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To Our Shareholders

Securities Code: 2317

June 8, 2021

Kenji Miura
Representative Director and President
Systema Corporation
1-2-20 Kaigan, Minato-ku, Tokyo

Notice of the 39th Ordinary General Meeting of Shareholders

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

You are cordially invited to attend the 39th Ordinary General Meeting of Shareholders of Systema Corporation (the “Company”), which will be held as described below.

If you do not expect to attend the Meeting, you may exercise your voting rights in writing or by electromagnetic means (Internet). After reviewing the accompanying Reference Documents for the General Meeting of Shareholders, please exercise your voting rights by no later than 6 p.m. on Tuesday, June 22, 2021 (Japan time).

Please note that there is a risk of the spread of COVID-19 at the General Meeting of Shareholders where many shareholders gather, and you are therefore encouraged to refrain from attending the Meeting in person regardless of the status of your health.

1. **Date:** **10 a.m. on Wednesday, June 23, 2021**
(The reception of participants at the meeting will begin at 9:00 a.m.)
2. **Place:** **Large Meeting Room, Head Office of the Company, 14th floor of Shiodome Building**
1-2-20 Kaigan, Minato-ku, Tokyo (Please refer to the “Location Map” at the end of this Notice.)
3. **Meeting Agenda**
Matters to be Reported:
 1. Reports on the contents of the Business Report and Consolidated Financial Statements for the 39th Fiscal Year (from April 1, 2020 to March 31, 2021), and reports on the Auditing Results of Accounting Auditor and the Audit & Supervisory Board regarding the Consolidated Financial Statements.
 2. Reports on the contents of Non-consolidated Financial Statements for the 39th Fiscal Year (from April 1, 2020 to March 31, 2021)**Matters to be Resolved:**
 - Proposal No. 1:** Election of Eleven (11) Directors
 - Proposal No. 2:** Election of One (1) Audit & Supervisory Board Member
4. **Guidance Notices on the Exercise of Voting Rights**
Please refer to the Guidance Notices on the Exercise of Voting Rights on page 3.
5. **Disclosure through the Internet**
Of the documents to be submitted for the Notice of the 39th Ordinary General Meeting of Shareholders, the following items are posted on the Company’s website, in accordance with laws, regulations and Article 14 of the Company’s Articles of Incorporation. Therefore, they are not included in this Notice of the 39th Ordinary General Meeting of Shareholders. Accordingly, documents provided with the Notice of the 39th Ordinary General Meeting of Shareholders are part of the documents audited by the Audit & Supervisory Board and the Accounting Auditor when preparing audit reports.
 1. Notes to Consolidated Financial Statements in Consolidated Financial Statements
 2. Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements

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

If circumstances arise whereby revisions should be made to the contents of the reference documents for the General Meeting of Shareholders, the business report, consolidated financial statements, and non-consolidated financial statements, such notification will be published on the following Company’s website (<https://www.systema.co.jp>).

The Company’s website (<https://www.systema.co.jp>)

Reference Documents for the General Meeting of Shareholders Proposals and References

Proposal No. 1: Election of Eleven (11) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of eleven (11) Directors, increasing the number of Directors by two (2), in order to strengthen the management structure and the supervisory function of the Board of Directors.

The candidates for Directors are as follows:

No.	Name	Positions and responsibilities in the Company	
1	Yoshichika Henmi	Representative Director and Chairman	Reelection
2	Kenji Miura	Representative Director and President	Reelection
3	Takafumi Kai	Managing Director in charge of finance and accounting	Reelection
4	Shinichiro Kawachi	Managing Director overseeing Headquarters and in charge of branding strategy and Administrative Division	Reelection
5	Makoto Taguchi	Director and Senior Corporate Office, General Manager of Business Solution Group	Reelection
6	Hiroyuki Fujii	Director and Senior Corporate Office, General Manager of IT Management Business Group	Reelection
7	Shingo Henmi	Senior Corporate Office, General Manager of DX Design Group and Solution Design Group	New Appointment
8	Hiroshi Kotani	Senior Corporate Office, General Manager of Finance & Accounting Group	New Appointment
9	Yukio Suzuki	Director	Reelection <u>Outside</u> <u>Independent</u>
10	Koichi Ogawa	Director	Reelection <u>Outside</u> <u>Independent</u>
11	Mari Ito		New Appointment <u>Outside</u> <u>Independent</u>

Reelection: Candidates for Directors to be reappointed

New Appointment: Candidates for Directors to be newly appointed

Outside: Candidates for Outside Directors

Independent: Independent Directors as defined by the Tokyo Stock Exchange

<p style="text-align: center;">No. 1</p> <p style="text-align: center;">Yoshichika Henmi</p> <p style="text-align: center;">Reelection</p> <p>Birth date: March 24, 1956</p> <p>Number of the Company's shares owned: 0 shares</p> <p>Number of years as a Director: 38 years</p> <p>Attendance at meetings of the Board of Directors: 11/11 meetings</p>	<p>Career summary, positions and responsibilities at the Company</p> <p>April 1974 Joined Nitto Boseki Co., Ltd. April 1979 Joined Sun System Inc. March 1983 Established Hemmi Engineering Co., Ltd. (currently the Company). Representative Director and President December 2007 Special Advisor to Catena Corporation June 2008 Director and Chairman, Catena Corporation January 2009 Representative Director and Chairman, the Company April 2010 Representative Director and President, the Company April 2016 Representative Director and Chairman, the Company (present)</p> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Yoshichika Hemmi is the founder of the Company, and as a Representative Director of the Company, he has been leading the management of the Company for many years and contributing to the enhancement of its corporate value. Currently, as Representative Director and Chairman, he oversees the Company and the Group, and based on his extensive experience and achievements, he directs the development of management policies and strategies and exercises strong leadership in the execution of management plans that embody these policies and strategies. Because he is an individual who is necessary for the enhancement of the corporate value of the Company, we propose that he continue to be elected as a Director.</p>
<p style="text-align: center;">No. 2</p> <p style="text-align: center;">Kenji Miura</p> <p style="text-align: center;">Reelection</p> <p>Birth date: February 5, 1968</p> <p>Number of the Company's shares owned: 728,700 shares</p> <p>Number of years as a Director: 20 years</p> <p>Attendance at meetings of the Board of Directors: 11/11 meetings</p>	<p>Career summary, positions and responsibilities at the Company</p> <p>April 1988 Joined Toshiba Engineering Corporation April 1991 Joined PRIME Co., Ltd. May 1995 Joined the Company January 2001 Director, General Manager of Engineering Division, the Company November 2002 Director, General Manager of Business Promotion Group and Sales Division, the Company November 2003 Director, Executive Vice President, the Company December 2004 Representative Director, Executive Vice President, the Company June 2007 Director, Catena Corporation January 2009 Representative Director and President, the Company April 2010 Representative Director, Executive Vice President overseeing management and in charge of Air Cloud Promotion Group and Osaka Branch, the Company July 2010 Representative Director, Executive Vice President overseeing management and in charge of Osaka Branch, IT Service Business Group and Solution Sales Group, the Company April 2011 Representative Director, Executive Vice President overseeing management and in charge of IT Management Business Group and Solution Sales Group, the Company April 2013 Representative Director, Executive Vice President overseeing management and in charge of IT Management Business Group, Solution Sales Group, and Finance and Infrastructure System Group, the Company October 2014 Representative Director, Executive Vice President overseeing management and in charge of Framework Design Group, IT Management Business Group and Solution Sales Group, the Company June 2015 Representative Director, Executive Vice President overseeing management, the Company April 2016 Representative Director and President, the Company (present)</p> <p>Reasons for nomination as a candidate for Director</p> <p>After engaging in the system development business for many years since he joined the Company, Mr. Kenji Miura has been leading the four main businesses that are now the main pillars of the Company's business as Executive Vice President. Since April 2016, he has been overseeing business execution as the Representative Director and President and has built a successful track record by steadily working on various management issues that contribute to the promotion of the medium-term management plan and the enhancement of the corporate value. Because he is an individual who is necessary for the enhancement of the corporate value of the Company, we propose that he continue to be elected as a Director.</p>

<p style="text-align: center;">No. 3</p> <p style="text-align: center;">Takafumi Kai</p> <p style="text-align: center;">Reelection</p> <p>Birth date: November 14, 1951</p> <p>Number of the Company's shares owned: 46,500 shares</p> <p>Number of years as a Director: 16 years</p> <p>Attendance at meetings of the Board of Directors: 11/11 meetings</p>	<p>Career summary, positions and responsibilities at the Company</p> <p>April 1976 Joined Kotobukiya Co., Ltd.</p> <p>December 1989 Joined Midori Electronic Co., Ltd.</p> <p>June 1993 Director, General Manager of Administrative Division, Midori Electronic Co., Ltd.</p> <p>October 1999 Joined Catena Corporation</p> <p>June 2005 Director and Corporate Office, General Manager of Administrative Group, Catena Corporation</p> <p>April 2009 Managing Director overseeing administration and human resources strategy, Catena Corporation</p> <p>April 2010 Managing Director in charge of Finance & Accounting Group and General Manager of Finance & Accounting Group, the Company</p> <p>June 2015 Managing Director in charge of Finance & Accounting Group, the Company (present)</p> <p>(Important concurrent positions) Representative Director and President of Tokyoto Business Service Co., Ltd.</p> <p>Reasons for nomination as a candidate for Director Mr. Kai Takafumi has engaged in management for many years as a Director in charge of finance and accounting and has extensive experience and a successful track record in management and finance and accounting. Because he is an individual who is necessary for the enhancement of the corporate value of the Company, we propose that he continue to be elected as a Director.</p>
<p style="text-align: center;">No. 4</p> <p style="text-align: center;">Shinichiro Kawachi</p> <p style="text-align: center;">Reelection</p> <p>Birth date: December 18, 1964</p> <p>Number of the Company's shares owned: 8,400 shares</p> <p>Number of years as a Director: 6 years</p> <p>Attendance at meetings of the Board of Directors: 11/11 meetings</p>	<p>Career summary, positions and responsibilities at the Company</p> <p>April 1988 Joined Marufune FSL Co., Ltd.</p> <p>May 1990 Established KONE Corporation, Representative Directors</p> <p>April 1999 Joined the Company</p> <p>November 2003 General Manager of Engineering Division, the Company</p> <p>November 2005 General Manager of Engineering Group, the Company</p> <p>January 2007 Director, General Manager of Engineering Group, the Company</p> <p>November 2008 Director, Corporate Officer, General Manager of Human Resources Strategy Group and Personnel and Labor Affairs Division, the Company</p> <p>December 2009 Director, Corporate Officer, General Manager of Human Resources Strategy Group, the Company</p> <p>April 2010 Director, Corporate Officer, General Manager of Administrative Group</p> <p>December 2012 Corporate Officer, General Manager of IT Management Business Group, the Company</p> <p>July 2014 Corporate Officer, General Manager of IT Management Business Group and President of Academy, the Company</p> <p>June 2015 Director in charge of branding strategy and human resources business promotion, the Company</p> <p>April 2016 Director in charge of branding strategy, human resources business promotion and central and western Japan, the Company</p> <p>June 2016 Director in charge of branding strategy, central and western Japan and Administrative Division, the Company</p> <p>April 2017 Director in charge of branding strategy, Administrative Division, central and western Japan and Manager of Yokohama Office, the Company</p> <p>April 2018 Director in charge of branding strategy and Administrative Division, the Company</p> <p>June 2018 Managing Director overseeing Headquarters and in charge of branding strategy and Administrative Division, the Company (present)</p> <p>Reasons for nomination as a candidate for Director After engaging in system development and operations in the IT Service Division, Mr. Shinichiro Kawachi has been in charge of various operations including general affairs, human affairs and branding and has a wealth of experience and a successful track record. He has participated in management since January 2007 as a Director and now mainly oversees the recruitment and education of human resources that are the core of the Group as the Managing Director overseeing Headquarters and in charge of branding strategy and Administrative Division. Because he is an individual who is necessary for the enhancement of the corporate value of the Company, we propose that he continue to be elected as a Director.</p>

<p style="text-align: center;">No. 5</p> <p style="text-align: center;">Makoto Taguchi</p> <p style="text-align: center;">Reelection</p> <p>Birth date: January 14, 1972</p> <p>Number of the Company's shares owned: 8,700 shares</p> <p>Number of years as a Director: 5 years</p> <p>Attendance at meetings of the Board of Directors: 11/11 meetings</p>	<p>Career summary, positions and responsibilities at the Company</p> <p>April 1992 Joined Catena Corporation</p> <p>April 2002 Manager, Shinjuku Office, First Sales Division, Sales Group, Catena Corporation</p> <p>April 2004 General Manager, First Sales Division, System Products Business Group, Catena Corporation</p> <p>April 2008 Assistant General Manager, System Products Business Group and General Manager, First East Japan Sales Division, Catena Corporation</p> <p>April 2009 Assistant General Manager, Solutions Sales Group and General Manager, First Sales Division, Catena Corporation</p> <p>April 2010 General Manager overseeing sales in Solution Sales Group and General Manager of First Sales Division, the Company</p> <p>August 2010 General Manager of Solution Sales Group, the Company</p> <p>April 2013 Corporate Officer, General Manager of Solution Sales Group, the Company</p> <p>June 2015 Senior Corporate Officer, General Manager of Solution Sales Group, the Company</p> <p>June 2016 Director and Senior Corporate Officer, General Manager of Solution Sales Group, the Company</p> <p>April 2021 Director and Senior Corporate Officer, General Manager of Business Solution Group, the Company (present)</p> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Makoto Taguchi has engaged in sales of IT equipment and others since joining the Company and overseen the Solution Sales Division since 2010 as the General Manager and has extensive experience and a successful track record. Since June 2016, he has served as a Director and contributed significantly to the expansion of business. Because he is an individual who is necessary for the enhancement of the corporate value of the Company, we propose that he continue to be elected as a Director.</p>
<p style="text-align: center;">No. 6</p> <p style="text-align: center;">Hiroyuki Fujii</p> <p style="text-align: center;">Reelection</p> <p>Birth date: April 25, 1969</p> <p>Number of the Company's shares owned: 4,700 shares</p> <p>Number of years as a Director: 3 years</p> <p>Attendance at meetings of the Board of Directors: 11/11 meetings</p>	<p>Career summary, positions and responsibilities at the Company</p> <p>April 1991 Joined Catena Corporation</p> <p>July 2001 Manager of Tachikawa Office, System Equipment Sales Division, Catena Corporation</p> <p>January 2003 General Manager of Human Wear Business Division, Catena Corporation</p> <p>October 2006 General Manager of OAPC Business Division, Catena Corporation</p> <p>April 2008 General Manager of IT Management Business Division, Catena Corporation</p> <p>April 2010 General Manager of IT Management Business Division, the Company</p> <p>April 2015 Corporate Officer, General Manager of IT Management Business Group, the Company</p> <p>June 2015 Senior Corporate Officer, General Manager of IT Management Business Group, the Company</p> <p>June 2018 Director and Senior Corporate Officer, General Manager of IT Management Business Group, the Company (present)</p> <p>(Important concurrent positions)</p> <p>Representative Director, Senior Managing Director, ProVision Inc.</p> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Hiroyuki Fujii has engaged mainly in the IT service business since joining the Company and has overseen the IT Service Division since 2015 as the General Manager. He has extensive experience and a successful track record. Since June 2018, he has served as a Director and contributed significantly to the expansion of business. Because he is an individual who is necessary for the enhancement of the corporate value of the Company, we propose that he continue to be elected as a Director.</p>

<p style="text-align: center;">No. 7</p> <p style="text-align: center;">Shingo Henmi</p> <p style="text-align: center;">New Appointment</p> <p>Birth date: May 26, 1980</p> <p>Number of the Company's shares owned: 0 shares</p> <p>Number of years as a Director: – years</p> <p>Attendance at meetings of the Board of Directors: –/– meetings</p>	<p>Career summary, positions and responsibilities at the Company</p> <p>April 2003 Joined P.R.O Co., Ltd.</p> <p>April 2012 Joined the Company</p> <p>April 2013 General Manager of Cloud Business Division, the Company</p> <p>June 2015 Corporate Officer, General Manager of Product Innovation Business Division, SHINKITAI Group, the Company</p> <p>April 2017 Senior Corporate Officer, General Manager of SHINKITAI Group and General Manager overseeing sales in Solution Design Group, the Company</p> <p>October 2017 Senior Corporate Officer, General Manager of SHINKITAI Group and General Manager of Solution Design Group, the Company</p> <p>June 2018 Director and Senior Corporate Officer, General Manager of SHINKITAI Group and General Manager of Solution Design Group, the Company</p> <p>June 2020 Senior Corporate Officer, General Manager of SHINKITAI Group and General Manager of Solution Design Group, the Company</p> <p>June 2021 Senior Corporate Officer, General Manager of DX Design Group and General Manager of Solution Design Group, the Company (present)</p> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Makoto Taguchi has engaged in sales of IT equipment and others since joining the Company and overseen the Solution Sales Division since 2010 as the General Manager and has extensive experience and a successful track record. Since June 2016, he has served as a Director and contributed significantly to the expansion of business. Because he is an individual who is necessary for the enhancement of the corporate value of the Company, we propose that he continue to be elected as a Director.</p>
<p style="text-align: center;">No. 8</p> <p style="text-align: center;">Hiroshi Kotani</p> <p style="text-align: center;">New Appointment</p> <p>Birth date: December 27, 1968</p> <p>Number of the Company's shares owned: 15,000 shares</p> <p>Number of years as a Director: – years</p> <p>Attendance at meetings of the Board of Directors: –/– meetings</p>	<p>Career summary, positions and responsibilities at the Company</p> <p>July 1992 Joined Matsushita Toshio Tax Accountant Office</p> <p>June 1996 Joined Koyo Automobile Sales Co., Ltd.</p> <p>March 1997 Joined ABLE Real Estate Inc. (currently ABLE Inc.)</p> <p>September 2001 Joined the Company</p> <p>September 2005 General Manager of Finance & Accounting Division, the Company</p> <p>April 2015 Corporate Officer, General Manager of Finance & Accounting Division, the Company</p> <p>June 2015 Senior Corporate Officer, General Manager of Finance & Accounting Group, the Company (present)</p> <p>Reasons for nomination as a candidate for Director</p> <p>Mr. Hiroshi Kotani has engaged in finance and accounting operations since joining the Company and overseen the Finance & Accounting Group since 2015 as the General Manager. Because he has extensive experience and a successful track record in finance and accounting and is an individual who is necessary for the enhancement of the corporate value of the Company, we propose his election as a Director.</p>

No. 9	Yukio Suzuki	Career summary, positions and responsibilities at the Company	
Reelection		April 1975	Joined Nomura Research Institute, Ltd.
Outside		June 1996	Director, General Manager of Corporate Research Department, Nomura Research Institute, Ltd.
Independent		June 1997	Director of Financial & Economic Research Center, Nomura Securities Co., Ltd.
Birth date: June 3, 1950		June 1999	Senior Managing Director, General Manager of Research Department, Nomura Asset Management Co., Ltd.
Number of the Company's shares owned: 0 shares		June 2000	Senior Corporate Managing Director, General Manager of Research Department, Nomura Asset Management Co., Ltd.
Number of years as a Director: 9 years		June 2005	Director, Nomura Holdings, Inc. (Director specially assigned to audit)
Attendance at meetings of the Board of Directors: 11/11 meetings		April 2007	Chairman, the Securities Analysts Association of Japan
		July 2010	Established Belle Investment Research of Japan Inc., Representative Director (present)
		June 2012	Outside Director, the Company (present)
		May 2015	Outside Director, Ichigo Group Holdings Co., Ltd. (currently Ichigo Inc.) (present)
		March 2018	Outside Audit & Supervisory Board Member, WILLs Inc. (present)
		June 2018	Outside Audit & Supervisory Board Member, XNET Corporation (present)
			(Important concurrent positions)
			Representative Director, Belle Investment Research of Japan Inc.
			Outside Director, Ichigo Inc.
			Outside Audit & Supervisory Board Member, WILLs Inc.
			Outside Audit & Supervisory Board Member, XNET Corporation
			Reasons for nomination as a candidate for Outside Director and expected roles, etc.
			Mr. Yukio Suzuki has extensive experience and broad insight as a corporate manager cultivated over many years at a securities company and in other roles, in addition to expert financial and economic knowledge as a securities analyst. The Company receives accurate advice from him to mainly ensure the appropriateness and reasonableness of decisions made by the Board of Directors. We expect that the Company will continue to receive appropriate advice on the Company's management from an independent standpoint and that he will contribute to the enhancement of its corporate value. Thus, we propose that he continue to be elected as an Outside Director.
No. 10	Koichi Ogawa	Career summary, positions and responsibilities at the Company	
Reelection		April 1975	Joined The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)
Outside		May 1997	Manager of Roppongi Branch, The Fuji Bank, Ltd.
Independent		May 1999	Manager of Okayama Branch, The Fuji Bank, Ltd.
Birth date: December 2, 1951		June 2001	Manager of Yokohama-Ekimae Branch, The Fuji Bank, Ltd.
Number of the Company's shares owned: 0 shares		April 2002	Manager of Yokohama-Ekimae Branch, Mizuho Bank, Ltd.
Number of years as a Director: 8 years		July 2004	Chief Auditor, Business Audit Department, Mizuho Bank, Ltd.
Attendance at meetings of the Board of Directors: 11/11 meetings		May 2006	Senior Corporate Officer, Mizuho Staff Co., Ltd.
		September 2007	Managing Director, Mizuho Staff Co., Ltd.
		June 2012	Outside Audit & Supervisory Board Member, KEYENCE CORPORATION
		June 2012	Outside Auditor, JK Holdings Co., Ltd.
		June 2013	Outside Director, the Company (present)
			Reasons for nomination as a candidate for Outside Director and expected roles, etc.
			Mr. Koichi Ogawa has extensive experience and broad insight cultivated for many years at financial institutions, and we receive useful advice from him mainly from the perspective of internal control and compliance. We expect that the Company will continue to receive appropriate advice on the Company's management from an independent standpoint and that he will contribute to the enhancement of its corporate value. Thus, we propose that he continue to be elected as an Outside Director.

No. 11	Career summary, positions and responsibilities at the Company October 2001 Registered as an attorney-at-law and joined Anderson Mori & Tomotsune January 2008 Worked for Finnegan, Henderson, Farabow, Garrett & Dunner in the United States March 2008 Registered as an attorney-at-law in the United States (New York State) January 2011 Partner, Anderson Mori & Tomotsune (present) (Important concurrent positions) Partner, Anderson Mori & Tomotsune
Mari Ito	
New Appointment	
Outside	
Independent	Reasons for nomination as a candidate for Outside Director and expected roles, etc. As an attorney-at-law, Ms. Mari Ito is well versed in corporate legal affairs in Japan and overseas. Although Ms. Ito has never been involved in company management except as an Outside Officer, she is expected to provide appropriate advice on the Company's management from an independent standpoint, using her extensive experience and insight accumulated over many years, and will thereby contribute to enhancing transparency and soundness in management at the Company. Thus, we have decided that she is qualified to be an Outside Director and propose her election as a new Outside Director.
Birth date: November 23, 1976 Number of the Company's shares owned: 0 shares Number of years as a Director: – years Attendance at meetings of the Board of Directors: –/– meetings	

- Notes: 1. Mr. Takafumi Kai, a candidate for Director, concurrently serves as the Representative Director and President of Tokyoto Business Service Co., Ltd., and the Company has a business relationship of outsourcing with Tokyoto Business Service Co., Ltd.
2. Mr. Hiroyuki Fujii, a candidate for Director, concurrently serves as the Representative Director and Senior Managing Director of ProVision Inc., and the Company has a business relationship of outsourcing with ProVision Inc.
3. There are no special interests between the Company and other candidates for Directors.
4. On April 1, 2021, the Solution Sales Group changed its name to the Business Solution Group.
5. On April 1, 2021, the SHINKITAI Group changed its name to the DX Design Group.
6. Mr. Yukio Suzuki, Mr. Koichi Ogawa and Ms. Mari Ito are candidates for Outside Directors.
7. An overview of the content of an agreement limiting liability with Outside Directors is as follows.
- The Company stipulates in its Articles of Incorporation that the Company may enter into agreements with Outside Directors to limit their liability for damages to the Company to a certain extent so that the Company will be able to recruit talented personnel as Outside Directors. With this, the Company has entered into an agreement limiting liability with the following content with Mr. Yukio Suzuki and Mr. Koichi Ogawa, candidates for Outside Directors. If Mr. Yukio Suzuki and Mr. Koichi Ogawa are reelected as proposed, the Company intends to continue the agreement. In addition, if Ms. Mari Ito is elected as proposed, the Company intends to conclude with her a similar agreement limiting liability.
- In cases where Outside Directors are liable for damages to the Company due to negligence of their duties, they shall be liable up to the minimum liability amount provided for in Article 425, Paragraph 1 of the Companies Act.
 - The above limitation of liability shall be accepted only when the Outside Director has performed his or her duties, which caused the liability, in good faith and without gross negligence.
8. The Company has decided to enter into a directors and officers liability insurance agreement under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, so that an insurance company's insurance will cover the damages and court costs, etc. that the insured is required to pay resulting from a claim for damages due to an act (including inaction) the insured performed based on his or her position as a Director, etc. of the Company. However, there are certain exemptions in the agreement. For example, damages will not be covered if the damage is caused by an act the insured performed while recognizing that it will violate laws and regulations. The candidates will be included in the insured under this insurance policy. The Company also intends to renew the policy with the same content at next renewal.
9. The Company has filed a report with the Tokyo Stock Exchange naming Mr. Yukio Suzuki and Mr. Koichi Ogawa as independent Directors pursuant to the regulations of the Tokyo Stock Exchange. If they are reelected as proposed, the Company intends to continue to make them independent Directors. In addition, Ms. Mari Ito has met the requirements for an independent Director pursuant to the regulations of the Tokyo Stock Exchange, and if she is elected as proposed, we intend to file a report with the Tokyo Stock Exchange naming her as an independent Director.

Proposal No. 2: Election of One (1) Audit & Supervisory Board Member

The term of office of Mr. Yoshihiro Nakamura, an Audit & Supervisory Board Member, will expire at the conclusion of the 39th Ordinary General Meeting of Shareholders, and the Company proposes the election of one (1) Audit & Supervisory Board Member. The consent of the Audit and Supervisory Board has been obtained in regard to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Yoshihiro Nakamura	Career summary and positions at the Company (Significant concurrent positions)
Reelection	April 1998 Registered as an attorney-at-law and joined Hinoki Law Office
Outside	April 2003 Partner, Hinoki Law Office (present)
Independent	June 2005 Audit & Supervisory Board Member, Catena Corporation (currently the Company)
Birth date: November 9, 1971	October 2008 Part-time judge (civil conciliator), Tokyo Summary Court
Number of the Company's shares owned: 0 shares	April 2010 Audit & Supervisory Board Member, SysproCatena Corporation (currently the Company) (present)
Number of years as a Director: 16 years	(Important concurrent positions) Partner, Hinoki Law Office
Attendance at meetings of the Board of Directors: 11/11 meetings	Reasons for nomination as a candidate for Outside Director and expected roles, etc.
Attendance at Audit & Supervisory Board meetings: 12/12 meetings	Mr. Yoshihiro Nakamura has expert knowledge and extensive experience cultivated as an attorney, and we propose his election as an Outside Audit & Supervisory Board Member based on our judgment that he will be able to appropriately audit the Company's management as a legal expert. Although Mr. Nakamura has never been involved in company management except as an Outside Officer, we have decided that he will be able to appropriately execute his duties as an Outside Audit & Supervisory Board Member, comprehensively taking into consideration his successful track record as an Outside Audit & Supervisory Board Member in the Company and his many years of practical experience in corporate legal affairs. His term of office as an Outside Audit & Supervisory Board Member in the Company will be 16 years at the conclusion of the 39th Ordinary General Meeting of Shareholders.

Notes: 1. There are no special interests between the Company and the candidate.

2. Mr. Yoshihiro Nakamura is a candidate for Outside Audit & Supervisory Board Member.

3. The overview of content of an agreement limiting liability with Outside Audit & Supervisory Board Members is as follows.

The Company stipulates in its Articles of Incorporation that the Company may enter into agreements with Audit & Supervisory Board Members to limit their liability for damages to the Company to a certain extent so that the Company will be able to recruit talented personnel as an Audit & Supervisory Board Member. With this, the Company has entered into an agreement limiting liability with the following content with Mr. Yoshihiro Nakamura, a candidate for Outside Audit & Supervisory Board Member.

- In cases where Outside Audit & Supervisory Board Members are liable for damages to the Company due to negligence of their duties, they shall be liable up to the minimum liability amount provided for in Article 425, Paragraph 1 of the Companies Act.
- The above limitation of liability shall be accepted only when the Outside Audit & Supervisory Board Member has performed his or her duties, which caused the liability, in good faith and without gross negligence.

If Mr. Yoshihiro Nakamura is reelected as proposed, the Company intends to continue the agreement.

4. The Company has decided to enter into a directors and officers liability insurance agreement under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, so that an insurance company's insurance will cover the damages and court costs, etc. that the insured is required to pay resulting from a claim for damages due to an act (including inaction) the insured performed based on his or her position as a Director, etc. of the Company.

However, there are certain exemptions in the agreement. For example, damages will not be covered if the damage is caused by an act the insured performed while recognizing that it will violate laws and regulations. The candidate will be included in the insured under this insurance policy. The Company also intends to renew the policy with the same content at next renewal.

5. The Company has filed a report with the Tokyo Stock Exchange naming Mr. Yoshihiro Nakamura as an independent Audit and Supervisory Board Member pursuant to the regulations of the Tokyo Stock Exchange. If he is reelected as proposed, the Company intends to continue to make him an independent Audit and Supervisory Board Member.

Reelection: Candidate for Audit and Supervisory Board Member to be reelected

Outside: Candidate for Outside Audit & Supervisory Board Member

Independent: Independent Audit & Supervisory Board Member as defined by the Tokyo Stock Exchange