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Securities code: 9790
June 8, 2021

To Shareholders with Voting Rights:

Harukatsu Hayashi
Representative Director and President
FUKUICOMPUTER HOLDINGS, Inc
1-2501 Takagi-chuo, Fukui-shi, Fukui, Japan

**NOTICE OF
THE 42nd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 42nd Annual General Meeting of Shareholders of FUKUICOMPUTER HOLDINGS, Inc (the “Company”) will be held as described below.

Instead of attending the meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than Thursday, June 24, 2021, 6:00 p.m. Japan time in accordance with the following guidance.

1. Date and Time: Friday, June 25, 2021 at 11:00 a.m. Japan time

2. Place: 8th floor of AOSSA, Fukui Prefecture Kenmin Hall
1-4-1 Teyose, Fukui-shi, Fukui, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 42nd Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 42nd Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

- When attending the meeting, please submit the enclosed voting rights exercise form at the reception desk.
- Of the documents attached to this Notice, “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” as well as “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.fukuicompu.co.jp/>) in accordance with provisions of laws and regulations as well as Article 18 of the Articles of Incorporation and therefore are not provided in the documents attached to this Notice.

Accordingly, the documents attached to this Notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor and the Audit and Supervisory Committee in preparing the Accounting Auditor’s Report and the Audit Report,

respectively.

- Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, the Consolidated Financial Statements or the Non-consolidated Financial Statements will be posted on the Company's website (<https://www.fukuicompu.co.jp/>).

Guide to Exercising Voting Rights

Exercising voting rights in writing

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it to us so that it arrives by the exercise deadline.

Exercise deadline: To arrive by 6:00 p.m. on Thursday, June 24, 2021

Exercising voting rights via the Internet

Please refer to the “Guide to Exercising Voting Rights via the Internet, etc.” on the next page, access the website for exercising voting rights, and enter your approval or disapproval by the exercise deadline.

To exercise your voting rights via smartphone, please use the “Smart Exercise” function.

Exercise deadline: 6:00 p.m. on Thursday, June 24, 2021

Exercise of voting rights by attending the meeting in person

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and Time of the General Meeting of Shareholders: 11 a.m. on Friday, June 25, 2021

(Reception starts at 10 a.m.)

- If you exercise your voting rights both in writing and via the Internet, etc., we will treat the exercise via the Internet, etc. as a valid exercise of your voting rights. If you exercise your voting rights more than once via the Internet, etc., we will treat the last exercise as a valid exercise of your voting rights.
- Internet-related costs (connection fees, communication fees, etc.) shall be borne by the shareholder.
- You may not be able to use the voting rights exercise website depending on your Internet environment, the services you subscribe to or the model you use.

Guide to Exercising Voting Rights via the Internet, etc.

How to read a QR code

“Smart Exercise”

You can log in to the voting website without entering your voting code and password.

1. Please scan the QR code on the bottom right corner of the voting form.
2. After that, please follow the on-screen instructions to indicate your vote for or against the proposals.
 - “Approve” all Company proposals
 - Vote on each proposal individually

You may exercise your voting rights only once using the “Smart Exercise” function.

If you wish to change the details of your vote after exercising your voting rights, please log in and exercise your voting rights again by entering the “Voting Code” and “Password” indicated on the Voting Rights Exercise Form in accordance with the “How to enter the Voting Code and Password for exercising voting rights” shown on the right.

* If you scan the QR code again, you can access the website for exercising voting rights shown on the right.

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

How to enter the Voting Code and Password for exercising voting rights

Voting rights exercise website:

<https://www.web54.net>

1. Access the voting rights exercise website and click “Continue”.
2. Please enter the “Voting Code” shown on the lower left-hand side of the back of the Voting Rights Exercise Form and click “Login”.
3. Please enter the “Password” indicated on the lower left-hand side of the back of the Voting Rights Exercise Form.
Enter the “Initial Password,” and then set a new password that you will actually use.
Click “Register.”
4. After that, please follow the on-screen instructions to indicate your vote for or against the proposals.

For inquiries regarding the exercise of voting rights via the Internet

If you have any questions regarding the exercise of voting rights via the internet, please contact the following.

Securities Agent Web Support Hotline, Sumitomo Mitsui Trust Bank Limited

Telephone: 0120-652-031 (toll free) Business hours: 9:00 a.m. to 9:00 p.m.

For other inquiries, including requests for forms, please contact 0120-782-031 (toll free).

Business hours: 9:00 a.m. to 5:00 p.m.

To Institutional Investors

You may also exercise your voting rights electronically via the “Platform for Electronic Voting Rights Exercise” operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

We would like to appropriate our surplus as follows.

Matters concerning year-end dividend

Our basic dividend policy is to distribute dividends, emphasizing the return of profits to our shareholders. Concerning the year-end dividend for the fiscal year under review, we would like to pay an ordinary dividend of 50 yen per share as follows.

(1) Type of dividend property

Cash

(2) Matters concerning allotment of dividend property and total amount thereof

50 yen per share of common stock of the Company for a total dividend amount of 1,033,770,200 yen

(3) Effective date of distribution of surplus

June 28, 2021

Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of seven (7) Directors, including one (1) Outside Director. Please refer to page 15 for the opinion of the Audit and Supervisory Committee regarding this proposal.


The candidates for Director are as follows.


No.	Name	Current positions at the Company	
1	Harukatsu Hayashi	Representative Director and President	[Reappointment]
2	Koichi Sato	Director	[Reappointment]
3	Akira Hashimoto	Director General Manager, Corporate Administration Headquarters	[Reappointment]
4	Tadashi Sugita	Director	[Reappointment]
5	Makoto Hori	Director and Chairman	[Reappointment]
6	Seiichiro Hori	Director	[Reappointment]
7	Akinori Nomura	Outside Director	[Reappointment] [Outside] [Independent]


[Reappointment] Candidate for reappointment as Director


[Outside] Candidate for Outside Director


[Independent] Independent Director stipulated by the rules of the stock exchange


No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
1	 <p>Harukatsu Hayashi (March 10, 1961)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 11/11</p>	<p>July 1989 Joined the Company</p> <p>April 1998 General Manager, President's Office, the Company</p> <p>April 1999 General Manager, Accounting Division, General Manager, Accounting Department, and General Manager, Finance Department, the Company</p> <p>April 2004 General Manager, Accounting Division and General Manager, Accounting Department, the Company</p> <p>June 2005 Executive Officer, General Manager, Accounting Division, and General Manager, Accounting Department, the Company</p> <p>April 2007 Executive Officer, General Manager, Accounting Division, and General Manager, Finance Department, the Company</p> <p>June 2010 Director, General Manager, Accounting Division, and General Manager, Finance Department, the Company</p> <p>July 2012 Audit & Supervisory Board Member, FUKUICOMPUTER ARCHITECT, Inc Audit & Supervisory Board Member, FUKUICOMPUTER, Inc</p> <p>June 2013 Representative Director and President, FUKUICOMPUTER ARCHITECT, Inc</p> <p>July 2013 Director, the Company Director, FUKUICOMPUTER SMART, Inc</p> <p>November 2017 Representative Director and President, the Company (to present) Director, FUKUICOMPUTER ARCHITECT, Inc Director, FUKUICOMPUTER.COM, Inc</p> <p>[Significant concurrent positions] —</p>	21,300
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Harukatsu Hayashi has a wealth of experience and knowledge in administration and business management, having served in positions responsible for administrative divisions of the Company, such as General Manager of the President's Office and General Manager of Accounting Division, as well as Director of the Company and Representative Director and President of FUKUICOMPUTER ARCHITECT, Inc. The Company has nominated him as a candidate for Director since it believes that he can make use of his experience and knowledge to demonstrate strong leadership in smoothly operating business and strengthening the governance structure of the Group.</p>			


No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
2	 <p data-bbox="194 689 443 757">Koichi Sato (December 16, 1963)</p> <p data-bbox="194 801 443 835">[Reappointment]</p> <p data-bbox="194 880 443 1003">[Attendance at the Board of Directors meetings] 11/11</p>	<p data-bbox="470 275 1268 309">April 1998 Joined the Company</p> <p data-bbox="470 320 1268 353">October 2007 General Manager, Kansai Office, the Company</p> <p data-bbox="470 365 1268 421">February 2008 Executive Officer and General Manager, Kansai Office, the Company</p> <p data-bbox="470 432 1268 488">April 2012 Executive Officer and General Manager, Sales Management Division, the Company</p> <p data-bbox="470 499 1268 577">July 2012 Director and General Manager, Sales Headquarters, FUKUICOMPUTER ARCHITECT, Inc</p> <p data-bbox="470 589 1268 902">November 2017 Director, the Company (to present) Representative Director and President, FUKUICOMPUTER ARCHITECT, Inc (to present) Director, FUKUICOMPUTER, Inc (to present) Director, FUKUICOMPUTER SMART, Inc (to present) Director, FUKUICOMPUTER.COM, Inc Director, FUKUICOMPUTER SYSTEM, Inc (to present)</p> <p data-bbox="470 913 1268 947">[Significant concurrent positions]</p> <ul data-bbox="478 958 1268 1137" style="list-style-type: none"> • Representative Director and President, FUKUICOMPUTER ARCHITECT, Inc • Director, FUKUICOMPUTER, Inc • Director, FUKUICOMPUTER SMART, Inc • Director, FUKUICOMPUTER SYSTEM, Inc 	4,000
<p data-bbox="194 1160 1460 1193">[Reason for nomination as a candidate for Director]</p> <p data-bbox="194 1205 1460 1377">Mr. Koichi Sato has served in the sales division since joining the Company, and possesses a wide range of operational experience and knowledge. He is currently the Representative Director and President of FUKUICOMPUTER ARCHITECT, Inc, leading the company as a whole and playing a central role in promoting architecture-related businesses. The Company has nominated him as a candidate for Director since it believes that he can utilize his experience and achievements in the business management of the Group.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
3	 <p data-bbox="215 1034 422 1102">Akira Hashimoto (April 28, 1964)</p> <p data-bbox="223 1137 414 1171">[Reappointment]</p> <p data-bbox="212 1220 426 1339">[Attendance at the Board of Directors meetings] 11/11</p>	<p data-bbox="470 275 1265 952"> October 1990 Joined the Company April 2001 General Manager, Sales Planning Division, the Company June 2001 Executive Officer and General Manager, Sales Planning Division, the Company June 2005 Director and General Manager, Sales Planning Division, the Company April 2006 Director, General Manager, CAD Promotion Division, and General Manager, Support Center, the Company April 2011 Director and General Manager, CS/CRM Business Division, the Company July 2012 Director, General Manager, Business Promotion Division, and General Manager, Customer Support Center, FUKUICOMPUTER, Inc April 2013 Director and General Manager, Customer Support Center, FUKUICOMPUTER, Inc July 2013 Representative Director and President, FUKUICOMPUTER SMART, Inc June 2016 Executive Officer and General Manager in charge of Sales Headquarters, FUKUICOMPUTER, Inc November 2017 Director, General Manager, Corporate Administration Headquarters, the Company (to present) Director, FUKUICOMPUTER ARCHITECT, Inc Director, FUKUICOMPUTER, Inc Director, FUKUICOMPUTER SMART, Inc Director, FUKUICOMPUTER.COM, Inc Director, FUKUICOMPUTER SYSTEM, Inc January 2018 June 2020 Audit & Supervisory Board Member, FUKUICOMPUTER ARCHITECT, Inc (to present) Audit & Supervisory Board Member, FUKUICOMPUTER, Inc (to present) Audit & Supervisory Board Member, FUKUICOMPUTER SMART, Inc (to present) Audit & Supervisory Board Member, FUKUICOMPUTER SYSTEM, Inc (to present) </p> <p data-bbox="470 1518 1265 1821"> [Significant concurrent positions] • Audit & Supervisory Board Member, FUKUICOMPUTER ARCHITECT, Inc • Audit & Supervisory Board Member, FUKUICOMPUTER, Inc • Audit & Supervisory Board Member, FUKUICOMPUTER SMART, Inc • Audit & Supervisory Board Member, FUKUICOMPUTER SYSTEM, Inc </p>	3,800
<p data-bbox="196 1843 1457 2045"> [Reason for nomination as a candidate for Director] Mr. Akira Hashimoto has been involved in sales planning, promotion, support services and business management operations, and has experience and extensive knowledge in the various divisions of the Group through serving as Directors of Group companies. He is also responsible for audit and supervision of the management as Audit & Supervisory Board Member of Group companies. The Company has nominated him as a candidate for Director since it believes that he can contribute to future business management of the Group. </p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
4	 <p>Tadashi Sugita (July 14, 1964)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 11/11</p>	<p>November 1987 Joined the Company</p> <p>April 1998 General Manager, Kyushu Office, the Company</p> <p>April 2004 Executive Officer and General Manager, Chubu Office, the Company</p> <p>October 2006 Executive Officer and General Manager in charge of Civil Engineering, the Company</p> <p>April 2011 Executive Officer and General Manager, Civil Engineering and Surveying Sales Management Division, the Company</p> <p>April 2012 Executive Officer, General Manager, Sales Headquarters, and General Manager, Civil Engineering and Surveying Sales Management Division, the Company</p> <p>June 2012 Director, the Company</p> <p>July 2012 Representative Director and President, FUKUICOMPUTER, Inc</p> <p>June 2016 Managing Executive Officer, the Company</p> <p>April 2018 Representative Director and President, FUKUICOMPUTER, Inc (to present) Director, FUKUICOMPUTER ARCHITECT, Inc (to present) Director, FUKUICOMPUTER SMART, Inc (to present)</p> <p>June 2019 Director, the Company (to present)</p> <p>June 2020 Director, FUKUICOMPUTER SYSTEM, Inc (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Representative Director and President, FUKUICOMPUTER, Inc • Director, FUKUICOMPUTER ARCHITECT, Inc • Director, FUKUICOMPUTER SMART, Inc • Director, FUKUICOMPUTER SYSTEM, Inc 	12,900
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Tadashi Sugita has served in the sales division since joining the Company, and possesses a wide range of operational experience and management knowledge. He is currently the Representative Director and President of FUKUICOMPUTER, Inc, leading the company as a whole and playing a central role in promoting civil engineering and surveying-related businesses. The Company has nominated him as a candidate for Director since it believes that he can utilize his experience and achievements in the business management of the Group.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
5	 <p data-bbox="236 884 402 958">Makoto Hori (May 8, 1937)</p> <p data-bbox="223 996 414 1025">[Reappointment]</p> <p data-bbox="210 1064 427 1191">[Attendance at the Board of Directors meetings] 11/11</p>	<p data-bbox="470 273 1173 302">July 1969 Registered as Certified Public Accountant</p> <p data-bbox="470 313 1220 376">October 1969 Established DAITEC Co., Ltd., Representative Director and President</p> <p data-bbox="470 380 1268 537">September 1991 Established Incorporated Foundation The Hori Information Science Foundation (currently Public Interest Incorporated Foundation The Hori Sciences & Arts Foundation), Board Chair (to present)</p> <p data-bbox="470 542 1244 600">April 2000 Representative Director and Chairman, DAITEC Co., Ltd.</p> <p data-bbox="470 604 1244 698">July 2006 Representative Director and Chairman, DAITEC Holding Co., Ltd. (currently ASSET MANAGEMENT Inc.)</p> <p data-bbox="470 703 1045 732">June 2010 Outside Director, the Company</p> <p data-bbox="470 739 1189 768">February 2011 Outside Director and Advisor, the Company</p> <p data-bbox="470 772 1212 801">June 2012 Outside Director and Chairman, the Company</p> <p data-bbox="470 806 1236 878">October 2012 Representative Director and President, DAITEC Holding Co., Ltd.</p> <p data-bbox="470 882 1244 940">April 2016 Representative Director and Chairman, DAITEC Holding Co., Ltd.</p> <p data-bbox="470 945 1236 1003">June 2017 Representative Director and President, DAITEC Holding Co., Ltd.</p> <p data-bbox="470 1008 1260 1070">December 2017 Representative Director and President, ASSET MANAGEMENT Inc. (to present)</p> <p data-bbox="470 1075 1189 1137">June 2018 Director and Chairman, the Company (to present)</p> <p data-bbox="470 1142 1220 1200">June 2019 Director and Chairman, DAITEC Holding Co., Ltd.</p> <p data-bbox="470 1205 1173 1267">April 2020 Representative Director and Chairman, DAITEC Co., Ltd. (to present)</p> <p data-bbox="470 1272 1173 1335">June 2020 Representative Director and Chairman, DAITEC Holding Co., Ltd. (to present)</p> <p data-bbox="470 1339 853 1368">[Significant concurrent positions]</p> <ul data-bbox="478 1377 1268 1534" style="list-style-type: none"> • Representative Director and President, ASSET MANAGEMENT Inc. • Representative Director and Chairman, DAITEC Holding Co., Ltd. • Representative Director and Chairman, DAITEC Co., Ltd. 	—
<p data-bbox="194 1545 774 1574">[Reason for nomination as a candidate for Director]</p> <p data-bbox="194 1585 1460 1729">Mr. Makoto Hori has been engaged in the management of multiple companies and has a wealth of experience in corporate management. The Company has nominated him as a candidate for Director since it believes that he can make use of his experience to provide recommendations on the overall management of the Company and thereby strengthen the governance structure of the Group.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
6	 <p>Seiichiro Hori (February 19, 1965)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 11/11</p>	<p>December 1989 Joined DAITEC Co., Ltd.</p> <p>December 1993 Director, DAITEC Co., Ltd.</p> <p>December 2006 Senior Managing Director, DAITEC Co., Ltd.</p> <p>October 2009 Representative Director and President, DAITEC Holding Co., Ltd. (currently ASSET MANAGEMENT Inc.)</p> <p>January 2011 Outside Director, the Company</p> <p>April 2016 Executive Vice President, DAITEC Holding Co., Ltd.</p> <p>November 2017 Senior Managing Director, DAITEC Holding Co., Ltd.</p> <p>December 2017 Director, ASSET MANAGEMENT Inc. (to present)</p> <p>June 2018 Director, the Company (to present)</p> <p>June 2019 Representative Director and President, DAITEC Co., Ltd. (currently DAITEC Holding Co., Ltd.) (to present)</p> <p>April 2020 Director, DAITEC Co., Ltd. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Director, ASSET MANAGEMENT Inc. • Representative Director and President, DAITEC Holding Co., Ltd. • Director, DAITEC Co., Ltd. 	—
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Seiichiro Hori has been engaged in the management of multiple companies and has a wealth of experience in corporate management. The Company has nominated him as a candidate for Director since it believes that he can make use of his experience to provide recommendations on the overall management of the Company and thereby strengthen the governance structure of the Group.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
7	 Akinori Nomura (October 17, 1959) [Reappointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] 10/11	April 1982 Joined DAITEC Co., Ltd. April 1990 General Manager, Kanto Second Sales Office, CAD Business Headquarters, DAITEC Co., Ltd. January 1992 General Manager, Sales Promotion Office, CAD Business Headquarters, DAITEC Co., Ltd. December 1996 Director and General Manager, CAD Sales Promotion Division, DAITEC Co., Ltd. April 2006 Managing Director and General Manager, Package Software Business Division, DAITEC Co., Ltd. April 2016 Vice President, DAITEC Holding Co., Ltd. June 2017 Managing Director, DAITEC Co., Ltd. (currently DAITEC Holding Co., Ltd.) June 2019 Outside Director, the Company (to present) April 2020 Representative Director and President, DAITEC Co., Ltd. (to present) June 2020 Director, DAITEC Holding Co., Ltd. (to present) [Significant concurrent positions] <ul style="list-style-type: none"> • Director, DAITEC Holding Co., Ltd. • Representative Director and President, DAITEC Co., Ltd. 	—
[Reason for nomination as a candidate for Outside Director and outline of expected roles] Mr. Akinori Nomura is the Representative Director and President of DAITEC Co., Ltd., and possesses a wide range of operational experience and management knowledge, including through his involvement in the management of a business related to the development and provision of a cloud service for the housing industry. The Company has nominated him as a candidate for Outside Director since it believes that he can make use of his management perspective related to the cloud business, which has potential for growth in the future, in the business management of the Group. After his appointment, we expect that he will be in charge of making decisions on important management matters and supervising business execution based on his knowledge and perspective on management.			

- Notes:
1. The Company conducts office lease transactions with DAITEC Co., Ltd., of which Mr. Makoto Hori serves as Representative Director and Chairman, Mr. Seiichiro Hori serves as Director, and Mr. Akinori Nomura serves as Representative Director and President, and FUKUICOMPUTER ARCHITECT, Inc, a consolidated subsidiary of the Company, has a business partnership with DAITEC Co., Ltd. regarding cloud computing services for building contractors. There are no special interests between the other candidates and the Company.
 2. If the election of Director candidates Mr. Makoto Hori and Mr. Seiichiro Hori is approved, the Company plans to appoint them as Directors who do not execute business. Mr. Makoto Hori concurrently serves as Representative Director and President of ASSET MANAGEMENT Inc., a major shareholder of the Company, and Mr. Seiichiro Hori concurrently serves as Director of the same company.
 3. Mr. Akinori Nomura is a candidate for Outside Director.
 4. Mr. Akinori Nomura is currently an Outside Director of the Company, and his term of office will be two (2) years at the conclusion of this General Meeting of Shareholders.
 5. Mr. Akinori Nomura satisfies the requirements for Independent Directors as stipulated by the Tokyo Stock Exchange and the “Criteria for Independence of Independent Directors” stipulated by the Company, and the Company has designated him as an Independent Director and notified the Exchange of his designation. If his reappointment is approved, the Company plans to maintain his

designation as an Independent Director. For the “Criteria for Independence of Independent Directors,” please refer to page 15.

6. The Company has entered into a directors and officers liability insurance contract with an insurance company that insures all Directors. Under the said insurance contract, damage caused as a result of the insured Directors and officers assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities shall be covered. However, there are certain exemptions. For example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. In addition, the premiums are paid by the Company, including riders. Therefore, the insured parties do not bear the actual premiums. Each candidate will be included as the insured under the relevant insurance policy, which is scheduled to be renewed with the same conditions during the term of office.

Opinion of the Audit and Supervisory Committee

The Audit and Supervisory Committee has discussed the election and compensation of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply), including the confirmation of the discussion that took place at the Nomination and Compensation Committee. The Company has determined that each of the candidates are qualified as a candidate for Director based on an evaluation of the status of their business execution, business performance and other factors during the fiscal year under review. In addition, with regard to the compensation of Directors, the Company believes that the content of the compensation, etc. is appropriate, having confirmed the compensation structure, specific method of calculating compensation, and other matters.

Criteria for Independence of Independent Directors

To protect general shareholders, the Company has established the criteria for the independence of Independent Directors as follows, and appoints Independent Directors from among those who are determined to be independent in light of the criteria.

1. A person is not currently an executive (Note 1) of the Group (the Company and its consolidated subsidiaries) nor had not been an executive thereof in the past ten years.
2. The person him/herself does not currently fall nor in the past three years had fallen under any of the following:
 - (1) An executive of a major business partner (Note 2) of the Group.
 - (2) An executive of a major lender (Note 3) to the Group.
 - (3) A consultant, an accounting professional, such as a certified public accountant, or a legal professional, such as an attorney, who receives a significant amount of money or other property (Note 4) from the Group other than as director compensation (in the case of an organization, such as a legal entity or a partnership, a person who belongs to such organization).
 - (4) A person from a company that has a relationship of reciprocal appointment of outside officers (Note 5) with the Company.
 - (5) A person who has received a significant amount of donations (Note 6) from the Group (in the case of an organization, such as a legal entity, an executive of such organization).
3. A spouse or a relative within the second degree of kinship does not fall under either 1. or 2. above.

- Notes:
1. An "executive" refers to an executive director, corporate officer, executive officer, manager or other employees.
 2. A "major business partner" refers to a business partner that received a payment from the Group equivalent to 2% or more of consolidated net sales of said business partner in the most recent business year, or a business partner that made a payment to the Group equivalent to 2% or more of consolidated net sales of the Group in the most recent business year.
 3. A "major lender" is a financial institution that lends money to the Group in an amount equivalent to 2% or more of consolidated total assets of the Group.
 4. A "significant amount of money or other property" refers to money and/or property that, in the aggregate, amount to 10 million yen or more per business year.
 5. A "reciprocal appointment of outside officers" refers to cases where a person from the Group serves as an outside officer of another company, while at the same time a person from such company serves as an outside officer of the Company.
 6. A "significant amount of donations" refers to donations in an average amount of 10 million yen per year over the past three business years or 30% of the organization's total annual expenses, whichever is greater.