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(Stock Exchange Code 4312)
February 25, 2022

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 37TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

The 37th 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 Thursday, March 17, 2022 Japan time.

- 1. Date and Time:** Friday, March 18, 2022 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
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 37th Fiscal Year (January 1, 2021 – December 31, 2021) 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 37th Fiscal Year (January 1, 2021 – December 31, 2021)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of eight (8) Members of the Board
- Proposal 3:** 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 37th 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 announces 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: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Company will make necessary amendments to its Articles of Incorporation as follows.

- (1) Article 16 of the proposed amendment stipulates that the Company shall provide electronically the information that is the content of the reference documents for the general meeting of shareholders, etc. and limit the scope of matters to be stated in the documents to be delivered to shareholders who have requested the delivery of documents.
- (2) In accordance with (1) above, Article 16 of the current Articles of Incorporation will be deleted as the provisions of the Internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. will become unnecessary.
- (3) In accordance with the above changes, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

Current Articles of Incorporation	Proposed Amendments
<p>Article 1–Article 15 (Omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 16 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ministry of Justice Order.</u></p> <p>(Newly established)</p>	<p>Article 1–Article 15 (Unchanged) (Deleted)</p> <p><u>(System for Electronic Provision of Reference Documents for General Meetings of Shareholders, Etc.)</u></p> <p><u>Article 16 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p>2. <u>Among the matters to be provided electronically, the Company does not have to include all or part of the matters stipulated in the Ministry of Justice Order in the paper copy to be sent to shareholders who have requested it.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 17–Article 44 (Omitted) (Newly established)</p>	<p>Article 17–Article 44 (Unchanged)</p> <p>Supplementary provisions</p> <p><u>Article 1 The deletion of the provision of Article 16 of the Articles of Incorporation before amendment and the establishment of the new provision of Article 16 of the Articles of Incorporation after amendment shall come into effect as of the effective date set forth in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. The following provisions shall apply from the Effective Date. This provision shall remain in effect until the later of the expiration of six (6) months from the Effective Date or the expiration of three (3) months from the date of the last general meeting of shareholders to be held within six (6) months from the Effective Date.</u></p> <p style="padding-left: 40px;"><u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ministry of Justice Order.</u></p> <p><u>3. This Article shall be deleted as of the later of the dates specified in the preceding paragraph.</u></p>

Proposal 2: Election of eight (8) Members of the Board

The terms of office of all seven (7) 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 eight (8) Members of the Board in total be elected.


The candidates are as follows.


No.		Name	Current positions	Attendance at Board of Directors meetings
1	Reappointment	Reiko Yasue	Representative Director, President and Executive Officer	19 / 19
2	Reappointment	Yoshiharu Shiraishi	Member of the Board, Executive Vice President	16 / 16
3	Reappointment	Satoru Kimoto	Member of the Board, Executive Officer	19 / 19
4	Reappointment	Masahiro Matsumoto	Member of the Board, Executive Officer	19 / 19
5	Reappointment	Jeng Minghong	Member of the Board	19 / 19
6	Reappointment External Independent	Hajimu Kishi	Member of the Board	19 / 19
7	New appointment External Independent	Yoshisuke Hasegawa	-	— / —
8	New appointment External Independent	Masahito Kitamura	-	— / —

(Note) As for Mr. Yoshiharu Shiraishi, the total number of the Board of Directors meetings differs because he was newly appointed as a Member of the Board at the previous Annual General Meeting of Shareholders (held on March 10, 2021).


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


Cybernet Systems Holdings U.S. Inc., CYBERNET MBSE Co., Ltd., CYBERNET SYSTEMS (SHANGHAI) CO., LTD., CYBERNET SYSTEMS TAIWAN CO., LTD., and CYBERNET SYSTEMS MALAYSIA SDN. BHD.


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
1	 <p><u>Reappointment</u></p> <p>Reiko Yasue January 26, 1968 (54 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: 19/19 (100%)</p>	<p>April 1991 Joined Nagoya Research Institute, Panasonic Information Systems Co., Ltd. (currently Panasonic Advanced Technology Development Co., Ltd.)</p> <p>April 1999 Joined Unwired Planet</p> <p>December 1999 Joined Motorola, Inc.</p> <p>June 2004 Joined SevenNetworks, Inc</p> <p>September 2005 Joined Qualcomm Inc.</p> <p>July 2009 Joined FUJISOFT Inc. Manager, System Development Business Division, MS Business Mobile Planning Department</p> <p>April 2012 Executive Operating Officer, General Manager, Global Business Division</p> <p>April 2015 Managing Executive Officer, General Manager, Global Business Division</p> <p>January 2018 Joined the Company Executive Vice President</p> <p>March 2018 Executive Vice President, Member of the Board</p> <p>March 2019 Representative Director, President and Executive Officer, Chief Executive Officer (CEO)</p> <p>January 2020 Representative Director, President and Executive Officer (Current Position)</p> <p>June 2020 Outside Director, TOMY COMPANY, LTD. (Current Position)</p> <p>March 2021 External Director, Lion Corporation (Current Position)</p> <p>[Significant concurrent positions] Outside Director, TOMY COMPANY, LTD. External Director, Lion Corporation Director, Cybernet Systems Holdings U.S. Inc.</p>	28,888
<p>Reasons for the appointment</p> <p>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.</p>			


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held																														
2	 <div>Reappointment</div> <p>Yoshiharu Shiraishi September 9, 1971 (50 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>	<table><tr><td>April 1992</td><td>Joined FUJISOFT, Inc.</td></tr><tr><td>December 2003</td><td>General Manager of Sales Department, IT Business Division</td></tr><tr><td>June 2006</td><td>Deputy Director of System Integration Business Department, IT Business Division</td></tr><tr><td>April 2007</td><td>General Manager of System Integration Business Promotion Department, IT Business Division</td></tr><tr><td>April 2010</td><td>General Manager of Sales Unit, System Development Business Group</td></tr><tr><td>April 2012</td><td>Operating Officer, and Deputy Director of Sales Division</td></tr><tr><td>April 2015</td><td>Executive Operating Officer, Deputy Director of Sales Division, and Director of Financial System Business Division</td></tr><tr><td>April 2016</td><td>Executive Operating Officer, and Director of Financial System Business Division</td></tr><tr><td>March 2017</td><td>Director, TOSHO COMPUTER SYSTEMS CO., LTD.</td></tr><tr><td>March 2018</td><td>Director & Executive Operating Officer, Director of Financial System Business Division, and COO of MS Business Department, FUJISOFT, Inc.</td></tr><tr><td>June 2018</td><td>Director, ACE SECURITIES CO., LTD.</td></tr><tr><td>April 2019</td><td>Director & Executive Operating Officer, Director of Financial System Business Division, FUJISOFT, Inc.</td></tr><tr><td>April 2020</td><td>Director & Executive Operating Officer, Director of Sales Division</td></tr><tr><td>March 2021</td><td>Member of the Board, Executive Vice President, the Company (Current Position)</td></tr><tr><td colspan="2">[Significant concurrent positions] Member of the Board, CYBERNET MBSE Co., Ltd.</td></tr></table>	April 1992	Joined FUJISOFT, Inc.	December 2003	General Manager of Sales Department, IT Business Division	June 2006	Deputy Director of System Integration Business Department, IT Business Division	April 2007	General Manager of System Integration Business Promotion Department, IT Business Division	April 2010	General Manager of Sales Unit, System Development Business Group	April 2012	Operating Officer, and Deputy Director of Sales Division	April 2015	Executive Operating Officer, Deputy Director of Sales Division, and Director of Financial System Business Division	April 2016	Executive Operating Officer, and Director of Financial System Business Division	March 2017	Director, TOSHO COMPUTER SYSTEMS CO., LTD.	March 2018	Director & Executive Operating Officer, Director of Financial System Business Division, and COO of MS Business Department, FUJISOFT, Inc.	June 2018	Director, ACE SECURITIES CO., LTD.	April 2019	Director & Executive Operating Officer, Director of Financial System Business Division, FUJISOFT, Inc.	April 2020	Director & Executive Operating Officer, Director of Sales Division	March 2021	Member of the Board, Executive Vice President, the Company (Current Position)	[Significant concurrent positions] Member of the Board, CYBERNET MBSE Co., Ltd.		3,920
	April 1992	Joined FUJISOFT, Inc.																															
December 2003	General Manager of Sales Department, IT Business Division																																
June 2006	Deputy Director of System Integration Business Department, IT Business Division																																
April 2007	General Manager of System Integration Business Promotion Department, IT Business Division																																
April 2010	General Manager of Sales Unit, System Development Business Group																																
April 2012	Operating Officer, and Deputy Director of Sales Division																																
April 2015	Executive Operating Officer, Deputy Director of Sales Division, and Director of Financial System Business Division																																
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June 2018	Director, ACE SECURITIES CO., LTD.																																
April 2019	Director & Executive Operating Officer, Director of Financial System Business Division, FUJISOFT, Inc.																																
April 2020	Director & Executive Operating Officer, Director of Sales Division																																
March 2021	Member of the Board, Executive Vice President, the Company (Current Position)																																
[Significant concurrent positions] Member of the Board, CYBERNET MBSE Co., Ltd.																																	
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
3	 <p>Reappointment</p> <p>Satoru Kimoto October 2, 1962 (59 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: 19/19 (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 & 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 & Supervisory Board Member, the Company</p> <p>March 2020 Member of the Board, Executive Officer (Current Position)</p> <p>[Significant concurrent positions] —</p>	6,843
<p>Reasons for the appointment</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
4	 <p>Reappointment</p> <p>Masahiro Matsumoto October 7, 1974 (47 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: 19/19 (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, CYBERNET SYSTEMS TAIWAN CO., LTD.</p> <p>Director, CYBERNET SYSTEMS MALAYSIA SDN. BHD.</p>	6,285
<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>Reappointment</u></p> <p>Jeng Minghong February 10, 1966 (56 years old)</p> <p>Years served as Member of the Board: 3 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 19/19 (100%)</p>	<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> <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>	1,855
<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
6	 <p> <u>Reappointment</u> <u>External</u> <u>Independent</u> </p> <p>Hajimu Kishi July 9, 1941 (80 years old)</p> <p>Years served as Member of the Board: 5 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 19/19 (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 April 2012 Auditor, the University of Electro-Communications March 2016 External Audit & 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) March 2021 Visiting professor, the University of Electro-Communications (Current Position) June 2021 Resigned from Advisor, FANUC CORPORATION [Significant concurrent positions] Visiting professor, the University of Electro-Communications </p>	5,238
<p>Reasons for the appointment and expected roles</p> <p>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. Based on the aforementioned experience, he is expected to attend meetings of the Nomination/Compensation Committee and the Conflict of Interest Deliberation Committee at the Company, and to provide supervision from an independent and objective standpoint, as well as to supervise conflicts of interest between the controlling shareholder and minority shareholders.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
7	 <p> New appointment External Independent </p> <p>Yoshisuke Hasegawa April 19, 1955 (66 years old)</p> <p>Years served as Member of the Board: —</p> <p>Attendance at the Board of Directors meetings: —</p>	<p> April 1979 Joined Sharp Corporation April 2006 Group General Manager, Communication Systems Group April 2009 Executive Managing Officer, Group General Manager, Mobile Liquid Crystal Display Group April 2010 Executive Managing Officer, Group General Manager, Liquid Crystal Display Group April 2013 Executive Managing Officer, Division General Manager, Communication Systems Division June 2015 Representative Director and Senior Executive Managing Officer, General Manager, Consumer Electronics Business July 2016 Director and Senior Executive Managing Officer, BU President, IoT Communication BU January 2018 Senior Executive Managing Officer, BU President, IoT BU July 2018 Senior Executive Managing Officer, BU President, IoT HE BU August 2019 Chairman and Director, SHARP COCORO LIFE Inc. April 2020 Retired [Significant concurrent positions] — </p>	—
<p>Reasons for the appointment and expected roles</p> <p>Mr. Yoshisuke Hasegawa has been selected as a candidate for external Member of the Board, as he is expected to contribute to the Company's business by applying his extensive knowledge and experience in communication systems and IoT, which he has cultivated through his service as a director of business companies. In addition, he is also expected to provide supervision over the Company's management in general and practical and objective opinions regarding business development based on his experience in corporate management. For these reasons, he is believed to be capable of carrying out his duties appropriately as an external Member of the Board. Based on the aforementioned experience, he is expected to attend meetings of the Nomination/Compensation Committee and the Conflict of Interest Deliberation Committee at the Company, and to provide supervision from an independent and objective standpoint, as well as to supervise conflicts of interest between the controlling shareholder and minority shareholders.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
8	 <p> <u>New appointment</u> <u>External</u> <u>Independent</u> </p> <p>Masahito Kitamura January 3, 1959 (63 years old)</p> <p>Years served as Member of the Board: —</p> <p>Attendance at the Board of Directors meetings: —</p>	<p>April 1982 Joined Olympus Optical Co., Ltd. (currently Olympus Corporation)</p> <p>October 1999 Worked for Olympus Singapore Pte. Ltd.</p> <p>October 2001 General Manager, Industrial Information Department, Olympus Optical Co., Ltd. (currently Olympus Corporation)</p> <p>April 2003 General Manager, IT Strategy Department</p> <p>July 2006 General Manager, IT Reform Promotion Department and IT Infrastructure Department</p> <p>July 2009 Division Manager, the Information Technology Division</p> <p>April 2012 Executive Officer, Chief Compliance Officer</p> <p>April 2016 Executive Officer, Division Manager, CSR Division</p> <p>October 2018 Executive Officer, Chief Information Security Officer</p> <p>April 2019 Executive Officer, Vice President, Chief Information Security Officer</p> <p>March 2021 Retired</p> <p>[Significant concurrent positions] —</p>	—
<p>Reasons for the appointment and expected roles</p> <p>Although Mr. Masahito Kitamura has no direct experience in corporate management, he has been in charge of IT reform and information security at a business corporation for many years. He has been selected as a candidate for external Member of the Board, as he is expected to apply his extensive knowledge and experience in these areas to the Company's IT reform promotion and information security management, as well as to provide supervision over the Company's management in general and practical and objective opinions regarding the Company's global business development. For these reasons, he is believed to be capable of carrying out his duties appropriately as an external Member of the Board. Based on the aforementioned experience, he is expected to attend meetings of the Nomination/Compensation Committee and the Conflict of Interest Deliberation Committee at the Company, and to provide supervision from an independent and objective standpoint, as well as to supervise conflicts of interest between the controlling shareholder and minority shareholders.</p>			

(Notes)

1. There are no special interests between each candidate for Member of the Board and the Company.
2. Mr. Hajimu Kishi, Mr. Yoshisuke Hasegawa, and Mr. Masahito Kitamura are candidates for external Members of the Board. The Company has registered them 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. Yoshisuke Hasegawa and Mr. Masahito Kitamura will newly become Independent Officers.
3. 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 36 to page 38 of the Japanese original document).
4. The positions and responsibilities of respective candidates at present as well as in the past ten (10) 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.
5. Mr. Hajimu Kishi will have served as external Members of the Board of the Company for five (5) year at the conclusion of this Annual General Meeting of Shareholders.
6. The Company has entered into a liability limitation agreement with Mr. Hajimu Kishi for the purpose of restricting his 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 he is elected as originally proposed, the Company intends to continue the agreement with Mr. Hajimu Kishi for the purpose of restricting his liability, and enter into the same agreements with Mr. Yoshisuke Hasegawa and Mr. Masahito Kitamura for limiting their liability.
7. The number of shares of the Company held by each candidate for Member of the Board is as of December 31, 2021. The number of shares includes those held by the Cybernet Systems officers’ shareholding association.
8. Mr. Masahito Kitamura will assume the position of a professor at the Department of Business Administration, Kansai University of International Studies on April 1, 2022.
9. 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, or non-executive Member of the Board of the Company or its subsidiaries
 - 2) Any person who executes business of the parent company of the Company, or non-executive Member of the Board 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 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 3: Election of one (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Tatsuya Naito will complete his term of 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
 <p>Reappointment</p> <p>Tatsuya Naito December 22, 1959 (62 years old)</p> <p>Years served as Audit & Supervisory Board Member: 2 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 19/19 (100%)</p> <p>Attendance at the Audit & Supervisory Board meetings: 19/19 (100%)</p>	<p>April 1982 Joined Daiei Co., Ltd.</p> <p>September 2006 Joined FUJISOFT, Inc., Section Manager, Management and Finance Department, Administrative Division</p> <p>January 2007 Manager, Management and Finance Department, Administrative Division</p> <p>October 2008 Manager, Planning Department and Manager, Management and Finance Office</p> <p>October 2009 Manager, Management and Finance Office, Planning Department</p> <p>June 2010 Audit & Supervisory Board Member, the Company</p> <p>April 2011 Manager, Corporate Management Department, FUJISOFT, Inc.</p> <p>April 2012 Executive Operating Officer</p> <p>June 2013 Member of the Board, the Company</p> <p>March 2014 Resigned from Member of the Board</p> <p>March 2020 Full-time Auditor & Supervisory Board Member (Current Position)</p> <p>[Significant concurrent positions] —</p>	523
<p>Reasons for the appointment</p> <p>Mr. Tatsuya Naito has been selected as a candidate for Audit & Supervisory Board Member, as he is expected to continue to give invaluable opinions for the enhancement of the Company's internal control system not only based on his expertise in finance and accounting and broad business experience, but also by contributing to the Company's audit system by capitalizing on his experience of serving as an audit & supervisory board member for business corporations in and outside of Japan.</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, 2021. The number of shares includes those held by the Cybernet Systems officers' shareholding association.
3. The positions and responsibilities of the candidate at present as well as in the past ten (10) years as a business executive at the parent, subsidiaries of the parent company or subsidiaries of the Company are as stated in "Past experience and positions." FUJISOFT, Inc. is the specified related business operator, as defined under Article 2, Paragraph 3, Item 19 of the Ordinance for Enforcement of the Companies Act.
4. The Company has entered into a liability limitation agreement with Mr. Tatsuya Naito for the purpose of restricting his 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.
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, he will become an insured person under the insurance policy, which will be renewed during his term of office.

(Reference) Skill Matrix of Members of the Board of Directors

If Proposals 2 and 3 are approved as originally proposed at this Annual General Meeting of Shareholders, the composition of the Board of Directors and the skills to be provided by each Member of the Board and Audit & Supervisory Board Member will be as follows.

Category	External	Name	Skill matrix								Nomination/ Compensation Committee	Conflict of Interest Deliberation Committee
			Business management experience	Technology, research and development	Sales, marketing	Treasury, Finance, M&A	Diversity promotion, human resource development	Legal, risk management	ICT	Global experience		
Members of the Board		Reiko Yasue	●		●		●		●	●	●	
		Yoshiharu Shiraishi	●		●				●			
		Satoru Kimoto	●			●	●	●				
		Masahiro Matsumoto		●						●		
		Jeng Minghong	●	●	●					●		
	●	Hajimu Kishi	●	●	●		●		●	●	●	●
	●	Yoshisuke Hasegawa	●	●					●		●	●
	●	Masahito Kitamura							●	●	●	●
Audit & Supervisory Board Members		Tatsuya Naito				●	●	●				
	●	Fumio Hama	●	●					●		●	
	●	Aya Fujimatsu						●			●	●

(Note) This table does not represent all the skills possessed by each Member of the Board and Audit & Supervisory Board Member (including the candidates).