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(Stock Exchange Code 4312)

February 22, 2023

(Commencement of electronic provision of documents: February 16, 2023)

**To Shareholders with Voting Rights:**

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

**NOTICE OF  
THE 38TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

The 38th Annual General Meeting of Shareholders of Cybernet Systems Co., Ltd. (the “Company”) will be held for the purposes as described below.

The measures for electronic provision of materials have been taken for the convocation of this General Meeting of Shareholders. The matters to be provided electronically have been posted on the following Internet website as “NOTICE OF THE 38TH ANNUAL GENERAL MEETING OF SHAREHOLDERS.” Please access the Company’s website and select “General Meeting of Shareholders” (Japanese only) to view these materials.

The Company’s website: <https://www.cybernet.co.jp>

The materials have also been posted on the following Internet website. Please access the top page of the Tokyo Stock Exchange Listed Company Search, search by entering the issue name (company name) or the stock exchange code, and select “Basic information” then “Documents for public inspection/PR information” to view these materials.

Top page of the Tokyo Stock Exchange Listed Company Search  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

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 Reference Documents for the General Meeting of Shareholders, included in the matters to be provided electronically, and exercise your voting rights by 5:30 p.m. on Thursday, March 9, 2023 Japan time.

- 1. Date and Time:** Friday, March 10, 2023 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 38th Fiscal Year (January 1, 2022 – December 31, 2022) 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 38th Fiscal Year (January 1, 2022 – December 31, 2022)

**Proposals to be resolved:**

- Proposal 1:** Election of eight (8) Members of the Board  
**Proposal 2:** Election of one (1) Audit & Supervisory Board Member

- \* “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 not included in the paper copy sent to shareholders who have requested it, pursuant to the applicable laws and regulations as well as Article 16 of the Company’s Articles of Incorporation. For this reason, the paper copy sent to shareholders presents part of the relevant financial statements audited by the Audit & Supervisory Board Members and Accounting Auditor for the purpose of preparing an audit report.
- \* Any revisions to the matters to be provided electronically shall be posted on each website on which the materials are posted.

<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, 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.
- 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.co.jp/>).

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: 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	<b>Reiko Yasue</b>	Representative Director, President and Executive Officer	20 / 20
2	Reappointment	<b>Yoshiharu Shiraishi</b>	Member of the Board, Executive Vice President	20 / 20
3	Reappointment	<b>Masahiro Matsumoto</b>	Member of the Board, Executive Officer	20 / 20
4	New appointment	<b>Hideyuki Tanaka</b>	Executive Officer	— / —
5	Reappointment	<b>Jeng Minghong</b>	Member of the Board	20 / 20
6	Reappointment External Independent	<b>Hajimu Kishi</b>	Member of the Board	20 / 20
7	Reappointment External Independent	<b>Yoshisuke Hasegawa</b>	Member of the Board	17 / 17
8	Reappointment External Independent	<b>Masahito Kitamura</b>	Member of the Board	16 / 17


(Note) As for Mr. Yoshisuke Hasegawa and Mr. Masahito Kitamura, 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 18, 2022).


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., CYBERNET SYSTEMS MALAYSIA SDN. BHD., and Noesis Solutions NV

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 (55 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: 20/20 (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]</p> <p>Outside Director, TOMY COMPANY, LTD.</p> <p>External Director, Lion Corporation</p> <p>Director, Cybernet Systems Holdings U.S. Inc.</p>	36,861
<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 (51 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>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.</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, Executive General Manager of Sales Business Unit</p> <p>March 2021      Member of the Board, Executive Vice President, the Company (Current Position)</p> <p>[Significant concurrent positions] Member of the Board, CYBERNET MBSE Co., Ltd.</p>	8,753
	<p>Reasons for the appointment</p> <p>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.</p>		


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
3	 <p><b>Reappointment</b></p> <p>Masahiro Matsumoto October 7, 1974 (48 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: 20/20 (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 Unit</p> <p>January 2019      Acting Deputy General Manager, Mechanical CAE Department, CAE Unit</p> <p>January 2020      Executive Officer, Deputy Executive General Manager, Technical Business Unit</p> <p>March 2020      Member of the Board, Executive Officer, Deputy Executive General Manager, Technical Business Unit</p> <p>April 2020      Member of the Board, Executive Officer, Deputy Executive General Manager, CAE Unit and Deputy Executive General Manager, Technical Business Unit</p> <p>January 2021      Member of the Board, Executive Officer, Executive General Manager, Technical Business Unit and Deputy Executive General Manager, CAE Unit</p> <p>January 2023      Member of the Board, Executive Officer, Executive General Manager, Digital Engineering Business Unit and Executive General Manager, Technical Business Unit (Current Position)</p> <p>[Significant concurrent positions]  Director, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.  Director, CYBERNET SYSTEMS TAIWAN CO., LTD.  Director, CYBERNET SYSTEMS MALAYSIA SDN. BHD.</p>	8,316
<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
4	 <p><b>New appointment</b></p> <p>Hideyuki Tanaka October 11, 1975 (47 years old)</p> <p>Years served as Member of the Board: —</p> <p>Attendance at the Board of Directors meetings: —</p>	<p>March 1998      Joined Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.)</p> <p>October 2005    Joined PwC Advisory Ltd. (currently PwC Advisory LLC)</p> <p>June 2018        Joined the Company</p> <p>January 2020    Executive Officer, Senior General Manager, Corporate Planning Division</p> <p>May 2022        Executive Officer, Senior General Manager, Corporate Planning Division and Deputy Senior General Manager, General and Administration Division</p> <p>December 2022 Executive Officer, Senior General Manager, Corporate Planning Division and Senior General Manager, General and Administration Division (Current Position)</p> <p>[Significant concurrent positions] Director, Noesis Solutions NV Legal Representative and Executive Director, Noesis Engineering Software (Shanghai) Co., Ltd.</p>	1,437
<p><b>Reasons for the appointment</b> Mr. Hideyuki Tanaka has been selected as a candidate for Member of the Board, as he is expected to offer supervision based on his extensive experience in areas such as business planning, M&amp;A, operational improvement, the introduction of core systems, and internal control.</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 (57 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>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>	2,941
<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	 <div> <div>Reappointment</div> <div>External</div> <div>Independent</div> </div> <p>Hajimu Kishi July 9, 1941 (81 years old)</p> <p>Years served as Member of the Board: 6 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.</p> <p>April 1972      Manager, Numerical Control Group</p> <p>September 1979      Joined FANUC CORPORATION</p> <p>September 1984      Deputy Manager, Product Development Laboratory</p> <p>June 1985      Director</p> <p>June 1989      Managing Director, Manager, East Sales Division</p> <p>April 2005      Senior Managing Director, Manager, FA Domestic Sales Administration Division</p> <p>June 2007      Resigned from Senior Managing Director, became Advisor</p> <p>June 2010      Managing Director</p> <p>November 2011      Resigned from Managing Director, became Advisor</p> <p>April 2012      Auditor, the University of Electro-Communications</p> <p>March 2016      External Audit &amp; Supervisory Board Member, the Company</p> <p>April 2016      Special Adviser to the President, the University of Electro-Communications</p> <p>March 2017      External Member of the Board, the Company (Current Position)</p> <p>March 2021      Visiting professor, the University of Electro-Communications (Current Position)</p> <p>[Significant concurrent positions] Visiting professor, the University of Electro-Communications</p>	8,169
<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	 <div> <div>Reappointment</div> <div>External</div> <div>Independent</div> </div> <p>Yoshisuke Hasegawa April 19, 1955 (67 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: 17/17 (100%)</p>	<p>April 1980      Joined Sharp Corporation</p> <p>June 2005      Director, Group General Manager, Communication Systems Group</p> <p>April 2007      Managing Director, Group General Manager, Communication Systems Group</p> <p>April 2009      Executive Managing Officer, Group General Manager, Mobile Liquid Crystal Display Group</p> <p>April 2010      Executive Managing Officer, Liquid Crystal Display Management and Group General Manager, Liquid Crystal Display Group</p> <p>April 2013      Executive Managing Officer, Communication System Business Management and Division General Manager, Communication Systems Division</p> <p>June 2015      Representative Director and Senior Executive Managing Officer, Consumer Electronics Business Management</p> <p>August 2016      Senior Managing Director, BU President, IoT Communication BU</p> <p>January 2018      Senior Executive Managing Officer, BU President, IoT BU</p> <p>July 2018      Senior Executive Managing Officer, BU President, IoT HE BU</p> <p>October 2019      Chairman and Representative Director, SHARP COCORO LIFE Inc.</p> <p>March 2022      External Member of the Board, the Company (Current Position)</p> <p>[Significant concurrent positions] —</p>	441
<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	 <div> <div>Reappointment</div> <div>External</div> <div>Independent</div> </div> <p>Masahito Kitamura January 3, 1959 (64 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: 16/17 (94%)</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 2022      External Member of the Board, the Company (Current Position)</p> <p>April 2022      Professor, School of Business Administration, Kansai University of International Studies (Current Position)</p> <p>June 2022      Auditor, Medical Cyber Security Council (MedCSC) (Current Position)</p> <p>[Significant concurrent positions] Professor, School of Business Administration, Kansai University of International Studies Auditor, Medical Cyber Security Council (MedCSC)</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. Hajimu Kishi, Mr. Yoshisuke Hasegawa, and Mr. Masahito Kitamura will continue to serve as 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.
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 an external Member of the Board of the Company for six (6) years, and Mr. Yoshisuke Hasegawa and Mr. Masahito Kitamura will have served as external Members of the Board of the Company for one (1) year at the conclusion of this Annual General Meeting of Shareholders.
6. The Company has entered into liability limitation agreements with Mr. Hajimu Kishi, Mr. Yoshisuke Hasegawa, and Mr. Masahito Kitamura 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, Mr. Yoshisuke Hasegawa, and Mr. Masahito Kitamura for the purpose of restricting their liability.
7. The number of shares of the Company held by each candidate for Member of the Board is as of December 31, 2022. The number of shares of the Company held by each candidate for Member of the Board includes those held by the Cybernet Systems officers’ shareholding association.
8. 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 2:** Election of one (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Fumio Hama will resign 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 style="border: 1px solid black; padding: 2px; margin: 5px 0;">New appointment</div> <div style="border: 1px solid black; padding: 2px; margin: 2px 0;">External</div> <div style="border: 1px solid black; padding: 2px; margin: 2px 0;">Independent</div> <p>Minoru Okano February 7, 1953 (70 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>April 1976      Joined Nomura Securities Co., Ltd.</p> <p>December 2005      General Manager, Kanagawa Corporate Finance Administration Department, Yokohama Branch</p> <p>December 2007      Joined Mizuho Securities Co., Ltd.</p> <p>May 2010      Acting General Manager, Domestic Sales Division</p> <p>February 2013      Representative, Office On Your Side (Current Position)</p> <p>March 2015      Representative Director, Innovative Method Co., Ltd. (Current Position)</p> <p>March 2015      Outside Director, ENERES Co., Ltd.</p> <p>April 2022      Representative Director, National Construction Contractors Association of Japan (Current Position)</p> <p>[Significant concurrent positions]</p> <p>Representative, Office On Your Side</p> <p>Representative Director, Innovative Method Co., Ltd.</p> <p>Representative Director, National Construction Contractors Association of Japan</p>	—
<p><b>Reasons for the appointment</b></p> <p>Mr. Minoru Okano has been selected as a candidate for External Audit &amp; Supervisory Board Member, as he is expected to give invaluable opinions for the enhancement of the Company's internal control system based on his broad experience related to finance and M&amp;A through many years of service at financial institutions and also by contributing to the Company's audit system by capitalizing on his management experience as a director of business corporations.</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, 2022.
3. Mr. Minoru Okano is a candidate for External Audit & Supervisory Board Member. The Company has registered him as an Independent Officer as prescribed by the Tokyo Stock Exchange. If he is elected as originally proposed, he will newly become an Independent Officer.
4. If Mr. Minoru Okano is elected as an External Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement with him 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, in accordance with the provisions of Article 427, 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 1 and 2 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
Member of the Board		Reiko Yasue	●		●		●		●	●	●	
		Yoshiharu Shiraishi	●		●				●			
		Masahiro Matsumoto	●	●						●		
		Hideyuki Tanaka				●				●		
		Jeng Minghong	●	●	●					●		
	●	Hajimu Kishi	●	●	●		●		●	●	●	●
	●	Yoshisuke Hasegawa	●	●					●		●	●
	●	Masahito Kitamura							●	●	●	●
Audit & Supervisory Board Members		Tatsuya Naito				●	●	●				
	●	Aya Fujimatsu						●			●	●
	●	Minoru Okano			●	●					●	●

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