

June 11, 2021

To Our Shareholders:

Notice of the Convocation of the 51st Ordinary General Meeting of Shareholders

Please be advised that the 51st Ordinary General Meeting of Shareholders (the “Meeting”) of NEC Capital Solutions Limited (the “Company”) will be held as follows.

With regard to the Meeting, given that it is unpredictable as to when the spread of the coronavirus disease (COVID-19) will subside, we request shareholders to exercise their voting rights in advance either via postal mail or via Internet as much as possible, and to refrain from attending the Meeting in person regardless of their physical conditions, from the perspective of preventing the spread of COVID-19.

Please review the attached Reference Documents for the General Meeting of Shareholders and follow the procedures indicated as “4. Information for exercising voting rights” on the next page to exercise your voting rights by 4 p.m. on Monday, June 28, 2021.

The proceedings on the day of the Meeting will be available for viewing on the Company’s website (<https://www.necap.co.jp/>) at a later date.

Yours sincerely,

Tomoo Imazeki, *President*

NEC Capital Solutions Limited

15-3 Konan 2-chome, Minato-ku, Tokyo

1. Date and Time Tuesday, June 29, 2021, from 10 a.m. (Doors open at 9 a.m.)

2. Venue HOTEL MIELPARQUE TOKYO 4F, Banquet Hall Kujaku-no-ma

5-20 Shibakouen 2-chome, Minato-ku, Tokyo

(No souvenirs to the shareholders present at the meeting are provided. Your understanding would be greatly appreciated.)

3. Purpose

Matters to be reported: Business report, consolidated financial statements, non-consolidated financial statements, and the results of auditing consolidated financial statements by the Accounting Auditor and the Board of Company Auditors for the 51st term (from April 1, 2020, to March 31, 2021)

Matters to be resolved:

Proposal 1 Election of Nine (9) Directors

Proposal 2 Election of One (1) Company Auditor

Proposal 3 Determination of Remuneration for Granting Restricted Shares to Directors

4. Information for exercising voting rights

(1) In case of exercising voting rights by postal mail

Please indicate either for or against the proposals on the Voting Rights Exercise Form and send the form by postal mail so that it is received by no later than 4 p.m. on Monday, June 28, 2021.

(2) In case of exercising voting rights through the Internet

Please cast a vote through the Internet by 4 p.m. on Monday, June 28, 2021.

URL: <https://www.web54.net>

Notes

1. Depending on the status of the COVID-19 outbreak and announcements released by the governments and others by the day of the Meeting, we may change the time, date or venue of the Meeting. Please check updated information on the Company's website (<https://www.necap.co.jp/>).
2. If you attend the Meeting in person, please submit the Voting Rights Exercise Form to the reception desk of the Meeting. To save paper resources, please bring these documents (the Notice of the Convocation of the 51st Ordinary General Meeting of Shareholders and the Reference Documents for the General Meeting of Shareholders) with you to the Meeting.
If you cannot attend the Meeting, you can delegate the exercise of your voting rights to another shareholder of the Company, as a proxy, who also has voting rights. In this case, you are requested to submit a written power of attorney to the Company before the Meeting.
3. Of the documents to be provided to shareholders together with this Notice of the Convocation, Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are not included in the attachment to this notice because they are posted on the Company's website (<https://www.necap.co.jp/>) pursuant to the applicable laws and regulations and the provisions of Article 15 of the Articles of Incorporation of the Company. Accordingly, the attachment to this Notice constitutes part of the Consolidated Financial Statements and the Non-Consolidated Financial Statements audited by the Accounting Auditor to prepare its accounting audit report and by the Board of Company Auditors to prepare its audit report.
4. Any revisions to the Reference Documents for the General Meeting of Shareholders, business report, consolidated financial statements and non-consolidated financial statements (including notes to consolidated financial statements and notes to non-consolidated financial statements) made by the prior day to the Meeting will be sent by mail or posted on the Company's website (<https://www.necap.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Nine (9) Directors

The terms of office for all eight (8) Directors will expire at the close of this Meeting. Accordingly, in an aim to ensure the continuous enhancement of corporate value and appropriate composition of the Board of Directors, the Company proposes that the following nine (9) candidates for Director be elected, increasing the number of Independent Outside Directors from two (2) to three (3). In selecting the candidates for Director, decisions are made by the Board of Directors after seeking advice from the Election and Compensation Committee, of which the majority of members are Independent Outside Directors.

The candidates for Director are as follows:

No.		Name	Gender	Current position and responsibilities in the Company	Attendance at meetings of the Board of Directors
1	Reappointment	Tomoo Imazeki	Male	Representative Director and President	100% (14/14)
2	Reappointment	Katsunori Nagai	Male	Representative Director, Senior Executive Officer	100% (11/11)
3	Reappointment	Shuichi Tezuka	Male	Director, Senior Executive Officer	100% (14/14)
4	New appointment	Takashi Arai	Male	Executive Officer	–
5	Reappointment	Takashi Nawa Outside Independent Director	Male	Outside Director	100% (14/14)
6	New appointment	Takako Hagiwara Outside Independent Director	Female		–
7	New appointment	Asako Yamagami Outside Independent Director	Female		–
8	Reappointment	Satoshi Okubo Outside	Male	Outside Director	100% (14/14)
9	Reappointment	Takanori Nagai Outside	Male	Outside Director	100% (11/11)

No.	Name (Date of birth)	Brief personal profile, position, responsibilities in the Company and significant concurrent position	Number of Company shares held
1	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Tomoo Imazeki (March 24, 1959)</p>	<p>Apr. 1981 Joined NEC Corporation July 2003 Department Manager of Management Planning Department, NEC Personal Products, Ltd. May 2007 General Manager of IR Office, Corporate Finance Division, NEC Corporation Apr. 2009 Executive Officer, NEC Infrontia Corporation June 2012 Director, Executive Officer of the Company Apr. 2015 Representative Director, Senior Executive Officer of the Company June 2017 Representative Director and President of the Company (incumbent)</p> <p>(Reasons for selecting as the candidate for Director) Mr. Tomoo Imazeki has been responsible for accounting and corporate planning for many years, acquiring abundant experience and deep insight by serving as a corporate manager. He assumed the office of Director of the Company in 2012 and since 2017 has led the corporate management of the Company as Representative Director and President. He is expected to contribute to sustainable growth of the Company and enhancement of Company's corporate value over the mid- and long-term, and we propose that Mr. Imazeki continue to be elected as Director.</p>	11,900 shares
2	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Katsunori Nagai (May 28, 1963)</p>	<p>Apr. 1986 Joined NEC Corporation Apr. 2015 General Manager of Kyushu Branch Division, NEC Corporation Apr. 2017 General Manager of Kansai Branch Division, NEC Corporation Apr. 2019 Executive Specialist under the direction of Director, Senior Executive Officer of the Company Apr. 2020 Senior Executive Officer of the Company June 2020 Representative Director, Senior Executive Officer of the Company (incumbent)</p> <p>(Reasons for selecting as the candidate for Director) Mr. Katsunori Nagai has abundant experience and deep insight in overall sales and corporate management. He assumed the office of Director of the Company in 2020 and is currently serving as Representative Director and Senior Executive Officer. He has fully demonstrated his experience and expertise for the expansion and promotion of the Company group's business by leading the sales department, and we propose that Mr. Nagai continue to be elected as Director.</p>	700 shares

No.	Name (Date of birth)	Brief personal profile, position, responsibilities in the Company and significant concurrent position	Number of Company shares held
3	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Shuichi Tezuka (August 25, 1958)	<p>Apr. 1983 Joined NEC Corporation</p> <p>Apr. 2009 Chief Manager, Business Support Division, NEC Corporation</p> <p>Apr. 2011 Vice President RHR, NEC Asia Pacific Pte. Ltd.</p> <p>Apr. 2014 Senior Expert of Business Innovation Planning Department, NEC Corporation</p> <p>Apr. 2015 General Manager, Human Resources and General Affairs Division of the Company</p> <p>Apr. 2016 Executive Officer & General Manager, Human Resources and General Affairs Division of the Company</p> <p>June 2016 Director, Executive Officer & General Manager, Human Resources and General Affairs Department of the Company</p> <p>Apr. 2017 Director, Executive Officer of the Company</p> <p>June 2017 Director, Senior Executive Officer of the Company (incumbent)</p> <hr/> <p>(Significant concurrent position) Executive Director of RISA Partners, Inc.</p> <hr/> <p>(Reasons for selecting as the candidate for Director) Mr. Shuichi Tezuka has been responsible for human resources, general affairs and legal affairs, acquiring abundant experience and deep insight in the reinforcement, etc. of business management. He assumed the office of Director of the Company in 2016, and since 2017 has served as Director and Senior Executive Officer. He has fully demonstrated his experience and expertise for the reinforcement of business management system at the Company, and we propose that Mr. Tezuka continue to be elected as Director.</p>	4,800 shares

No.	Name (Date of birth)	Brief personal profile, position, responsibilities in the Company and significant concurrent position	Number of Company shares held
4	<div data-bbox="300 712 459 741" style="border: 1px solid black; padding: 2px;">New appointment</div> <p data-bbox="308 775 451 869">Takashi Arai (June 26, 1963)</p>	<p data-bbox="488 394 1171 450">Apr. 1988 Joined The Japan Development Bank (currently Development Bank of Japan Inc.)</p> <p data-bbox="488 450 1171 533">Mar. 2008 Deputy General Manager, New Business and Technology Investment Group of Development Bank of Japan</p> <p data-bbox="488 533 1171 589">June 2009 Deputy General Manager, Corporate Investment Group of Development Bank of Japan Inc.</p> <p data-bbox="488 589 1171 645">June 2012 Deputy General Manager, Chugoku Branch of Development Bank of Japan Inc.</p> <p data-bbox="488 645 1203 728">Apr. 2014 Specialist under the direction of Senior Executive Officer of the Company and Executive Director of RISA Partners, Inc.</p> <p data-bbox="488 728 1187 784">Apr. 2016 Executive Officer of the Company and Executive Director of RISA Partners, Inc.</p> <p data-bbox="488 784 1187 840">Apr. 2017 Executive Officer of the Company and Executive Director of RISA Partners, Inc. (incumbent)</p> <hr/> <p data-bbox="488 869 963 925">(Significant concurrent position) Executive Director of RISA Partners, Inc.</p> <hr/> <p data-bbox="488 925 1235 1214">(Reasons for selecting as the candidate for Director) Mr. Takashi Arai has abundant experience and deep insight in finance as well as extensive professional contacts in the finance industry, having worked at a financial institution. He has served as Executive Officer of the Company since 2016, and Executive Director of RISA Partners, Inc., the Company's subsidiary, since 2017. We propose that Mr. Arai be elected as Director as we expect him to utilize his insight and experience for the management of the Company.</p>	0 shares

No.	Name (Date of birth)	Brief personal profile, position, responsibilities in the Company and significant concurrent position	Number of Company shares held
5	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Director</div> <p>Takashi Nawa (June 8, 1957)</p>	<p>Apr. 1980 Joined Mitsubishi Corporation Apr. 1991 Joined McKinsey & Company, Inc. June 2001 Director of McKinsey & Company, Inc. June 2010 Professor of Graduate School of International Corporate Strategy, Hitotsubashi University (incumbent) June 2011 Outside Director of the Company (incumbent)</p> <hr/> <p>(Significant concurrent positions) Representative Director and President of Genesis Partners, Co., Ltd. Outside Director of FAST RETAILING CO., LTD. Outside Director of Ajinomoto Co., Inc. Outside Director of Sampo Holdings, Inc.</p> <hr/> <p>(Reasons for selecting as the candidate for Outside Director and outline of expected role) Mr. Takashi Nawa has served as Professor of Graduate School of International Corporate Strategy at Hitotsubashi University and has deep insight and abundant experience in overall corporate management, having provided advice and recommendations to the Board of Directors of the Company to ensure adequacy and appropriateness of its decision-making by, for example, expressing opinions from his objective standpoint as Outside Director. We propose that Mr. Nawa be elected as Outside Director as we expect him to continue to utilize his insight and experience in supervising the management and providing advice and recommendations. In addition, we plan to continue his appointment as a member of the Election and Compensation Committee after his election. His term of office as Outside Director will be ten (10) years at the close of this General Meeting of Shareholders.</p>	0 shares

No.	Name (Date of birth)	Brief personal profile, position, responsibilities in the Company and significant concurrent position	Number of Company shares held
6	<div data-bbox="300 775 459 801" style="border: 1px solid black; padding: 2px;">New appointment</div> <div data-bbox="322 840 440 866" style="border: 1px solid black; padding: 2px;">Independent</div> <div data-bbox="341 871 421 898" style="border: 1px solid black; padding: 2px;">Director</div> <p data-bbox="316 936 443 1059">Takako Hagiwara (March 12, 1961)</p>	<p data-bbox="491 421 1241 927"> Apr. 1984 Joined Sony Corporation Apr. 2002 General Manager, Network Service Business Company Human Resources Department of Sony Corporation Apr. 2006 General Manager, Human Resources Development Department of Sony Corporation Feb. 2008 General Manager, Diversity Development Department of Sony Corporation Apr. 2014 Representative Director of Sony Kibou/Hikari Corporation (specialized subsidiary company) Apr. 2014 External Assessment Committee Member of the National Women’s Education Center (incumbent) Feb. 2015 Director and Chief Health Officer of Green House Co., Ltd. July 2020 Representative Director of DDD Co., Ltd. (incumbent) </p> <hr/> <p data-bbox="491 936 1241 994">(Significant concurrent positions) Outside Director of Twinbird Corporation</p> <hr/> <p data-bbox="491 1003 1241 1417"> (Reasons for selecting as the candidate for Outside Director and outline of expected role) Ms. Takako Hagiwara has served as Representative Director of an affiliated company of Sony Corporation in the past. Currently serving as Representative Director and an outside officer of other business corporations, she has abundant experience as a corporate manager as well as deep insight in human resources and personnel development. We propose that Ms. Hagiwara be elected as Outside Director as we expect her to utilize her insight and experience in supervising the management and providing advice and recommendations. In addition, we plan to appoint her as a member of the Election and Compensation Committee after her election. </p>	0 shares

No.	Name (Date of birth)	Brief personal profile, position, responsibilities in the Company and significant concurrent position	Number of Company shares held
7	<p data-bbox="300 696 459 723">New appointment</p> <p data-bbox="323 763 440 790">Independent</p> <p data-bbox="339 797 419 824">Director</p> <p data-bbox="316 857 443 981">Asako Yamagami (January 1, 1970)</p>	<p data-bbox="491 421 1230 701">Apr. 1999 Registered as an attorney-at-law Joined Taiyo Law Office (currently Paul Hastings, LLP)</p> <p data-bbox="491 517 1230 544">Oct. 2005 Seconded to The Walt Disney Company (Japan) Ltd.</p> <p data-bbox="491 551 898 577">May 2006 Joined IBM Japan, Ltd.</p> <p data-bbox="491 584 1134 640">July 2012 Partner of Natori Law Office (currently ITN Partners) (incumbent)</p> <p data-bbox="491 647 1182 703">Jan. 2016 Director, Office of International Affairs of Japan Federation of Bar Associations</p> <hr/> <p data-bbox="491 710 871 736">(Significant concurrent positions)</p> <p data-bbox="491 743 1222 799">External Director, Audit and Supervisory Committee Member of Kagome Co., Ltd.</p> <p data-bbox="491 806 1222 862">External Director, Audit and Supervisory Committee Member of Nikon Corporation</p> <hr/> <p data-bbox="491 875 1214 931">(Reasons for selecting as the candidate for Outside Director and outline of expected role)</p> <p data-bbox="491 938 1235 1249">Ms. Asako Yamagami is well versed in corporate legal affairs and international legal affairs as an attorney-at-law, and has expert knowledge and experience in subjects including compliance. In addition, she is currently serving as an outside officer of other business corporations. We propose that Ms. Yamagami be elected as Outside Director as we expect her to utilize her insight and experience in supervising the management and providing advice and recommendations. In addition, we plan to appoint her as a member of the Election and Compensation Committee after her election.</p>	0 shares

No.	Name (Date of birth)	Brief personal profile, position, responsibilities in the Company and significant concurrent position	Number of Company shares held
8	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Satoshi Okubo (January 7, 1969)	<p>Mar. 2005 Joined NEC Corporation</p> <p>Apr. 2013 Senior Manager of Affiliated Company Division, Corporate Strategy Division, NEC Corporation</p> <p>Apr. 2014 Project Director of Corporate Alliance Division, Corporate Strategy Division, NEC Corporation</p> <p>Apr. 2017 Project Director of Corporate Alliance Headquarters Division, NEC Corporation</p> <p>Apr. 2018 Assistant General Manager of Corporate Strategy Division and General Manager of Affiliated Company Division, Corporate Strategy Division, NEC Corporation (incumbent)</p> <p>June 2018 Outside Company Auditor of the Company</p> <p>June 2020 Outside Director of the Company (incumbent)</p> <hr/> <p>(Significant concurrent positions)</p> <p>Director of TAKASAGO LTD.</p> <p>Director of NEC Facilities, Ltd.</p> <p>Company Auditor of NEC Nexsolutions, Ltd.</p> <p>Company Auditor of NEC Fielding, Ltd.</p> <hr/> <p>(Reasons for selecting as the candidate for Outside Director and outline of expected role)</p> <p>As Assistant General Manager of Corporate Strategy Division of NEC Corporation, Mr. Satoshi Okubo has deep insight and abundant experience in overall corporate management. As Outside Director of the Company, he has also provided advice and recommendations to ensure adequacy and appropriateness of decision-making of the Board of Directors. We propose that Mr. Okubo be elected as Outside Director as we expect him to continue to utilize his insight and experience in supervising the management and providing advice and recommendations. His term of office as Outside Director will be one (1) year at the close of this General Meeting of Shareholders.</p>	0 shares

No.	Name (Date of birth)	Brief personal profile, position, responsibilities in the Company and significant concurrent position	Number of Company shares held
9	<p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Takanori Nagai (September 17, 1970)</p>	<p>Apr. 1993 Joined NEC Corporation</p> <p>Apr. 2015 Assistant General Manager of Enterprise Business Planning Division, NEC Corporation</p> <p>Apr. 2016 Assistant General Manager of Sales Planning Division, NEC Corporation</p> <p>Apr. 2017 Assistant General Manager of Public Solutions Business Planning Division, NEC Corporation</p> <p>Apr. 2019 General Manager of Public Solutions Business Planning Division, NEC Corporation (incumbent)</p> <p>June 2020 Outside Director of the Company (incumbent)</p> <p>(Reasons for selecting as the candidate for Outside Director and outline of expected role)</p> <p>As General Manager of Public Solutions Business Planning Division of NEC Corporation, Mr. Takanori Nagai has deep insight and abundant experience in overall corporate management. As Outside Director of the Company, he has also provided advice and recommendations to ensure adequacy and appropriateness of decision-making of the Board of Directors. We propose that Mr. Nagai be elected as Outside Director as we expect him to continue to utilize his insight and experience in supervising the management and providing advice and recommendations. His term of office as Outside Director will be one (1) year at the close of this General Meeting of Shareholders.</p>	0 shares

Notes

1. There are no conflicts of interest existing between the candidates and the Company.
2. Mr. Takashi Nawa, Ms. Takako Hagiwara, Ms. Asako Yamagami, Mr. Satoshi Okubo and Mr. Takanori Nagai are candidates for Outside Director.
3. Special mentions regarding the candidates for Outside Director are as follows.
 - (1) Independence of the candidates for Outside Director
 - 1) Mr. Takashi Nawa, Ms. Takako Hagiwara and Ms. Asako Yamagami have never served as Executives or Officers of the Company or its subsidiaries. Besides, they have never served as Executives or Officers of the Company's specified related parties for the past ten (10) years.
 - 2) Mr. Satoshi Okubo and Mr. Takanori Nagai are employees of NEC Corporation, the Company's specified related party.
 - 3) The Outside Director candidates do not plan to receive a substantial amount of money or other asset (except remunerations as a Director or an employee) from the Company nor its specified related parties. None of the Outside Director has received such for the past two (2) years.
 - 4) The Outside Director candidates are not the spouse, blood relatives within the third degree of kinship or any equivalent person of any Executive or any Officer of the Company or its specified related party.
 - (2) Facts pertaining to the occurrence of the improper execution of duties while in office, measures performed to prevent them and ways to deal with after their occurrence
There are no facts pertaining to any improper execution of duties while Mr. Takashi Nawa, Mr.

Satoshi Okubo and Mr. Takanori Nagai were in office.

4. Agreements limiting liability with Outside Directors

In an attempt to enable Outside Directors (excluding those who are Executive Directors, etc. under Paragraph 1, Article 427 of the Companies Act) to fully perform their expected roles, the Company specifies in the current Articles of Incorporation that it can enter into agreements with Outside Directors to limit their liability for damages to a certain amount. Accordingly, if the reelection of Mr. Takashi Nawa, Mr. Satoshi Okubo and Mr. Takanori Nagai is approved, the Company plans to continue said agreements with each of them. In addition, if the new election of Ms. Takako Hagiwara and Ms. Asako Yamagami is approved, the Company plans to enter into said agreements with each of them.

An outline of the agreement is as follows.

- In the event the Company suffers damages as a result of negligence of the Director in the performance of duties, the amount of liability shall be the minimum amount stipulated in Paragraph 1, Article 427, and Paragraph 1, Article 425, of the Companies Act.
- Limited liability stipulated above shall be applied only in the case the Director acts in good faith and is not grossly negligent in the performance of duties.

5. Directors and officers liability insurance agreement

The Company has concluded a directors and officers liability insurance agreement with an insurance company, naming the Directors, Company Auditors and Executive Officers of the Company and its subsidiaries (subsidiaries under the Companies Act and corporations that were subsidiaries) as the insured. The insurance will compensate for damages including compensation for damages and legal expenses, etc. to be borne by the insured, in case a claim for damages is made as a result of acts (including failure to act) committed by the insured as an officer, etc. of the Company. The Company plans to continue and renew the said agreement. If each candidate is reelected or newly elected, each candidate will become the insured under the agreement. The insurance premiums are fully paid by the Company.

6. Pursuant to the applicable rules of Tokyo Stock Exchange, Inc., the Company has filed a notification to appoint Mr. Takashi Nawa as an Independent Director and he will remain as an Independent Director if his reelection is approved. In addition, Ms. Takako Hagiwara and Ms. Asako Yamagami satisfy the criteria for Independent Directors pursuant to the applicable rules of Tokyo Stock Exchange, Inc., and the Company plans to file a notification to appoint them as Independent Directors if their new election is approved.

Independence Standards

In selecting the candidates for Independent Outside Director, the Company selects candidates primarily based on the independence standards stipulated by Tokyo Stock Exchange, Inc., in addition to the requirements for independence as stipulated by applicable laws and regulations.

Proposal 2: Election of One (1) Company Auditor

At the close of this General Meeting of Shareholders, the term of office for Company Auditor Wataru Otoda will expire. Accordingly, the Company proposes that one (1) Company Auditor be elected.

The Board of Company Auditors has already approved this proposal.

The candidate for Company Auditor is as follows:

Name (Date of birth)	Brief personal profile and position in the Company and significant concurrent position	Number of Company shares held
<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Wataru Otoda (December 4, 1958)</p>	<p>Apr. 1982 Joined NEC Corporation July 2008 Controller Department Manager, Social Infrastructure Solutions Planning Division, NEC Corporation June 2012 Director and Executive Officer, NEC Engineering, Ltd. June 2015 Executive Officer, NEC Engineering, Ltd. Apr. 2017 Executive Operation Specialist of Corporate Controller Division, NEC Platforms, Ltd. June 2017 Outside Company Auditor of the Company (incumbent)</p> <hr/> <p>(Reasons for selecting as the candidate for Outside Company Auditor) Mr. Wataru Otoda has long engaged in the duties of the accounting department at companies including NEC Corporation, and has expert knowledge in finance and accounting. As he has performed his duties as full-time Outside Company Auditor properly since June 2017, we propose that Mr. Otoda continue to be elected as Outside Company Auditor. His term of office as Outside Company Auditor will be four (4) years at the close of this General Meeting of Shareholders.</p>	<p>1,100 shares</p>

Notes

1. There are no conflicts of interest existing between the candidate and the Company.
2. Mr. Wataru Otoda is a candidate for Outside Company Auditor.
3. Special mentions regarding the candidate for Outside Company Auditor are as follows.
 - 1) Mr. Wataru Otoda does not plan to receive a substantial amount of money or other asset (except remunerations as a Company Auditor or an employee) from the Company nor its specified related parties. He has not received such for past two (2) years.
 - 2) Mr. Otoda is not the spouse, a blood relative within the third degree of kinship or any equivalent person of any Executive or any Officer of the Company or its specified related party.
 - 3) Mr. Otoda had been an employee of NEC Corporation, the Company’s specified related party, in the past ten (10) years.
4. Directors and officers liability insurance agreement
 The Company has concluded a directors and officers liability insurance agreement with an insurance company, naming the Directors, Company Auditors and Executive Officers of the Company and its subsidiaries (subsidiaries under the Companies Act and corporations that were subsidiaries) as the insured. The insurance will compensate for damages including compensation for damages and legal expenses, etc. to be borne by the insured, in case a claim for damages is made as a result of acts (including failure to act) committed by the insured as an officer, etc. of the Company. The Company plans to continue and renew the said agreement. If the candidate is reelected, he will become the insured under the agreement. The insurance premiums are fully paid by the Company.

Proposal 3: Determination of Remuneration for Granting Restricted Shares to Directors

The amount of remuneration for Directors of the Company has been approved at not more than ¥400 million per year (including not more than ¥80 million for Outside Directors) at the 42nd Ordinary General Meeting of Shareholders held on June 26, 2012.

The Company has introduced a share acquisition-type remuneration plan through an officers shareholding association in the fiscal year ended March 31, 2013, in an effort to share value with its shareholders. On this occasion, the Company has decided to introduce a plan to further enhance shareholding by allocating restricted shares to Directors of the Company (excluding Outside Directors; hereinafter the “Eligible Directors”) within the above limit of remuneration, for the purpose of providing incentives for the Eligible Directors to aim for sustained enhancement of the Company’s corporate value and further promoting the sharing of value with its shareholders. Accordingly, the Company seeks approval to introduce the plan.

Based on this proposal, the Eligible Directors shall receive the Company’s common stock to be disposed of by the Company based on a resolution of its Board of Directors. The total number of the Company’s common stock to be disposed of based on such resolution shall be not more than 21,000 shares per year. However, if a share split (including a gratis allotment of the Company’s common stock) or a share consolidation of the Company’s common stock is carried out or if another reason that necessitates an adjustment to the total number of the Company’s common stock to be disposed of as restricted shares arises after the day on which this proposal has been approved, the said total number shall be adjusted to a reasonable extent. Furthermore, the specific timing of issuance and allocation to each Eligible Director shall be determined by the Board of Directors.

While the current number of Directors is eight (8), including four (4) Outside Directors, if Proposal 1 is approved as originally proposed, the number of Directors will be nine (9), including five (5) Outside Directors.

In addition, the total amount of the Company’s common stock to be disposed of for granting restricted shares shall be not more than ¥31 million per year. When granting restricted shares, the Company’s common stock held as treasury stock will be disposed of as remuneration, etc. for the Company’s Directors. While no money will be required in exchange for the shares offered, the amount of remuneration per share for the Eligible Directors shall be calculated based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors, or the closing price on the most recent trading day prior to such business day if no transaction has been concluded on such business day. In connection with the disposal of the Company’s common stock under this plan, the Company shall enter into a restricted share allotment agreement whose outline is as described below (hereinafter the “Allotment Agreement”) with each Eligible Director.

- (1) An Eligible Director shall not transfer, create a security interest on, or otherwise dispose of (hereinafter the “Transfer Restriction”) the Company’s common stock allotted in accordance with the Allotment Agreement (hereinafter the “Allotted Shares”) from the date of allotment of the restricted

shares to the day on which the Eligible Director loses the position of the Company's Director (hereinafter the "Transfer Restriction Period").

- (2) If an Eligible Director loses the position of Director before the expiry of a period separately specified by the Company's Board of Directors (hereinafter the "Service Provision Period"), the Company shall lift the Transfer Restriction on a number of Allotted Shares calculated according to the period until the loss of the position, and rightfully acquire without consideration the Allotted Shares whose Transfer Restriction has not been lifted.
- (3) The Company shall, on the condition that the Eligible Director has continuously remained in the position of Director throughout the Service Provision Period, lift the Transfer Restriction on all of the Allotted Shares upon the expiry of the Transfer Restriction Period.
- (4) Notwithstanding the provisions of above (1), if a merger agreement in which the Company becomes a non-surviving company or another organizational restructuring, etc. is to be carried out during the Transfer Restriction Period, the Company may, by a resolution of the Company's Board of Directors, lift the Transfer Restriction on a reasonably determined number of Allotted Shares prior to the effective date of such organizational restructuring, etc.
- (5) In the case provided for in above (4), the Company shall rightfully acquire without consideration the Allotted Shares for which the Transfer Restriction has not been lifted at the time immediately after the lifting of the Transfer Restriction in accordance with the provisions of above (4).
- (6) Other matters regarding the Allotment Agreement shall be determined by the Company's Board of Directors.

The Company has revised its basic policy pertaining to the details of individual remuneration, etc. for Directors at the meeting of the Board of Directors held on May 28, 2021. Granting of Allotted Shares based on this proposal is in line with the said policy, and the Company does not intend to revise the said policy even if this proposal is approved. Furthermore, as stated above, the monetary amount calculated by assessing the value of Allotted Shares using their fair value as of the resolution of the Board of Directors in relation to the allotment will be within the abovementioned limit of annual amount, and the dilutive effect will be minimal. Accordingly, the Company has judged that the granting of Allotted Shares is appropriate.