSE). Please check below;

[Tokyo Stock Exchange website (TSE Listed Company Search)]

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

(Please access the TSE website indicated above, enter “TIS” into the “Issue name (company name)” field or the Company’s securities code “3626” into the “Code” field, and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and refer to the information from the “Notice of the General Meeting of Shareholders/Informational Materials for a General Shareholders Meeting” column in “Filed information available for public inspection.”)

If you do not attend the meeting, you can exercise your voting rights via the Internet or in writing as described on the next page. Please review the “Reference Materials for the General Meeting of Shareholders” below to exercise your voting rights no later than 5:30 p.m. JST on Monday, June 24, 2024.

Schedule of the Annual General Meeting of Shareholders

1. Date & Time Tuesday, June 25, 2024 at 10 a.m. JST

2. Place Meeting room on the 1st floor of the Bellesalle Shinjuku Ground
17-3, Nishi-shinjuku 8-chome, Shinjuku-ku, Tokyo

3. Agenda:

Matters for Report:

1. Business Report, Consolidated Financial Statements and Accounting Auditor’s Report and the Audit & Supervisory Board’s Report on the Audit of the Consolidated Financial Statements for the 16th Fiscal Year of the Company (from April 1, 2023 to March 31, 2024)
2. Non-Consolidated Financial Statements for the 16th Fiscal Year of the Company (from April 1, 2023 to March 31, 2024)

Matters for Approval:

Proposition No. 1: Appropriation of Retained Earnings

Proposition No. 2: Election of Nine (9) Directors

Proposition No. 3: Election of Four (4) Audit & Supervisory Board Members

Proposition No. 4: Revision of Remuneration for Directors and Audit & Supervisory Board Members

Proposition No. 5: Amendment to Amount and Details of Performance-linked Stock Incentive Plan for Directors, etc.

4. Exercising Voting Rights

If you are unable to attend the meeting, you may exercise your voting rights by means of either of the methods described below.

[Exercising Voting Rights via Internet, etc.]

Please check the description entitled “Guidance for the Exercise of Voting Rights via the Internet, etc.” access the designated site for exercising your voting rights (<https://evote.tr.mufg.jp/>; available only in Japanese), and indicate your approval or disapproval of each of the items no later than 5:30 p.m. JST on Monday, June 24, 2024. (The English translation of the “Guidance” is intentionally omitted as the Internet voting service is only available in Japan in the Japanese language.)

[Exercising Voting Rights via Mail]

Please indicate your approval or disapproval for the propositions below on the enclosed form, and return the form to the Company no later than 5:30 p.m. JST on Monday, June 24, 2024.

Other information regarding the notice

- * Of the matters for which measures for providing information in electronic format are to be taken, the following matters are not included in the documents to be delivered to shareholders, who have requested to have the documents delivered, in accordance with the provisions of the laws and regulations and Article 16 of the Company’s Articles of Incorporation, but are posted on each of the websites on the Internet as “Notice of the 16th Annual General Meeting of Shareholders (Matters not stated in the documents to be delivered).”
 - (1) “Organizational Design to Ensure Appropriateness of Business Operations and State of Implementation of the Same” in the Business Report
 - (2) Notes to Consolidated Financial Statements
 - (3) Notes to Non-Consolidated Financial Statements
- * The business report audited by Audit & Supervisory Board members consists of the “Notice of the 16th Annual General Meeting of Shareholders” posted on each of the websites on the Internet and (1) above. The consolidated financial statements and non-consolidated financial statements audited by the financial auditor and Audit & Supervisory Board members consist of the “Notice of the 16th Annual General Meeting of Shareholders” posted on each of the websites on the Internet and each of the documents described in (2) and (3) above.
- * If any revision is made to the matters for which measures for providing information in electronic format are to be taken, the matters before and after the revision will be posted on each of the websites on the Internet.

Reference Materials for the General Meeting of Shareholders

Propositions and Reference Matters

Proposition No. 1: Appropriation of Retained Earnings

The Company recognizes returns to shareholders as an important management issue and strives for a sustainable and stable dividend payout in consideration of consolidated business performance while maintaining a level of retained earnings appropriate for business development over a mid- to long-term management perspective.

Based on this policy, in regard to the Medium-term Management Plan (Fiscal 2021 to Fiscal 2023), the Company is raising our total return ratio target from 40% to 45% and has a policy to continually enhance the dividend per share, while balancing the promotion of investment for growth, the maintenance of fiscal health and the strengthening of shareholder returns. In order to continually enhance the return of profits to shareholders, the Company believes it is desirable to return to shareholders based on profits from business activities that are not affected by one-off profits.

In regard to the year-end dividend, as earnings growth in this fiscal year is above the plan, we would like to propose raising the year-end dividend from the original plan of 36 yen per share by 3 yen per share to 39 yen per share as follows; combined with the interim dividend, which has already been paid out, this will bring the annual dividend to 56 yen per share.

- (1) Dividend Types
Cash dividend
- (2) Allotment of Dividend and Total Amount of Dividends
39 yen per common share of the Company
Total payment: 9,213,054,903 yen
- (3) Effective Date for the Payment of Dividend from Retained Earnings
June 26, 2024

Moreover, an acquisition of treasury shares worth approx. 28,600 million yen in aggregate conducted during the fiscal year under review brought our consolidated total return ratio to 85.8% for the aforementioned year. However, a consolidated total return ratio calculated with the exclusion of an acquisition of treasury shares worth approx. 22,400 million yen, done according to the business corporation shareholders' intention to sell, in addition to the above-mentioned interpretation of the Company, is 44.9%, in line with our basic policy.

(Reference) Transition of annual dividends, etc. per share

Category	13th Fiscal Year Fiscal year ended March 31, 2021	14th Fiscal Year Fiscal year ended March 31, 2022	15th Fiscal Year Fiscal year ended March 31, 2023	16th Fiscal year (fiscal year under review) Fiscal year ended March 31, 2024
Annual dividend per share (yen)	35	44	50	56
Annual dividends paid (Millions of yen)	8,823	11,051	12,167	13,314
Payout ratio (%)	31.9	27.9	22.0	27.5
Total return ratio (%)	42.8	39.3	76.0	85.8

Proposition No. 2: Election of Nine (9) Directors

The term of office of all nine (9) current Directors will expire at the close of this Annual General Meeting of Shareholders.

To ensure an effective corporate governance structure toward sustainable growth and medium- to long-term increase in corporate value, the Board of Directors is composed of Directors with abundant management experience, high insight, and varied and highly specialized skills and capabilities. To enhance the supervisory function of the Board of Directors, the Company also elects 1/3 or more of all the Directors from persons who fulfill the Company's Criteria Concerning Independent Officers.

Accordingly, we would like to propose that nine (9) Directors including three (3) External Directors be elected. The Skills Matrix of the candidates for Directors is as described on page 23-24.

List of candidates for Directors

Candidate No.	Name of Candidates for Directors	Current Position and Responsibility at the Company	Rate of Attendance at the Board Meeting (Number of Attendances)
1	Toru Kuwano (Reappointed)	Chairman and Director	100% (Attended all 19 meetings)
2	Yasushi Okamoto (Reappointed)	President and Representative Director In charge of the Audit Department	100% (Attended all 19 meetings)
3	Josaku Yanai (Reappointed)	Representative Director, Executive Vice President In charge of Financial Industry SBU, Industries & Public Solutions SBU, Digital Innovation SBU, Enterprise Consulting SBU, IT Platform SBU, Business Innovation Div., Social Innovation Div., Global Div., Division Director of Social Innovation Div., Business SBU and Division Director of Global Div., Business SBU	100% (Attended all 19 meetings)
4	Shinichi Horiguchi (Reappointed)	Representative Director, Executive Vice President In charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, Technology & Innovation SBU, System Development & Quality Management Innovation SBU, Corporate Digital Transformation Promotion SBU	100% (Attended all 14 meetings)
5	Takayuki Kitaoka (Reappointed)	Director	100% (Attended all 19 meetings)
6	Shuzo Hikida (Reappointed)	Director	100% (Attended all 14 meetings)
7	Fumio Tsuchiya (Reappointed, external, independent)	Director (External Director)	100% (Attended all 19 meetings)
8	Naoko Mizukoshi (Reappointed, external, independent)	Director (External Director)	100% (Attended all 19 meetings)
9	Junko Sunaga (Newly appointed, external, independent)	Director (External Director)	—

(Notes) 1. "Reappointed" refers to candidates reappointed as Directors, "Newly appointed" refers to candidates newly appointed as Directors, "External" refers to candidates for external Directors, and "Independent" refers to directors for which a notice has been filed with the Tokyo Stock Exchange stating that they are Independent Officers.

2. The meetings of the Board of Directors, which were held after their appointment on June 23, 2023 are included in the scope of the status of attendance of Messrs. Shinichi Horiguchi and Shuzo Hikida at meetings of the Board of Directors.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
1	Toru Kuwano (May 3, 1952) <Reappointment Candidate> <Number of Years in Office> 11 years	<p>April 1976 Joined Toyo Information Systems Co., Ltd. *1</p> <p>June 2000 Director of Toyo Information Systems Co., Ltd.</p> <p>April 2004 Executive Director of TIS Inc.</p> <p>April 2008 Executive Managing Director of TIS Inc.</p> <p>April 2010 Executive Vice President and Representative Director of TIS Inc.</p> <p>April 2011 President and Representative Director of TIS Inc.</p> <p>April 2013 Chairman, President and Representative Director of TIS Inc.</p> <p>June 2013 Chairman, President and Representative Director of TIS Inc. Director of the Company *2</p> <p>June 2016 Chairman, President and Representative Director of TIS Inc. President and Representative Director of the Company</p> <p>July 2016 President and Representative Director of the Company, in charge of Auditing Dept.</p> <p>June 2018 Chairman, President and Representative Director of the Company, in charge of Auditing Dept.</p> <p>April 2021 Chairman and Director of the Company (to the present)</p>	174,200 shares

Reasons for the Selection of Candidate for Director

After assuming the office of President and Representative Director of the Group company, Toru Kuwano was appointed as a Director of the Company in June 2013 and President and Representative Director in June 2016. Since April 2021, he has assumed the office of Chairman and Director of the Company. He has a wealth of experience and knowledge about the Company's and its Group's business, as well as in business administration.

Since April 2021, he has also assumed the position of Chairman and Director as a non-executive Director, in order to realize fair management supervision. He has promoted a stronger and more effective corporate governance structure and worked toward the sustainable growth and increase in the medium- to long-term corporate value of the Company. He is nominated as a candidate for Director since he is highly expected to continue to fulfill the duties of significant decision-making for the Company's Group as well as the administration and oversight of business management.

*1. Toyo Information Systems Co., Ltd. changed its trade name to TIS Inc. on January 1, 2001.

*2. As of June 2013, the Company's trade name was IT Holdings Corporation.

Effective as of July 1, 2016, an absorption-style merger took effect with the Company (formerly IT Holdings Corporation) being the surviving company and TIS Inc., the Company's wholly-owned subsidiary, being the absorbed company. With the merger, the trade name of the Company was changed from IT Holdings Corporation to TIS Inc.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
2	Yasushi Okamoto (March 3, 1962) <Reappointment Candidate> <Number of Years in Office> 6 years	<p>April 1985 Joined Toyo Information Systems Co., Ltd. *1</p> <p>April 2010 Managing Executive Officer, Department Manager of Corporate Planning and Management Department of SORUN CORPORATION *2</p> <p>April 2011 Executive Officer, Department Manager of Corporate Planning & Control Dept. of TIS Inc. *2</p> <p>October 2011 Executive Officer, Department Manager of Corporate Planning & Control Dept. and Section Manager of Global Business Planning Office of TIS Inc.</p> <p>January 2012 Executive Officer, Department Manager of Corporate Planning & Control Dept. and Section Manager of Global Business Planning Office of TIS Inc. Managing Director of TISI (Singapore) Pte. Ltd.</p> <p>April 2013 Managing Executive Officer, Division Manager of IT Solutions Services SBU of TIS Inc.</p> <p>April 2016 Senior Managing Executive Officer, Division Manager of Industries & Solutions SBU of TIS Inc.</p> <p>July 2016 Senior Managing Executive Officer, Division Manager of Industries & Solutions SBU of the Company *3</p> <p>April 2017 Senior Managing Executive Officer, in charge of Industries & Solutions SBU, Business Innovation Div., Division Manager of Business Innovation Div. of the Company</p> <p>April 2018 Senior Managing Executive Officer, Sector Director of Service Strategy Sector of the Company</p> <p>June 2018 Director, Senior Managing Executive Officer, Sector Director of Service Strategy Sector of the Company</p> <p>April 2020 Director, Executive Vice President, Sector Director of Service Strategy Sector of the Company</p> <p>April 2021 President and Representative Director of the Company, in charge of Auditing Dept. (to the present)</p>	58,756 shares

Reasons for the Selection of Candidate for Director

Yasushi Okamoto served as Senior Managing Executive Officer and Division Manager of the planning and development department of industrial systems from July 2016, and as Director from June 2018, after having been engaged in corporate business in the corporate planning department of the Company for many years. He was appointed to the office of President and Representative Director in April 2021. Based on these experiences, he is a person who can exert leadership to further promote the sustainable growth and increase in corporate value of the Group through the steady implementation of the new Medium-Term Management Plan (2024-2026). He is nominated as a candidate for Director since he is highly expected to fulfill the duties of significant decision-making for the Group and oversight of business management.

*1. Toyo Information Systems Co., Ltd. changed its trade name to TIS Inc. on January 1, 2001.

*2. Effective as of April 1, 2011, a merger took effect with TIS Inc., the Company's wholly-owned subsidiary, being the surviving company and UFIT Co., Ltd., and SORUN CORPORATION being the absorbed companies.

*3. Effective as of July 1, 2016, an absorption-style merger took effect with the Company (formerly IT Holdings Corporation) being the surviving company and TIS Inc., the Company's wholly-owned subsidiary, being the absorbed company. With the merger, the trade name of the Company was changed from IT Holdings Corporation to TIS Inc.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
3	Josaku Yanai (November 14, 1963) <Reappointment Candidate> <Number of Years in Office> 8 years	<p>April 1987 Joined The Long-Term Credit Bank of Japan, Limited</p> <p>January 2000 Joined Toyo Information Systems Co., Ltd. *1</p> <p>April 2009 Executive Officer, Department Manager of Corporate Planning & Control Dept., Corporate Planning & Control Div. of TIS Inc.</p> <p>April 2011 Executive Officer, Division Manager of Corporate Planning Division of the Company *2</p> <p>May 2015 Managing Executive Officer, Division Manager of Corporate Planning Division of the Company</p> <p>June 2016 Director, Managing Executive Officer and Division Manager of Corporate Planning SBU of the Company</p> <p>July 2016 Director, Managing Executive Officer, in charge of Corporate Planning SBU and Corporate Management SBU and Division Manager of Corporate Planning SBU of the Company</p> <p>April 2018 Director, Senior Managing Executive Officer and Sector Director of Industry Strategy Sector of the Company</p> <p>April 2020 Director, Executive Vice President and Sector Director of Industry Strategy Sector of the Company</p> <p>April 2021 Representative Director, Executive Vice President, in charge of Financial Industry SBU, Industries & Public Solutions SBU, Digital Transformation Business Unit, Enterprise Business Unit, Business Innovation Unit, Digital Society Service Planning Unit, IT Platform SBU, and Global Div., and Director of Global Div. of the Company</p> <p>April 2022 Representative Director, Executive Vice President, in charge of Digital Transformation Promotion SBU, Financial Industry SBU, Industries & Public Solutions SBU, Digital Transformation Business Unit, Enterprise Consulting Business Unit, IT Platform SBU, Business Innovation Unit, Digital Society Service Planning Unit, and Global Div., and Director of Global Div. of the Company</p> <p>April 2024 Representative Director, Executive Vice President, in charge of Financial Industry SBU, Industries & Public Solutions SBU, Digital Innovation SBU, Enterprise Consulting SBU, IT Platform SBU, Business Innovation Div., Social Innovation Div., Global Div., Division Director of Social Innovation Div., Business SBU and Division Director of Global Div., Business SBU of the Company (to the present)</p>	61,900 shares

Reasons for the Selection of Candidate for Director

Josaku Yanai was mainly engaged in the corporate section in the corporate planning department of the Company and its Group company for many years. He assumed the office of Executive Officer and Division Manager of corporate planning division of the Company in April 2011. He became a Director of the Company in June 2016 and a Representative Director in April 2021. He has a wealth of experience and knowledge about the business of the Company and its Group, as well as in business administration. Based on these experiences, he is nominated as a candidate for Director since he is highly expected to further promote the sustainable growth and increase in corporate value of the Group through the steady implementation of the new Medium-Term Management Plan (2024-2026) and fulfill the duties of significant decision-making for the Group and the administration and oversight of business management.

*1. Toyo Information Systems Co., Ltd. changed its trade name to TIS Inc. on January 1, 2001.

*2. As of April 2011, the Company's trade name was IT Holdings Corporation.

Effective as of July 1, 2016, an absorption-style merger took effect with the Company (formerly IT Holdings Corporation) being the surviving company and TIS Inc., the Company's wholly-owned subsidiary, being the absorbed company. With the merger, the trade name of the Company was changed from IT Holdings Corporation to TIS Inc.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
4	<p data-bbox="316 1021 517 1081">Shinichi Horiguchi (June 23, 1962)</p> <p data-bbox="268 1111 564 1137"><Reappointment Candidate></p> <p data-bbox="268 1167 564 1227"><Number of Years in Office> 1 year</p>	<p data-bbox="632 230 1366 257">April 1987 Joined Toyo Information Systems Co., Ltd. *1</p> <p data-bbox="632 271 1366 383">December 2002 Department Manager of the Business System Operation Development Department of the Finance / Card Division No. 1 of Toyo Information Systems Co., Ltd.</p> <p data-bbox="632 396 1366 479">November 2006 General Manager, Card Solutions Department. No. 6, Card Division No. 2 of Toyo Information Systems Co., Ltd.</p> <p data-bbox="632 492 1366 575">April 2009 General Manager, Human Resources Department, Planning Division of Toyo Information Systems Co., Ltd.</p> <p data-bbox="632 589 1366 649">April 2012 General Manager, Planning Department, Corporate Division of Toyo Information Systems Co., Ltd.</p> <p data-bbox="632 663 1366 745">April 2013 Executive Officer and Division Manager of the Credit Platform Division of the Financial Industry SBU No. 1 of Toyo Information Systems Co., Ltd.</p> <p data-bbox="632 759 1366 871">October 2016 Executive Officer and Deputy General Manager of the Financial Industry SBU and Division Manager of the Credit Platform Division of the Financial Industry SBU of the Company (*2)</p> <p data-bbox="632 884 1366 996">April 2017 Managing Executive Officer and General Manager of the Financial Industry SBU and Division Manager of the Credit Platform Division of the Financial Industry SBU of the Company</p> <p data-bbox="632 1010 1366 1115">April 2018 Managing Executive Officer and General Manager of the Financial Industry SBU of the Industry Strategy Sector of the Company</p> <p data-bbox="632 1128 1366 1240">April 2020 Senior Managing Executive Officer and officer in charge of Financial Industry SBU of the Industry Strategy Sector and General Manager of the Financial Industry SBU of the Industry Strategy Sector of the Company</p> <p data-bbox="632 1254 1366 1314">April 2021 Senior Managing Executive Officer, General Manager of the Financial Industry SBU</p> <p data-bbox="632 1328 1366 1411">April 2022 Senior Managing Executive Officer, General Manager of the Financial Industry SBU and General Manager of the IT Platform SBU of the Company</p> <p data-bbox="632 1424 1366 1597">April 2023 Senior Managing Executive Officer in charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, Technology & Innovation SBU, System Development & Quality Management Innovation SBU, General Manager of the IT Platform SBU of the Company</p> <p data-bbox="632 1610 1366 1805">June 2023 Director, Senior Managing Executive Officer, in charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, Technology & Innovation SBU, System Development & Quality Management Innovation SBU, Division Director of the IT Platform SBU of the Company</p> <p data-bbox="632 1818 1366 2016">April 2024 Representative Director, Executive Vice President, in charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, Technology & Innovation SBU, System Development & Quality Management Innovation SBU, Corporate Digital Transformation Promotion SBU of the Company (to the present)</p>	25,419 shares

Reasons for the Selection of Candidate for Director

Shinichi Horiguchi has been engaged in finance/credit card business for many years, has been promoting corporate business operations at the Human Resources Department and Corporate Planning Department since April 2009, and has served as General Manager of the Financial Systems Planning and Development Department for financial systems as Managing Executive Officer of the Company since April 2017. He was appointed to the office of Director in June 2023 and the office of Representative Director in April 2024. Based on these experiences, he is nominated as a candidate for Director since he is highly expected to promote the new Medium-Term Management Plan (2024-2026), and fulfill the duties of significant decision-making for the Group and the oversight of business management.

- *1. Toyo Information Systems Co., Ltd. changed its trade name to TIS Inc. on January 1, 2001.
- *2. Effective as of July 1, 2016, an absorption-style merger took effect with the Company (formerly IT Holdings Corporation) being the surviving company and TIS Inc., the Company's wholly-owned subsidiary, being the absorbed company. With the merger, the trade name of the Company was changed from IT Holdings Corporation to TIS Inc.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
5	Takayuki Kitaoka (December 14, 1960) <Reappointment Candidate> <Number of Years in Office> 6 years	<p>April 1984 Joined INTEC Inc.</p> <p>January 2005 General Manager of Product Solutions Marketing Dept. of INTEC Inc.</p> <p>April 2008 Manager of N&O Business Promotion Dept. of INTEC Inc.</p> <p>April 2012 Manager of Corporate Planning Department of the Company *1</p> <p>April 2015 General Manager of BPO Division of INTEC Inc.</p> <p>April 2016 Executive Officer, General Manager of Corporate Planning Division of INTEC Inc.</p> <p>April 2017 Managing Executive Officer, General Manager of Corporate Planning Division of INTEC Inc.</p> <p>April 2018 President and Representative Director of INTEC Inc.</p> <p>June 2018 Director of the Company (to the present)</p> <p>April 2024 Executive Chairman and Director, INTEC Inc. (to the present)</p> <p>(Other Important Concurrent Positions) Chairman of Telecom Services Association</p>	19,362 shares

Reasons for the Selection of Candidate for Director

Takayuki Kitaoka was engaged in business related to IT infrastructure of INTEC Inc., the Company's major subsidiary, and served in management administration of the Group companies at the Company for three years from April 2012. Furthermore, he has assumed the office of President and Representative Director of INTEC Inc. since April 2018, the office of Executive Chairman and Director of the said company since April 2024, and the office of Director of the Company since June 2018. He is nominated as a candidate for Director since he is highly expected to continue to fulfill the duties of significant decision-making for the Group and the administration and oversight of business management under the new Medium-Term Management Plan (2024-2026), based on the above experiences and from the viewpoint of Group management.

- *1. As of April 2012, the Company's trade name was IT Holdings Corporation.
Effective as of July 1, 2016, an absorption-style merger took effect with the Company (formerly IT Holdings Corporation) being the surviving company and TIS Inc., the Company's wholly-owned subsidiary, being the absorbed company. With the merger, the trade name of the Company was changed from IT Holdings Corporation to TIS Inc.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
6	Shuzo Hikida (October 24, 1964) <Reappointment Candidate> <Number of Years in Office> 1 year	<p>April 1988 Joined INTEC Inc.</p> <p>June 2007 General Manager, Sales Department No. 1, Western Japan Region Division of INTEC Inc.</p> <p>April 2015 Deputy General Manager, Network & Outsourcing Division and General Manager, N&O Business Promotion Division of INTEC Inc.</p> <p>April 2018 Executive Officer, Deputy General Manager of the Metropolitan Industry SBU and Department manager of the MCI Sales Department of INTEC Inc.</p> <p>April 2019 Managing Executive Officer, General Manager of the Industry SBU of INTEC Inc.</p> <p>May 2019 Managing Executive Officer and General Manager of the Network & Outsourcing SBU of INTEC Inc.</p> <p>April 2021 Senior Managing Executive Officer, in charge of the Distribution Service SBU and Network & Outsourcing SBU, and General Manager of the Network & Outsourcing SBU of INTEC Inc.</p> <p>April 2022 Senior Managing Executive Officer in charge of the Distribution Service SBU, the Network & Outsourcing SBU and the Central / West Japan Industry SBU, and General Manager of the Network & Outsourcing SBU of INTEC Inc.</p> <p>April 2023 Director and Executive Vice President in charge of the MCF Operation Department, Network & Outsourcing Division, East Regional Control Headquarters and General Manager of Special Project Management Office of INTEC Inc.</p> <p>June 2023 Director of the Company (to the present) Director and Executive Vice President in charge of the MCF Operation Department, Network & Outsourcing Division, East Regional Control Headquarters and General Manager of Special Project Management Office of INTEC Inc.</p> <p>April 2024 President and Representative Director of INTEC Inc. (to the present)</p>	4,400 shares

Reasons for the Selection of Candidate for Director

Shuzo Hikida is engaged in business activity to create strategic informatization directly connected to business strategy of top-class companies in the industry at INTEC Inc., one of our major group companies, to establish the revenue base of the network & outsourcing business operation and create new services. Also, he was appointed as director and executive vice president of the said company in April 2023 and as President and Representative Director of the said company in April 2024. He is nominated as a candidate for Director since he is highly expected to promote the new Medium-Term Management Plan (2024-2026) at the said company to play a sufficient role in supervision of decision-making on significant matters and the oversight of execution of business management for the Group based on his experiences.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
7	Fumio Tsuchiya (May 10, 1948) <Reappointment Candidate> <u>External Director Candidate</u> <u>Independent Officer Candidate</u> <Number of Years in Office> 7 years	<p>July 1971 Joined Japan Airlines Co., Ltd.</p> <p>July 1995 Regional Manager of Madrid Branch of Japan Airlines Co., Ltd.</p> <p>May 1999 Director and Section Manager of Personnel & Corporate Planning Section of JAL Hotels Co., Ltd. (currently Okura Nikko Hotel Management Co., Ltd.)</p> <p>April 2001 Manager of Corporate Planning Section of Japan Airlines Co., Ltd.</p> <p>October 2002 Executive Officer, Deputy Section Manager of Corporate Planning Section of Japan Airlines System, Inc. (currently Japan Airlines Co., Ltd.)</p> <p>April 2004 Executive Officer and Section Manager of Corporate Planning Section of Japan Airlines System, Inc.</p> <p>June 2004 Director and Section Manager of Corporate Planning Section of Japan Airlines Corporation (currently Japan Airlines Co., Ltd.)</p> <p>April 2006 Managing Director, in charge of PR & IR, Legal Affairs and General Affairs of Japan Airlines Co., Ltd.</p> <p>June 2007 President & CEO of JALCard, Inc.</p> <p>June 2010 Retired from JALCard, Inc.</p> <p>August 2010 Section Manager of Internal Auditing Office of Faith, Inc.</p> <p>June 2011 Full-time Audit & Supervisory Board Member of Faith, Inc.</p> <p>June 2017 External Director of the Company (to the present)</p>	—

Reasons for the Selection of Candidate for External Director and Expected Role

Fumio Tsuchiya previously worked in an important position in overseas offices and the Corporate Planning Department of Japan Airlines Co., Ltd. (“JAL”). After having assumed the office of Director of JAL in June 2004, he served as Managing Director and was thereafter appointed as President & CEO of JALCard, Inc. in June 2007, which is a group company of JAL. He has a wide range of experience and a wealth of expertise in corporate management.

Since assuming the office of External Director of the Company in June 2017, he has given advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company’s business to ensure that the decisions to be made by the Company’s Board of Directors will be reasonable and appropriate.

Since June 2023, he has acted as Chairperson of the Nomination and Remuneration Committees which are voluntary advisory bodies to the Board of Directors, and fulfills an important role in the deliberation and advice to the Board of Directors on the nomination and remuneration of directors, etc. in response to the consultation of the Board of Directors. He is highly expected to be a person who will continue to contribute to the increase in corporate value and enhancement of corporate governance of the Company. Therefore, we have nominated him as a candidate for external director.

Items Pertaining to Independence

While the Company has business transactions with JALCard, Inc. (“JALCard”), which Mr. Tsuchiya belonged to until June 2010, JALCard’s consolidated sales to the Company represent 0.2% and 0.3% of the Company’s consolidated and non-consolidated sales, respectively. Because Mr. Tsuchiya satisfies the requirements of the “Criteria Concerning Independence of External Officers of the Company” and the proportion of sales is minimal, we have determined that his independence as an External Director is sufficiently secured.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
8	<p style="text-align: center;">Naoko Mizukoshi (September 23, 1967)</p> <p style="text-align: center;"><Reappointment Candidate> <u>External Director Candidate</u> <u>Independent Officer Candidate</u></p> <p style="text-align: center;"><Number of Years in Office> 6 years</p>	<p>April 1993 Entered the Legal Training and Research Institute of Supreme Court of Japan</p> <p>April 1995 Registered as a lawyer with Osaka Bar Association Joined Miyazaki Sogo Law Office (currently Legal Professional Corporation Miyazaki Sogo Law Office)</p> <p>April 1998 Registered as a lawyer with Yokohama Bar Association (currently Kanagawa Bar Association) Joined Legal Department of Nomura Research Institute, Ltd.</p> <p>September 1999 Registered as a lawyer with Daini Tokyo Bar Association Joined Legal Department of Autodesk, Ltd.</p> <p>September 2002 Legal Affair Division, Microsoft Corporation (currently Japan Microsoft Corporation) Qualified as a lawyer in the state of California</p> <p>November 2006 Joined TMI Associates</p> <p>January 2008 Partner of TMI Associates (resigned February 2010)</p> <p>March 2010 Founded Endeavour Law Office Partner of Endeavour Law Office</p> <p>June 2018 External Director of the Company (to the present) Partner of Endeavour Law Office (resigned December 2018)</p> <p>December 2018 Partner of Leftright Law & IP (to the present)</p> <p>(Other Important Concurrent Positions) External Director of Nabtesco Corporation</p>	1,700 shares
<p>Reasons for the Selection of Candidate for External Director and Expected Role Naoko Mizukoshi is a qualified lawyer and has a wealth of professional knowledge of, and experiences in, intellectual property, ICT and international transactions. Since assuming the office of External Director of the Company in June 2018, she has given advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company's business to ensure that the decisions to be made by the Company's Board of Directors will be reasonable and appropriate. She is highly expected to be a person who will continue to contribute to the increase in corporate value and enhancement of the corporate governance of the Company. Moreover, although she has not participated in corporate management in any manner other than as an External Director, she has expertise in corporate legal works. Therefore, she is nominated as a candidate for External Director since she could discharge duly the duties of External Director.</p> <p>Items Pertaining to Independence There is no business relationship between the Company and Leftright Law & IP to which Ms. Mizukoshi currently belongs. She fulfills the "Criteria Concerning Independence of External Officers of the Company" and the Company believes that she has no conflict of interest with any shareholders.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Responsibility at the Company and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
9	Junko Sunaga (September 25, 1960) <Newly Appointed> <u>External Director Candidate</u> <u>Independent Officer Candidate</u> <Number of Years in Office> -	<p>April 1983 Joined NEC Corporation</p> <p>January 1993 Seconded to NEC Electronics Inc.</p> <p>April 1996 Returned to NEC Corporation</p> <p>March 1997 Retired from NEC Corporation</p> <p>April 1997 Joined and Product Marketing Manager of Qualcomm International Japan (currently Qualcomm Japan, LLC)</p> <p>April 1998 Qualcomm Japan, Inc. (currently Qualcomm Japan, LLC) (Corporate registration)</p> <p>May 2005 Director of Qualcomm Japan, Inc.</p> <p>November 2008 Senior Director of Qualcomm Japan, Inc.</p> <p>June 2016 Vice President of Qualcomm Japan, Inc. Vice President of Qualcomm Inc.</p> <p>April 2018 President and Representative Director of Qualcomm Japan, Inc. (currently Qualcomm Japan, LLC) President and Representative Director of Qualcomm CDMA Technologies GmbH Vice President of Qualcomm Inc.</p> <p>September 2018 Representative and President of Qualcomm Japan, LLC President and Representative Director of Qualcomm CDMA Technologies GmbH Vice President of Qualcomm Inc.</p> <p>June 2021 Representative and President of Qualcomm Japan, LLC President and Representative Director of Qualcomm CDMA Technologies GmbH Vice President of Qualcomm Inc. Outside Director of IWASAKI ELECTRIC CO., LTD. (resigned June 2023)</p> <p>June 2023 Advisory Chairman of Qualcomm Japan, LLC (to the present) (scheduled to resign June 4, 2024)</p> <p>(Other Important Concurrent Positions) Outside Director of KYOCERA Corporation (scheduled to be appointed June 25, 2024)</p>	-

Reasons for the Selection of Candidate for External Director and Expected Role

Junko Sunaga has worked in the semiconductor business, with a focus on mobile phones, and in April 1997 joined the Japan arm of Qualcomm (USA), a leading company in the mobile communications industry, as its first employee. Since April 2018, she has been President and Representative Director of Qualcomm Japan, Inc., where she has achieved successful results in expanding the domestic semiconductor business. She is nominated as a candidate for External Director based on the belief that she will contribute to the enhancement of the corporate governance of the Company by utilizing these experiences and expertise in the Company's business and by giving advice and suggestions from an independent perspective to ensure that the decisions to be made by the Company's Board of Directors will be reasonable and appropriate.

Items Pertaining to Independence

There is no business relationship between the Company and the Qualcomm group to which Ms. Sunaga currently belongs. She fulfills the "Criteria Concerning Independence of External Officers of the Company" and the Company believes that she has no conflict of interest with any shareholders.

(Notes)

- None of the Director candidates above has any special interest with the Company.
- Mr. Fumio Tsuchiya, Mses. Naoko Mizukoshi and Junko Sunaga are candidates for External Directors as set forth under Item 7, Paragraph 3, Article 2 of the Regulations for the Enforcement of the Companies Act. Furthermore, in accordance with the procedures, the Company has designated Mr. Fumio Tsuchiya and Ms. Naoko Mizukoshi as Independent Officers and filed a notice accordingly with the Tokyo Stock Exchange. If the re-election of Mr. Fumio Tsuchiya and Ms. Naoko Mizukoshi is approved, the Company will renew this filing. As for Junko Sunaga, new candidate for External Director, she also meets the independence criteria of the Company. If she is elected as External Director by shareholders' approval, the Company will file her status as an independent officer with the Tokyo Stock Exchange. The Company's independence criteria of External Officers are described on page 25.

3. So that External Directors may fully fulfill their expected roles, the Company has entered into an agreement with Mr. Fumio Tsuchiya and Ms. Naoko Mizukoshi to limit their liability for damages as outlined under Paragraph 1, Article 423 of the Companies Act in accordance with Paragraph 1, Article 427 of the Companies Act and Article 32 of the Articles of Incorporation, thus the maximum amount of liability under said agreement is the minimum liability amount as provided in laws and regulations. If their reappointment is approved at this Annual General Meeting of Shareholders, the Company will renew the agreement with them.
Additionally, if Junko Sunaga is elected, the Company will enter into the same agreement with her.
4. The Company has entered into an indemnification agreement with each of its directors as provided for in Paragraph 1, Article 430-2 of the Companies Act, under which the Company will compensate for expenses under Item 1 and losses under Item 2 of the same paragraph to the extent permitted by law.
Furthermore, the Company takes measures to ensure that the appropriateness of the performance of duties by Company officers is not undermined, such as excluding officers from indemnification if the Company pursues liability against them in the event that damage is caused by malice or gross negligence in the performance of their duties.
If the re-election of Director candidates Mr. Toru Kuwano, Mr. Yasushi Okamoto, Mr. Josaku Yanai, Mr. Shinichi Horiguchi, Mr. Takayuki Kitaoka, Mr. Shuzo Hikida, Mr. Fumio Tsuchiya and Ms. Naoko Mizukoshi is approved at this General Meeting, the Company will renew this agreement. Furthermore, if the election of Director candidate Ms. Junko Sunaga is approved, the Company will enter into this same agreement with her as well.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. In the event of a claim for damages due to an action (including in-action) by the insured as part of their duties as officers etc., damages including compensation for damages and legal expenses to be borne by the insured shall be compensated under the said insurance agreement. (Damages, etc., incurred by officers themselves, who have conducted a criminal act such as bribery and/or intentionally conducted an illegal act, are not subject to compensation.) Each candidate will be covered as the insured by the insurance policy subject to the approval of their election.
6. The registered family name of Ms. Naoko Mizukoshi is Ms. Naoko Suzuki.
7. The registered family name of Ms. Junko Sunaga is Ms. Junko Inoue.
8. The number of shares of the Company that are held by each of the candidates for Directors includes the unit shares held by each candidate in the Directors' Shareholdings Association of TIS INTEC Group.

Proposition No. 3: Election of Four (4) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Tetsuya Asano, Yukio Ono, Akiko Yamakawa and Hiroko Kudo will expire at the close of this Annual General Meeting of Shareholders. Accordingly, we would like to propose that four (4) Audit & Supervisory Board Members, including three (3) External Audit & Supervisory Board Members be elected.

In addition, prior consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidates for Audit & Supervisory Board members are as follows;

List of candidates for Audit & Supervisory Board members

Candidate No.	Name of Candidates for Audit & Supervisory Board member	Current Position of the Company	Rate of Attendance at the Board Meeting (Number of Attendances)	Rate of Attendance at the Audit & Supervisory Board Meeting (Number of Attendances)
1	Hideki Kishimoto (Newly Appointed)	Advisor	–	–
2	Yukio Ono (Reappointed, external, independent)	Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	94.7% (Attended 18 meetings of out of 19 meetings)	92.9% (Attended 13 meetings of out of 14 meetings)
3	Akiko Yamakawa (Reappointed, external, independent)	Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	100% (Attended all 19 meetings)	92.9% (Attended 13 meetings of out of 14 meetings)
4	Hiroko Kudo (Reappointed, external, independent)	Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	89.5% (Attended 17 meetings of out of 19 meetings)	100% (Attended all 14 meetings)

(Notes) “Newly appointed” refers to candidates newly appointed as Audit & Supervisory Board Members, “Reappointed” refers to candidates reappointed as Audit & Supervisory Board Members, “External” refers to candidates for external Audit & Supervisory Board Members, and “Independent” refers to Audit & Supervisory Board Members filed as Independent Officers with the Tokyo Stock Exchange.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
1	Hideki Kishimoto (November 27, 1964) <Newly Appointed> <Number of Years in Office> -	<p>April 1987 Joined the Sanwa Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>June 2013 Executive Officer, General Manager of USA Sales Department III, USA Division and General Manager of Los Angeles Branch, seconded to Union Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)</p> <p>July 2014 Executive Officer, seconded to MUFG Union Bank, N.A. and General Manager of Los Angeles Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2015 Executive Officer, General Manager of Compliance Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Executive Officer, Assistant Manager to Compliance Division of Mitsubishi UFJ Financial Group, Inc.</p> <p>July 2015 Executive Officer, General Manager of Compliance Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) Executive Officer, General Manager of Compliance Division of Mitsubishi UFJ Financial Group, Inc.</p> <p>May 2018 Managing Executive Officer, Assistant to Manager of Legal Department and Assistant to Manager of Retail Department of MUFG Bank, Ltd.</p> <p>July 2018 Managing Executive Officer, General Manager of Regional Division (in charge of West Japan) of MUFG Bank, Ltd.</p> <p>May 2019 Retired from MUFG Bank, Ltd. Managing Executive Officer in charge of Kinki region of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>June 2021 Retired from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Managing Executive Officer, Deputy Chief Risk Officer and Deputy Chief Compliance Officer, Assistant Officer in charge of General Risk Management Department, Compliance Division and Legal Department of Mitsubishi UFJ NICOS Co., Ltd.</p> <p>June 2022 Managing Executive Officer and Chief Compliance Officer in charge of Compliance Division and Legal Department of Mitsubishi UFJ NICOS Co., Ltd.</p> <p>June 2023 Managing Executive Officer and Chief Compliance Officer jointly in charge of Internal Audit Department of Mitsubishi UFJ NICOS Co., Ltd.</p> <p>March 2024 Retired from Mitsubishi UFJ NICOS Co., Ltd.</p> <p>April 2024 Advisor to the Company (to the present)</p>	-

Reasons for the Selection of Candidate for Audit & Supervisory Board Member

Mr. Hideki Kishimoto has experience in global management through his work in the finance sector promoting business overseas, and also has extensive experience and broad insight into corporate governance as head of compliance divisions over many years. He is nominated as a candidate for Audit & Supervisory Board Member because it is expected that he can contribute to the enhancement of governance as the Group globalizes as well as perform accurate and fair monitoring and oversight functions for the execution of business by the Company's directors.

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
2	<p style="text-align: center;">Yukio Ono (January 1, 1950)</p> <p style="text-align: center;"><Reappointed></p> <div style="border: 1px solid black; padding: 2px; text-align: center;"> <p>External Audit & Supervisory Board Member Candidate</p> </div> <div style="border: 1px solid black; padding: 2px; text-align: center;"> <p>Independent Officer Candidate</p> </div> <p style="text-align: center;"><Number of Years in Office> 4 years</p>	<p>March 1973 Joined Tohmatsu & Awoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 1980 Transferred to New York Office of Touche Ross & Co. (currently Deloitte & Touche LLP)</p> <p>August 1984 Returned to Tokyo Office of Tohmatsu & Awoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>May 1985 Partner of Tohmatsu & Awoki Audit Corporation</p> <p>November 2010 Partner and Chairman of the Board of Tohmatsu & Awoki Audit Corporation</p> <p>December 2010 Partner and Chairman of the Board of Tohmatsu & Awoki Audit Corporation Member of Board of Director of Deloitte Touche Tohmatsu Limited</p> <p>October 2013 Partner of Deloitte Touche Tohmatsu LLC Deputy Chairman of the Accounting Standards Board of Japan</p> <p>March 2014 Retired from Deloitte Touche Tohmatsu LLC</p> <p>April 2014 Chairman of the Accounting Standards Board of Japan</p> <p>April 2019 Senior Advisor of Accounting Standards Board of Japan Founded and President of Accounting Offices of Yukio Ono (to the present)</p> <p>June 2020 External Audit & Supervisory Board Member of the Company (to the present)</p> <p>(Other Important Concurrent Positions) External Statutory Auditor of Tokyo Financial Exchange External Audit & Supervisory Board Member of SEIKITOKYU KOGYO CO., LTD.</p>	3,000 shares
<p>Reasons for the Selection of Candidate for External Audit & Supervisory Board Member Yukio Ono is a licensed certified public accountant. His expertise and knowledge in the field of finance and accounting and many years of experience in corporate audit are beneficial to the Company in strengthening the audit system of the Company. Moreover, although he has not participated in corporate management in any manner other than as an external officer, he is nominated as a candidate for External Audit & Supervisory Board Member as he is considered to appropriately perform the duties of External Audit & Supervisory Board Member for the above credentials.</p> <p>Items Pertaining to Independence While the Company has business transactions with Deloitte Touche Tohmatsu LLC, which Mr. Yukio Ono belonged to until March 2014, the transactions represent less than 0.0% of the Company's consolidated and non-consolidated sales, and no consulting or other agreements or payments exist between Deloitte Touche Tohmatsu LLC and the Company. Nor does the Company have business transactions with the Accounting Offices of Yukio Ono, to which Mr. Yukio Ono currently belongs. Therefore, we have determined that his independence as an External Audit & Supervisory Board Member is sufficiently secured.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
3	<p>Akiko Yamakawa (April 5, 1973)</p> <p><Reappointed></p> <p>External Audit & Supervisory Board Member Candidate</p> <p>Independent Officer Candidate</p> <p><Number of Years in Office> 4 years</p>	<p>March 1997 Entered Legal Research and Training Institute of the Supreme Court of Japan</p> <p>March 1999 Registered as a lawyer with the Dai-ichi Tokyo Bar Association</p> <p>April 1999 Joined Komatsu Koma & Nishikawa Law Office</p> <p>March 2000 Left Komatsu Koma & Nishikawa Law Office</p> <p>April 2000 Joined Freshfields Bruckhaus Deringer LLP</p> <p>January 2004 Registered as a lawyer with New York Bar</p> <p>August 2017 Left Freshfields Bruckhaus Deringer LLP</p> <p>September 2017 Founded and Partner of Vanguard Lawyers Tokyo, Partner (to the present)</p> <p>June 2020 External Audit & Supervisory Board Member of the Company (to the present)</p> <p>(Other Important Concurrent Positions)</p> <p>Member of Basic Sub-committee of Labor Policy Council of Ministry of Health, Labour and Welfare</p> <p>Supervisory Director of KDX Realty Investment Corporation</p> <p>Member of Board of Overseers of Temple University Japan Campus</p>	—
<p>Reasons for the Selection of Candidate for External Audit & Supervisory Board Member</p> <p>Ms. Akiko Yamakawa is a licensed attorney and has extensive experience and knowledge regarding labor issues, including handling litigation regarding employment disputes at global corporations. In addition, through her external activities such as supporting women's participation in the workforce, she is expected to provide appropriate monitoring and supervision of the Company's global business execution and human resources strategies. Moreover, although she has not participated in corporate management in any manner other than as an external officer, she is nominated as a candidate for External Audit & Supervisory Board Member as she is considered to appropriately perform the duties of External Audit & Supervisory Board Member for the above credentials.</p> <p>Items Pertaining to Independence</p> <p>No business transactions exist between the law offices to which Ms. Akiko Yamakawa belonged and the Company. Therefore, we have determined that her independence as an External Audit & Supervisory Board Member is sufficiently secured.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position, and Important Positions of Other Organizations Concurrently Assumed	No. of Shares Held in the Company
4	Hiroko Kudo (February 28, 1968) <Reappointed> External Audit & Supervisory Board Member Candidate Independent Officer Candidate <Number of Years in Office> 2 years	<p>April 1995 Full-time lecturer, Aichi Shukutoku University Faculty of Modern Society</p> <p>April 1996 Part-time lecturer, Waseda University School of International Studies (now School of International Liberal Studies) (to the present)</p> <p>April 1998 Full-time lecturer, Waseda University School of Education</p> <p>July 1998 Obtained Doctorate in Public Policy Studies from Venice University</p> <p>October 2001 Visiting researcher, Cabinet Office Economic and Social Research Institute</p> <p>April 2002 Audit Committee member, Chiyoda City</p> <p>April 2003 Assistant Professor, Waseda University School of Education</p> <p>April 2005 Professor, Chuo University Faculty of Law (to the present)</p> <p>April 2008 Part-time lecturer, University of Tokyo Graduate School of Public Policy</p> <p>April 2016 Senior visiting researcher, Ministry of Finance Policy Research Institute</p> <p>May 2018 Visiting Professor, Newcastle Business School</p> <p>April 2020 Visiting Professor, University of Ljubljana Faculty of Public Administration</p> <p>June 2022 External Audit & Supervisory Board Member of the Company (to the present)</p> <p>(Other Important Concurrent Positions) Ad hoc member, Ministry of Finance Fiscal System Council, National Public Service Personnel Mutual Aid Association Subcommittee Committee member, Tokyo Metropolitan Government Tax Commission</p>	500 shares

Reasons for the Selection of Candidate for External Audit & Supervisory Board Member

Ms. Hiroko Kudo has deep insight into domestic and international administrative and financial affairs, a PhD in public policy, and is an active global figure as a university professor and researcher. Moreover, although she has not participated in corporate management in any manner other than as an external officer, she is nominated as a candidate for External Audit & Supervisory Board Member as it is considered that she will be able to utilize her extensive experience and knowledge to appropriately perform the duties of an Audit & Supervisory Board Member, thereby improving the value that DX provides to resolve social issues through the Company's business and deepening and expanding global management.

Items Pertaining to Independence

No business transactions exist between the Company and the universities, etc. to which Ms. Hiroko Kudo belonged. Therefore we have determined that her independence as an External Audit & Supervisory Board Member is sufficiently secured.

(Notes)

- None of the aforementioned candidates for Audit & Supervisory Board Member has any special interest with the Company.
- Mr. Yukio Ono, Ms. Akiko Yamakawa and Hiroko Kudo are candidates for External Audit & Supervisory Board Members as set forth under Item 8, Paragraph 3, Article 2 of the Regulations for the Enforcement of the Companies Act. Furthermore, the Company has designated Mr. Yukio Ono and Ms. Akiko Yamakawa and Hiroko Kudo as independent officers and filed accordingly with the Tokyo Stock Exchange, and they meet the independence criteria of the Company. If the re-election proposal for Mr. Yukio Ono and Ms. Akiko Yamakawa and Hiroko Kudo is approved, the Company will renew this filing. The Company's independence criteria of External Officers are described on page 25.
- The Company has entered into an agreement with candidates for External Audit & Supervisory Board Members Yukio Ono, Akiko Yamakawa and Hiroko Kudo to limit their liability for damages as outlined under Paragraph 1, Article 423 of the Companies Act in accordance with Paragraph 1, Article 427 of the Companies Act and Article 42 of the Articles of Incorporation, thus the maximum amount of liability under said agreement is the minimum liability amount as provided in laws and regulations. If their reappointment is approved at this Annual General Meeting of Shareholders, the Company will renew the agreement with them.
- The Company has entered into an indemnification agreement with each of its External Audit & Supervisory Board Members as provided for in Paragraph 1, Article 430-2 of the Companies Act, under which the Company will compensate for expenses under Item 1 and losses under Item 2 of the same paragraph to the extent permitted by law.

Furthermore, the Company takes measures to ensure that the appropriateness of the performance of duties by Company officers is not undermined, such as excluding officers from indemnification if the Company pursues liability against them in the event that damage is caused by malice or gross negligence in the performance of their duties.

If the re-election of External Audit & Supervisory Board Members candidates Mr. Yukio Ono, Mses. Akiko Yamakawa and Hiroko Kudo is approved at this Annual General Meeting of Shareholders, the Company will renew the agreement with them. Additionally, if the election of External Audit & Supervisory Board Member candidate Mr. Hideki Kishimoto is approved, the Company will enter into this same agreement with him as well.

5. The Company has concluded a directors and officers liability insurance agreement provided for in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. In the event of a claim for damages due to an action (including in-action) by the insured as part of their duties as officers etc., damages including compensation for damages and legal expenses to be borne by the insured shall be compensated under the said insurance agreement. The insurance premiums, including coverage of special conditions, will be fully borne by the Company. (Damages, etc., incurred by officers themselves, who have conducted a criminal act such as bribery and/or intentionally conducted an illegal act, are not subject to compensation.) Each candidate will be covered as the insured by the insurance policy subject to the approval of their election.
6. The number of shares of the Company, that are held by each of the candidates for Audit & Supervisory Board Members, includes the unit shares held by each candidate in the Directors' Shareholdings Association of TIS INTEC Group.

<Reference> List of Audit & Supervisory Board Members

If Proposition No. 3 is approved as originally proposed, the composition of the Audit & Supervisory Board will be as follows.

The number of Audit & Supervisory Board Members will remain unchanged (Internal: 2; External: 3).

In addition, the Skills Matrix for each Audit & Supervisory Board Member following the conclusion of the Annual General Meeting of Shareholders is as described on page 23-24.

Name	Current Position of the Company	Attendance of the meetings of the Board of Directors	Attendance of the meetings of the Audit & Supervisory Board
Makoto Tsujimoto Currently in office	Full-Time Audit & Supervisory Board Member	100% (Attended all 14 meetings)	100% (Attended all 12 meetings)
Hideki Kishimoto Newly Appointed	Advisor	–	–
Yukio Ono Currently in office External Independent	Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	94.7% (Attended 18 out of 19 meetings)	92.9% (Attended 13 meetings of out of 14 meetings)
Akiko Yamakawa Currently in office External Independent	Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	100% (Attended all 19 meetings)	92.9% (Attended 13 meetings of out of 14 meetings)
Hiroko Kudo Currently in office External Independent	Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	89.5% (Attended 17 meetings of out of 19 meetings)	100% (Attended all 14 meetings)

(Notes)

1. “External” refers to External Audit & Supervisory Board Members and candidates for the same, and “Independent” refers to Audit & Supervisory Board Members who have been or will be filed with the Tokyo Stock Exchange as Independent Officers.
2. The meetings of the Board of Directors and the Audit & Supervisory Board, which were held after his appointment on June 23, 2023 are included in the scope of the status of attendance of Mr. Makoto Tsujimoto at meetings of the Board of Directors and the Audit & Supervisory Board.

<Reference> Regarding the selection of candidates for Directors and Audit & Supervisory Board Members

(1) Policies and Procedures for Election, Dismissal and Nomination of Directors, etc.

In order to realize effective corporate governance and contribute to the sustainable growth of the Company as well as the enhancement of its medium- to long-term corporate value, in nominating candidates for Directors and Audit & Supervisory Board Members, etc., the Board of Directors, following the report from the Nomination Committee, which is chaired by an external director, whose members comprise a majority of independent external officers, will nominate the candidates based on election criteria determined by the Company under which they are selected as Directors or Audit & Supervisory Board Members. The Board of Directors will nominate candidates with extensive experience, a high level of insight and advanced specialization, while also considering aspects of diversity such as gender, internationality, work history and age.

If a situation arises where a management executive should be dismissed, the Board of Directors shall resolve upon a dismissal proposal. However, the dismissal of a director shall be conducted in accordance with the Companies Act and other relevant provisions.

(2) Skills Matrix (If Propositions No. 2 and No. 3 are approved as originally proposed)

The Board of Directors needs to have a wide range of knowledge, experience and diversity in order to ensure the sustainable growth of the Company and increase its corporate value over the medium to long term. The experience, knowledge, skills, etc. that we consider to be particularly necessary have been set out below based on our materiality, Group Vision 2032, and Medium-Term Management Plan 2024-2026.

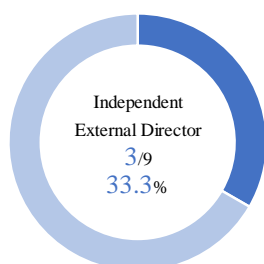
Skills Item	Skills Explanation
Company Management	Experience as a company representative director, or practical experience in evaluating important business opportunities and risks, making risk-taking decisions, and achieving business transformation as a manager with knowledge of corporate governance premised on sustainable management
Industry Knowledge	Cutting-edge knowledge of ICT and DX, as well as extensive knowledge and expertise in the information services industry and cybersecurity, all of which are necessary for promoting DX together with customers
Globalization	Practical experience in management of a company that operates globally, or practical experience in understanding the opportunities and risks of global business and engaging in business expansion overseas
Intellectual Property, Technology and Innovation	Expertise in intellectual property, which is essential for sustained improvement of corporate value, or practical experience and knowledge in driving innovation that brings prosperity to society through applied technology, and other such tools
Human Resources	Knowledge and practical experience to secure and promote the active participation of talented human resources capable of providing high added value, and to foster a work environment and corporate culture in which diverse human resources can work with motivation and peace of mind
Finance/Accounting	Possess knowledge of corporate finance necessary for medium- to long-term sustainable value creation, and practical experience in decision-making regarding investment and financial strategies
Legal Affairs/Risk Management	Expertise and practical experience in legal matters essential for the development of service businesses and global businesses, or knowledge of risk management necessary for a company to survive

Skills matrix: Among the skills possessed by each candidate, the skills that are particularly expected

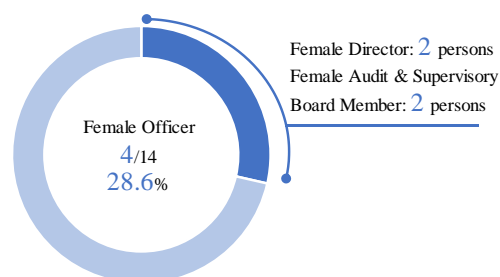
Position (Note)	Name	Independent Officer	Skill set showing the top three skills required of the Directors and Audit & Supervisory Board members						
			Company Management	Industry Knowledge	Globalization	Intellectual Property, Technology and Innovation	Human Resources	Finance/Accounting	Legal Affairs/Risk Management
Director	Chairman and Director	Toru Kuwano		○	○			○	
	President and Representative Director	Yasushi Okamoto		○	○				○
	Representative Director	Josaku Yanai		○		○	○		
	Representative Director	Shinichi Horiguchi		○				○	○
	Director	Takayuki Kitaoka		○	○			○	
	Director	Shuzo Hikida		○	○				○
	External Director	Fumio Tsuchiya	○	○	○				
	External Director	Naoko Mizukoshi	○		○		○		○
	External Director	Junko Sunaga	○	○		○	○		
Audit & Supervisory Board Member	Full-Time Audit & Supervisory Board Member	Makoto Tsujimoto		○		○			○
	Full-Time Audit & Supervisory Board Member	Hideki Kishimoto				○		○	○
	External Audit & Supervisory Board Member	Yukio Ono	○			○		○	○
	External Audit & Supervisory Board Member	Akiko Yamakawa	○			○		○	○
	External Audit & Supervisory Board Member	Hiroko Kudo	○		○	○	○		

(Note) The position after close of this Annual General Meeting of Shareholders is shown.

■ Board of Directors (independence)



■ Board of Directors / Audit & Supervisory Board (diversity)



(3) Criteria Concerning Independence of External Officers of the Company (revised on December 21, 2016)

In order to reinforce the supervisory function of its Board of Directors, the Company has established as follows the judgment criteria for ensuring the independence of its external directors and external audit & supervisory board members (hereafter, the “external officers”) as described below, with reference to the rules of the Tokyo Stock Exchange, etc., in addition to the requirements of the Companies Act.

1. External directors (including candidates) are defined by Article 2, Paragraph 15 of the Companies Act (Requirements of External Directors) and shall have never served as an executive director, manager or other employee of the TIS INTEC Group (Note 1) even in the past.
2. External audit & supervisory board members (including candidates) are defined by Article 2, Paragraph 16 of the Companies Act (Requirements of External Company Auditors) and shall have never served as a director, manager or other employee of the TIS INTEC Group even in the past.
3. In the current fiscal year and during the past three fiscal years, external officers shall fall under none of each of the following items.
 - (1) A counterparty which has transactions principally with the Company (Note 2) or a person who executes that counterparty’s business
 - (2) A counterparty which has transactions principally with the TIS INTEC Group (Note 3) or a person who executes that counterparty’s business
 - (3) A consultant, accounting professional or legal professional who has received a large amount of money or other assets (Note 4) other than executive remuneration from the Company. In addition, when these are received by an organization such as a corporation or partnership, this includes persons who belong to the applicable organization.
 - (4) A major shareholder of the Company (Note 5). In addition, when the major shareholder is a corporation, this includes a person who executes the business of the corporation.
 - (5) A person other than those in (1), (2) and (3) above who executes the business of a counterparty of the Company (Note 6)
 - (6) A person who was formerly a member of a counterparty which is in a situation of cross-assumption of offices of external officers
 - (7) A counterparty or former member of the counterparty that receives donations from the Company
4. External officers must not be a relative within the second degree of a person who falls under each of the following items;
 - (1) A person mentioned in (1) to (3) of the previous clause
 - (2) A person who executes the business of a subsidiary of the Company
 - (3) A non-executive director of a subsidiary of the Company (limited to external audit & supervisory board members)
 - (4) A person who fell under (2) or (3) above or a person who executes the business of the Company (including a non-executive director in the case of an audit & supervisory board member) recently (in the current fiscal year and during the past four (4) fiscal years)
5. In addition to the above, there shall be no circumstances in which duties imposed on an independent external officer are reasonably deemed not to be achieved.

Note 1: The “TIS INTEC Group” means the Company and its subsidiaries.

Note 2: A “counterparty which has transactions principally with the Company” means a counterparty which provides products or services to the Company and whose payments from the Company constitute at least 2% of the sales of such counterparty in one fiscal year. The main bank (MUFG Bank, Ltd.) and the lead managing underwriters (Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co, Ltd., and SMBC Nikko Securities Inc.) of the Company shall also each be a “counterparty which has transactions principally with the Company” regardless of the transaction amount.

Note 3: A “counterparty which has transactions principally with the TIS INTEC Group” means a counterparty with sales exceeding 2% of the total consolidated sales of the TIS INTEC Group.

Note 4: “A large amount of money or other assets” means the total value exceeds 10 million yen per fiscal year. This shall apply also to a consultant, accounting professional or legal professional that enters a consulting agreement or similar arrangement and periodically pays an amount of money or other assets, regardless of the amount.

Note 5: A “major shareholder” means a person or company, and the like, that directly or indirectly holds 10% or more of total voting rights. However, the Company’s leading shareholders (the top 10 approximately) shall be treated as “major shareholders.”

Note 6: A “counterparty which has transactions with the Company” means the case when transactions with the Company per fiscal year constitute at least 2% of non-consolidated sales of the Company.

Proposition No. 4: Revision of Remuneration for Directors and Audit & Supervisory Board Members

It has been resolved at the first Annual General Meeting of Shareholders, which was held on June 25, 2009, that the amount of remuneration for Directors and Audit & Supervisory Board Members shall be 400 million yen or less per year (of which, 50 million yen or less for External Directors) and 85 million yen or less per year for Audit & Supervisory Board Members.

Since then, for Directors, these amounts of remuneration have been used as the upper limits of the sum of base remuneration and performance-linked remuneration (monetary compensation linked to the degree of achievement against the initial performance targets of the fiscal year). However, the Company decided to review the remuneration system to cope with changes in the business environment surrounding the Group and motivate Directors to work on sustainable growth and improvement of corporate value by further sharing value with shareholders by increasing the remuneration ratio that is linked to performance.

Therefore, along with the revision of the remuneration system, we would like to propose changing the remuneration for Directors to 800 million yen or less per year (of which, 100 million yen or less for External Directors).

Moreover, for Audit & Supervisory Board Members, due to the expansion of the Company's business, the strengthening of group governance framework, etc., the scope of duties of Audit & Supervisory Board Members is expanding. To achieve a level of remuneration that matches their roles and responsibilities, we would like to propose changing the remuneration (base remuneration) for Audit & Supervisory Board Members to 150 million yen or less per year.

As for this revision of remuneration for Directors and Audit & Supervisory Board Members, the change of policy concerning the determination of remuneration for Directors, etc. was resolved after consultation with a voluntary advisory body for the Board of Directors, the Remuneration Committee, the majority of whose members are independent external directors, on condition that this proposal and Proposition No. 5 are approved as they are at the General Meeting of Shareholders held on May 8, 2024. Since this proposal sets out remuneration based on the total amount of individual remuneration amounts, etc. in accordance with the policy after the amendment (please refer to pages 30 to 34 of the Notice of the 16th Annual General Meeting of Shareholders), we judge that it is appropriate.

Furthermore, the Company provides no employee portion of salaries for Directors who concurrently serve as employees. Therefore, such salaries are not included in the remuneration for Directors.

As of now, there are nine (9) Directors (including three (3) External Directors) and five (5) Audit & Supervisory Board Members. If Proposition No. 2 and No. 3 are approved as they are, there will be no changes in the numbers of Director and Audit & Supervisory Board Members.

(Supplement)

Among Directors, non-executive directors and External Directors are not eligible for performance-linked remuneration to clarify their positions. In their position, non-executive directors shall manage and supervise the executing side, and External Directors should independently manage and supervise the Company's management. Audit & Supervisory Board Members are excluded from eligible persons from the viewpoint of independence.

Proposition No. 5: Amendment to Amount and Details of Performance-linked Stock Incentive Plan for Directors, etc.

1. Reason why the proposed revision is considered appropriate

The Company has introduced a performance-linked stock incentive plan for Directors, Executive Officers, Executive Fellows (other than External Directors, part-time Directors, and non-residents) of the Company (hereinafter referred to as the “System”). The System was approved by shareholders at the 10th Annual General Meeting of Shareholders held on June 26, 2018, and its partial amendment, which is to add eligible people, and continuation were approved at the 13th Annual General Meeting of Shareholders held on June 24, 2021. The System is a stock remuneration system under which stock is acquired through a trust established based on resourced funds contributed by the Company from the amount for Directors’ remuneration, etc. and the Company’s stock or cash equivalent to proceeds from the liquidation of the Company’s stock (hereinafter referred to as the “Company’s Stock, etc.”) is delivered or provided to Directors, etc. (hereinafter referred to as the “Delivery, etc.”).

The Company proposes to revise the System so that it will cover the Directors and Executive Officers of the Company (other than non-executive Directors and non-residents; hereinafter referred to as “Directors, etc.”) and the Directors and Executive Officers of INTEC Inc., a subsidiary of the Company (other than non-executive Directors and non-residents; hereinafter referred to as the “Directors, etc. of a Subsidiary”). Directors, etc. of a Subsidiary and Directors, etc. of the Company are collectively referred to as “Eligible Directors, etc.” We also seek the approval of shareholders for the revision, which is to change the calculation method and the delivery period for the Company’s shares to be granted to the Eligible Directors, etc., and continuation of the System to have the System function to enhance management’s motivation to contribute to the medium- to long-term improvement of the Company’s corporate value by further promoting the continuous possession of common interests with shareholders of the Company.

The change of the policy concerning the determination of remuneration for Directors, etc. was resolved after consultation with a voluntary advisory body for the Board of Directors, the Remuneration Committee, the majority of whose members are independent external directors, on condition that this proposal and Proposition No. 4 are approved as they are at the General Meeting of Shareholders held on May 8, 2024. This proposal is reasonable in the Company’s judgement because the purpose of the revision is in adherence with the purpose of the System as well as the policy concerning the determination of remuneration, etc. of Directors, etc. Furthermore, the partial revision and continuation of the System have been deliberated by the Remuneration Committee, which is a voluntary advisory board to the Board of Directors of the Company. Furthermore, if Proposition No. 2 “Election of Nine (9) Directors” is approved as proposed, the number of Directors falling under the System will be three (3). As aforementioned, the System covers Executive Officers of the Eligible Companies so that the remuneration under the System includes remuneration to Executive Officers. This revision is proposed on the basis that the total remuneration payable under the System is remuneration payable to Directors based on the understanding that such Executive Officers might be promoted to Directors during the period in question when the System is applicable.

2. Amended details etc. of the System

With the renewal of the System, the Company proposes to amend a portion of the details of the System. Details of the amendments are as follows.

(1) Summary of the System

The System is a stock remuneration system under which stock is acquired through a trust established based on resourced funds contributed by the Company from the amount for Eligible Directors’ remuneration, etc. and the Company’s Stock, etc. is delivered or provided to Directors, etc. (The details are stated in (2) below.)

i. To whom the Company’s Stock, etc. is delivered.	<ul style="list-style-type: none"> • The Company’s Directors (other than non-executive Directors and non-residents) • The Subsidiary’s Directors (other than non-executive Directors and non-residents)
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ii. Impact on the Company’s stock deliverable under the System on the total number of issued outstanding shares	
Upper limit of amount contributed by the Company (as stated in (2) below)	• 1,810 million yen during three (3) business years (of which, 1,630 million yen for the Company).
Method by which the Company’s stock is acquired (as stated in (2) below) and upper limit of number of the Company’s Stock, etc. delivered to Eligible Directors, etc. (as stated in (3) below).	<ul style="list-style-type: none"> • Upper limit of the Company’s Stock, etc. deliverable to Eligible Directors, etc. during one (1) business year being 230,000 shares (of which, 200,000 shares for the Company) and during three (3) business years being 690,000 shares. • Ratio of upper limit of the Company’s Stock, etc. deliverable to Eligible Directors, etc. during one (1) business year to the total number of issued outstanding shares as of March 31, 2024, would be approximately 0.1% (after deducting treasury shares).

	<ul style="list-style-type: none"> • Shares are scheduled to be purchased in the market so that no dilution will take place.
iii. Details of condition to accomplish results of operation (as stated in (3) below)	<ul style="list-style-type: none"> • The performance-linked part fluctuates within a range of 0% to 200% according to the TSR's growth rate against TSR corresponding to the assessment period (three (3) years from the provision of points during the applicable term; the same shall apply hereinafter). • The provision ratio that includes the fixed part fluctuates between 50% and 150%.
iv. Time of delivery of the Company's Stock, etc. to Eligible Directors, etc. (as stated in (4) below).	<ul style="list-style-type: none"> • As a general rule, after three (3) fiscal years have passed.

(2) Upper limit of amount contributed by the Company

The System is applicable during the consecutive three (3) business years (initially the three (3) business years commencing from the business year ending March 31, 2025, to the business year ending March 31, 2027, and if the trust term is extended as stated below the System will be applicable in the succeeding three business years (hereinafter referred to as the "Applicable Term").

The Company will contribute an amount not more than 1,810 million yen (of which, 1,630 million yen for the Company) in each Applicable Term for Eligible Directors' remuneration and establish a trust for a trust term of three (3) years designating Eligible Directors, etc. as the beneficiary (hereinafter referred to as the "Trust").

The Trust will acquire shares of the Company in the market according to instructions of the manager of the Trust based on its funds.

The Company will grant Directors, etc. points (stipulated in (3) below) and deliver the Company's Stock, etc. corresponding to the points to Directors, etc. from the Trust.

Furthermore, the Trust might be continued upon amendment of the trust agreement or additional trust at the maturity of the term of the Trust. In such case, the trust term will be extended three (3) years. The three (3) business years upon the extension of the trust term will become the newly Applicable Term. The Company will contribute additional funds amounting to not more than 1,810 million yen (of which, 1,630 million yen for the Company) for the extended trust term and continue to grant Eligible Directors, etc. points and the Trust will deliver the Company's Stock, etc. to Directors, etc.

This is provided, however, that if shares of the Company (other than undelivered shares equivalent to outstanding points granted to Directors, etc. (hereinafter referred to as the "Remaining Shares") and cash (hereinafter referred to together with the Remaining Shares referred to as the "Remaining Shares, etc.") remain in the Trust at the time of the extension, the sum of the amount of the Remaining Shares, etc. and of the total amount of trust funds additionally contributed shall be no more than 1,810 million yen (of which, 1,630 million yen for the Company). The extension of the trust term will not be necessarily only once, but the Trust might be continued again in the same manner thereafter.

In case no amendment to the trust agreement or no additional contribution is made, no points will be granted to Eligible Directors, etc. thereafter.

(3) Method of determining the number of shares delivered to Eligible Directors, etc.

Under the System, the remuneration consists of performance-linked and fixed parts. For the performance-linked part, the Company's stock, etc. is delivered in accordance with the growth rate of the Company's stock price throughout the assessment period, with the main purpose being to create an incentive to ensure the Company's sustainable growth and improvement of the medium- to long-term corporate value. For the fixed part, the delivery of a certain number of the Company's stock, etc. is conducted mainly focusing on the promotion of share-holding during the term of office to have common interests with shareholders.

At the designated time of each business year in the trust term, 50% of the base points determined for each position in the business year are granted as the performance-linked part and the other 50% is provided separately as the fixed part.

For people who satisfy the eligibility during the designated time after the Applicable Term (as a general rule, three (3) years after the provision of points), each base point of the performance-linked part and fixed part is converted into stock delivery points, and the Delivery, etc. of the Company's Stock, etc. is conducted in accordance with the stock delivery points.

For the performance-linked part, it is converted into stock delivery points by multiplying by a coefficient that corresponds to the duration of the term of office during the Applicable Term and performance-linked coefficient according to the growth rate of the Company's stock (Growth rate of

Total Shareholder Return against TOPIX) throughout the assessment period after the Applicable Term.

For the fixed part, it is converted into stock delivery points by multiplying by a coefficient that corresponds to the duration of the term of office after the assessment period.

One (1) point is one (1) share. This is provided, however, if there is any event that reasonably necessitates an adjustment of points such as a stock split or consolidation of stock of the Company, then the number of shares of the Company per point shall be adjusted according to the split ratio or consolidation ratio.

The total number of shares of the Company delivered to Directors, etc. in the trust term of the Trust shall be limited to 230,000 shares (of which, 200,000 for the Company) in one business year and the aggregate number of shares delivered during the Applicable Term shall be limited to 690,000 shares (of which, 600,000 shares for the Company). The upper limit of the number of the Company's Stock, etc. delivered to Eligible Directors, etc. was set forth upon reference to the stock price of the Company in the past taking into consideration the upper limit of the trust fund as stated in (2) above.

(4) When and how the Company's Stock, etc. is delivered to Eligible Directors, etc.

As a general rule, directors, etc. who meet the beneficiary requirements will receive the Delivery, etc. of the number of the Company's Stock, etc. corresponding to the stock delivery points calculated in accordance with the formula in (3) above after three (3) years since the provision of the base points in each business year. In such case, Eligible Directors, etc. shall be granted the Company's stock equivalent to 50% of stock delivery points (disregarding any fraction less than a unit of shares) and cash converted from the other 50% of shares within the Trust.

Moreover, if Eligible Directors, etc. die or become a non-resident within three (3) years from the time of the granting of base points, Eligible Directors, etc. (in case of death, inheritors of the Eligible Directors, etc.) shall receive the delivery of cash within the Trust from the shares equivalent to the stock delivery points calculated based on the base points until the time.

(5) Exercise of the Voting Rights of the shares kept within the Trust

For the purpose of securing neutrality toward the management, the voting rights associated with the shares kept within the Trust will not be exercised.

(6) Handling of Trust Property at the time of termination of the Trust

At the time of termination of the Trust (if the trust term is extended in (2) above, the time of termination of the extended trust term) if the Remaining Shares remain in the Trust based on the evaluation of the stock price index, the Company will receive free distribution of the Remaining Shares from the Trust and the Company will cancel the shares upon resolution of the Board of Directors as a way of returning to shareholders. Remaining dividends received on shares within the Trust during the trust term will be applied to a share acquisition cost and in case of termination of the Trust due to maturity of the trust term, a portion in excess of an allowance of trust expense is scheduled to be donated to an organization with which the Company or Directors, etc. do not have any interest.

(7) Other details of the System

(i) Provisions of clawback clause, etc.

Any Eligible Director, etc. who has engaged in misconduct, an illegal act, etc. (when the Board of Directors admitted that Eligible Directors, etc. committed a significant breach of their duties or internal rules, or carried out a serious accounting fraud or caused a large amount of loss, etc.), shall no longer be eligible for receiving the Delivery, etc. of Stock, etc. If it is discovered after the delivery of stock, etc. that a Director, etc. had engaged in misconduct, an illegal act, etc., the Company shall demand the payment of compensation for a monetary amount calculated in accordance with the calculation method prescribed by the Stock Delivery Regulations.

(ii) Other

Other details of the System shall be determined by the Board of Directors each time the trust agreement is modified and each time additional money is contributed to the Trust.

<Reference> Revision of remuneration structure for Directors, etc.

The Company made a resolution at the Board of Directors held on May 8, 2024, to revise the remuneration system for Directors, Executive Officers and Executive Fellows (excluding External Directors, part-time Directors and those who do not reside in Japan) (hereinafter referred to as the “Revision of the Remuneration System”) as follows.

Along with the Revision of the Remuneration System, the Company proposes Proposition No. 4, which is to revise remuneration for Directors and Audit & Supervisory Board Members and Proposition No. 5, which is to revise the upper limit of share acquisition cost for the performance-linked stock incentive plan and the upper limit of the number of the Company’s stocks granted to Directors and Executive Officers (excluding non-executive Directors and non-residents) at the 16th Annual General Meeting of Shareholders (hereinafter referred to as the “General Meeting of Shareholders”). The application starts with officers’ remuneration paid to Directors, etc. in July 2024, subject to the approval of these proposals at the General Meeting of Shareholders.

The Revision of the Remuneration System was presented to and resolved by the Board of Directors after receiving a report from the Remuneration Committee, which is a voluntary advisory body for the Board of Directors and the majority of the committee members are Independent External Directors.

Overview of the policies for determination of remuneration, etc. for Directors

1. Remuneration determination policies

In order to ensure objectivity and transparency of the remuneration determination process and further strengthen the corporate governance framework, the Company has set up an arbitrary remuneration committee consisting mainly of Independent External Directors as an advisory body to the Board of Directors.

Officers’ remuneration is determined by the resolution of the Board of Directors after consulting and reporting to the Remuneration Committee with the basic policy of strengthening incentives to improve performance by implementing a remuneration system linked to the company performance indicators.

2. Remuneration structure for officers

The Company’s remuneration system consists of base remuneration, performance-linked remuneration and performance-linked stock remuneration. Each remuneration’s type, calculation method and provision method are as follows.

Name	Type	Calculation method, etc.	Provision method
Base remuneration	Fixed remuneration	Monetary remuneration	Monthly payment
Performance-linked remuneration	Variable compensation (performance-linked)		
Performance-linked stock remuneration		Non-monetary remuneration	<ul style="list-style-type: none"> The Company-wide performance is calculated by considering the degree of achievement of financial and non-financial indicators of the previous fiscal year. When the standard is set at 100%, the provision rate fluctuates between 0% and 150%. Individual performance-linked remuneration is calculated based on the standard remuneration limit for each position and performance.
	<ul style="list-style-type: none"> The Company’s stock is granted based on actual performance as performance-linked stock remuneration. Relative TSR is set as an indicator, and it is calculated based on the performance-linked coefficient that is determined after three (3) fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value). Performance-linked coefficient fluctuates within a range of 0% to 200%. 		Provided every three (3) years *The provision rate is between 50% to 150%.
		<ul style="list-style-type: none"> The Company’s stock is granted in accordance with the calculation made for each position as performance-linked stock remuneration. It is paid after three (3) fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value). The provision rate is calculated as 50% of performance-linked stock remuneration when it is paid 100% for each position. 	

3. Remuneration structure for External Directors and Audit & Supervisory Board Members

The remuneration for External Directors consists of only base remuneration without performance-linked remuneration paid.

Also, remuneration for Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members. Only base remuneration is paid without linking to performance from the perspective of ensuring a high degree of independence.

Remuneration ratio for each position

Officer's category and position	Base remuneration	Performance-linked remuneration	Performance-linked type Stock remuneration
Director			
President	50.0%	25.0%	25.0%
Executive Vice President, Senior Managing Executive Officer	55.0%	22.5%	22.5%
Managing Executive Officer, Executive Officer	60.0%	20.0%	20.0%
Director (excluding Executive Officer)	100.0%	—	—
External Director	100.0%	—	—
Audit & Supervisory Board Member	100.0%	—	—

* Since Directors, External Directors and Audit & Supervisory Board Members are Non-executive Officers who are in a position to manage and supervise the executing side, they are not paid performance-linked remuneration but are granted only base remuneration.

4. Other

When the performance-linked stock remuneration system was introduced, the Board of Directors resolved to stipulate activities that are not complying with the stock delivery regulations and a clause that makes it possible to request that a person who has violated the regulations returns the amount equivalent to the delivered shares, etc. and a clause that makes it possible to confiscate the awarded points.

5. Process to determine officers' remuneration

- (1) Based on the medium-term management plan, evaluate the results including the status of achievement of the business plans drawn up at the beginning of the fiscal year at a performance evaluation meeting to be held in late May, every year.
- (2) At the performance evaluation meeting mentioned in (1) above, the President and Representative Director evaluates officers.
- (3) Consult on the evaluation result of (2) above and the amount of remuneration based on the evaluation result at the Remuneration Committee to be held in mid-June each year.
- (4) The Board of Directors shall resolve the amount of remuneration for officers, which has been mentioned to and discussed with the Remuneration Committee mentioned in (3) above.
- (5) Among the annual amount of officers' remuneration, which has been resolved at the meeting of the Board of Directors as described in (4) above, base remuneration is paid monthly while performance-linked remuneration is paid in one lump sum in July.
- (6) As for the level of the amount of officers' remuneration, we ask a third-party organization to conduct a survey on officers' remuneration to analyze trends of other companies from July each year.
- (7) We report the result of the officers' remuneration survey conducted by the third-party in (6) above to the Remuneration Committee in November each year to inquire about a revision of the amount of officers' remuneration.

Performance-linked stock remuneration is calculated based on the stock delivery regulations, and there is no room for discretion of the Representative Director or the Remuneration Committee.

6. Method of calculating remuneration

The calculation methods for the base remuneration, performance-linked remuneration and performance-linked stock remuneration shown in 2. are as follows:

- (1) Base remuneration
Paid based on the magnitude of the role and the scope of responsibility for each position.
- (2) Performance-linked remuneration
For the calculation of performance-linked remuneration, a provision rate is calculated based on company-wide performance, the performance of the responsible organization and individual appraisal. Then, a performance evaluation ratio for each position is added to the calculated provision rate. The delivered rate is used for the calculating individual payments (0% to 150%). The specific calculation method is as follows:

Performance-linked remuneration assessment item

(i) Allocation ratio of performance evaluation for each position

The amount of individual performance-linked remuneration is calculated by determining an allocation ratio of performance evaluation for each position as follows, and calculating an evaluation score for company-wide performance, the performance of the responsible organization and individual appraisal separately.

Position	Company-wide performance	Organizational performance	Individual performance
Director			
President	100%	–	–
Executive Vice President, Senior Managing Executive Officer	60%	20%	20%
Managing Executive Officer, Executive Officer	40%	40%	20%

(ii) Determination of company-wide performance evaluation score

1) Company-wide performance indicator and evaluation ratio

Company-wide performance evaluation is determined with the degree of achievement of the plan for each indicator and each indicator's ratio.

A company-wide performance score is calculated based on the company-wide performance score formula in 2).

Type	Indicator	Ratio
Financial indicator	Consolidated net sales	25%
	Consolidated operating income	25%
	EPS	25%
Non-financial indicator	Stakeholders' satisfaction	15%
	ESG score	5%
	Governance	5%

*The target value for the plan of each indicator is set higher than the announced value for the operation.

2) Company-wide performance evaluation score formula

A company-wide performance evaluation score is determined using the formula below based on the degree of achievement of the target value for each company-wide performance indicator and each indicator's ratio.

$$\text{Company-wide performance evaluation score} = \Sigma (\text{Degree of achievement of each financial indicator} \times \text{each ratio}) + \Sigma (\text{Degree of achievement of each non-financial indicator} \times \text{each ratio})$$

*The upper limit is 150% if it exceeds 150%.

(iii) Determination of organizational performance evaluation score

Organizational performance is calculated within a range of 0 to 100 points based on the degree of achievement of financial and non-financial indicators for the officer's responsible organization during the target fiscal year for the performance evaluation. The calculated organizational performance evaluation score is divided by the base score of 66.5 points so that it falls within a range of 0% to 150%, and the evaluation score is determined within a range of 0% to 150%.

$$\text{Organizational performance evaluation score} = \text{Performance evaluation of responsible organization} / \text{base score}$$

*The upper limit is 150% if it exceeds 150%.

(iv) Determination of individual performance evaluation score

An individual performance evaluation score is delivered as a final five-grade evaluation based on the two-axis evaluation assessing the progress of the strategies developed as targets by an eligible officer for his/her responsible organization in the previous fiscal year (three-grade evaluation) and the degree of leadership demonstrated (three-grade evaluation) by the officer.

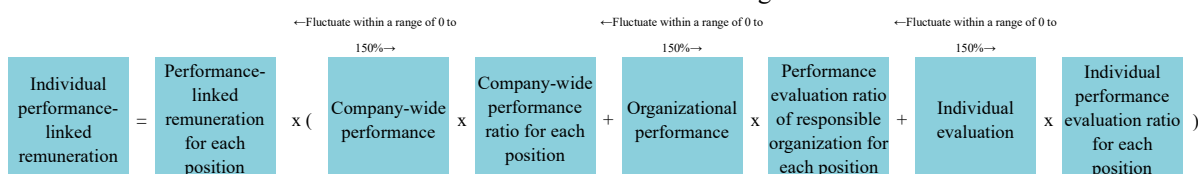
*Evaluation based on organizational strategy and leadership

	Leadership			
Organizational strategy		3	2	1
	3	A	B	C
	2	B	C	D
	1	C	D	E

*Five-grade evaluation

Evaluation	A	B	C	D	E
Evaluation ratio	150	100	50	25	0

- (v) Formula for individual performance-linked remuneration
 (i) Allocation ratio of performance evaluation for each position, (ii) Company-wide performance, (iii) Organizational performance and (iv) Individual performance described above are separately evaluated. The amount of remuneration is determined with the following formula.



3) Performance-linked stock remuneration

Performance-linked stock remuneration is a system that provides non-monetary remuneration (hereinafter referred to as the “System”). The Company establishes an incentive plan that covers consecutive three (3) fiscal years (hereinafter referred to as the “Assessment Period”) as the consideration for executing duties during the target job execution period. Under the System set in fiscal 2024, the Company grants officers who are eligible for the System (hereinafter referred to as “Eligible Officers”) 50% each of the base points defined for each position as a performance-linked part (PSU) and fixed part (RSU) during the Assessment Period of the three (3) consecutive fiscal years from fiscal 2024 to fiscal 2026. As a general rule, in July, after the completion of the Assessment Period, for people who satisfy certain requirements, the number of base points is converted into stock delivery points based on the formula for performance-linked stock remuneration for each person, and the Company’s common stock is provided in accordance with the total number of the stock delivery points.

(1 point = 1 share)

About 50% of the Company stock is sold on the stock market to secure the funds to pay taxes and the proceeds of the sales is paid.

- PSU (Performance Share Unit) is the Company’s common stock provided after three (3) fiscal years have passed from the beginning of the application to Eligible Officers who belong to the Company as of April 1 of the initial fiscal year of the application based on the growth rate of the Company’s stock price during the Assessment Period. (50% is paid in cash equivalent to the market price.)
- RSU (Restricted Share Unit) system is introduced in fiscal 2024 and allows the Company to grant Eligible Officers who belong to the Company as of April 1 of the initial fiscal year of the application a fixed number of the Company’s common stock after three (3) fiscal years have passed from the beginning of the application. (50% is paid in cash equivalent to the market price.)

(i) Performance evaluation period (model period from 2024 to 2026)

Established fiscal year	Type	2024	2025	2026	2027	2028	2029
Fiscal 2024	PSU	□		→	■☆		
	RSU	□		→	■☆		
Fiscal 2025	PSU		□	→	→	■☆	
	RSU		□	→	→	■☆	
Fiscal 2026	PSU			□	→	→	■☆
	RSU			□	→	→	■☆

Legend: □ Grant of base points ■ Convert to stock delivery points ☆ Delivery of company stock and payment of cash

(ii) Calculation of base amount for each position

Base amount used to grant points is set for each position as follows:

Base amount for each position = Base remuneration for each position × Coefficient for each position

Coefficient for each position

Position	Coefficient for each position
Director	
President	25.0%
Executive Vice President, Senior Managing Executive Officer	22.5%
Managing Executive Officer, Executive Officer	20.0%

(iii) Method of calculating point (1 point = 1 share)

1) PSU :

A. At the beginning of fiscal year

Number of base points (PSU) =

Base amount for each position × 50% / The Company's stock price at the time of acquisition (figures below the decimal point are omitted)

B. At the time of performance evaluation (at the time of granting stock)

Number of stock delivery points (PSU) =

Number of base points (PSU) = Number of months of service / 12 months × Performance-linked coefficient (figures below 1 point are omitted)

C. Performance-linked coefficient

The performance-linked coefficient applied at the time of the performance evaluation (at the time of granting stock) is determined based on relative TSR as follows:

Relative TSR (%)	Performance-linked coefficient
200% or higher	200%
50% or higher, less than 200%	Calculated relative TSR (%)
Less than 50%	0%

2) RSU :

A. At the beginning of fiscal year

Number of base points (RSU) =

= Base amount for each position × 50% / The Company's stock price at the time of acquisition (figures below the decimal point are omitted)

B. At the time of share delivery

Number of stock delivery points (RSU)

= Number of base points (RSU) = Number of months of service/12 months × Performance-linked coefficient (figures below 1 point are omitted)

3) Number of stock delivery points:

Number of stock delivery points

= Number of stock delivery points (PSU) + Number of stock delivery points (RSU)

(iv) Calculation method of relative TSR (%) (As an example for the explanation, the case of fiscal 2024 is shown.)

Relative TSR (%) = The Company's RSR (%) / TOPIX growth rate (%)

The Company's RSR (%) = (B + C) / A

A: Average closing price of the Company's stock on the Tokyo Stock Exchange in May 2024

B: Average closing price of the Company's stock on the Tokyo Stock Exchange in May 2027

C: Total amount of dividend per share of the Company's stock from the beginning of fiscal 2024 to the end of fiscal 2026

TOPIX growth rate (%) = E / D

D: Average closing price of TOPIX on the Tokyo Stock Exchange in May 2024

E: Average closing price of TOPIX on the Tokyo Stock Exchange in May 2027