

Securities code: 3915

May 9, 2022

Dear Shareholders:

Hideya Sato  
Representative Director, President & CEO

**TerraSky Co., Ltd.**  
2-11-2, Nihombashi, Chuo-Ku, Tokyo

## NOTICE OF CONVOCAION OF THE 16TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 16th Annual General Meeting of Shareholders (the “Meeting”) of TerraSky Co., Ltd. (the “Company”) will be held as described below.

The Meeting will be held with all appropriate infectious disease control measures in place from the perspective of preventing infections of COVID-19. Shareholders are asked to consider the state of infection at the time of the General Meeting of Shareholders and your own health when attending, and to wear a mask and take other steps to prevent infection while at the venue.

Shareholders unable to attend the General Meeting may exercise their voting rights online, or in writing. Please review the reference materials concerning the General Meeting of Shareholders below, and exercise your voting rights by 6 p.m. on Thursday, May 26, 2022.

In addition, a livestream of the General Meeting is available to shareholders for viewing.

### PARTICULARS

- 1. Date and Time of the Meeting:** Friday, May 27, 2022, at 10:00 a.m.  
(Reception scheduled to open at 9:30 a.m.)
- 2. Place of the Meeting:** Belle Salle Yaesu, Room A, B, C  
Yaesu First Financial Building, 2nd Floor  
1- 3-7, Yaesu, Chuo-ku, Tokyo
- 3. Meeting Agenda:**  
**Matters for Reporting:**
  1. The Business Report for the 16th Fiscal Year (from March 1, 2021 to February 28, 2022), the Consolidated Financial Statements and the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
  2. The Financial Statements of the 16th Fiscal Year (from March 1, 2021 to February 28, 2022)**Matters for Resolution:**  
**Proposal 1:** Partial amendment to the Articles of Incorporation  
**Proposal 2:** Election of six (6) Directors

**Proposal 3:** Election of three (3) Audit & Supervisory Board Members

**Proposal 4:** Election of one (1) substitute Audit & Supervisory Board Member

- When attending on the day of the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Notes to the Consolidated Financial Statements and Individual Notes to the Financial Statements are disclosed on the Company website (<http://www.terrasky.co.jp/>) in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company, and are not included in this Notice of Convocation.  
Therefore, the document provided as a Notice of Convocation of the Meeting is included as part of the Consolidated Financial Statements or Financial Statements audited by Audit & Supervisory Board Members, or Accounting Auditor in preparing their audit report.
- If there are any amendments to the contents of Business Reports, Financial Statements, or Consolidated Financial Statements, the amended version of said document will be published to the website above.

Notice Regarding Live Streaming via the Internet

- A livestream of the Meeting will be available to shareholders as follows. To view the livestream, please apply in advance using the URL below. (Note: only in Japanese)  
Application for shareholder livestream access URL:  
[https://us06web.zoom.us/webinar/register/WN\\_MsUmXmVSQb2zFbYvXcQl9w](https://us06web.zoom.us/webinar/register/WN_MsUmXmVSQb2zFbYvXcQl9w)  
Application for shareholder livestream access QR code:



\* QR code is a registered trademark of DENSO WAVE INCORPORATED.

- \* When submitting an application, please include your shareholder number (the shareholder number written on the Voting Form included), your name, address, and email address. Upon confirming your identity, a reply including the livestream URL will be sent to the email address provided. Please be aware that a livestream URL cannot be provided if any details provided are inconsistent with information held in the shareholder registry.
- \* We ask that access to the above application URL is limited to Company shareholders.  
Application deadline: Thursday, May 26, 2022 6 p.m.  
Livestream time: From Friday, May 27, 2022 10 a.m. until the end of General Meeting
- \* The web conferencing tool Zoom will be used to stream the General Meeting. Access the URL sent by the Company to the email address provided using a device (PC, smartphone, etc.) that can use Zoom.
- \* This livestream is for viewing purposes only. Viewers cannot propose motions, ask questions, or give feedback via the livestream.
- \* If you have any questions or queries concerning the application process of the livestream, please contact the phone line below.  
Phone line for inquiries: 81-3-5255-3410
  - Business hours: From 9:30 a.m. to 6:00 p.m.(weekdays)  
From 9:30 a.m. to the end of the General Meeting of Shareholders (day of the General Meeting)

## **REFERENCE MATERIALS CONCERNING THE GENERAL MEETING OF SHAREHOLDERS**

### **Proposals and Reference Matters**

#### **Proposal 1: Partial amendment to the Articles of Incorporation**

##### **1. Reason for proposal**

- (1) The Company proposes amending its Articles of Incorporation as follows, in order to prepare for the introduction of a system for providing general shareholder meeting materials in electronic format, in line with the enforcement on September 1, 2022 of the amended provisions in the proviso of Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019).
  - (i) Under the foregoing Act, it will be obligatory to stipulate in the articles of incorporation that measures to provide information contained in the reference documents for general meetings of shareholders and related documents in electronic format shall be taken. Therefore, the Company proposes establishing a new paragraph 1 of Article 16 (Measures to Provide Information in Electronic Format) in the proposed amendments to the Articles of Incorporation.
  - (ii) Regarding information contained in the reference documents for general meetings of shareholders and related documents that is subject to the measures to provide information in electronic format, in order to enable the Company to limit the scope of matters to be stated in paper-based format delivered to shareholders who request delivery of materials in such format, to the scope stipulated by the applicable Ministry of Justice ordinance, the Company proposes establishing a new paragraph 2 of Article 16 (Measures to Provide Information in Electronic Format) in the proposed amendments to the Articles of Incorporation.
  - (iii) Upon the introduction of the system for providing general shareholder meeting materials in electronic format, the provisions of Article 16 (Documents for the General Meeting of Shareholders and Other Information to Be Deemed Provided with Internet Disclosure) in the current Article of Incorporation will not be needed. Therefore, the Company proposes deleting those provisions.
  - (iv) The Company will introduce supplementary provisions concerning the effect of provisions added or removed as described above. The Company proposes deleting these supplementary provisions after the prescribed time passes.
- (2) To avoid insufficiencies in the number of Audit & Supervisory Board Members as prescribed by laws and regulations, the Company will establish provisions concerning substitute Audit & Supervisory Board Members, and prescribe a term of validity for resolutions concerning the appointment of said substitute Audit & Supervisory Board Members, and clarify the term of service of said substitute Audit & Supervisory Board Members if appointed as Audit & Supervisory Board Members.

2. Contents of the amendment

The contents of the amendment are as follows.

(Underlined sections denote changes.)

| Current Articles of Incorporation  | Planned Amendments  |
|--|---|
| <p><u>(Documents for the General Meeting of Shareholders and Other Information to Be Deemed Provided with Internet Disclosure)</u></p> <p><u>Article 16</u> <u>As for the convocation notice of the general meeting of shareholders, the Company is considered to have provided the information to be stated or indicated in the reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements to the shareholders by disclosing such information via the internet in accordance with the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p> | <p>(Deleted)</p> <p><u>(Measures to Provide Information in Electronic Format)</u></p> <p><u>Article 16</u> <u>The Company shall electronically provide information contained in reference documents and other documents for the general meeting of shareholders in convening the general meeting of shareholders.</u></p> <p><u>2</u> <u>Among information to be provided electronically, the Company reserves the right to exclude, in whole or in part, any or all of the information set forth by the Ordinance of the Ministry of Justice in the documents to be delivered to shareholders who have requested delivery of hardcopies of documents by the record date for voting rights.</u></p> |

| Current Articles of Incorporation  | Planned Amendments   |
|--|--|
| <p>Chapter 5 Audit &amp; Supervisory Board Member and Audit &amp; Supervisory Board (Method of Election)</p> <p>Article 34 Audit &amp; Supervisory Board Members shall be elected at the General Meeting of Shareholders.</p> <p>2 Resolutions on the election of Audit &amp; Supervisory Board Members shall be adopted with a majority vote at the General Meeting of Shareholders with at least one-third of shareholders with voting rights in attendance.<br/>(Newly established)</p> <p>(Term of Service)</p> <p>Article 35 The term of service of Audit &amp; Supervisory Board Members shall be until the conclusion of the General Meeting of Shareholders corresponding to the last fiscal year ending within four years from his or her or election.</p> <p>2 <u>The term of service of Audit &amp; Supervisory Board Members elected as a substitute to an Audit &amp; Supervisory Board Member who has resigned from their post before the end of their term of service shall be until the conclusion of the term of service of the resigning Audit &amp; Supervisory Board Member.</u></p> | <p>Chapter 5 Audit &amp; Supervisory Board Member and Audit &amp; Supervisory Board (Method of Election)</p> <p>Article 34 Audit &amp; Supervisory Board Members shall be elected at the General Meeting of Shareholders.</p> <p>2 Resolutions on the election of Audit &amp; Supervisory Board Members shall be adopted with a majority vote at the General Meeting of Shareholders with at least one-third of shareholders with voting rights in attendance.</p> <p>3 <u>In accordance with the provisions of Article 329 paragraph 3 of the Companies Act, the Company shall elect substitute Audit &amp; Supervisory Board Members at a General Meeting of Shareholders to avoid insufficiencies in the number of Audit &amp; Supervisory Board Members as prescribed by laws and regulations.</u></p> <p>4 <u>Resolutions concerning the election of substitute Audit &amp; Supervisory Board Members as prescribed in the preceding paragraph shall remain in effect until the start of the General Meeting of Shareholders corresponding to the last fiscal year ending within four years of the adoption of said resolution.</u></p> <p>(Term of Service)</p> <p>Article 35 The term of service of Audit &amp; Supervisory Board Members shall be until the conclusion of the General Meeting of Shareholders corresponding to the last fiscal year ending within four years from his or her or election.</p> <p>2 <u>The term of service of Audit &amp; Supervisory Board Members elected as a substitute to an Audit &amp; Supervisory Board Member who has resigned from their post before the end of their term of service shall be until the conclusion of the term of service of the resigning Audit &amp; Supervisory Board Member.</u><br/><u>However, if a substitute Audit &amp; Supervisory Board Member elected in accordance with paragraph 3 of the preceding Article is appointed as an Audit &amp; Supervisory Board Member, the term of service of said Audit &amp; Supervisory Board Member shall not exceed the conclusion of the General</u></p> |

|                     |  |
|---------------------|--|
|                     | <u>Meeting of Shareholders corresponding to the last fiscal year ending within four years from his or her election as substitute Audit &amp; Supervisory Board Member.</u>   |
| (Newly established) | <u>(Supplementary Provisions)</u><br><u>(Transitional Measures Concerning the Provision of Electronic Documents Pertaining to the General Meeting of Shareholders)</u>   |
| (Newly established) | <p><u>Article 1</u> <u>The deletion of the Article 16 (Documents for the General Meeting of Shareholders and Other Information to Be Deemed Provided with Internet Disclosure) in the Articles of Incorporation and the establishment of the Article 16 (Measures to Provide Information in Electronic Format) in the Articles of Incorporation shall take effect from the date of the enforcement (“Enforcement Date”) of the amended provisions stipulated in the Article 1 proviso of the supplementary provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p><u>2</u> <u>Notwithstanding the provisions of the preceding paragraph, Article 16 of the Articles of Incorporation (Documents for the General Meeting of Shareholders and Other Information to Be Deemed Provided with Internet Disclosure) shall remain in effect for General Meetings of Shareholders held within six months of the enforcement date.</u></p> <p><u>3</u> <u>These Articles shall be deleted after whichever comes later of the date on which six months have passed since the Enforcement Date or the date on which three months have passed since the date on which the General Meeting of Shareholders in the preceding paragraph is held.</u></p> |

## Proposal 2: Election of six (6) Directors

The terms of office of all six (6) Directors will expire at the close of this Meeting. Accordingly, the Company hereby proposes the election of six (6) Directors.

The candidates are as follows.

| Candidate number   | Name<br>(Date of birth)  | Brief history, positions, responsibilities and important status in other companies |   | Number of shares held (shares) |
|--|--|--|---|--------------------------------|
| 1  | Hideya Sato<br>(May 21, 1963)<br><br>Reelected                               | April 1987   | Joined IBM Japan, Ltd.  | 3,649,800                      |
|  |  | March 2001   | Joined Salesforce.com Co., Ltd. (current company name: Salesforce Japan Co., Ltd.)                              |                                |
|  |  | April 2005   | President of the HEAD Inc.  |                                |
|  |  | March 2006   | Founded TerraSky Co., Ltd.<br>President & Representative Director   |                                |
|  |  | August 2012  | Founded TerraSky Inc.<br>CEO (current position)   |                                |
|  |  | October 2013   | Outside Director of Serverworks Co., Ltd.   |                                |
|  |  | May 2014   | Founded Sky365 Co., Ltd.<br>President & Representative Director   |                                |
|  |  | March 2016   | Founded BeeX Inc.<br>President & Representative Director  |                                |
|  |  | May 2016   | President & Representative Director of MareSky Co., Ltd. (current position)                                     |                                |
|  |  | August 2016  | Director of Kitalive Inc.   |                                |
|  |  | October 2016   | Director of Sky365 Co., Ltd. (current position)   |                                |
|  |  | March 2019   | Director of TerraSky Ventures Co., Ltd. (current position)  |                                |
|  |  | May 2019   | Director of Cuon.inc. (current position)  |                                |
|  |  | June 2019  | Director of Quemix Inc. (current position)<br>Outside Member of the Board of World Co., Ltd. (current position) |                                |
|  |  | December 2019  | President & Representative Director of Terrasky Thailand Co., Ltd.  |                                |
|  |  | February 2020  | Director of the company (current position)  |                                |
|  |  | January 2021   | Director of LiberSky Co., Ltd. (current position)   |                                |
| February 2021  | Director of TerraSky Technologies. Co., Ltd. (current position)              |  |   |                                |
| March 2021   | Director of ENOKI Inc. (former i-focus network Co., Ltd.) (current position) |  |   |                                |
| January 2022   | Director of DiceWorks Inc. (current position)                                |  |   |                                |
| April 2022   | Representative Director, President & CEO of the Company                      |  |   |                                |
| <b>Reason for proposing as candidate for Director and expected roles</b><br>Mr. Sato is nominated as candidate for Director for his expertise and broad knowledge of the IT industry, and his experience and track record leading the management of the Company as its President & Representative Director since the Company’s founding in March 2006. |  |  |   |                                |

| Candidate number  | Name<br>(Date of birth)                                 | Brief history, positions, responsibilities and important status in other companies  |   | Number of shares held (shares) |
|---|---|---|---|--------------------------------|
| 2   | Ryuji Miyata<br>(March 1, 1964)<br><br><b>Reelected</b> | <p>April 1987</p> <p>October 2002</p> <p>January 2005</p> <p>April 2006</p> <p>April 2012</p> <p>October 2016</p> <p>April 2018</p> <p>September 2018</p> <p>March 2019</p> <p>May 2019</p> <p>December 2019</p> <p>January 2021</p> <p>February 2021</p> <p>January 2022</p> <p>April 2022</p> | <p>Joined Fuji Bank Computer Service (current company name: Mizuho Research &amp; Technologies, Ltd.)</p> <p>General Manager, Market and International Systems Division of the company</p> <p>Councilor, Enterprise Solutions Management Division of the company</p> <p>General Manager, Financial Solutions Development Division of the company</p> <p>Executive Director, Business Planning Division of the company</p> <p>Councilor, Americas Department, Mizuho Bank, Ltd.</p> <p>Councilor, Business Strategy Division of Mizuho Information &amp; Research Institute, Inc. (current company name: Mizuho Research &amp; Technologies, Ltd.)</p> <p>Joined the Company</p> <p>Deputy President, and Executive Officer of the Company</p> <p>Director of TerraSky Ventures Co., Ltd. (current position)</p> <p>Director, Deputy President &amp; Executive Officer of the Company</p> <p>Director of Cuon.inc. (current position)</p> <p>Director of Terrasky Thailand Co., Ltd. (current position)</p> <p>Director of LiberSky Co., Ltd. (current position)</p> <p>President &amp; Representative Director of TerraSky Technologies. Co., Ltd. (current position)</p> <p>Director of DiceWorks Inc. (current position)</p> <p>Director, Deputy President &amp; Executive Officer of the Company</p> | 10,000                         |
| <b>Reason for proposing as candidate for Director and expected roles</b><br>Mr. Miyata is nominated as candidate for Director having been deemed suited to overseeing the Solutions Business based on his extensive experience and knowledge of the IT business, and his experience leading the management of the Company as Director and Vice President from May 2019 until present. |   |   |   |                                |



| Candidate number  | Name<br>(Date of birth)                                   | Brief history, positions, responsibilities and important status in other companies |   | Number of shares held (shares) |
|---|---|--|---|--------------------------------|
| 3   | Junji Imaoka<br>(October 8, 1972)<br><br><b>Reelected</b> | April 1991   | Joined Daiwabo Information System Co., Ltd.   | 68,300                         |
|   |   | April 2006   | Joined the Company<br>Product Manager in the Solutions Division   |                                |
|   |   | July 2006  | Director and General Manager of the Solutions Division of the Company   |                                |
|   |   | March 2013   | Director and Senior Manager of the Solutions Division of the Company  |                                |
|   |   | January 2015   | Director, Corporate Officer and Senior Manager of the Solutions Division of the Company                               |                                |
|   |   | August 2016  | Director of Kitalive Inc.   |                                |
|   |   | March 2018   | Director, Managing Executive Officer and General Manager of the Cloud Integration Division of the Company             |                                |
|   |   | March 2019   | Director, Managing Executive Officer and General Manager of the Cloud Integration General Headquarters of the Company |                                |
|   |   | May 2019   | Director of Cuon.inc. (current position)  |                                |
|   |   | February 2021  | Director of TerraSky Technologies. Co., Ltd. (current position)   |                                |
|   |   | March 2021   | Director, Managing Executive Officer of the Cloud Integration General Headquarters of the Company                     |                                |
|   |   | January 2022   | Director of DiceWorks Inc. (current position)   |                                |
|   |   | April 2022   | Director & Managing Executive Officer of the Company (current position)   |                                |
| <b>Reason for proposing as candidate for Director and expected roles</b><br>Mr. Imaoka is nominated as candidate for Director based on his extensive development experience in the IT industry, and his experience and track record leading the management of the Company as Director in charge of the Solutions Business of the Company from July 2006 to present. |   |  |   |                                |

| Candidate number  | Name<br>(Date of birth)  | Brief history, positions, responsibilities and important status in other companies   |  | Number of shares held (shares) |
|---|--|--|--|--------------------------------|
| 4   | Koichiro Tsukada<br>(December 31, 1968)<br><br><b>Reelected</b>                | April 1992<br>April 2000<br>March 2002<br>September 2015<br>March 2016<br>May 2016<br>August 2016<br>March 2019<br>May 2019<br>June 2019<br>December 2019<br>January 2021<br>February 2021<br>March 2021<br>January 2022<br>April 2022 | Joined TOMEN Corporation (current company name: Toyota Tsusho Corporation)<br>Joined ICP Inc.<br>Joined Kogin investment Co., Ltd. (current company name: Mizuho Capital Co., Ltd.)<br>Joined the Company<br>CFO<br>Director of BeeX Inc. (current position)<br>Director, Managing Executive Officer, and CFO of the Company<br>Director of Kitalive Inc. (current position)<br>President & Representative Director of TerraSky Ventures Co., Ltd. (current position)<br>Director of Cuon.inc. (current position)<br>Director of Quemix Inc. (current position)<br>Director of Terrasky Thailand Co., Ltd. (current position)<br>Director of LiberSky Co., Ltd. (current position)<br>Director of TerraSky Technologies. Co., Ltd (current position)<br>Director of ENOKI Inc. (current position) (former i-focus network Co., Ltd.)<br>Director of DiceWorks Inc. (current position)<br>Director, CFO & Managing Executive Officer (current position) | 24,500                         |
| <b>Reason for proposing as candidate for Director and expected roles</b><br>Mr. Tsukada is nominated as candidate for Director based on his extensive experience and knowledge of the finance industry, and his experience and track record leading the management of the Company as Administrative Director from May 2016.           |  |  |  |                                |
| 5   | Naoki Uno<br>(June 27, 1953)<br><br><b>Reelected</b><br>Outside<br>Independent | April 1977<br>June 2002<br>June 2009<br>June 2013<br>May 2017<br>May 2020  | Joined Tokio Marine & Fire Insurance Co., Ltd.<br>Contract service manager of Tokio Marine Anshin Life Insurance Co., Ltd. (current company name: Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.)<br>Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.<br>President & Representative Director of Tokio Marine & Nichido Systems Co., Ltd.<br>Outside Director of the Company (current position)<br>Outside Director of DCM Holdings Co., Ltd. (current position)  | 3,200                          |
| <b>Reason for proposing as candidate for Outside Director and expected roles</b><br>Mr. Uno is nominated as candidate for Outside Director based on his advanced experience and knowledge of organizational operations in the finance and IT industries, and his experience serving as Outside Director at the Company from May 2017. |  |  |  |                                |

| Candidate number  | Name<br>(Date of birth)   | Brief history, positions, responsibilities and important status in other companies |  | Number of shares held (shares) |
|---|---|--|--|--------------------------------|
| 6   | Shinobu Umino<br>(August 4, 1952)<br><br><b>Reelected</b><br>Outside<br>Independent | April 1975   | Joined Nippon Telegraph and Telephone Public Corporation (current company name: Nippon Telegraph and Telephone Corporation)      | —                              |
|   |   | June 2003  | Director and General Manager of the Corporate Planning Division of NTT DATA Corporation  |                                |
|   |   | June 2008  | Representative Director and Vice President of NTT Communications Corporation   |                                |
|   |   | June 2012  | President & Representative Director of NTT COMWARE CORPORATION   |                                |
|   |   | June 2017  | Advisor to the Board of Directors of the company   |                                |
|   |   | June 2018  | Advisor of the company   |                                |
|   |   | June 2018  | Outside Director of Internet Initiative Japan Inc.   |                                |
|   |   | May 2019   | Outside Director of the Company (current position)   |                                |
|   |   | June 2020  | Outside Director of Hitachi Kokusai Electric Inc. (current position)   |                                |
|   |   | June 2021  | Senior advisor of NTT COMWARE CORPORATION (current position)<br>Outside Director of Nippon Avionics Co., Ltd. (current position) |                                |
| <b>Reason for proposing as candidate for Outside Director and expected roles</b><br>Mr. Umino is nominated as candidate for Outside Director based on his experience serving as Outside Director at the Company from May 2019, and the expectation that he is capable of leveraging his extensive experience and knowledge as a corporate manager to provide a wide range of advice and suggestions helping to ensure appropriate decision-making procedures, and the strengthening of risk management and other governance systems from a standpoint that is independent from the Company's management team. |   |  |  |                                |

- (Notes)
1. There are no special interests between each of the other candidates and the Company.
  2. Naoki Uno and Shinobu Umino are candidates for Outside Director. In addition, both candidates currently serve as Outside Directors to the Company. As of the conclusion of the Meeting, Naoki Uno has served for around five years, and Shinobu Umino has served for around three years since their appointment.
  3. Both Naoki Uno and Shinobu Umino satisfy the independence standards for Outside Directors prescribed by the Tokyo Stock Exchange and the Company. In accordance with such, the Company registered both Outside Directors with the Tokyo Stock Exchange and, upon approval of their re-election, intends to continue to appoint both as independent officers.
  4. The Company has concluded a Directors and Officers Liability Insurance contract with an insurance company as prescribed in Article 430-3 paragraph 1 of the Companies Act. This contract is due to be renewed in November 2022. This insurance contract compensates for litigation expenses and damage compensation costs arising from third-party lawsuits, shareholder lawsuits, or corporate lawsuits to be borne by the insured party. All premiums associated with said insurance contract are covered by the Company. Director candidates up for re-election are already insured under said insurance contract, and will continue to be covered by the contract should their re-election be approved.

### Proposal 3: Election of three (3) Audit & Supervisory Board Members

The terms of office of three (3) Audit & Supervisory Board Members will expire at the close of this Meeting. Accordingly, the Company hereby proposes the election of three (3) Audit & Supervisory Board Members.

The Company has already obtained the consent of the Audit & Supervisory Board to elect three (3) Audit & Supervisory Board Members.

The candidates are as follows.

| Candidate number  | Name<br>(Date of birth)  | Brief history, positions, responsibilities and important status in other companies   |  | Number of shares held (shares) |
|---|--|--|--|--------------------------------|
| 1   | Kazuyuki Motohashi<br>(January 16, 1954)<br><br><b>Reelected<br/>Outside</b> | April 1977<br>March 2007<br><br>January 2009<br><br>April 2011<br><br>April 2013<br>May 2016<br><br>August 2016<br>September 2016<br><br>May 2019<br><br>January 2021<br><br>February 2021<br><br>March 2021 | Joined IBM Japan, Ltd.<br>President & Representative Director of IBM Japan Credit LLC<br>Joined General Business Services Co., Ltd.<br>Director and Managing Director<br>President & Representative Director of the Institute of Social Environment Systems, Inc.<br>Representative Director of Happy Retirement Style (current position)<br>Outside Audit & Supervisory Board Member (Full-time) of the Company (current position)<br>Corporate Auditor of Kitalive Inc.<br>Corporate Auditor of Sky365 Co., Ltd. (current position)<br>Corporate Auditor of Cuon.inc. (current position)<br>Corporate Auditor of LiberSky Co., Ltd.<br>Corporate Auditor of TerraSky Technologies. Co., Ltd.<br>Auditor of ENOKI Inc. (former i-focus network Co., Ltd.) | —                              |
| <b>Reason for proposing as candidate for Outside Audit &amp; Supervisory Board Member and expected roles</b><br>Mr. Motohashi possesses extensive knowledge and insight on corporate management, and is nominated as candidate for Outside Audit & Supervisory Board Member because his advanced knowledge and broad experience has been deemed suitable for monitoring and supervising the management of the Company. Further, as of the conclusion of the Meeting, Mr. Motohashi will have served for six years as an Outside Audit & Supervisory Board Member. |  |  |  |                                |

| Candidate number  | Name<br>(Date of birth)   | Brief history, positions, responsibilities and important status in other companies |   | Number of shares held (shares) |
|---|---|--|---|--------------------------------|
| 2   | Tomohiko Kameko<br>(November 25, 1980)<br><br><b>Reelected</b><br>Outside | December 2009  | Joined HORI SOGO LAW OFFICE (Belonging to the Dai-Ichi Tokyo Bar Association)   | —                              |
|   |   | June 2016  | Completed studies at the National University of Singapore LL.M.; Seconded to Dentons Rodyk & Davidson LLP (Singapore)             |                                |
|   |   | January 2017   | Joined HORI SOGO LAW OFFICE   |                                |
|   |   | May 2017   | Outside Audit & Supervisory Board Member of the Company (current position)  |                                |
|   |   | March 2019   | Corporate Auditor of TerraSky Ventures Co., Ltd. (current position)   |                                |
|   |   | April 2019   | Joined Asano Law Office   |                                |
|   |   | August 2019  | Representative director of Crossbridge Law Office (current position)  |                                |
|   |   | March 2020   | Member of the Committee of Outside Directors and Audit & Supervisory Committee Member of B-Lot Company Limited (current position) |                                |
|   |   | February 2021  | Outside Corporate Auditor of CaSy Co., Ltd. (current position)  |                                |
| <b>Reason for proposing as candidate for Outside Audit &amp; Supervisory Board Member and expected roles</b><br>Mr. Tomohiko Kameko is nominated as candidate for Outside Audit & Supervisory Board Member because it is believed that his expert insight as an attorney can be applied to ensure the soundness of Company audits and management.<br>Further, as of the conclusion of the Meeting, Mr. Kameko will have served for five years as an Outside Audit & Supervisory Board Member. |   |  |   |                                |

| Candidate number   | Name<br>(Date of birth)   | Brief history, positions, responsibilities and important status in other companies  |   | Number of shares held (shares) |
|--|---|---|---|--------------------------------|
| 3  | Naoya Ojima<br>(March 18, 1953)<br><br><b>Reelected<br/>Outside</b> | April 1977<br><br>October 1978<br>May 2001<br><br>October 2005<br><br>March 2006<br><br>November 2011<br><br>April 2016<br>May 2020 | Joined Kubota Construction K.K.<br>(current company name: Kubota Construction Co., Ltd.)<br>Joined IBM Japan, Ltd.<br>General Manager of the Solution Sales Division of the company<br>Joined NIPPON OFFICE SYSTEMS LTD.<br>Director of the company<br>Director and Managing Executive Officer of the company<br>President & Representative Director of the company<br>Advisor of the company<br>Outside Audit & Supervisory Board Member of the Company (current position) | —                              |
| <b>Reason for proposing as candidate for Outside Audit &amp; Supervisory Board Member and expected roles</b><br>Mr. Ojima possesses extensive knowledge and insight on corporate management, and is nominated as candidate for Outside Audit & Supervisory Board Member because this advanced knowledge and broad experience has been deemed suitable for monitoring and supervising the management of the Company, and because he is expected to adequately perform his duties as Outside Audit & Supervisory Board Member.<br>Further, as of the conclusion of the Meeting, Mr. Ojima will have served for two years as an Outside Audit & Supervisory Board Member. |   |   |   |                                |

- (Notes)
1. There are no special interests between each of the other candidates and the Company.
  2. All candidates are Outside Audit & Supervisory Board Members.
  3. The Company has concluded a Directors and Officers Liability Insurance contract with an insurance company as prescribed in Article 430-3 paragraph 1 of the Companies Act. This contract is due to be renewed in November 2022. This insurance contract compensates for litigation expenses and damage compensation costs arising from third-party lawsuits, shareholder lawsuits, or corporate lawsuits to be borne by the insured party. All premiums associated with said insurance contract are covered by the Company. Audit & Supervisory Board Member candidates up for re-election are already insured under said insurance contract, and will continue to be covered by the contract should their re-election be approved.

**Proposal 4: Election of one (1) substitute Audit & Supervisory Board Member**

The Company proposes the election of one (1) substitute Audit & Supervisory Board Member to prevent the number of Audit & Supervisory Board Members falling below statutory requirements. The Company has already obtained the consent of the Audit & Supervisory Board to elect one (1) substitute Audit & Supervisory Board Member.

The candidate for substitute Audit & Supervisory Board Member is as follows.

| Candidate number | Name<br>(Date of birth)               | Brief history, positions, responsibilities and important status in other companies   |  | Number of shares held (shares) |
|------------------|---------------------------------------|--|--|--------------------------------|
| 1                | Tsutomu Toyao<br>(September 12, 1943) | April 1967<br>July 1975  | Joined J. Osawa Group Co., Ltd.<br>Director and General Manager of the Finance Division of J. Osawa Group Co., Ltd., Germany                     | 2,000                          |
|                  |                                       | January 1982   | President & Representative Director of the J.Osawa Group Co., Ltd., Holland  |                                |
|                  |                                       | July 1984  | Joined Digital Equipment Corporation Japan<br>General Manager of the Finance Division  |                                |
|                  |                                       | September 1995   | Joined Autodesk, Inc.<br>Managing Director (CFO) of the company  |                                |
|                  |                                       | October 2003   | Joined Salesforce.com Co., Ltd. (current company name: Salesforce Japan Co.,Ltd. )<br>Corporate Officer and Managing Director (CFO)              |                                |
|                  |                                       | May 2007   | Joined HOT Co., Ltd., Director and Managing Director   |                                |
|                  |                                       | May 2012   | Joined TerraSky Co., Ltd.<br>Full-time Audit & Supervisory Board Member  |                                |
|                  |                                       | May 2016   | Full-time Corporate Auditor of Serverworks Co., Ltd.   |                                |
|                  |                                       | May 2021   | Full-time Corporate Auditor of TerraSky Technologies. Co., Ltd. (current position)<br>Corporate Auditor of LiberSky Co., Ltd. (current position) |                                |
|                  |                                       | <b>Reason for proposing as candidate for substitute Audit &amp; Supervisory Board Member and expected roles</b><br>Mr. Toyao possess specialist knowledge and extensive experience as a corporate auditor. In particular, he served as Audit & Supervisory Board Member of the Company for four years from May 2012 to May 2016, and for a further seven and a half years at Serverworks Co., Ltd., an affiliate of the Company, from November 2013 to May 2021, and continues to serve as corporate auditor at two subsidiaries. For the reasons described above, Mr. Toyao is believed to be capable of adequately performing his duties as substitute Outside Audit & Supervisory Board Member. |  |                                |

**(Reference)****Expertise and Experience of Directors and Audit & Supervisory Board Members (Skill Matrix)**

If the Proposals 2 and 3 are approved, the expertise and experience of the elected Directors and Audit & Supervisory Board Members are as follows.

|                                  | Name                                 | Role   | Corporate management | Financial accounting | Technologies | Organizational human resources | Marketing | Environment, social, human rights | Legal, risk management | Global |
|----------------------------------|--------------------------------------|--|----------------------|----------------------|--------------|--------------------------------|-----------|-----------------------------------|------------------------|--------|
| Member of the Board of Directors | Hideya Sato                          | Representative Director, President & CEO           | •                    |                      | •            | •                              | •         | •                                 | •                      | •      |
|                                  | Ryuji Miyata                         | Director, Deputy President & Executive Officer     | •                    |                      | •            | •                              | •         |                                   |                        | •      |
|                                  | Junji Imaoka                         | Director & Managing Executive Officer              |                      |                      | •            |                                |           | •                                 |                        |        |
|                                  | Koichiro Tsukada                     | Director, CFO & Managing Executive Officer         | •                    | •                    |              |                                |           | •                                 | •                      | •      |
|                                  | Naoki Uno (Outside, independent)     | Outside Director                                   | •                    |                      | •            | •                              | •         | •                                 | •                      |        |
|                                  | Shinobu Umino (Outside, independent) | Outside Director                                   | •                    |                      | •            | •                              |           | •                                 |                        | •      |
| Audit & Supervisory Board        | Kazuyuki Motohashi (Outside)         | Full-time Outside Audit & Supervisory Board Member | •                    | •                    |              | •                              |           | •                                 | •                      |        |
|                                  | Tomohiko Kameko (Outside)            | Part-time Outside Audit & Supervisory Board Member |                      |                      |              |                                |           | •                                 | •                      | •      |
|                                  | Naoya Ojima (Outside)                | Part-time Outside Audit & Supervisory Board Member | •                    | •                    | •            | •                              | •         |                                   |                        |        |