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(Securities Code 3857)

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## To the Shareholders

Itsuro Nishimoto  
President and Representative Director  
LAC Co., Ltd.  
2-16-1, Hirakawacho, Chiyoda-ku, Tokyo

## Notice of the 17th Ordinary General Meeting of Shareholders

We would like to express our appreciation for your continued support and patronage. We are pleased to notify you that the 17<sup>th</sup> Annual General Meeting of Shareholders of LAC Co., Ltd. (the “Company”) will be held for the purposes described below. Please refer to the Annual Securities Report, which will be disclosed on Tuesday, June 25, prior to the General Meeting of Shareholders.

The Company’s website:  
<https://www.lac.co.jp/ir/equity/meeting.html>

The website of the Tokyo Stock Exchange:  
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please access the website above, search by entering the Company’s name or securities code, and select “Basic information” then “Documents for public inspection/PR information” to view the matters.

If you wish to exercise your voting rights in advance, after examining the attached reference materials for the general meeting of shareholders, please exercise your voting rights by no later than 5:30 p.m. on Monday, June 24, 2024.

- 1. Date and Time:** Tuesday, June 25, 2024, at 10:00 a.m., JST  
(Reception starts at 9:30 a.m.)
- 2. Place:** Kudan Kaikan Terrace Conference & Banquet 3<sup>rd</sup> Floor Banquet Hall Shinju  
1-6-5, Kudanminami, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report and the Consolidated Financial Statements for the 17<sup>th</sup> Fiscal Year (from April 1, 2023 to March 31, 2024) and Audit Results of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
  2. The Non-Consolidated Financial Statements for the 17<sup>th</sup> Fiscal Year (from April 1, 2023 to March 31, 2024)

**Proposal to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Nine (9) Directors
- Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member
- Proposal 4:** Determination of Remuneration for Post-Delivery Type Performance-Linked Share Remuneration for Directors

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

In order to keep the Company's stock on a long-term and stable basis, we will continue to maintain a stable dividend level as the basis of our dividend policy and the basic indicator of dividend is 5% DOE (Share Capital Dividend Rate). In accordance with this policy, the year-end dividends business period shall be 14 yen.

1. **Type of dividend**  
Cash
2. **Matters concerning the allocation of dividend and total amount**  
14 yen per common share of the Company  
Total dividends are 433,556,494 yen.
3. **Effective date for surplus dividend**  
June 26, 2024

## Proposal 2: Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual Shareholders Meeting. Additionally, Director Noboru Nakatani resigned from his position on April 18, 2024. We therefore propose that nine (9) Directors be elected. The candidates for Directors are as follows.

Candidates for the position of Director are expected to have a high level of expertise, capabilities and extensive experience to achieve highly effective supervision for sustainable growth and medium- to long-term enhancement of corporate value in accordance with the Company's management philosophy, based on comprehensive judgment of insight, personality and other factors.

Please refer to page 11 for expected skills for director candidates and skill matrix.

No.	Name	Position and Responsibility	Properties
1	Teruhiko Takanashi	Chairman	[Reappointment]
2	Itsuro Nishimoto	President and Representative Director, Chief Executive Officer	[Reappointment]
3	Madoka Ibuka	Managing Executive Officer, General Manager of Business Strategy Department	[Reappointment]
4	Ushijima Katsuya	Managing Executive Officer	[New]
5	Jun Murai	Outside Director	[Reappointment] [Outside] [Independent]
6	Michihiro Sasaki	Outside Director	[Reappointment] [Outside] [Independent]
7	Kazutaka Muraguchi	Outside Director	[Reappointment] [Outside] [Independent]
8	Nao Tsuchiya	Director	[Reappointment]
9	Ken Higuchi		[New]

Reappointment	Candidate for Director to be reappointed
New	Candidate for Director to be newly appointed
Outside	Candidate for Outside Director
Independent	Candidate for Independent Officer

No.	Name	Career Summary and Position	
1	<b>Teruhiko Takanashi</b> [Reappointment]  Date of birth December 19, 1951  Number of Company's shares held 271,400  Attendance at board of directors 16/16	April 1987	Director, former LAC Co., Ltd.
		April 1999	Managing Director, former LAC Co., Ltd.
		February 2007	President & Representative Director, Executive Officer, former LAC Co., Ltd.
		October 2007	Director, Managing Executive Officer
		October 2007	Director, A&I System Co., Ltd.
		April 2009	President & Representative Director, Chief Executive Officer, A&I System Co., Ltd.
		April 2012	Executive Vice President
		June 2012	President & Representative Director
		April 2017	Chairman (current position)
		June 2019	Chairman, Information Industry Association of Tokyo (current position) Chairman, Software Service Corporation (current LAC Technologies Co., Ltd.) Chairman, Asian Link Co., Ltd. (current LAC CyberLink Co., Ltd.) (current position) Chairman, I Net Rely Corporation
		June 2021	Director, Information Technology Federation of Japan (current position)
		April 2024	Director and Advisor, LAC Technologies Co., Ltd. (current position)
		Significant concurrent positions outside the Company	
		Chairman, Information Industry Association of Tokyo Director, Information Technology Federation of Japan. Director and Advisor, LAC Technologies Co., Ltd. Chairman, LAC CyberLink Co., Ltd.	
	<b>Reason for selection as a Director nominee and outline of expected roles</b> Mr. Teruhiko Takanashi has continued to play a central role in management as a founding member of the former LAC Co., Ltd., the parent company of the Company, and in 2012, assumed the position of President and Representative Director of the Company, where he has been responsible for the stable development of the Group after the consolidation of the operating companies. Since 2017, he has served as Chairman, stepping away from execution of business, to oversee the Group as a whole. In addition, from the perspective of leveraging his insight and broad network of contacts cultivated through his experience from the early days of the IT industry, he has again been selected as a candidate for Director. If he is elected, he will continue to serve as Chairman in a role that oversees the Group as a whole.		
2	<b>Itsuro Nishimoto</b> [Reappointment]  Date of birth September 28, 1958  Number of Company's shares held 25,300  Attendance at board of directors 16/16	April 1991	Director, former LAC Co., Ltd.
		October 2007	Executive Officer
		April 2009	Director, Senior Executive Officer, former LAC Co., Ltd.
		June 2013	Director, Chief Technology Officer
		April 2014	Director, Senior Executive Officer, Chief Technology Officer
		September 2014	Outside Director, BroadBand Tower, Inc.
		April 2017	President and Representative Director, Chief Executive Officer, Chief Technology Officer (current position)
		March 2018	Representative Director, Security Camp Committee
		April 2020	President and Representative Director, Chief Executive Officer (current position)
		July 2020	Representative Director, Japan Trusted Alliance Group for cybersecurity (current position) (Scheduled to retire in June 2024)
		Significant concurrent positions outside the Company	
		Outside Director, BroadBand Tower, Inc. Representative Director, Japan Trusted Alliance Group for cybersecurity (Scheduled to retire in June 2024)	
	<b>Reason for selection as a Director nominee and outline of expected roles</b> Mr. Itsuro Nishimoto has many years of operational experience and achievements as a leading figure in the field of cybersecurity. In addition, as President, Representative Director, and Chief Technology Officer since 2017, he has been strongly promoting business restructuring and leading initiatives to grow and expand the business. He is responsible for the sustained enhancement of the Group's corporate value. Therefore, he has again been selected as a candidate for Director. If he is elected, he will continue to lead the Company's business as President and Representative Director, and CEO.		

No.	Name	Career Summary, Position and Responsibilities	
3	<p><b>Madoka Ibuka</b> [Reappointment]</p> <p>Date of birth October 9, 1968</p> <p>Number of Company's shares held 12/12</p>	April 1992	Kokusai Denshin Denwa Co. Ltd (current KDDI CORPORATION)
		October 2006	Manager, Network Solution Department 2 of Network Solution Domestic Sales Division, KDDI CORPORATION
		June 2007	Secondee to KDDI MALYSIA SDN. BHD, Managing Director
		April 2013	Group Leader, Planning Group of Network & Global Solution Department of Solution Promotion Division, KDDI CORPORATION
		October 2013	Deputy General Manager, Solution Planning Department of Solution Promotion Division, KDDI CORPORATION
		October 2015	General Manager, Global ICT Business Promotion Department of Global ICT Division, KDDI CORPORATION
		October 2016	Secondee to PT. KDDI INDONESIA, President Director
		April 2023	Secondee to LAC Co., Ltd., Managing Executive Officer, General Manager of Business Strategy Promotion Department
		June 2023	Secondee to LAC Co., Ltd., Director, Managing Executive Officer, General Manager of Business Strategy Promotion Department
		April 2024	Secondee to LAC Co., Ltd., Director, Managing Executive Officer, General Manager of Global Business Strategy Department (current position)
		Significant concurrent positions outside the Company	
		-	
<p><b>Reason for selection as a Director nominee and outline of expected roles</b></p> <p>Mr. Madoka Ibuka has a wealth of experience in overseas operations, etc. at a major telecommunications carrier. After being seconded to the Company, he is in charge of the business strategy promotion area, and he is responsible for strengthening the promotion of business planning and strategy formulation, including the overseas business, by making use of his experience and knowledge. Therefore, he has been selected as a candidate for Director.</p> <p>If he is elected, he will continue to be in charge of the business strategy promotion area and will be committed to the further development of the Company.</p>			
4	<p><b>Ushijima Katsuya</b> [New]</p> <p>Date of birth June 17, 1967</p> <p>Number of Company's shares held 0</p>	April 1988	Kokusai Denshin Denwa Co. Ltd (current KDDI CORPORATION)
		October 2003	Group Leader, Development Group 4, Solution Development Department 3, Solution Product Development Headquarters, Solution Business Headquarters, KDDI CORPORATION
		April 2004	Group Leader, Product Development Department Development Group 4, Mobile Solution Product Development Headquarters, Mobile Solution Business Headquarters, KDDI CORPORATION
		April 2007	Group Leader, Product Planning Group 1, Mobile Product Planning Department, Solution Product Planning Division, KDDI CORPORATION
		April 2011	Group Leader, Common Infrastructure Group 1, Common Business Systems Department, Information Systems Headquarters, KDDI CORPORATION
		April 2012	Group Leader, Architecture Group, System Management Services Department, Information Systems Headquarters, KDDI CORPORATION
		October 2014	General Manager, System Management Services Department, Information Systems Headquarters, KDDI CORPORATION
		April 2017	General Manager, Core Systems Division 1, Information Systems Headquarters, KDDI CORPORATION
		April 2018	General Manager, Security Platform Department, Headquarters, Information Systems Headquarters, KDDI CORPORATION
		January 2020	Secondee to KDDI Digital Security Inc., Director
April 2024	Secondee to LAC Co., Ltd., Managing Executive Officer (current position)		
		Significant concurrent positions outside the Company	
		-	
<p><b>Reason for selection as a Director nominee and outline of expected roles</b></p> <p>Mr. Katsuya Ushijima has extensive experience in corporate business and information systems divisions, etc. at a major telecommunications carrier. After being seconded to the Company, he has been in charge of the business strategy area and is responsible for strengthening the promotion of external business collaboration by utilizing this experience and knowledge. Therefore, he has been selected as a candidate for Director.</p> <p>If he is elected, he will continue to be in charge of the business strategy area and will be committed to the further development of the Company.</p>			

No.	Name	Career Summary and Position
5	<p data-bbox="245 421 408 546"><b>Jun Murai</b> [Reappointment] [Outside] [Independent]</p> <p data-bbox="245 577 408 636">Date of birth March 29, 1953</p> <p data-bbox="207 667 446 757">Number of Company's shares held 0</p> <p data-bbox="213 788 446 878">Attendance at board of directors 12/16</p>	<p data-bbox="485 219 1471 833"> August 1984 Assistant, Information Processing Center of Tokyo Institute of Technology  March 1987 Received Ph. D, Engineering from Keio University  April 1987 Assistant, Large-scale Computer Center of the University of Tokyo  April 1990 Associate Professor, Faculty of Environment and Information Studies of Keio University  April 1997 Professor, Faculty of Environment and Information Studies of Keio University  April 2000 Representative Director, Wide Research Co., Ltd. (current position)  May 2005 Vice-President, Keio Gijuku Educational Corporation  October 2009 Professor, Faculty of Environment and Information Studies of Keio University  September 2011 Outside Director, BroadBand Tower, Inc. (current position)  March 2012 Outside Director, Rakuten, Inc. (present Rakuten Group, Inc.) (current position)  October 2017 Dean, the Graduate School of Media and Governance of Keio University  June 2018 Outside Director, LAC Co., Ltd. (current position)  November 2019 Outside Director, HAPSMobile Inc.  April 2020 Professor, Keio University (current position)  October 2020 Special Advisor to the Cabinet (current position)  September 2021 Advisor, the Digital Agency (current position)  July 2022 Advisor and Senior Fellow, The International House of Japan, Inc.  October 2022 Director, World Wide Web Consortium, Inc. (current position)  July 2023 Advisor, The International House of Japan, Inc. (current position) </p>
		<p data-bbox="721 842 1270 878">Significant concurrent positions outside the Company</p>
		<p data-bbox="507 878 1187 1084"> Professor, Keio University  Outside Director, BroadBand Tower, Inc.  Outside Director, Rakuten Group, Inc.  Special Advisor to the Cabinet  Advisor, the Digital Agency  Advisor and Senior Fellow, The International House of Japan, Inc.  Director, World Wide Web Consortium, Inc. </p>
<p data-bbox="194 1084 976 1115"><b>Reason for selection as a Director nominee and outline of expected roles</b></p> <p data-bbox="194 1120 1430 1240">The Company considers that Mr. Jun Murai has exceptional expertise as a leading authority on matters relating to the Internet in Japan will enable him to support the Group's efforts to enhance corporate value from a medium- to long-term perspective based on factors such as the competitive environment, from a position independent of the management team. Therefore, he has again been selected as a candidate for Outside Director.</p> <p data-bbox="194 1245 1394 1335">If he is elected, he will continue to be committed to ensuring the adequacy and appropriateness of decision-making, including advice on enhancing corporate value from a professional perspective, and to the further development of the Company.</p> <p data-bbox="194 1339 1375 1397">With this background the Company judges there to be no risk of a conflict of interest with general shareholders and accordingly he has again been nominated as Independent Director.</p>		

No.	Name	Career Summary and Position
6	<p><b>Michihiro Sasaki</b> [Reappointment] [Outside] [Independent]</p> <p>Date of birth September 7, 1959</p> <p>Number of Company's shares held 0</p> <p>Attendance at board of directors 16/16</p>	<p>July 1993 Chief, General affairs section of General Affairs Office of Planning and Coordination Department of Electronics and Information Communication Division, NIPPON STEEL CORPORATION</p> <p>November 1998 Manager, Contract Management Office of Planning and Coordination Department of Electronics and Information Communication Division, NIPPON STEEL CORPORATION</p> <p>October 2000 Chief Legal Officer, Netyear Group Corporation.</p> <p>October 2002 General Manager, Legal and Intellectual Property Department, SQUARE ENIX CO., LTD. (current SQUARE ENIX HOLDINGS CO., LTD.)</p> <p>April 2003 General Manager of Corporate Planning Department and General Manager of Legal and Intellectual Property Department, SQUARE ENIX CO., LTD. (current SQUARE ENIX HOLDINGS CO., LTD.)</p> <p>February 2006 Auditor, TAITO CORPORATION</p> <p>October 2008 General Manager, Group Management Promotion Department, SQUARE ENIX HOLDINGS CO., LTD.</p> <p>April 2015 Executive Officer, In charge of corporate planning, legal affairs, intellectual property, licensing and General Manager of Corporate Planning Department, SQUARE ENIX HOLDINGS CO., LTD.</p> <p>April 2018 Director, Executive Officer, In charge of corporate planning, legal affairs, intellectual property, licensing and General Manager of Corporate Planning Department, SQUARE ENIX HOLDINGS CO., LTD.</p> <p>December 2020 Outside Audit &amp; Supervisory Board Member, Axis, Inc. (current AxisRoot Holdings, Inc.) (current position)</p> <p>April 2021 Audit &amp; Supervisory Board Member, TAITO CORPORATION (current position)</p> <p>June 2021 Outside Audit &amp; Supervisory Board Member, LAC Co., Ltd. (current position)</p>
		Significant concurrent positions outside the Company
		<p>Audit &amp; Supervisory Board Member, TAITO CORPORATION</p> <p>Outside Audit &amp; Supervisory Board Member, AxisRoot Holdings, Inc.</p>
		<p><b>Reason for selection as a Director nominee and outline of expected roles</b></p> <p>The Company considers that Mr. Michihiro Sasaki has wealth of experience and expertise in all aspects of corporate matters will enable him to support the Group's efforts to improve management transparency and strengthen corporate governance from a position independent of the management team. Therefore, he has again been selected as a candidate for Outside Director.</p> <p>If he is elected, he will continue to be committed to ensuring the adequacy and appropriateness of decision-making, including advice on enhancing corporate value from a professional perspective, and to the further development of the Company.</p> <p>With this background the Company judges there to be no risk of a conflict of interest with general shareholders and accordingly he has again been nominated as Independent Director.</p>

No.	Name	Career Summary and Position
7	<p><b>Kazutaka Muraguchi</b> [Reappointment] [Outside] [Independent]</p> <p>Date of birth November 20, 1958</p> <p>Number of Company's shares held 12,000</p> <p>Attendance at board of directors 16/16</p>	<p>February 1994    Manager, Section 2 of Investment Department 2 of Tokyo Investment Headquarters, JAFCO Group Co., Ltd.</p> <p>July 1998        Representative Director, Nippon Technology Venture Partners (current position)</p> <p>November 1998   Unlimited liability, Established NTVP i-1 Investment Limited Partnership (current position)</p> <p>April 2003       Visiting professor, Tokushima University (current position)</p> <p>September 2006   Director, Japan CableCast Inc. (current position)</p> <p>March 2007       Director, Premium Water Holdings, Inc. (current position)</p> <p>April 2007        Teacher Graduate School of Business Administration, Keio University (Keio Business School:KBS) (current position)</p> <p>June 2011        Representative Director, Genomembrane Co., Ltd. (current position)</p> <p>June 2012        Outside Director, Plat'Home Co., Ltd.</p> <p>April 2013       Representative Director, TSS LINK, Inc.</p> <p>June 2017        Outside Director, DENTAS CO., LTD. (current position)</p> <p>September 2017   Outside Director, BroadBand Tower, Inc.</p> <p>November 2018   Outside Director, JESCO HOLDINGS SINGAPORE PTE. LTD. (current position)</p> <p>January 2019     Director, BroadBand Tower, Inc. (current position)</p> <p>March 2019      Outside Director, PALTEK CORPORATION</p> <p>June 2019        Director, SS LINK, Inc.</p> <p>June 2021        Outside Director, LAC Co., Ltd. (current position)</p> <p>June 2021        Outside Director, IPS, Inc. (current position)</p> <hr/> <p style="text-align: center;">Significant concurrent positions outside the Company</p> <p>Representative Director, Nippon Technology Venture Partners Unlimited liability, NTVP i-1 Investment Limited Partnership Director, Japan CableCast Inc. Director, Premium Water Holdings, Inc. Visiting Professor, Tokushima University Teacher Graduate School of Business Administration, Keio University (Keio Business School:KBS) Representative Director, Genomembrane Co., Ltd. Outside Director, DENTAS CO.,LTD. Outside Director, JESCO HOLDINGS SINGAPORE PTE. LTD. Director, BroadBand Tower, Inc. Outside Director, IPS, Inc.</p>
<p><b>Reason for selection as a Director nominee and outline of expected roles</b></p> <p>The Company considers that Mr. Kazutaka Muraguchi has knowledge and expertise in fostering entrepreneurs, in addition to his extensive experience as a businessperson, will enable him to provide appropriate guidance to the Group regarding its growth strategies and next-generation human resources development from a position independent of the management team. Therefore, he has again been selected as a candidate for Outside Director.</p> <p>If he is elected, he will continue to be committed to ensuring the adequacy and appropriateness of decision-making, including advice on enhancing corporate value from a professional perspective, and to the further development of the Company.</p> <p>With this background the Company judges there to be no risk of a conflict of interest with general shareholders and accordingly he has again been nominated as Independent Director.</p>		



No.	Name	Career Summary and Position	
8	<p data-bbox="247 309 411 369"><b>Nao Tsuchiya</b> [Reappointment]</p> <p data-bbox="247 403 422 459">Date of birth October 23, 1973</p> <p data-bbox="207 492 446 582">Number of Company's shares held 2,700</p> <p data-bbox="215 616 454 705">Attendance at board of directors 16/16</p>	October 2003	Registered as attorney at Low (Dai-Ichi Tokyo Bar Association)
		January 2012	Hayabusa International law Office (current Hayabusa Asuka Law Offices)
		June 2012	Partner, Hayabusa Asuka Law Offices
		November 2014	Outside Audit & Supervisory Board Member, C'BON COSMETICS Co., Ltd.
		November 2016	Partner, PricewaterhouseCoopers WMS Pte. Ltd.
		April 2018	Executive Officer, General Manager of Legal Department and Head of Intellectual Property Section
		June 2018	Outside Director, Meiko Electronics Co., Ltd. (current position)
		April 2020	General Manager of Legal Department and General Manager of Intellectual Property Section
		June 2020	Director (current position)
		October 2020	General Manager, Legal Division of Legal Affairs Headquarters, Yahoo Japan Corporation (current LINE Yahoo Japan Corporation)
April 2022	General Manager, Legal Affairs Headquarters, Yahoo Japan Corporation (current LINE Yahoo Japan Corporation) (current position)		
Significant concurrent positions outside the Company			
<p data-bbox="502 716 590 739">Lawyer</p> <p data-bbox="502 739 981 761">Outside Director, Meiko Electronics Co., Ltd.</p> <p data-bbox="502 761 1316 784">General Manager, Legal Affairs Headquarters, LINE Yahoo Japan Corporation</p>			
<p data-bbox="199 795 981 817"><b>Reason for selection as a Director nominee and outline of expected roles</b></p> <p data-bbox="199 817 1495 952">Ms. Nao Tsuchiya has acquired extensive knowledge and expertise in problem-solving through her practical experience in the corporate legal division, in addition to her professional skills as a lawyer. The Company considers that she will enhance the soundness of corporate management in terms of compliance and strengthen corporate governance in order to enhance the Company's business execution capabilities. Therefore, she has again been selected as a candidate for Director.</p> <p data-bbox="199 952 1495 1016">If he is elected, he will continue to be committed to ensuring the adequacy and appropriateness of decision-making, including advice on enhancing corporate value from a professional perspective, and to the further development of the Company.</p>			

No.	Name	Career Summary and Position	
9	<p style="text-align: center;"><b>Ken Higuchi</b> [New]</p> <p>Date of birth October 12, 1968</p> <p>Number of Company's shares held 0</p>	April 1993	Space Communications Business, Mitsubishi Corporation
		May 1996	Seconded to Space Communication Co., Ltd., Corporate Planning Department
		April 2000	Space Communications Business Unit, Mitsubishi Corporation
		April 2001	Seconded to Hit Pops Co., Ltd., COO and Head of Business Development Headquarters
		February 2004	Application Business Unit, Mitsubishi Corporation
		August 2007	Seconded to Infosec Corporation (current NEC Security Co., Ltd.) Corporate Planning Department Manager/Consulting Department Manager/Solution Department Manager/Sales Department Manager
		April 2016	Manager, IT Services Business Planning Department Manager, Mitsubishi Corporation
		April 2017	Acting Director, IT Services Department, Mitsubishi Corporation
		June 2017	Outside Director, SIGMAXYZ Corporation
		September 2017	Senior Manager, Clothing and Lifestyle Products Division, Mitsubishi Corporation
		December 2017	Seconded to GU Co., Ltd., General Manager, Digital Innovation Promotion Department
		October 2019	Seconded to Fast Retailing Co., Ltd., Manager, Global Digital Commerce Department
		July 2021	In charge of Consumer Industry Group Business Planning and Digital Strategy, Mitsubishi Corporation
April 2024	In charge of Business Planning and Digital Strategy, Smart Life Creation Group, Mitsubishi Corporation (current position)		
		Significant concurrent positions outside the Company	
		-	
<p><b>Reason for selection as a Director nominee and outline of expected roles</b></p> <p>Mr. Ken Higuchi has extensive experience and knowledge of the entire business life cycle from business start-up of a wide range of businesses, structural reform, and business restructuring, including service business development and market development with advanced IT and digital technology as differentiating factors, and the promotion and restructuring of cyber security business at a major trading company. He also has experience in organizational management in a wide range of divisions, including engineering, administration, and sales, and the Company considers that he will help enhance the Group's corporate value. Therefore, he has been selected as a candidate for Director.</p> <p>If he is elected, he will lead business transformation as Chief Transformation Officer (CXO), be in charge of the innovation area, and be instrumental in the further development of the Company.</p>			

Notes:

- There is no special interest between any of the candidates and the Company.
- Mr. Jun Murai, Mr. Michihiro Sasaki and Mr. Kazutaka Muraguchi are candidates for Outside Directors.
- Mr. Jun Murai, Mr. Michihiro Sasaki and Mr. Kazutaka Muraguchi are currently Outside Directors of the Company.  
Mr. Jun Murai's term of office will be six (6) years, Mr. Michihiro Sasaki and Mr. Kazutaka Muraguchi's term will be three (3) years at the conclusion of this General Meeting of Shareholders.
- The Company has, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, entered into a contract with Mr. Teruhiko Takanashi, Mr. Jun Murai, Mr. Michihiro Sasaki, Mr. Kazutaka Muraguchi and Ms. Nao Tsuchiya for limitation of liabilities for damages stipulated in Article 423, Paragraph 1 of the same Act. The limit of liability for damages pursuant to the limited liability contracts is the aggregate sum of the amounts prescribed in each item in Article 425, Paragraph 1 of the Companies Act. If this reappointment is approved, the Company plans to renew the limited liability contracts with Mr. Teruhiko Takanashi, Mr. Jun Murai, Mr. Noboru Nakatani, Mr. Michihiro Sasaki, Mr. Kazutaka Muraguchi and Ms. Nao Tsuchiya.
- The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If any of the candidates for Directors assume office, they will be the insured of the contract. The insurance contract will be renewed with the same terms and conditions at the next renewal.
- The Company has designated Mr. Jun Murai, Mr. Michihiro Sasaki and Mr. Kazutaka Muraguchi as Independent Directors in accordance with the rules of the Tokyo Stock Exchange and notified the same to the Tokyo Stock Exchange. If their reappointment is approved, the Company plans to continue to designate them as Independent Directors.
- If the election of Director candidate Ken Higuchi is approved, his appointment date is scheduled to be August 1, 2024.
- The number of the Company's shares held by any of the candidates is the number as of March 31, 2023.
- Attendance at Board of Directors meetings for each reappointed candidate is based on attendance at Board of Directors meetings during the fiscal year from April 1, 2023, to March 31, 2024.

<Reference> Skills Matrix

Expected skills for director candidates

Corporate management	Skills to accurately understand the business environment and execution situation surrounding the Company and to raise issues
Human resource management	Skills to develop next-generation human resources and manage diverse human resources to maximize their performance
Finance/Investment/M&A	Skills to provide accurate advice and recommendations from a management perspective on financial strategy transition, investment, and M&A, from information-gathering to execution and integration
GRC (Governance, Risk and Compliance)	Skills to substantiate group governance from a management perspective, accurately grasp the location of constantly changing risks, and provide advice and recommendations for avoidance and mitigation measures
IT/Cyber Security	Skills to provide advice and recommendations that contribute to the growth of the Company's business with deep knowledge in a wide range of areas, from existing technologies to cutting-edge technologies
Insight into the situation	Skills to grasp the ever-changing circumstances of society and to provide accurate advice and recommendations according to the execution situation

Skills Matrix (a maximum of three skills)

	Teruhiko Takanashi	Itsuro Nishimoto	Madoka Ibuka	Katsuya Ushijima	Jun Murai	Michihiro Sasaki	Kazutaka Muraguchi	Nao Tsuchiya	Ken Higuchi
Corporate management	●	●	●			●	●		●
Human resource Management	●	●			●			●	●
Finance/Investment/M&A						●	●		
GRC (Governance, Risk and Compliance)				●				●	
IT/Cyber Security		●	●	●	●				●
Insight into the situation	●		●	●	●		●		

### Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for any shortage in the number of Audit & Supervisory Board Member from the number provided for in laws and regulations, it is proposed that the following one (1) nominee be appointed as Substitute Audit & Supervisory Board Member in advance pursuant to the provision of Article 329, Paragraph 3 of the Companies Act. With respect to such substitute, his/her appointment as an Audit & Supervisory Board Member shall be conditioned upon the absence of the statutory number of Substitute Audit & Supervisory Board Member, and his/her term of office shall be the remaining term of office of his/her predecessor. This resolution shall be effective until the commencement of the next General Meeting of Shareholders.

The Board of Auditors has given its approval to this proposal.

The candidate for a Substitute Audit & Supervisory Board Member is as follows:

Name	Career Summary and Position	
<p style="text-align: center;"><b>Akira Otsuka</b></p> <p>Date of birth March 1, 1948</p> <p>Number of Company's shares held 0</p>	April 1971	Japan National Cash Register (current NCR Japan,Ltd.)
	August 1986	Asahi Business Consultants Co, Ltd. (current FUJI SOFT INCORPORATED)
	April 1994	Manager, Kyushu Sales Office, FUJI SOFT INCORPORATED
	September 1997	Assigned to SECOM Trust Systems Co., Ltd., SECOM CO., LTD., Manager of President's Office and Manager of Business Promotion Office
	April 1999	Secondee to PASCO CORPORATION, General Manager of Management Control Office and General Manager of Information Systems Department,
	April 2001	Director, General Manager of Administration Headquarters, PASCO CORPORATION
	April 2005	Deputy Director, SECOM Intelligent Systems Laboratory, SECOM CO., LTD.
December 2007	Auditor, IREP Co., Ltd.	
October 2016	Auditor, D.A. Consortium Holdings Inc.	
Significant concurrent positions outside the Company		-
<p><b>Reason for nomination as candidate for Substitute Audit &amp; Supervisory Board Member</b></p> <p>Mr. Akira Otsuka has acquired experience in corporate management at business companies as well as experience in auditing as an Audit &amp; Supervisory Board Member of a listed company. The Company considers that he is capable of conducting an appropriate audit of the management of the Company in addition to meeting the high ethical standards of and having the fair and impartial judgment required of an Audit &amp; Supervisory Board Member. Therefore, he has been selected as a candidate for substitute Outside Audit &amp; Supervisory Board Member.</p> <p>If Mr. Akira Otsuka takes office as an Audit &amp; Supervisory Board Member, with this background the Company plan to judge there to be no risk of a conflict of interest with general shareholders and accordingly he has been nominated as Independent Director.</p>		

Notes:

1. The candidate is the candidates for Substitute Audit & Supervisory Board Member.
2. There is no special interest between the candidate and the Company.
3. If Mr. Akira Otsuka takes office as an Audit & Supervisory Board Member, under the provisions of Article 427, Paragraph 1 of the Companies Act, the Company plans to conclude with them a contract that limits the liability for damages provided for Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages pursuant to the limited liability contracts is the aggregate sum of the amounts prescribed in each item in Article 425, Paragraph 1 of the Companies Act.
4. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If Mr. Akira Otsuka takes office, he will be included in the insurance contract. The insurance contract will be renewed with the same terms and conditions at the next renewal.
5. If Mr. Akira Otsuka takes office as Auditor, the Company will designate her as an independent officer as stipulated by the Tokyo Stock Exchange, Inc. and will inform his name to the exchange.
6. The number of the Company's shares held by the candidate is the number as of March 31, 2024

#### **Proposal 4: Determination of Remuneration for Post-Delivery Type Performance-Linked Share Remuneration for Directors**

At the Company's 1st Ordinary General Meeting of Shareholders held on June 24, 2008, it was resolved that the amount of remuneration, etc. for Directors of the Company shall be within the fixed amount of remuneration of 400 million yen per year (not including salaries for employees), and at the Company's 9th Ordinary General Meeting of Shareholders held on June 21, 2016, it was resolved to introduce a "stock benefit trust" as profit-linked stock remuneration for Directors of the Company (excluding Non-Executive Directors and including the Chairman) within the scope of this remuneration amount, establish the maximum grant limit at 65,000 points per year, and carry out other matters.

For the purpose of providing Directors with incentives to improve the Company's corporate value and further sharing value between Directors and shareholders, the Company requests your approval to set a remuneration limit for the granting of post-delivery type performance share units to the Company's Directors (excluding Non-Executive Directors and including the Chairman; hereinafter referred to as the "Eligible Director(s)") in addition to the annual amount of 400 million yen, which is the limit for the fixed amount of remuneration for the Company's Directors.

The number of shares to be delivered to the Eligible Directors by the Company under this plan shall be 35,000 or less per year. (Provided, however, that a cumulative total of 105,000 shares or less for three (3) years may be delivered in a lump sum; in addition, on and after the date on which this proposal is approved and passed, in the event of a stock split (including gratis allotment of shares of common stock of the Company) or a reverse stock split of shares of common stock of the Company, or in the event of any other event requiring adjustment of the total number of shares of common stock of the Company to be issued or disposed of, such total number shall be adjusted within reasonable limits.). Also, the amount of monetary compensation claims to be paid shall be not more than 21 million yen per year (provided, however, that a cumulative total of 63 million yen or less for three (3) years may be paid in a lump sum). The specific allocation to each Eligible Director shall be determined by the Board of Directors.

The current number of Directors is eight (8) (including three (3) Outside Directors), but if Proposal 2 is approved and passed as proposed, the number of Directors will be nine (9) (including three (3) Outside Directors).

##### **1. Outline of the performance-linked share remuneration plan**

The post-delivery type performance-linked share remuneration plan (performance share-based unit plan) (hereinafter, the "Shared-based Remuneration Plan") is a performance-linked remuneration plan, under which numerical targets are set in advance for a period determined by the Board of Directors (hereinafter, the "Evaluation Period"; the initial Evaluation Period will be one fiscal year from April 1, 2024 to March 31, 2027, and the Evaluation Period will be each fiscal year thereafter) and the number of shares of common stock and amount in the Company calculated based on the percentage of achievement of such numerical targets, etc. is granted as remuneration, etc. for Eligible Directors. Therefore, under the Shared-based Remuneration Plan, the number of shares of common stock based on the percentage of achievement of numerical performance targets, etc. will be delivered, and at the time of introduction of the Shared-based Remuneration Plan, a decision has not been made on whether such remuneration will be delivered to each Eligible Director and the number of shares and amount to be delivered has not been finalized.

In addition, for the purpose of issuing or disposing the shares of common stock of the Company under this Plan, an agreement on the allotment of restricted stock (hereinafter, the "Allotment Agreement"), which includes the following terms in general, will be entered into between the Company and the Eligible Directors (limited to directors of the Company and other persons in positions determined by the Board of Directors of the Company on the date of the resolution for the issuance of such shares).

- (1) During the period from the date of issuance of restricted stock until the date on which the Eligible Director loses his or her position as a director of the Company or other position determined by the Board of Directors of the Company (hereinafter, the "Transfer Restriction Period"), Eligible Directors may not transfer, establish collateral of, or otherwise dispose of the common stock of the Company allocated to them under the Allotment Agreement ("Allotted Shares") (hereinafter, "Transfer Restriction").
- (2) If Eligible Directors violate laws and regulations, internal rules or the Allotment Agreement, or if there arises reasonable grounds for the Company, as determined by the Board of Directors, to acquire shares without consideration, or in the event that any of the events specified in the Allotment Agreement occurs, the Company will acquire such shares without consideration.
- (3) If matters related to a merger agreement in which the Company is to be the absorbed company, a share exchange agreement or a share transfer plan in which the Company is to become a wholly-owned subsidiary, or other organizational restructuring, etc., are approved by the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company, where such organizational restructuring, etc. does not require approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Company will, by the resolution of the Board of Directors, lift the Transfer Restrictions for all of the Allotted Shares prior to the effective date of such organizational restructuring, etc.

## 2. Content of remuneration, etc. under the Shared-based Remuneration Plan

### (1) Method of calculating remuneration, etc. under the Shared-based Remuneration Plan

Under this plan, the Company will determine the amount of money to be paid to each Eligible Director by multiplying (1) the base remuneration of the Eligible Director by a standard coefficient corresponding to consolidated ordinary income, adjusting the amount, and then multiplying the amount by the evaluation index corresponding to the degree of achievement of numerical targets, etc. of performance determined by the Board of Directors of the Company, and then multiplying the result by (2) the term of service ratio.

In addition, the Company will determine the number of shares to be allotted to each Eligible Director by multiplying (1) the number of shares to be delivered after evaluation, which is calculated based on the amount obtained by multiplying the base remuneration of the Eligible Director by a standard coefficient corresponding to the consolidated ordinary income, and then multiplying that amount by an evaluation index corresponding to the degree of achievement of numerical performance targets, etc., determined by the Board of Directors of the Company (hereinafter referred to as the “Base Amount”), by (2) the term of service ratio.

The Company will pay Eligible Directors a monetary remuneration claim of an amount calculated by multiplying the number of shares to be allotted to Eligible Directors by the amount to be paid in for the Company’s shares of common stock to be allotted, and allot shares of common stock to each Eligible Director in exchange for each Eligible Directors’ contribution in kind of such monetary remuneration claim. The amount to be paid in for the Company’s shares of common stock to be allotted shall be an amount determined by the Board of Directors, within a scope in which the amount is not particularly favorable to Eligible Directors, based on the closing price of ordinary transactions of shares of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding each date of the resolution by the Board of Directors pertaining to the determination of the above-stated allocation (or, if there was no trade on such day, the closing price on the immediately preceding day on which there was any trade).

The above-stated amount of monetary remuneration claims to be paid to each of the Eligible Directors and the number of shares to be allotted will be calculated in accordance with the following formula.

[Formula]

Number of shares to be allocated = Number of shares to be delivered after valuation (i) × Term of service ratio (ii)

- (i) “Number of Shares to Be Delivered after Valuation” is the number of shares obtained by dividing the Base Amount by the closing price of the Company’s common stock in regular trading on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors regarding the decision to allocate shares (or, if no trading was effected on that date, the closing price on the immediately preceding trading day).
- (ii) “Term of service ratio” is the ratio of the number of months in office divided by the number of months in the Evaluation Period.

In the event that the Eligible Director resigns from his/her position as a Director of the Company or any other position determined by the Board of Directors of the Company due to death or any other reason deemed justifiable by the Board of Directors of the Company, in the event that a merger agreement in which the Company becomes an extinct company, a share exchange agreement in which the Company becomes a wholly-owned subsidiary, a share transfer plan, or any other proposal related to organizational restructuring, etc. is approved at the General Meeting of Shareholders of the Company (provided, however, that in cases where the approval of the General Meeting of Shareholders of the Company is not required for such reorganization, etc., the Board of Directors of the Company), or in the event that there is any other reason deemed justifiable by the Board of Directors of the Company, the Company may, if necessary, deliver a reasonably adjusted number of shares at a time reasonably determined by the Board of Directors of the Company, or pay an amount of money reasonably calculated by the Board of Directors of the Company as an amount equivalent to such shares, etc. in lieu of such delivery.

### (2) Maximum remuneration, etc. under the Share-based Remuneration Plan

The number of shares to be delivered by the Company to the Eligible Directors for each Evaluation Period under the Share-based Remuneration Plan will be no more than 35,000 shares in total (however, a total of up to 105,000 shares for three years may be paid in one lump sum), and the amount of monetary remuneration claims to be paid will be no more than 21 million yen in total (however, a total of 63 million yen or less for three years may be paid in one lump sum).

### (3) Reasons for forfeiting the right to receive remuneration, etc. under the Share-based Remuneration Plan

Eligible Directors will forfeit all or part of their right to receive remuneration, etc. under the Share-based Remuneration Plan if certain misconduct determined by the Board of Directors takes place or Eligible Directors resign, etc. for certain reasons determined by the Board of Directors.

(4) Adjustments due to a share consolidation or split, etc.

In the event that by the time the shares are delivered under the Share-based Remuneration Plan, the total number of issued shares of the Company has increased or decreased due to a share consolidation or a share split (including the allotment of shares without contribution, and the same applies hereinafter), the number of shares relating to the calculation for the Plan will be adjusted by multiplying the ratio of the share consolidation or the share split.

The Company's Board of Directors, at its meeting held on June 22, 2022, established a policy regarding the determination of the details of remuneration, etc. for each individual Director. The Company plans to change such policy if this proposal is approved. In addition, as stated above, the content of this proposal is such that the amount to be paid in for the allotted shares is within a range that is not particularly advantageous, and the dilution rate is minor. Therefore, the Company believes that granting the allotted shares is reasonable.