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(Stock Exchange Code 4312)  
February 22, 2021

**To Shareholders with Voting Rights:**

Reiko Yasue  
President & CEO  
Cybernet Systems Co., Ltd.  
3 Kanda-neribeicho, Chiyoda-ku, Tokyo

**NOTICE OF  
THE 36TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

The 36th Annual General Meeting of Shareholders of Cybernet Systems Co., Ltd. (the “Company”) will be held for the purposes as described below.

In view of preventing the spread of COVID-19, we ask our shareholders to exercise their voting rights in writing or via the Internet in advance and refrain from coming to the venue on the day of the meeting.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Tuesday, March 9, 2021 Japan time.

**1. Date and Time:** Wednesday, March 10, 2021 at 2:00 p.m. Japan time (reception desk opens at 1:00 p.m.)

**2. Place:** AKIBA HALL, 5F AKIBA PLAZA, FUJISOFT Building located at  
3 Kanda-neribeicho, Chiyoda-ku, Tokyo

Please note that the venue is different from the previous Meeting.

No gifts will be distributed at the venue.

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 36th Fiscal Year (January 1, 2020 – December 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 36th Fiscal Year (January 1, 2020 – December 31, 2020)

**Proposals to be resolved:**

**Proposal 1:** Election of nine (9) Members of the Board

**Proposal 2:** Election of one (1) Audit & Supervisory Board Member

- \* Of the documents to be included in this Notice, “6. The system to ensure that the performance of duties by Directors is in conformity with laws and regulations and the Articles of Incorporation, and the system to ensure that the Company’s business operations are appropriate, and the state of its operations” in the Business Report, “Consolidated Statement of Changes in Net Assets” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements, “Statement of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted in “Matters disclosed on the internet regarding the Notice of the 36th Annual General Meeting of Shareholders” on the Company’s website ([https:// www.cybernet.jp/](https://www.cybernet.jp/)) pursuant to the applicable laws and regulations as well as Article 16 of the Company’s Articles of Incorporation, and thus not included in the Attachment of this Notice. For this reason, the Attachment of this Notice is part of the relevant financial statements audited by the Audit & Supervisory Board Members and Accounting Auditor for the purpose of preparing an audit report.
- \* Revisions in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and/or Consolidated Financial Statements, shall be posted on the Company’s website (<https://www.cybernet.jp/>).

<Measures to Prevent the Spread of COVID-19 at this Annual General Meeting of Shareholders>

- ① We ask our shareholders to exercise their voting rights in writing or via the Internet in advance and refrain from coming to the venue on the day of the meeting.
- ② In order to shorten the duration of the meeting compared to previous years, we may omit detailed explanations on matters to be reported and proposals.  
We ask you to read through this Notice in advance.
- ③ No gifts will be distributed.
- ④ No drinks will be offered in the waiting room for shareholders.
- ⑤ Our officers and operational staff attending the meeting will be wearing face masks.
- ⑥ In view of reducing the risk of spreading COVID-19 and the Company’s business continuity, a limited number of officers may attend the meeting or they may attend online regardless of their physical conditions on the day of the meeting.
- ⑦ Shareholders attending the meeting in person will be asked to sanitize their hands using alcohol disinfectants placed at the venue and wear face masks properly.  
Shareholders who are not wearing face masks properly will not be admitted.
- ⑧ We will install thermography cameras at the venue and ask shareholders visiting the venue to cooperate with body temperature measurement. Shareholders who are found to have a fever of 37.5 degrees Celsius or above or otherwise appear unwell will not be admitted.
- ⑨ To shorten the duration of proceedings at this Annual General Meeting of Shareholders, questions from our shareholders will be limited to those related to the purposes of the meeting (questions related to the agenda). Your understanding and cooperation would be highly appreciated.
- ⑩ The measures described above may be updated depending on the situation concerning the spread of COVID-19 and announcements that may be made by the government and other relevant agencies during the period leading up to the day of the meeting. In this case, the updates will be posted on the Company’s website (<https://www.cybernet.jp/>).

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Election of nine (9) Members of the Board

The terms of office of all eight (8) Members of the Board will expire at the conclusion of this Annual General Meeting of Shareholders. In order to further strengthen the management system, we propose that the number of Directors be increased by one (1) and that nine (9) Members of the Board in total be elected.

The candidates are as follows.


As for the selection of Member of the Board candidates, they are decided by the Board of Directors of the Company with emphasis on balance of expertise, experience and ability, and diversity regardless of sex, age, nationality, etc., of the Board of Directors as a whole, based on the size of the Company, and upon adequate discussions by the Nomination/Compensation Committee, which are composed of external officers and the Representative Director.

No.		Name	Current positions	Attendance at Board of Directors meetings
1	Reappointment	<b>Reiko Yasue</b>	Representative Director, President and Executive Officer	20 / 20
2	Reappointment	<b>Satoru Kimoto</b>	Member of the Board, Executive Officer	20 / 20
3	Reappointment	<b>Masato Yanagisawa</b>	Member of the Board, Executive Officer	16 / 16
4	Reappointment	<b>Masahiro Matsumoto</b>	Member of the Board, Executive Officer	16 / 16
5	New appointment	<b>Yoshiharu Shiraishi</b>	-	— / —
6	Reappointment	<b>Jeng Minghong</b>	Member of the Board	20 / 20
7	Reappointment External Independent	<b>Hajimu Kishi</b>	Member of the Board	20 / 20
8	Reappointment External	<b>Makoto Ohnishi</b>	Member of the Board	20 / 20
9	New appointment External Independent	<b>Katsumori Matsushima</b>	-	— / —


(Note) As for Mr. Masato Yanagisawa and Mr. Masahiro Matsumoto, the total number of the Board of Directors meetings differs because they were newly appointed as Members of the Board at the previous Annual General Meeting of Shareholders (held on March 12, 2020).


The companies on the right listed in the past experience, etc. of each candidate are the Company's subsidiaries:


Noesis Solutions NV, CYBERNET MBSE Co., Ltd., CYBERNET SYSTEMS (SHANGHAI) CO., LTD., CYBERNET SYSTEMS MALAYSIA SDN. BHD., CYBERNET SYSTEMS TAIWAN CO., LTD., and Sigmetrix, L.L.C

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
1		<div><div>April 1991</div><div>Joined Nagoya Research Institute, Panasonic Information Systems Co., Ltd. (currently Panasonic Advanced Technology Development Co., Ltd.)</div></div> <div><div>April 1999</div><div>Joined Unwired Planet</div></div> <div><div>December 1999</div><div>Joined Motorola, Inc.</div></div> <div><div>June 2004</div><div>Joined SevenNetworks, Inc</div></div> <div><div>September 2005</div><div>Joined Qualcomm Inc.</div></div> <div><div>July 2009</div><div>Joined FUJISOFT Inc. Manager, System Development Business Division, MS Business Mobile Planning Department</div></div> <div><div>April 2012</div><div>Executive Operating Officer, General Manager, Global Business Division</div></div> <div><div>April 2015</div><div>Managing Executive Officer, General Manager, Global Business Division</div></div> <div><div>January 2018</div><div>Joined the Company Executive Vice President</div></div> <div><div>March 2018</div><div>Executive Vice President, Member of the Board</div></div> <div><div>March 2019</div><div>Representative Director, President and Executive Officer, Chief Executive Officer (CEO)</div></div> <div><div>January 2020</div><div>Representative Director, President and Executive Officer (Current Position)</div></div> <div><div>June 2020</div><div>Outside Director, TOMY COMPANY, LTD. (Current Position)</div></div> <div><div>[Significant concurrent positions]</div><div>Outside Director, TOMY COMPANY, LTD.</div></div>	19,625
	<div><div>Reappointment</div><div>Reiko Yasue January 26, 1968 (53 years old)</div><div>Years served as Member of the Board: 3 years and 0 months</div><div>Attendance at the Board of Directors meetings: 20/20 (100%)</div></div>		
<div>Reasons for the appointment</div> <div>Ms. Reiko Yasue has been selected as a candidate for Member of the Board, as she is expected to offer effective supervision of the Company's management in general based on her expertise and broad personal connections gained from her international business experience over many years and her contribution to the continuous improvement of corporate value and the Group's growth.</div>			


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
2	 <p><b>Reappointment</b></p> <p>Satoru Kimoto October 2, 1962 (58 years old)</p> <p>Years served as Member of the Board: 1 year and 0 months</p> <p>Attendance at the Board of Directors meetings: 20/20 (100%)</p>	<p>April 1987      Joined Fuji Software Co., Ltd. (currently FUJISOFT, Inc.)</p> <p>October 1995    Head, Corporate Planning Office</p> <p>April 2000      Manager, Corporate Planning Department</p> <p>April 2002      Manager, Corporate Planning Department, Administrative Division</p> <p>April 2006      Deputy General Manager, Administrative Division and Manager, Corporate Planning Department</p> <p>June 2007      Audit &amp; Supervisory Board Member, the Company</p> <p>December 2007   Deputy General Manager, Administrative Division, FUJISOFT, Inc.</p> <p>April 2008      Seconded to FUJISOFT DIS Co., Ltd. (currently VINX CORP.), Director</p> <p>October 2009    Transferred to FUJISOFT DIS Co., Ltd., Director</p> <p>April 2012      Managing Director</p> <p>April 2013      Director, Executive Officer</p> <p>June 2013      Director, Managing Executive Officer</p> <p>April 2017      Director, Managing Executive Officer in charge of Administration</p> <p>March 2019      Full-time Audit &amp; Supervisory Board Member, the Company</p> <p>March 2020      Member of the Board, Executive Officer (Current Position)</p> <p>[Significant concurrent positions] —</p>	3,593
<p><b>Reasons for the appointment</b></p> <p>Mr. Satoru Kimoto has been selected as a candidate for Member of the Board, as he is expected to contribute to establishing an optimum corporate governance system for the Company, in addition to supervision from the administrative perspective based on his long-term experience in an administrative division mainly in the area of corporate planning.</p>			


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
3	 <p><u>Reappointment</u></p> <p>Masato Yanagisawa January 10, 1974 (47 years old)</p> <p>Years served as Member of the Board: 1 year and 0 months</p> <p>Attendance at the Board of Directors meetings: 16/16 (100%)</p>	<p>April 1996      Joined the Company, Sales Department, Applied Software Division</p> <p>April 2008      Manager, PCB Solution Department, Applied Systems Second Division</p> <p>October 2010    Manager, EDA Solution Department, EDA Division</p> <p>April 2012      Manager, EDA Sales Department, EDA Division</p> <p>April 2013      Manager, Sales Department, EDA Division</p> <p>January 2015    Deputy General Manager, EDA Division</p> <p>January 2017    Deputy General Manager, Mechanical CAE Department, CAE First Division</p> <p>January 2019    General Manager, Mechanical CAE Department, CAE Division</p> <p>January 2020    Executive Officer, Deputy General Manager, Sales Division</p> <p>March 2020     Member of the Board, Executive Officer (Current Position)</p> <p>[Significant concurrent positions]</p> <p>Director, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.</p> <p>Director, CYBERNET SYSTEMS MALAYSIA SDN. BHD.</p> <p>Director, CYBERNET SYSTEMS TAIWAN CO., LTD.</p>	3,448
<p>Reasons for the appointment</p> <p>Mr. Masato Yanagisawa has been selected as a candidate for Member of the Board, as he is expected to offer supervision based on his familiarity in the CAE Solution Service through leading over many years the sales of the Company's mainstay products including electronic circuit board design solutions and multi-physics analysis tools.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
4	 <p><b>Reappointment</b></p> <p>Masahiro Matsumoto October 7, 1974 (46 years old)</p> <p>Years served as Member of the Board: 1 year and 0 months</p> <p>Attendance at the Board of Directors meetings: 16/16 (100%)</p>	<p>April 1999      Joined the Company, ANSYS Technology Department</p> <p>April 2012      Manager, East Japan Technology Department, Mechanical CAE Department</p> <p>April 2013      Manager, Technology Department, Mechanical CAE Department</p> <p>January 2016    Manager, Technology Department, Mechanical CAE Department, CAE First Division</p> <p>January 2019    Acting Deputy General Manager, Mechanical CAE Department, CAE Division</p> <p>January 2020    Executive Officer, Deputy General Manager, Technology Division</p> <p>March 2020      Member of the Board, Executive Officer (Current Position)</p> <p>[Significant concurrent positions]</p> <p>Director, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.</p> <p>Director, Sigmetrix, L.L.C</p> <p>Member of the Board, CYBERNET MBSE Co., Ltd.</p>	4,448
<p>Reasons for the appointment</p> <p>Mr. Masahiro Matsumoto has been selected as a candidate for Member of the Board, as he is expected to offer supervision based on his contribution to the growth of the Company's mainstay mechanical CAE business through his many years of involvement in technical support and solution proposals for multi-physics analysis tools.</p>			


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
5	 <p><u>New appointment</u></p> <p>Yoshiharu Shiraishi September 9, 1971 (49 years old)</p> <p>Years served as Member of the Board: —</p> <p>Attendance at the Board of Directors meetings: —</p>	<p>April 1992      Joined FUJISOFT, Inc.</p> <p>December 2003      General Manager of Sales Department, IT Business Division</p> <p>June 2006      Deputy Director of System Integration Business Department, IT Business Division</p> <p>April 2007      General Manager of System Integration Business Promotion Department, IT Business Division</p> <p>April 2010      General Manager of Sales Unit, System Development Business Group</p> <p>April 2012      Operating Officer, and Deputy Director of Sales Division</p> <p>April 2015      Executive Operating Officer, Deputy Director of Sales Division, and Director of Financial System Business Division</p> <p>April 2016      Executive Operating Officer, and Director of Financial System Business Division</p> <p>March 2017      Director, TOSHO COMPUTER SYSTEMS CO., LTD. (Current Position)</p> <p>March 2018      Director &amp; Executive Operating Officer, Director of Financial System Business Division, and COO of MS Business Department, FUJISOFT, Inc.</p> <p>June 2018      Director, ACE SECURITIES CO., LTD.</p> <p>April 2019      Director &amp; Executive Operating Officer, Director of Financial System Business Division, FUJISOFT, Inc.</p> <p>April 2020      Director &amp; Executive Operating Officer, Director of Sales Division (Current Position)</p> <p>[Significant concurrent positions]</p> <p>Director &amp; Executive Operating Officer, FUJISOFT, Inc.</p> <p>Director, TOSHO COMPUTER SYSTEMS CO., LTD.</p>	—
		Reasons for the appointment	
		Mr. Yoshiharu Shiraishi has been selected as a candidate for Member of the Board, as he is expected to contribute to expansion of the Company's IT solutions business based on his abundant experience and deep knowledge in the IT industry, as well as to provide supervision based on his experience in corporate management gained through his service as a director for business corporations.	



No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
6		<p>October 1990    Joined Industrial Technology Research Institute</p> <p>January 2001    Director, Terasoft Inc.</p> <p>July 2008        Director and General Manager, CYBERNET SYSTEMS TAIWAN CO., LTD.</p> <p>August 2009    General Manager</p> <p>March 2011     Director and General Manager</p> <p>January 2015    Director, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.</p> <p>March 2015     Director, CEO and General Manager, CYBERNET SYSTEMS TAIWAN CO., LTD.</p> <p>January 2016    Director, CEO and General Manager, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.</p>	734
	<p><u>Reappointment</u></p> <p>Jeng Minghong February 10, 1966 (55 years old)</p> <p>Years served as Member of the Board: 2 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 20/20 (100%)</p>	<p>September 2017    President, CEO and General Manager (Current Position)</p> <p>October 2017        President, CEO and General Manager, CYBERNET SYSTEMS TAIWAN CO., LTD. (Current Position)</p> <p>March 2019         Member of the Board, the Company (Current Position)</p> <p>January 2021        Director, CEO and Managing Director, CYBERNET SYSTEMS MALAYSIA SDN. BHD. (Current Position)</p> <p>[Significant concurrent positions]</p> <p>President, CEO and General Manager, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.</p> <p>President, CEO and General Manager, CYBERNET SYSTEMS TAIWAN CO., LTD.;</p> <p>Director, CEO and Managing Director, CYBERNET SYSTEMS MALAYSIA SDN. BHD.</p>	
<p>Reasons for the appointment</p> <p>Mr. Jeng Minghong has been selected as a candidate for Member of the Board, as he is expected to offer supervision and coordination with our Group companies based on not only his contribution to the growth of CAE Solution Service business in China and Taiwan over many years but also his business experience in the ASEAN region.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
7	 <p> Reappointment  External  Independent </p> <p>Hajimu Kishi July 9, 1941 (79 years old)</p> <p>Years served as Member of the Board: 4 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 20/20 (100%)</p>	<p> April 1965      Joined Oki Electric Industry Co., Ltd.  April 1972      Manager, Numerical Control Group  September 1979      Joined FANUC CORPORATION  September 1984      Deputy Manager, Product Development Laboratory  June 1985      Director  June 1989      Managing Director, Manager, East Sales Division  April 2005      Senior Managing Director, Manager, FA Domestic Sales  Administration Division  June 2007      Resigned from Senior Managing Director, became Advisor  June 2010      Managing Director  November 2011      Resigned from Managing Director, became Advisor (Current  Position)  April 2012      Auditor, the University of Electro-Communications  March 2016      External Audit &amp; Supervisory Board Member, the Company  April 2016      Special Adviser to the President, the University of Electro-  Communications  March 2017      External Member of the Board, the Company (Current Position)  [Significant concurrent positions]  Advisor, FANUC CORPORATION </p>	2,099
Reasons for the appointment Mr. Hajimu Kishi has been selected as a candidate for external Member of the Board, as he is expected to contribute to the development of the Company's business by capitalizing on his wealth of knowledge and experience in the area of numerical control technology, as well as his broad personal connections in the FA industry and a national university corporation. In addition, he is also expected to provide supervision over the Company's management in general, as well as invaluable opinions regarding manufacturing operations, based on his long-standing management experience as a director of a business corporation and superior insight into the industry. For these reasons, he is believed to be capable of carrying out his duties appropriately as an external Member of the Board.			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
8	 <div> <div>Reappointment</div> <div>External</div> <p>Makoto Ohnishi January 18, 1958 (63 years old)</p> <p>Years served as Member of the Board: 2 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 20/20 (100%)</p> </div>	<p>April 1981      Joined Nichii Co., Ltd. (Currently AEON RETAIL Co., Ltd.)</p> <p>February 1991      Seconded to Mycal Systems Inc. (Currently VINX CORP.)</p> <p>September 1992      Transferred to VINX CORP.</p> <p>November 1995      Manager, Open System Department</p> <p>August 1998      General Manager, Business System Department</p> <p>December 1999      Manager, ITS Promotion Department</p> <p>March 2000      Manager, Store System Department</p> <p>April 2002      Director, Vinculum Japan Corporation (Currently VINX CORP.)</p> <p>January 2009      President and General Manager, Vinx China Co.,Ltd.</p> <p>June 2009      Managing Director, Vinculum Japan Corporation (Currently VINX CORP.)</p> <p>January 2012      President and Managing Director, Vinx China Co.,Ltd.</p> <p>April 2013      Director, Managing Executive Officer, VINX CORP.</p> <p>June 2016      Director, Senior Managing Executive Officer</p> <p>April 2017      Director, Senior Managing Executive Officer in charge of Outsourcing Business, Sales for New Specified Domestic Customers and Overseas Alliance</p> <p>April 2018      Director, Senior Managing Executive Officer in charge of Outsourcing Business</p> <p>June 2018      Advisor (Current Position)</p> <p>March 2019      External Member of the Board, the Company (Current Position)</p> <p>[Significant concurrent positions] Advisor, VINX CORP.</p>	—
	<p>Reasons for the appointment</p> <p>Mr. Makoto Ohnishi has been selected as a candidate for external Member of the Board, as he is expected to provide supervision over the Company's management in general and practical and objective opinions regarding business development in overseas markets based on his corporate management experience and knowledge having served as a director for business corporations in and outside of Japan. For these reasons, he is believed to be capable of carrying out his duties appropriately as an external Member of the Board.</p>		

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
9	 <p> <u>New appointment</u>  <u>External</u>  <u>Independent</u> </p> <p>Katsumori Matsushima July 17, 1945 (75 years old)</p> <p>Years served as Member of the Board: —</p> <p>Attendance at the Board of Directors meetings: —</p>	<p>April 1971      Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)</p> <p>April 1973      Assistant of Faculty of Engineering, the University of Tokyo</p> <p>July 1980        Researcher of Alexander von Humboldt Foundation scholarship</p> <p>August 1982    Joined IBM Japan, Ltd.</p> <p>February 1997   Managing Director, PricewaterhouseCoopers Co., Ltd. (currently IBM Japan, Ltd.)</p> <p>August 1999    Professor of School of Engineering, the University of Tokyo</p> <p>June 2005       Independent Auditor, ARGO GRAPHICS Inc.</p> <p>June 2008       Outside Director, KITO CORPORATION</p> <p>January 2010   Representative Director, Bird's-eye View Engineering Institute (Current Position)</p> <p>June 2011       Auditor, Azucar Asset Management, Inc. (Current Position)</p> <p>June 2018       Auditor, Hayate Investment Co. Ltd. (Current Position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Bird's-eye View Engineering Institute</p> <p>Auditor, Azucar Asset Management, Inc.</p> <p>Auditor, Hayate Investment Co. Ltd.</p>	—
<p>Reasons for the appointment</p> <p>Mr. Katsumori Matsushima has been selected as a candidate for external Member of the Board, as he is expected to provide supervision over the Company's management in general and practical and objective opinions regarding the Company's business development based on his deep knowledge gained through his research in various areas including CAD/CAM at universities and research institutes in and outside Japan. For these reasons, he is believed to be capable of carrying out his duties appropriately as an external Member of the Board.</p>			

(Notes)

- There are no special interests between each candidate for Member of the Board and the Company.
- Mr. Hajimu Kishi, Mr. Makoto Ohnishi, and Mr. Katsumori Matsushima are candidates for external Members of the Board. The Company has registered Mr. Hajimu Kishi and Mr. Katsumori Matsushima as Independent Officers as prescribed by the Tokyo Stock Exchange. If they are elected as originally proposed, Mr. Kishi will continue to serve as an Independent Officer and Mr. Matsushima will newly become an Independent Officer.
- The positions and responsibilities of respective candidates who are currently serving as Members of the Board of the Company, are as stated in "4. (1) Names, etc., of Members of the Board and Audit & Supervisory Board Members" in the Business Report (See page 31 to page 33 of the Japanese original document).
- The positions and responsibilities of respective candidates at present as well as in the past five (5) years as a business executive at the parent, subsidiaries of the parent company or subsidiaries of the Company are as stated in "Past experience, positions, and responsibilities." FUJISOFT, Inc. and its subsidiaries are the specified related business operators, as defined under Article 2, Paragraph 3, Item 19 of the Ordinance for Enforcement of the Companies Act.
- Mr. Hajimu Kishi and Mr. Makoto Ohnishi will have served as external Members of the Board of the Company for four (4) years and two (2) year, respectively, at the conclusion of this Annual General Meeting of Shareholders.
- The Company has entered into liability limitation agreements with Mr. Hajimu Kishi and Mr. Makoto Ohnishi for the purpose of restricting their liability for damages as prescribed under Article 423, Paragraph 1 of the Companies Act, to the minimum amount of liability prescribed in Article 425, Paragraph 1 of the Companies Act. If they are elected as originally proposed, the Company intends to continue the agreements with Mr. Hajimu Kishi and Mr. Makoto Ohnishi for the purpose of restricting their liability, and enter into the same agreement with Mr. Katsumori Matsushima for limiting his liability.
- The number of shares of the Company held by each candidate for Member of the Board is as of December 31, 2020. The number of shares held by each candidate includes those held by the Cybernet Systems officers' shareholding association.
- Mr. Yoshiharu Shiraishi will resign from the office of Director of FUJISOFT Inc., the Company's parent company, at the conclusion of the annual general meeting of shareholders of FUJISOFT Inc. to be held on March 12, 2021. He will also resign from the office of Director of TOSHO COMPUTER SYSTEMS CO., LTD., a subsidiary of FUJISOFT Inc., at the conclusion of the annual general

meeting of shareholders of TOSHO COMPUTER SYSTEMS CO., LTD. to be held on March 23, 2021.

9. Mr. Hajimu Kishi will assume the position of a visiting professor at the University of Electro-Communications on March 1, 2021.
10. The Company has entered into a liability insurance policy for officers under which all the Members of the Board and the Audit & Supervisory Board Members are insured persons. The policy covers damage or losses that may arise from their assuming liabilities in connection with their execution of duties or claims filed against them for such liabilities. If the candidates assume the office of Members of the Board, they will become insured persons under the insurance policy, which will be renewed during their term of office.

(Reference) Independence Criteria and Qualitative Requirements for Independent External Members of the Board

In the selection of candidates for independent external Members of the Board, the Company determines that any candidate who falls under any of the following categories to lack independence. As such, the Company pays attention to retain persons who do not fall under any of the following categories, have no concern of conflict of interest with general shareholders, and are able to secure substantial independence.


- (1) Any person who has fallen under any of the following categories or who has been a second degree or closer relative of such a person in the past 10 years
  - 1) Any person who executes business of the Company or its subsidiaries
  - 2) Any person who executes business of the parent company of the Company
  - 3) Any person who executes business of a company that belongs to the Group of the Company's parent company
- (2) Any person who has fallen under any of the following categories or who has been a second degree or closer relative of such a person in the past year
  - 1) Any person who executes business of a company that has a material business relationship with the Company, or that of the parent company or material subsidiary of such a company
  - 2) An attorney or consultant of the Company or of its subsidiaries, who receives large amounts of compensation or other forms of economic benefit, other than compensation for Members of the Board of the Company  
If the person is a corporation or other organization, this means a person who executes business of such corporation or organization
  - 3) Any person who executes business of the parent company of the Company
  - 4) Any person who executes business of a company that belongs to the Group of the Company's parent company
- (3) Any other person who have concerns of constant substantial conflicts of interest with general shareholders of the Company, due to circumstances other than those in (1) and (2) above

**Proposal 2:** Election of one (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Takane Hori will resign from the office at the conclusion of this Annual General Meeting of Shareholders. Therefore, we propose that one (1) Audit & Supervisory Board Member be elected. The Audit & Supervisory Board has given its approval to this proposal.

The candidate is as follows.

As for the selection of Audit & Supervisory Board Member candidates, they are decided by the Board of Directors of the Company with emphasis on balance of expertise, experience and ability of the Audit & Supervisory Board as a whole, based on the assumption that more than one (1) person with appropriate knowledge on finance and accounting will be elected, and upon adequate discussions by the Nomination/Compensation Committee, which are composed of external officers and the Representative Director.

Name (Date of birth)	Past experience and positions	Number of shares of the Company held
 <div> <div>New appointment</div> <div>External</div> <div>Independent</div> </div> <p>Aya Fujimatsu September 2, 1974 (46 years old)</p> <p>Years served as Audit &amp; Supervisory Board Member: —</p> <p>Attendance at the Board of Directors meetings: —</p> <p>Attendance at the Audit &amp; Supervisory Board meetings: —</p>	<p>October 2001 Registered as a lawyer (Dai-Ichi Tokyo Bar Association) Joined Abe, Ikubo &amp; Katayama</p> <p>January 2008 Partner (Current Position)</p> <p>June 2014 Outside Auditor, DAIKO DENSHI TSUSHIN, LTD.</p> <p>September 2019 Outside Auditor, TOPS Co., Ltd. (Current Position)</p> <p>[Significant concurrent positions] Partner, Abe, Ikubo &amp; Katayama Outside Auditor, TOPS Co., Ltd.</p>	—
<p><b>Reasons for the appointment</b></p> <p>Ms. Aya Fujimatsu has been selected as a candidate for external Audit &amp; Supervisory Board Member, as she is expected to reflect her expert viewpoints in the Company's audits based on her abundant knowledge as a lawyer in civil and commercial areas in general. Although she has never been involved in corporate management other than as an outside auditor in the past, we believe that she is capable of appropriately performing her duties as external Audit &amp; Supervisory Board Member, taking into comprehensive consideration her practical experience described above and other aspects.</p>		

(Notes)

1. There are no special interests between the candidate for Audit & Supervisory Board Member and the Company.
2. The number of shares of the Company held by the candidate for Audit & Supervisory Board Member reflects the situation as of December 31, 2020.
3. Ms. Aya Fujimatsu is a candidate for external Audit & Supervisory Board Member. The Company has registered Ms. Aya Fujimatsu as Independent Officer as prescribed by the Tokyo Stock Exchange. If Ms. Aya Fujimatsu is elected as originally proposed, she will newly become an Independent Officer.
4. If Ms. Aya Fujimatsu is appointed as an external Audit & Supervisory Board Member, the Company will, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, enter into a liability limitation agreement with her for the purpose of restricting her liability for damages as prescribed under Article 423, Paragraph 1 of the said Act, to the minimum amount of liability prescribed in Article 425, Paragraph 1 of the said Act.
5. The Company has entered into a liability insurance policy for officers under which all the Members of the Board and the Audit & Supervisory Board Members are insured persons. The policy covers damage or losses that may arise from their assuming liabilities in connection with their execution of duties or claims filed against them for such liabilities. If the candidate assumes the office of Audit & Supervisory Board Member, she will become an insured person under the insurance policy, which will be renewed during her term of office.