Note: This is an English translation of the Notice of the 77th Ordinary General Meeting of Shareholders of Nihon Unisys, Ltd. prepared for readers' convenience. Should there be any inconsistency between this translation and the original Japanese text, the latter shall prevail.

Securities code: 8056
June 3, 2021

Dear Shareholders:

Akiyoshi Hiraoka
Representative Director, President & CEO
Nihon Unisys, Ltd.
1-1, Toyosu 1-chome, Koto-ku, Tokyo

NOTICE OF THE 77th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby notify you of the 77th Ordinary General Meeting of Shareholders (the "Meeting") of Nihon Unisys, Ltd. (the "Company"). The meeting will be held as described below.
From the standpoint of preventing further spread of COVID-19, we would like to request you to refrain from personally attending the Meeting, regardless of your health condition, and instead exercise your voting rights prior to the Meeting in writing by using the enclosed voting card or via the Internet, etc.
When you exercise your voting rights prior to the Meeting, please refer to the enclosed "Reference Documents for the Meeting" on page 5 to 36 and exercise your voting rights **by 5:30 p.m., Thursday, June 24, 2021 (Japan Standard Time)** in the manner described on page 4 .
We will livestream the Meeting via the Internet, so that our shareholders are able to view the proceedings of the Meeting. Also, we will collect questions from shareholders prior to the Meeting. We will answer at the Meeting to the matters related to the purpose of the Meeting which many shareholders are keenly interested in.
Livestreaming is for viewing only and exercising voting rights and/or making questions/comments/motions, etc., are not accepted on the live streaming website.
Please refer to the back cover of the paper Notice about the livestreaming service and how we collect questions prior to the Meeting.

[Posting the Video after the Meeting]
We will post the video of the Meeting including the report by the Chairman at the Company's website below at a later date.
https://www.unisys.co.jp/invest-j/stock/meeting.html
Contents of the video streaming service are briefings on the report items and resolution items. The video of Questions and answers as well as deliberations and resolutions will not be posted in consideration of the privacy of shareholders attending at the Meeting.

To Shareholders visiting the Meeting place

We will implement the following measures in light of preventing further spread of the COVID-19 pandemic. Shareholders are kindly requested to understand the situation and cooperate with us.

- All shareholders visiting the Meeting place to attend the Meeting will be tested for their temperature, when entering the building. Any shareholder who does not wear a mask, shows a high temperature or is reasonably deemed by the Company to be in poor health condition will be refused for entry.
- Please be forewarned that since we drastically reduce the number of seats in order to maintain social distance between shareholders. Some shareholders may not be entered into the Meeting place.
- Please submit your voting right exercise form (herein enclosed) at the reception of the Meeting if you visit the Meeting place on the date of the Meeting to attend the Meeting.
- We will not be able to offer beverages to shareholders attending the Meeting.
- Shareholders are required to wear a mask in the Meeting room. Shareholders who are deemed to be in poor health condition may be requested to leave the room.
- We will livestream the Meeting. We plan to shoot a livestreaming video in the Meeting room from the back side opposite to the area of chairman and officer seating. Despite our consideration for the privacy of shareholders in attendance, images of some shareholders may unavoidably appear in the live-stream video footage. Also, remarks delivered by shareholders in attendance will be livestreamed.

Shareholders are kindly requested to check the website below for updated information before visiting the Meeting place.

https://www.unisys.co.jp/invest-j/stock/meeting.html

・Meeting Details

1. Date and Time: Friday, June 25, 2021 at 10:00 a.m. (doors open from 9:00 a.m.) (Japan Time)

2. Venue: Conference Room of the Company's Head Office (29th Floor)
1-1, Toyosu 1-chome, Koto-ku, Tokyo
Main Office building meeting room on the 29 th floor

3. Purpose:

Items to be reported:

1. Business Report, Consolidated Financial Statements and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and the Audit & Supervisory Board for the 77th fiscal year (from April 1, 2020 to March 31, 2021)
2. Non-Consolidated Financial Statements for the 77th fiscal year (from April 1, 2020 to March 31, 2021)

Items to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Amendments to the Articles of Incorporation
Proposal 3: Election of Nine (9) Directors
Proposal 4: Election of Three (3) Auditor
Proposal 5: Revision of the Performance-based Bonus for Directors
Proposal 6: Determination of Remuneration for Directors for Granting Restricted Stock

4. Notes Regarding the Handling of Votes:

(1) If there is no indication of either approval or disapproval for any proposal on the voting card, you will be deemed to have approved the proposal and your vote will be counted accordingly.
(2) If you cast multiple votes by using both the voting card and via the Internet, the Internet vote will be deemed valid.
(3) If you have exercised your voting rights more than once via the Internet, the last exercise will be deemed valid.
(4) If you are a shareholder who has accepted to receive this notice via the Internet and you wish to receive the printed form, the Company will deliver this notice, the Reference Documents for Shareholders Meeting, and the voting card to you by mail.

Notes: Exercise of Voting Rights

(1) Exercise of voting rights by voting card:
Please exercise your voting rights by stating whether you are for or against the agenda items on the voting card and send it back to us so that it reaches us by Thursday, June 24, 2021 at 5:30 p.m. (Japan Standard Time).

(2) Exercise of voting rights via the Internet, etc.:
Please access the website that has been designated by the Company for exercising voting rights by either method described below and indicate your approval or disapproval in accordance with the instructions on the screen.
Deadline for exercising voting rights: Received by 5:30 p.m., Thursday June 24, 2021

・Read QR code with your smartphone;
You can login to the website designated by the Company to vote without entering the code for exercising voting rights and password.

1) Read the QR code printed on the right bottom corner of the Voting Rights Exercise Form enclosed herewith.
(NOTE)
If you exercise your voting rights for the second time in order to change the contents of your first-time exercise, please read the QR code again and enter the 'Code for Voting Rights Exercise' and 'Password' described on the Voting Rights Exercise Form.
2) Then, indicate your approval or disapproval in accordance with the instructions on the screen.

・Input the Code for Voting Rights Exercise and Password;
1) Access the website for exercising voting rights (https://www.web54.net).
2) Input the 'Code for Voting Rights Exercise' printed on the Voting Rights Exercise Form.
3) Input the 'Password' printed on the Voting Rights Exercise Form.
4) Then, indicate your approval or disapproval in accordance with the instructions on the screen.

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If there are corrections to the Reference Documents for Shareholders Meeting, Business Report, Non-Consolidated Financial Statements or Consolidated Financial Statements, such corrections will be published on the Internet.

<The Company's Website>
https://www.unisys.co.jp/invest-e/stock/meeting.html

Reference Documents for Shareholders Meeting

(Items of Resolution and Reference Items)

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Matters related to year-end dividends

The Company makes efforts for the stable and continued distribution of dividends to shareholders in line with the policy of paying dividends in accordance with our performance. The specific amount of dividends shall be determined by taking into consideration the managerial environment as well as securing an internal reserve for business expansion.

Taking into account the future managerial environment, business expansion and other factors, the Company intends to pay 70 yen per share (the dividend payout ratio: 41.1%) for annual dividends.
Since the Company paid interim dividends of 35 yen per share in December 2020, the year-end dividends will be as proposed below:

(1) Type of dividends:
Cash

(2) Matters related to the allocation of dividends and total amount thereof:
Per share of common stocks: 35 yen
Total dividends: 3,513,819,540 yen

(3) Effective date of dividends from surplus:
June 28, 2021

Proposal 2: Amendments to the Articles of Incorporation

1. Rationale for the Proposal

The Company installed Japan's first commercial computers and has been providing systems and IT services to support society and industries for more than 60 years since then. Aiming to create a sustainable society, the Company has taken the initiative and played a central role of business ecosystems that connect different companies together beyond boundaries of sectors and business models. The Company has worked on creating new value for an affluent society and solving social issues, in cooperation with customers and partners.

The Company newly established Purpose, Principles, and Vision2030 in order to accelerate these initiatives and transform itself into a company that creates social value.
The Board of Directors of the Company decided to renew our corporate brand and change the trade name from Nihon Unisys, Ltd. to BIPROGY Inc. as of April 1, 2022.

BIPROGY is an acronym coined from the first letters of blue, indigo, purple, red, orange, green, and yellow, the seven colors visible when light is refracted and reflected.
This has the two meanings.
- Illuminate a new path in a chaotic society
-Change the value we provide in response to changes in society and environments, just as the colors of light changes in response to changes in circumstances
By becoming the one and only brand that creates social value from a global perspective, we will reach out to a wide variety of people, form business ecosystems, and work towards the realization of a sustainable society.

The new trade name is scheduled to take effect on April 1, 2022, pursuant to the relevant supplementary provision.
The supplementary provision shall be deleted from the articles of incorporation after a lapse of the effective date.

2. Contents of the Amendments

Please see below the contents of amendments.

（The underlined portions indicate amendments.）

Current Articles of Incorporation	Proposed Amendments
（Tradename） Article 1 This Company is named Nihon Unisys Kabushiki Kaisha (in Japanese) or Nihon Unisys, Ltd. (in English). (Newly Added)	(Tradename) Article 1 This Company is named BIPROGY Kabushiki Kaisha (in Japanese) or BIPROGY Inc. (in English). Supplementary Provision The amendment of Article 1 (Tradename) shall take effect as of April 1, 2022. This supplementary provision shall be then deleted as of the day of the effective date.

Proposal 3: Election of Nine (9) Directors

The terms of office of the present eight (8) Directors of the Company will expire as of the conclusion of the Ordinary General Meeting of Shareholders. The Company proposes to increase the number of Outside Directors by one (1), from eight (8) to nine (9) in order to strengthen the capabilities of the Board of Directors so that the Board can give proper advice to and effectively supervise the Company.
The candidates for Directors of the Company are as follows (their brief personal histories follow the table.).

Candidate Number	Name	Current positions and areas of responsibility in the Company		Board of Directors meting attendance	Term of Office as Director
1	Akiyoshi Hiraoka	Representative Director, President CEO (Chief Executive Officer) CHO (Chief Health Officer)	Re-appointed	12 times／ 12 meetings	12 years
2	Noboru Saito	Representative Director, Executive Corporate Officer CMO (Chief Marketing Officer)	Re-appointed	12 times／ 12 meetings	5 years
3	Koji Katsuya	Director, Executive Corporate Officer CSO (Chief Sustainability Officer)	Re-appointed	12 times／ 12 meetings	5 years
4	Kazuo Nagai	Director, Senior Corporate Officer	Re-appointed	9 times／ 9 meetings	1 years
5	Takahito Kanazawa		Newly-appointed	–	–
6	Go Kawada	Outside Director	Re-appointed Outside Director Independent Director	12 times／ 12 meetings	8 years
7	Ayako Sonoda	Outside Director	Re-appointed Outside Director Independent Director	12 times／ 12 meetings	6 years
8	Chie Sato	Outside Director	Re-appointed Outside Director Independent Director	12 times／ 12 meetings	4 years
9	Nalin Advani		Newly-appointed Outside Director Independent Director	–	–

Candidate Number 1　Akiyoshi Hiraoka 【Re-appointed】

Date of Birth: June 6, 1956 (age: 64)
Number of the Company's shares held:　21,900 shares
Term of Office as Director: 12 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:
12 times／12 meetings

■Career summary, positions and areas of responsibility in the Company

Apr. 1980	Joined Nihon Unisys, Ltd.
Apr. 2002	General Manager, Business Aggregation, Nihon Unisys, Ltd.
Jun. 2002	Corporate Officer, Nihon Unisys, Ltd.
Jun. 2005	Director, Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2007	Director, Superior Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2007	Superior Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2011	Executive Corporate Officer, Nihon Unisys, Ltd.
Jun. 2011	Representative Director, Executive Corporate Officer, Nihon Unisys, Ltd.
Apr. 2016	Representative Director, President & CEO, Nihon Unisys, Ltd. (present)

(Role)

・CEO (Chief Executive Officer), CHO (Chief Health Officer)

・In charge: Entirety of the Company, Group Internal Audit

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director

Mr. Akiyoshi Hiraoka is the longest serving Corporate Officer at the Company (serving since 2002) and has a vision for change. He has a wealth of industry knowledge and experience, giving insight into future movements, as well as management strategies. Furthermore, he has a vast network in and abundant knowledge about other areas of the industry and political and business circles. Thus, we believe that Mr. Hiraoka is well qualified for taking the lead in creating the cross-industry eco-systems envisioned by the Company Group and we propose to elect him as Director again.

Candidate Number 2　Noboru Saito 【Re-appointed】

Date of Birth: August 8, 1961 (Age: 59)
Number of the Company's shares held:　9,800 shares
Term of Office as Director:　5 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:
12 times／12 meetings

■ Career summary, positions and areas of responsibility in the Company

Apr. 1986	Joined Nihon Unisys, Ltd.
Apr. 2004	General Manager, Industry & Commerce 2, Nihon Unisys, Ltd.
Apr. 2009	General Manager, Industry& Commerce, Nihon Unisys, Ltd.
Apr. 2010	General Manager, Industry & Commerce 2, Nihon Unisys, Ltd.
Apr. 2012	General Manager, Business Services, Nihon Unisys, Ltd.
Apr. 2013	Corporate Officer, Nihon Unisys, Ltd.
Apr. 2016	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2016	Director, Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2020	Representative Director, Executive Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)
・CMO (Chief Marketing Officer)
・In charge: Business Innovation Division, DX Promotion Division, Regional Headquarters and Regional Offices

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director

Mr. Noboru Saito has abundant industry knowledge and experience, offering insight into its future movements as well as business strategies, as a result of his long service as Corporate Officer and General Manager specializing in the manufacturing and distribution sectors before his current service of presiding over sales division and business development initiatives in general.
Thus, we believe that Mr. Saito will be able to use his professional knowledge and experience to make management and business decisions from his broad perspective in the course of management and business judgement for the Company Group. Therefore, we propose to elect him as Director again.

Candidate Number 3　Koji Katsuya 【Re-appointed】

Date of Birth: October 24, 1963 (Age: 57)
Number of the Company's shares held:　4,084 shares
Term of Office as Director:　5 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:
12 times／12 meetings

■ Career summary, positions and areas of responsibility in the Company

Jan. 1985	Joined Nihon Unisys, Ltd.
Jul. 2007	Senior Project Manager, S-BITS Project, Software & Services, Nihon Unisys, Ltd.
Apr. 2011	General Manager, Financial 3, Nihon Unisys, Ltd.
Apr. 2012	Deputy Division Manager, Financial Business Division, General Manager, Financial 3, Nihon Unisys, Ltd.
Apr. 2014	Corporate Officer, General Manager, Corporate Planning, Nihon Unisys, Ltd.
Apr. 2016	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2016	Director, Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2021	Director, Executive Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)
・CSO (Chief Sustainability Officer)
・In charge：Corporate Planning, Business Management, Procurement Management, Human Resources, Quality Management & Assurance, Group companies

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director

Mr. Koji Katsuya has a wealth of knowledge of and experience in management decisions and business strategies of the Nihon Unisys group as a result of his Corporate Officer service of presiding over divisions such as the systems division, quality management & assurance division, and the research & development division as well as Corporate Planning after his service in the financial system development and business of the Company.
Thus, we believe that Mr. Katsuya will be able to use his professional knowledge and experience to make management and business decisions from his broad perspective in the course of management and business judgement for the Company Group. Therefore, we propose to elect him as Director again.

Candidate Number 4　Kazuo Nagai 【Re-appointed】

Date of Birth: February 12, 1960 (Age: 61)
Number of the Company's shares held:　6,500 shares
Term of Office as Director: 1 year　(at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:
9 times／9 meetings

■ Career summary, positions and areas of responsibility in the Company

Apr. 1983	Joined Nihon Unisys, Ltd.
Apr. 2006	Deputy General Manager, Industry & Commerce, Nihon Unisys, Ltd.
Apr. 2009	General Manager, Airline Business, Nihon Unisys, Ltd.
Apr. 2013	General Manager, Transportation & Logistics, Nihon Unisys, Ltd.
Apr. 2014	Corporate Officer, Nihon Unisys, Ltd.
Apr. 2017	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2020	Director, Senior Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)
・In charge：Incubation Division, BizDevOps Division

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director

Mr. Kazuo Nagai has a wealth of knowledge in a wide range of industries including transportation & logistics and financial as well as ICT. Furthermore, he is experienced in global businesses and investments. We believe that Mr. Nagai will be able to make management and business decisions from a broad perspective based on the knowledge and experience in the course of management and business judgement for the Company Group. Therefore, we propose to elect him as Director.

Candidate Number 5　Takahito Kanazawa【Newly-appointed】

Date of Birth: September 4, 1960 (Age: 60)
Number of the Company's shares held:　0
Term of Office as Director: －(at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021: －

■ Career summary

Dec. 1998	General Manager of Digital & Information Network Systems Department, Tokyo Sales & Business Planning Division Digital ＆ Information Network Systems Department, Business Form & Securities Printing Operations, Dai Nippon Printing Co., Ltd.
Apr. 2007	General Manager of System Development Division, Information Processing Solutions Operations System Development Division, Dai Nippon Printing Co., Ltd.
Oct. 2008	General Manager of Production Division, Information Processing Solutions Operations Production Division, Dai Nippon Printing Co., Ltd.
Oct. 2012	General Manager of BPO Development Division, Information solution Operations BPO Development Division, Dai Nippon Printing Co., Ltd.
Oct. 2016	Deputy General Manager of BPO Center, Information innovation Operations BPO Center, Dai Nippon Printing Co., Ltd.
Apr. 2017	Representative Director, President, DNP Data Techno Co., Ltd.
Apr. 2018	General Manager of Information Systems Division, Dai Nippon Printing Co., Ltd.
Jul. 2018	General Manager of ICT Business Development Division, Advanced Business Center, Dai Nippon Printing Co., Ltd.
Jun. 2019	Corporate Officer, General Manager of ICT Business Development Division, Advanced Business Center, Dai Nippon Printing Co., Ltd.
Apr. 2020	Corporate Officer, in charge of Information Systems Division and General Manager of ICT Business Development Division, Advanced Business Center, Dai Nippon Printing Co., Ltd.
Apr. 2021	Corporate Officer, in charge of ICT Business Development Division, Advanced Business Center and Information Systems Division, Dai Nippon Printing Co., Ltd. (present)

■ Significant concurrent positions held in other organizations

Corporate Officer, in charge of ICT Business Development Division, Advanced Business Center and Information Systems Division, Dai Nippon Printing Co., Ltd.

■ Special interests with the Company

Please see Note 2

■ Reasons for appointment as Director

Mr. Takahito Kanazawa obtains management experience as an officer as well as abundant knowledge and experience about the industry which the Company belongs to after successively serving as a manager responsible for ICT, DX and innovation sections in

information system department and ICT business development department of Dai Nippon Printing Co., Ltd.
The Company expects Mr. Kanazawa to give effective advice on and support for the Company's business management from the technical and managerial viewpoints. Furthermore, the Company expects him to exercise his skills of effectively supervising business management. Thus, we propose to elect him as Director.

As per Note 2, Mr. Kanazawa concurrently holds the post of Corporate Officer at Dai Nippon Printing Co., Ltd., a major shareholder of the Company. Thus, the Company has not designated him as an Independent Director. He is not designated as an Outside Director candidate in this proposal. This determination was made in light of a higher level of independence being recently expected for Outside Officers.

Candidate Number 6　Go Kawada

【Re-appointed, Outside Director, Independent Director】

Date of Birth: December 3, 1942 (Age: 78)
Number of the Company's shares held:　0
Term of Office as Director:　8 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:
12 times／12 meetings

■ Career summary

From Apr. 1967	Joined the National Tax Agency Head of the Kaibara Taxation Office, Osaka Regional Taxation Bureau Consul of the Consulate-General of Japan in San Francisco Director, Office of International Operation of the National Tax Agency Commissioner's Secretariat Director, Administration Office, Collection Department of the National Tax Agency Regional Commissioner of the Sendai Regional Taxation Bureau
Sep. 1996	Started practice as a certified tax accountant
Apr. 1997	Professor, Department of Politics and Economics, Kokushikan University
Jun. 2002	Chairman, Yamada & Partners Certified Public Tax Accountants' Co.
Apr. 2003	Professor, Department of Economics, Kokugakuin University
Apr. 2004	Professor, Graduate School of Global Business, Meiji University
Jun. 2004	Outside Auditor, BANDAI Co., Ltd.
Jun. 2006	Outside Auditor, Murata Manufacturing Co., Ltd.
Jun. 2012	Outside Auditor, DAIREI CO., LTD. (since June 2019 Outside Director, Audit and Supervisory Committee Member) (present)
Jun. 2013	Outside Director, Nihon Unisys, Ltd. (present)
May 2015	Outside Director, Gulliver International Co., Ltd. (present: IDOM)
Jun. 2015	Advisor, Yamada & Partners Certified Public Tax Accountants' Co. (present)

■ Significant concurrent positions held in other organizations:

Outside Director (Audit and Supervisory Committee Member), DAIREI CO., Ltd.

■ Special interests with the Company:　None

■ Reasons for appointment as Outside Director：

Mr. Go Kawada offers abundant experience as an Outside Director as well as sophisticated professional knowledge and expertise in the fields of taxation and accounting. We believe that he will be able to utilize his experience and knowledge as well as expertise in giving advice on the management of the Company and supervise management from an objective and neutral perspective as an Outside Director. We propose to elect him as Outside Director again.

Candidate Number 7　Ayako Sonoda

【Re-appointed, Outside Director, Independent Director】

Date of Birth: August 28, 1963 (Age: 57)
Number of the Company's shares held:　0
Term of Office as Director:　6 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:
12 times／12 meetings

■ Career summary

Aug. 1988	Established Cre-en Incorporated and assumed position of Representative Director (present)
Oct. 2003	Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation) (present)
Jun. 2004	Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation) (present)
Jun. 2015	Outside Director, Nihon Unisys, Ltd. (present)
Feb. 2017	Representative Director, Mirai RITA Foundation (Public Interest Incorporated Foundation) (present)

■ Significant concurrent positions held in other organizations:

Representative Director, Cre-en Incorporated
Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation)
Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation)
Representative Director, Mirai RITA Foundation (public interest incorporated foundation)

■ Special interests with the Company:　None

■ Reasons for appointment as Outside Director

The Company expects Ms. Ayako Sonoda to utilize her abundant experience supporting many companies in the fields of CSR, SDGs and integrated management as well as her dedication to various activities promoting the employment and utilization of female workers. Thus, she is in a position to give advice to the Company's management from multiple perspectives as an Outside Director. The Company proposes to elect her as Outside Director again.

Candidate Number 8　Chie Sato

【Re-appointed, Outside Director, Independent Director】

Date of Birth: January 30, 1970 (Age: 51)
Number of the Company's shares held:　0
Term of Office as Director: 4 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:
12 times／12 meetings

■ Career Summary

Apr. 1992	Joined Japan Broadcasting Corporation (NHK)
May 2001	Graduated from Columbia Business School
Aug. 2001	Joined the Boston Consulting Group
Jun. 2003	Joined the Walt Disney Company (Japan) Ltd.
Jan. 2012	Became independent as author and consultant
Apr. 2014	Member of the Professional Graduate Business School Certified Evaluation and Accreditation Committee, The Japan University Accreditation Association (present)
Apr. 2016	Tokyo Broadcasting System Television (TBS) Program Practice Council Member (present)

■ Significant concurrent positions held in other organizations

Member of the Committee of Certified Evaluation and Accreditation for Management and Professional Graduate Schools Member
The Japan University Accreditation Association, JUAA (public interest incorporated foundation)
TBS Television Program Council Member

■ Special interests with the Company: None

■ Reasons for appointment as Outside Director

Ms. Sato has abundant management experience and expertise as evidenced in her numerous books about business schools in the United States. Furthermore, she played an active role as management strategy consultant in the Boston Consulting Group. The Company expects her to give effective advice and support to the Company to promote business model reforms from an objective and professional perspective as an Outside Director. The Company proposes to elect her as Outside Director again.

Candidate Number 9　Nalin Advani
【Newly-appointed, Outside Director, Independent Director】

Date of Birth: October 1, 1965 (Age: 55)
Number of the Company's shares held:　0
Term of Office as Director:　－ (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:　－

■ Career Summary

Apr. 1984	Venture Capitalist, Investment / Corporate Strategy Advisor (present)
Sep. 1998	Director, Chief Marketing Officer, eSOL Co., Ltd.
Jan. 2007	President, Barco Co., Ltd (Japan) (Retired in Jul. 2011)
Aug. 2009	Managing Director, Barco Electronic Systems Pvt Ltd.（India） (Retired in Aug. 2011)
Jan. 2010	Graduated from the UCLA Anderson and NUS (National University of Singapore) Business School
Sep. 2011	Vice President, Asia Pacific, Barco Pte Ltd. (Retired in Dec. 2015)
Aug. 2013	Guest Lecturer, National University of Singapore Business School (present)
Nov. 2015	Co-Founder, KPISOFT Inc (entomo pte ltd of the present) (present)
Feb. 2016	CEO Asia Pacific & Japan, Grey Orange Pte. Ltd. (Retired in Mar. 2019)

■ Significant concurrent positions held in other organizations
Venture Capitalist, Investment / Corporate Strategy Advisor
Co-Founder, entomo pte ltd

■ Special interests with the Company: None

■ Reasons for appointment as Outside Director
Mr. Nalin Advani obtains global business experience mainly based on the Asia Pacific region as well as technical expertise about AI and robots after having served multiple technology companies mainly in Japan, Singapore and India in light of business management and investment.
The company expects Mr. Advani to utilize his global experience as well as knowledge and expertise about the industry which the Company belongs to in giving effective advice on and support for the Company's business management. We propose to elect him as Outside Director.

(Note1) The Company submitted a notification to the Tokyo Stock Exchange, Inc. designating Mr. Go Kawada, Ms. Ayako Sonoda and Ms. Chieko Sato, three Outside Director candidates as Independent Directors. The Company will submit a notification with Tokyo Stock Exchange designating Mr. Nalin Advani as Independent Director. Please refer to page 18 about the independence standards of the Company.
(Note2) Dai Nippon Printing Co., Ltd. where Mr. Takahito Kanazawa serves as Corporate Officer is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract. The Company has trading relationships mainly in system development, business outsourcing and product purchasing. The trading amount is 2.19% of the Company's net sales of the latest fiscal year on a consolidated basis or less than 0.1% of Dai Nippon Printing Co., Ltd.'s net sales on a consolidated basis.

(Note3) Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan (the "Act"), the Company has entered into an agreement with Mr. Toshiki Sugimoto, Mr. Go Kawada, Ms. Ayako Sonoda, and Ms. Chie Sato to limit their liability as provided for in Article 423, Paragraph 1 of the Act. The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated by laws and regulations. If their reelection is approved, the agreement will continue for each of them. Also, if the election of Mr. Takahito Kanazawa and Mr. Nalin Advani is approved, the Company will enter into the same agreement with them.

(Note4) The Company has entered a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Contents of the insurance contract is summarized in this notice (page 51).
If the election is approved as submitted in this proposal, the subject Directors will be included as insured persons of the insurance contract. Also, we will renew the same insurance contract for the next term.

(Note5) The age of individual director-candidates given herein is as of the date of delivering of this notice.

<Reference>
The Company`s "Standards on the Independence of Outside Directors/Auditors" are as follows.

■ Criteria on the Independence of Outside Directors/Auditors
The Company deems that outside directors and outside auditors as defined by the Companies Act have independence if they satisfy the independence criteria stipulated by the Tokyo Stock Exchange and do not fall under any one of the categories below:

(1) Major shareholders holding voting rights equivalent to 10% or more of the total voting rights of the Company, or in the case of a corporation or organization, an executive of that corporation or organization
(2) A major client of the Company or its subsidiaries, or executive of a corporation or organization that deals with the Company or its subsidiaries as a major business partner (*1)
(3) An executive of a financial institution to which the Company owes significant borrowings (*2)
(4) A person who receives significant amounts of compensation or other economic benefit (*3) (other than their remuneration as a director) as a consultant, accountant, or lawyer for the Company or its subsidiaries, or where a corporation or organization, a person belonging thereto
(5) An executive of a corporation or organization that receive significant donations (*4) from the Company or its subsidiaries
(6) A person who served a corporation or organization falling under any of the categories (1) to (5) above as an executive within the past 3 years
(7) A spouse or relative within two degrees of kinship of a person falling under any of the categories below
・A person falling under any of the categories (1) to (5) above
・A person who is a director or executive of a subsidiary of the Company

* 1 Classification into the category of 'major client of the Company or its subsidiaries' is judged according to the net sales that the Company or its subsidiaries had with the client in the fiscal year immediately before: whether or not they exceed 2% of the consolidated net sales of the Company.
Classification into the category of a 'corporation or organization that deals, as their major clients, with the Company or its subsidiaries' is judged according to the net sales that the corporation or organization had with the Company or its subsidiaries in the fiscal year immediately before: whether or not they exceed 2% of the consolidated net sales of the corporation or organization that deals with the Company or its subsidiaries, or ¥10 million, whichever is higher.
*2 Classification into the category of 'significant borrowings' is judged according to the amount of those borrowings: whether or not they exceed 2% of the gross assets of the Company for the fiscal year immediately before.
*3 Classification into the category of 'significant amounts of compensation or other economic benefit' is judged according to the benefit that the person has received from the Company (other than their remuneration as a director) in the fiscal year immediately before: whether or not the person has received remuneration or other economic benefit of ¥10 million or more; or where the person belongs to a corporation or organization, whether or not that corporation or organization has received from the Company or its subsidiaries remuneration or other economic benefit that exceeds 2% of the consolidated net sales of the corporation or organization for the

fiscal year immediately before or ¥10 million, whichever is higher.
*4 Classification into the category of 'significant donations' is judged according to the amount of donations that have been received from the Company or its subsidiaries: whether or not they exceed ¥10 million a year or 2% of the annual total costs of the corporation or organization of the fiscal year immediately before, whichever is higher.

Proposal 4　Election of Three (3) Auditors

Since the terms of office of Auditor, Ms. Harumi Kojo and Mr. Norimitsu Yanai will expire and Mr. Etsuo Uchiyama will resign as of the conclusion of the Ordinary General Meeting of Shareholders, the Company proposes to elect three (3) Auditors. The proposal has been agreed to by the Audit & Supervisory Board. The candidates are as follows.

Candidate Number 1 Masaya Oishi
【Newly-appointed, Outside Auditor, Independent Officer】

Date of Birth: January 25, 1960 (Age: 61)
Number of the Company's shares held:　0
Term of Office as Auditor: －(at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021: －
Audit & Supervisory Board meeting attendance during the fiscal year ended March 31, 2021: －

■ Career summary

Apr. 1983	Joined The Norinchukin Bank
Jun. 2003	General Manager, Niigata Branch, The Norinchukin Bank
Feb. 2005	Deputy General Manager, System Planning Division, The Norinchukin Bank
Jun. 2007	General Manager, Utsunomiya Branch, The Norinchukin Bank
Nov. 2009	General Manager, Corporate Planning Division, The Norinchukin Bank
Jul. 2011	General Manager, System Planning Division, The Norinchukin Bank
Jun. 2013	Member of Audit & Supervisory Board, The Norinchukin Bank
Jun. 2015	Managing Executive Officer, Deputy Head of Asset Management Unit, Mizuho Financial Group. Inc. (Retired in Mar. 2021) Managing Director and Managing Executive Officer, in charge of JA Sales Dept. of Markets & Products Division and Corporate Investment Services & Retail Business Division, Mizuho Securities Co., Ltd.
Apr. 2016	Executive Managing Director and Managing Executive Officer, in charge of JA Sales Dept. of Global Markets Division, and in charge of Fund Product Development Dept. and Investment Management Dept. of Retail & Business Banking Division, Mizuho Securities Co., Ltd.
Apr. 2018	Executive Managing Director and Managing Executive Officer, Head of Fund Business Division and in charge of JA Sales Dept. of Global Markets Division, Mizuho Securities Co., Ltd.
Apr.2021	Special Adviser, AgriFuture Japan (present / will retire in Jun. 24, 2021)

■ Significant concurrent positions held in other organizations: None

■ Special interests with the Company: Please see Note1

■ Reasons for appointment as Outside Auditor
Mr. Masaya Oishi has extensive business experience through his services of many years at financial institutions and a wealth of considerable knowledge on finance and accounting. Furthermore, he has understandings about the industry which the Company belongs to on the basis of his knowledge about system area. In addition, he is well-experienced in investment through his experiences at a securities firm. We expect him to utilize his extensive knowledge

and expertise that he obtained as a management and auditor in addition to the above in order to audit the entirety of business management of the Company. We propose to elect him as Outside Auditor.

Candidate Number 2　Harumi Kojo
【Re-appointed, Outside Auditor, Independent Officer】

Date of Birth: January 30, 1950 (Age: 71)
Number of the Company's shares held:　0
Term of Office as Auditor: 4 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021:
12 times／12 meetings
Audit & Supervisory Board meeting attendance during the fiscal year ended March 31, 2021: 16 times／16 meetings

■ Career summary

Apr. 1976	Admitted as an attorney-at-law in Japan (*bengoshi*)
Jun. 1983	LLM at the University of Virginia School of Law, Master of Laws
Apr. 2001	Served as judge in the Tokyo High Court, Intellectual Property Division
Oct. 2005	Joined Sakai Mimura Law Office (name at the time)
Jan. 2015	Established Sakurazaka Law Offices (as Partner) (present)
Jun. 2017	Outside Auditor, Nihon Unisys, Ltd. (present)

■ Significant concurrent positions held in other organizations
Partner for Sakurazaka Law Offices

■ Special interests with the Company: None. Please see Note 2

■ Reasons for appointment as Outside Auditor
Ms. Kojo has abundant knowledge and experience accumulated in her career as a lawyer and judge expert. The Company expects her to utilize her knowledge and experience in order to audit the execution of duties by Directors, from an independent perspective as an Outside Auditor. The Company proposes to elect her as Outside Auditor.

Candidate Number 3　Keiko Mizuguchi
【Newly-appointed, Outside Auditor, Independent Officer】

Date of Birth: July 21, 1953 (Age: 62)
Number of the Company's shares held:　0
Term of Office as Auditor: －(at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2021: －
Audit & Supervisory Board meeting attendance during the fiscal year ended March 31, 2021: －

■ Career summary

Apr. 1986	Joined JP Morgan Chase Bank, N.A., Tokyo Branch (name at present)
Apr. 1995	Associate Directors, Standard & Poor's International Ratings, Ltd.
Apr. 1998	Director, Chuo Aoyama Pricewaterhouse Cooper
Nov. 2000	Director, UBS Warburg Japan, Ltd.
May. 2002	Senior Credit Analyst, Prudential Investment Management Japan, Inc.
Apr. 2003	Senior Analyst, Chuo Aoyama Pricewaterhouse Cooper
Apr. 2005	Chief Analyst, Japan Credit Rating Agency, Ltd
Apr. 2008	General Manager of Rating Planning Department, and Chief Analyst, Japan Credit Rating Agency, Ltd
Feb. 2013	Member of Business Accounting Council / Member of Audit Standard Committee of Business Accounting Council (present)
Apr. 2013	Commissioner of Certified Public Accountants and Auditing Oversight Board (present)
Jun. 2013	Member of Technical Committee: Insurance Contracts (From June 2013), Member of Technical Committee: Financial Instruments (From May 2015), and Member of Technical Committee: Disclosure (From April 2017) of Accounting Standards Board of Japan (present)
Jul. 2015	Member of Working Group on Development of Infrastructure to Vitalize the Corporate Bond Market), The Japan Securities Dealers Association (present)
Apr. 2017	Counselor and Chief Analyst, Japan Credit Rating Agency, Ltd
Jan. 2020	Counselor in charge of research and planning, Japan Credit Rating Agency, Ltd (present)

■ Significant concurrent positions held in other organizations
Counselor, Japan Credit Rating Agency, Ltd
Member for each expert committee of Certified Public Accountants and Auditing Oversight Board, Business Accounting Council / Audit Standard Committee of Business Accounting Council, and Accounting Standards Board of Japan (as described in the career summary), as well as a working group of The Japan Securities Dealers Association (as described in the career summary)

■ Special interests with the Company: None

■ Reasons for appointment as Outside Auditor
Ms. Keiko Mizuguchi has abundant knowledge and experience about finance, corporate accounting, governance and disclosure that she accumulated through currently serving mainly as Counselor of Japan Credit Rating Agency, Ltd and member for Certified Public Accountants and Auditing Oversight Board after working on corporate analysis and ranking criteria considerations mainly at financial institutions and rating firms.

We expect her to utilize the knowledge and experience in auditing business executions by the Company's Directors from an outside and independent viewpoint. We propose to elect her as Outside Auditor.

(Note1) Mr. Masaya Oishi served the Norinchukin Bank (a major business partner and a major lender for the Company) as an executive for the past 10 years, as described in career summary about positions and roles (page 20).
Six years have passed since Mr. Oishi left the Norinchukin Bank, so that Mr. Oishi is designated as Independent Officer in accordance with the "Independence Criteria" stipulated in the TSE rules/guidelines on the listing of securities, and the "Standards on the Independence of Outside Directors/Auditors" established by the Company.

(Note2) Ms. Harumi Kojo will take office of Auditor for the Organization for Cross-regional Coordination of Transmission Operators, Japan, in July 2021.

(Note3)Ms. Harumi Kojo is the candidates for Outside Auditor. The Company will submit a notification with Tokyo Stock Exchange designating Ms. Keiko Mizuguchi as well as Mr. Masaya Oishi described in (Note 1) as Independent Officers.

(Note4) Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan (the "Act"), the Company has entered into an agreement with Ms. Harumi Kojo to limit their liability as provided for in Article 423, Paragraph 1 of the Act. The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated in the laws and regulations. If her reelection is approved, the contract will continue. Also, if the election of Mr. Masaya Oishi and Ms. Keiko Mizuguchi is approved, the Company will enter into the same agreement with them.

(Note5) The Company has entered a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Contents of the insurance contract is summarized in this notice (page 51).
If the election is approved as submitted in this proposal, the subject Auditors will be included as insured persons of the insurance contract. Also, we will renew the same insurance contracts for the next term.

(Note6) The age of individual auditor-candidates given herein are as of the date of delivering of this notice.

<Reference> Skill Matrix
The Company proposes to elect candidates for Directors and Auditors who have diversified knowledge and expertise and experience such as those on ESG/sustainability as well as global business that are needed to successfully complete the Vision2030 and the Management Policy (2021-2023).


Election proposal submitted to this General Meeting

Independent Outside Officer

	Business manage -ment experience at other companies	Industry knowledge	Technology /R&D	Finance/ Account -ing	Legal/ Risk manage -ment	ESG /Sustain -ability	Global Business
Dirctors							
Akiyoshi Hiraoka		●	●	●	●	●	
Noboru Saito		●	●		●	●	●
Koji Katsuya		●	●		●	●	
Kazuo Nagai		●	●				●
Takahito Kanazawa	●		●				
Go Kawada	●			●	●		●
Ayako Sonoda	●				●	●	
Chie Sato					●	●	●
Nalin Advani	●	●	●				●
Auditors							
Yuji Teranishi		●		●	●	●	
Masaya Oishi	●	●		●	●	●	
Hirofumi Hashimoto	●			●	●	●	●
Harumi Kojo			●		●		●
Keiko Mizuguchi				●	●	●	●

＊S of ESG includes human resources strategy, and diversity & inclusion etc.

<Reference> Structure of the Board of Directors and the Audit & Supervisory Board
If Proposal 3 and Proposal 4 are approved as submitted, the Board of Directors and the Audit & Supervisory Board of the Company will be comprised of the following.

	Number of Constituents	Outside Officers (female)	(Independent Officers included)	Ratios of Independent Officers
Board of Directors	9	4(2)	4	44.4%
Audit & Supervisory Board	5	3(2)	3	60.0%
Total	14	7(4)	7	50.0%

The Board of Directors will comprise of nine Directors including four Outside Directors (two of whom will be female) who are all Independent Directors, as indicated above.
The Audit & Supervisory Board comprising of five members will have a majority of three Outside Auditors (two of whom will be female). These Outside Auditors are all Independent Officers. Thus, the independence of the Audit & Supervisory Board will be further guaranteed.
As above, both the Board of Directors and the Audit & Supervisory Board will be in a position to supervise management in a highly effective manner.

[Reference] Proposal 5 and Proposal 6

We describe the background and entire picture about Proposal 5 and Proposal 6.

1. Rationale to revise the remuneration system for Directors

The Company provides Directors with remunerations composed of (i) monthly remuneration, (ii)annual performance-based bonus, and (iii)stock options. The total amount of (i) monthly remuneration of all the Directors shall not exceed ¥35 million per month in accordance with the resolution at the 49th Ordinary General Meeting of Shareholders held on June 25, 1993. The total amount of (ii) annual performance-based bonus shall not exceed ¥100 million per year in accordance with the resolution at the 72nd Ordinary General Meeting of Shareholders held on June 28, 2016. And the total amount of (iii) stock options as remuneration shall not exceed ¥60 million for the fiscal year ending March 2021 in accordance with the resolution at the 76th Ordinary General Meeting of Shareholders held on June 25, 2020.

The Board decided to revise the (ii) annual performance-based bonus and the (iii) stock options as remuneration in order to make them function further effectively as healthy incentives towards a sustainable growth of the Company's group. In this regard, the Company submits Proposal 5 and Proposal 6 (hereinafter referred to as the "New Remuneration System") at this General Meeting of Shareholders. If approved at this Meeting, the New Remuneration System will be effective from this fiscal year.

2. Summary of the New Remuneration System for Directors

(1) Basic policy

Companies face a significant turning point of the times. We are strongly expected to solve social issues through our businesses in cooperation with various stakeholders. We are expected to take initiative in contributing to creating a sustainable future society.
Growing markets will furthermore likely be created where social value is created. We aim to become a sustainable company that is positioned firmly in the markets and continues to create social value.
The following is our basic policy in order to design the New Remuneration System aiming to achieve the above.

- Executive Directors ("Executive Directors") shall be responsible for short-term performance of the Company, so that the Company fully utilize its strength in the growing market timely in this rapidly changing environment. At the same time, Executive Directors shall improve corporate value in the mid-long term and make the Company to sustainably grow. For this the Board decided to strengthen the linkage between remunerations for Executive Directors and a medium-to long-term business performance, so that Executive Directors share the purpose and interest with shareholders and employees.

- The New Remuneration System shall make it clear our effort to solve various social issues and successfully complete our Purpose and Vision2030.

- We set the New Remuneration System through which we can retain proper persons as Executive Directors that we need by taking into account our business size as well as market and employee salary levels. The New Remuneration System is designed to encourage Executive Directors to contribute to achieving our vision.

(2) The New Remuneration System on the basis of the basic policy of (1)
Remunerations for Executive Directors shall be composed of a) monthly remuneration (the same as (i) of the current system), b) bonus linked to a short-term performance, and c) restricted stock remuneration linked to medium-to long-term performance, etc. (hereinafter referred to as "Stock Remuneration"). The ratio of the above three is 4:4:2.

* The above ratio is based upon, with respect to the remuneration for the final fiscal year of the period of assessing the Stock Remuneration (which is the three-year period of the Management Policy 2021-2023), assumption that the Company achieves a short-term business earnings target 100% in the fiscal year ending March 2024 and the Company satisfies 100% each of the conditions for the Stock Remuneration in the final fiscal year.

The c) Stock Remuneration consists of those conditional upon achievement of
(i) tenure condition, (ii) mid-long term performance target, and (iii) specified KPIs such as ESG targets. The ratio of the above three is 3:1:2.

The Company shall provide Non-executive Directors such as Outside Directors with a) monthly remuneration (which is fixed and not linked to performance) alone, in order to encourage them to give proper and effective advice and supervision.

(Reference) Rations of Remuneration Types

<table>
<tr><td rowspan="3"></td><td>Fixed</td><td colspan="4">Linked to performance</td></tr>
<tr><td>Monthly remuneration</td><td>Proposal 5
Bonus (linked to short-term performance)</td><td colspan="3">Proposal 6
Restricted stock remuneration</td></tr>
<tr><td>(i) tenure condition</td><td>KPI conditions</td><td></td></tr>
<tr><td>Composition Ratio</td><td colspan="2">4 : 4</td><td>1</td><td>(ii) mid-long term performance target, 1/3</td><td>(iii)ESG targets (linked to long-term performance) 2/3</td></tr>
</table>

(3) Decision Process
Proposal 5 and Proposal 6 were decided by the Board of Directors after deliberations by the Nomination and Remuneration Committee, advisory committee to the Board of Directors of the Company.
The Nomination and Remuneration Committee of the Company is composed of four Directors including two Independent Outside Directors elected by the Board of Directors. It is chaired by an Independent Outside Director.
The attendance of the Independent Outside Director and the unanimous approval of all attending members, including the attending Independent Outside Director, are required when making resolutions.
If Proposal 5 and Proposal 6 are approved as submitted at this General Meeting, policies for deciding remuneration for each individual Director listed on page 51 will be changed as indicated in the "Reference" on page 34.
The Company believes that Proposal 5 and Proposal 6 are necessary and reasonable in order to grant remunerations in compliance with the policies about performance-linked remunerations and are appropriate.

Proposal 5: Revision of the Performance-based Bonus for Directors

Bonus for Directors of the Company was approved at the 72nd General Meeting of Shareholders held on June 28, 2016. The total amount of bonus shall not exceed ¥100 million, and shall be 0.5% of Profit Attributable to Owners of Parent for the time being.

Executive Directors shall be responsible for short-term performance of the Company, so that the Board decided to strengthen the linkage between remunerations for Executive Directors and a medium-to long-term business performance. For this, the total amount of the bonuses shall not exceed ¥ 400 million per year through revision.

The Board decided, after deliberations by the Nomination and Remuneration Committee taking into account market levels and our earnings level, that the proposal is appropriate.

A specific total amount to be paid will be decided by the Board of Directors on the basis of a standard coefficient (which shall be 0.5% max for the time being) and standard amounts by managerial position decided by the Nomination and Remuneration Committee in accordance with Profit Attributable to Owners of Parent.

Provided, however, that if Profit Attributable to Owners of Parent is a loss (negative), the bonus shall not be paid. Only the standard amounts by position shall be paid if Profit Attributable to Owners of Parent is less than ¥5.0 billion. The Company shall pay an amount which is the sum of a standard amount by position and an amount computed by multiplying Profit Attributable to Owners of Parent with a standard coefficient, if Profit Attributable to Owners of Parent is ¥5.0 billion or more.

If Proposal 3: Election of Nine (9) Directors is resolved as submitted, the number of Directors becomes nine (9). The subject Directors for this Proposal are four (4) Executive Directors. The five (5) Non-executive Directors including four (4) Outside Directors are not entitled to Bonus in this Proposal in order to encourage them to give proper and effective advice and supervision.

Proposal 6: Determination of Remuneration for Directors for Granting Restricted Stock

Stock Options for Executive Directors of the Company for the fiscal year ended March 2021 was approved at the 76th General Meeting of Shareholders held on June 25, 2020. The total amount of the Stock Option as remuneration shall not exceed ¥60 million for one year from the date of the 76th General Meeting.

The Board decided to abolish the above Stock Options (except for Stock Options that have already been granted) and newly grant Restricted Stock for Executive Directors in order to give them incentive to achieve a sustainable growth of the Company and to share the perspective with shareholders.

The Company proposed that Executive Directors would receive monetary compensation not exceeding ¥200 million per year for granting the Restricted Stock.
The specific time for, and amount of, payments to each Executive Director shall be decided by the Board of Directors.

If Proposal 3: Election of Nine (9) Directors is approved as submitted, four (4) Executive Directors will be granted the remuneration under this Proposal 6. The five (5) Non-executive Directors including the four (4) Outside Directors shall not be granted Restricted Stock in order to give proper and effective advice and supervision.

In addition, Executive Directors will receive the Company’s common stocks in exchange for the monetary remuneration based on resolutions of the Board of Directors of the Company.

The total number of the Company’s common stocks to be received under this system will be no more than 66,000 shares per year (however, this number may be changed within reasonable limits if the Company's common stocks are affected by a stock split (including a free allotment of new common stocks in the Company) or a reverse stock split, or if other circumstances arise that require adjustments to the total number of the Company's common stocks that are received as Restricted Stocks).

The paid-in amount per share will be decided by the Board of Directors based on the daily closing price for the Company's common stocks on the Tokyo Stock Exchange on the previous business day to the date on which the Board of Directors made a resolution about the issuance or disposal of the shares (hereinafter referred to as the “Date of Resolution by the Board of Directors”) (if there was no transaction on such previous business day, the closing price of the immediately previous transaction day will be used), and within a range that is not especially advantageous to Executive Directors.

The grant of the Company’s common stocks (hereinafter referred to as the “Allocated Shares”) as well as the payment of monetary remuneration under this system shall be conditional upon the Company and Executive Directors entering into allocation agreements for the granting of Restricted Stocks (hereinafter referred to as the “Allocation Agreement”).

The Board decided that the proposal is appropriate, after deliberations by the Nomination and Remuneration Committee taking into account the purposes described above, the Company’s business situations, etc.

[Outline of the Allocation Agreement]

(1) Transfer Restriction Period

Executive Directors shall not transfer, pledge, or otherwise dispose of the Allocated Shares (hereinafter referred to as the "Transfer Restriction"), during the period from the date of payment for the Allocated Shares (hereinafter referred to as the "Payment Date") to the point in time immediately after Executive Directors resigning from the positions of executives and employees of the Company and its subsidiaries determined in advance by the Board (hereinafter referred to as "Transfer Restriction Period").

(2) Conditions for Lifting of Transfer Restriction

The Transfer Restriction of the number of Allocated Shares as calculated using the following "Method for Calculating a Total Number of Shares to be Received after Evaluation" (hereinafter referred to as the "Total Number of Shares to be Received after Evaluation") shall be lifted at the time when the Transfer Restriction Period is expired.
Lifting of Transfer Restriction is conditional upon Executive Directors having continuously held positions of executives and employees of the Company and its subsidiaries determined in advance by the Board during the period of service determined in advance by the Board (hereinafter referred to as the "Period of Service"),

If Executive Directors resign from positions of executives and employees of the Company and its subsidiaries determined in advance by the Board with good cause during the Period of Service, the number of the Allocated Shares to be released from the Transfer Restriction and the timing for lifting the Transfer Restriction shall be reasonably adjusted as needed by taking into account Total Number of Shares to be Received after Evaluation calculated on the date of their resignation and a period from the Payment Date until the resignation. In this case, the Transfer Restriction Period shall expire at the time for lifting the Transfer Restriction after the adjustment.

(3) Acquisition by the Company without Compensation

The Company shall acquire a portion of Allocated Shares which shall be determined not to be lifted from the Transfer Restriction at the point of lifting the Transfer Restriction or at the point of final evaluation based on the following "Method for Calculating a Total Number of Shares to be Received after Evaluation" described below.

If any event stipulated in the Allocation Agreement occurs such as Executive Directors resigning without good cause from positions of executives and employees of the Company and its subsidiaries determined in advance by the Board during the Transfer Restriction Period, or violate laws and regulations, the Company shall acquire all or part of the Allocated Shares without compensation.

(4) Procedures in the Event of Organizational Restructuring, etc.

Notwithstanding the paragraph (1) Transfer Restriction Period above, if the Company enters into a merger agreement resulting in the absorption of the Company, or a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or otherwise undertakes organizational restructuring, etc., during the Transfer Restriction Period, pursuant to a resolution of a General Meeting of Shareholders (or a resolution of the Board of Directors in the case of a matter for which a resolution of a General Meeting of Shareholders is not required), the Company shall lift the Transfer Restriction, by a resolution of

the Board of Directors, prior to an effective date for the organizational restructuring, etc. for the portion of Allocated Shares which shall be a Total Number of Shares to be Received after Evaluation calculated on the date of the above resolution and reasonably adjusted by taking into account a period from the Payment Date to the date of above resolution.

The Company will acquire the portion of Allocated Shares that shall not be lifted from the Transfer Restriction at the point immediately after the Transfer Restriction being lifted as stipulated above.

(5) Matters not stipulated above
Matters not stipulated above regarding the Allocation Agreement shall be decided by the Board of Directors of the Company.

【Method for Calculating a Total Number of Shares to be Received after Evaluation】

Total Number of Shares to be Received after Evaluation is calculated using
i Number of shares after evaluation based upon tenure conditions +
ii Number of shares after evaluation based upon mid-long term performance target +
iii Number of shares after evaluation based upon degree of achievement (long-term performance targets) of material issues (materiality) in order to successfully complete Vision 2030 including ESG.
The ratio of the above three is 3:1:2.
The evaluation of Executive Directors shall be finalized on the submission day of securities report for the fiscal year after next following the fiscal year containing the Date of Resolution by the Board of Directors.

The evaluation period, the timing of final evaluation and the evaluation targets for medium-to long-term performance conditions and long-term performance conditions are planned as stated above and below. Furthermore, the Company shall be entitled to provide remunerations for receiving the Restricted Stocks pursuant to this Proposal even after the initial evaluation period ends, provided that the forthcoming evaluation period, the timing of final evaluation and evaluation targets will be newly set by the Nomination and Remuneration Committee and the Board of Directors, within an amount and a number of shares approved as per this Proposal.

<i Tenure Conditions Details>
If Executive Director completes tenure to hold positions of executives or employees of the Company or its subsidiaries determined in advance by the Board during the Period of Service, all of the Allocated Shares based upon the tenure conditions shall be the Shares to be Received after Evaluation.

<ii Performance Targets (medium-to long-term performance conditions) Details>

① Compare the Total Shareholder Return (hereinafter referred to as “TSR”) (Note 1) of the Company with the TOPIX growth rate (Note 2). If the rate of the Company's TSR against TOPIX growth rate (Note 3) is equal to or exceeds 100%, all of the Allocated Shares based upon the medium-to long-term performance targets shall be the Shares to be Received after Evaluation.
② If the rate of the Company's TSR against TOPIX growth rate is lower than 100%, the number of Shares after Evaluation shall be calculated by multiplying the Allocated Shares based upon the medium-to long-term performance conditions with the rate of the Company's TSR against TOPIX growth rate.

(Note 1) TSR ＝ (B＋C) ÷A

A：
Closing price of the Company’s common stock in regular trading on the Tokyo Stock Exchange on the beginning day (if the Tokyo Stock Exchange is closed on the day, the preceding business day) of a fiscal year in which Date of Resolution by the Board of Directors falls

B：
Closing price of the Company’s common stock in regular trading on the Tokyo Stock Exchange on the end day of the fiscal year after next following the fiscal year in which Date of Resolution by the Board of Directors falls (the business day preceding the day if the Tokyo Stock Exchange is closed on the day) (or the day of resignation if the Executive Director resigns, or the day of resolution if organizational restructuring, etc. is approved by the General Meeting of Shareholders, etc., before the end of such fiscal year (if the Tokyo Stock Exchange is closed on such day, the preceding business day)).

C：
The total dividend per share for the Company’s common stock for a period from the beginning of a fiscal year in which Date of Resolution by the Board of Directors falls to the end of the fiscal year after next following the fiscal year in which Date of Resolution by the Board of Directors falls (or the day of resignation if the Executive Director resigns, or the day of resolution if organizational restructuring, etc. is approved by the General Meeting of Shareholders, etc., before the end of such fiscal year)

(Note 2) TOPIX growth rate ＝ D ÷ E

D：
TOPIX closing price on the Tokyo Stock Exchange at the end of the fiscal year after next following the fiscal year in which Date of Resolution by the Board of Directors falls (if the Tokyo Stock Exchange is closed on the day, the preceding business day) (or the day of resignation if the Executive Director resigns, or the day of resolution if organizational restructuring, etc. is approved by the General Meeting of Shareholders, etc., before the end of such fiscal year (if the Tokyo Stock Exchange is closed on such day, the preceding business day)).

E：
TOPIX closing price on the Tokyo Stock Exchange at the beginning of the fiscal year in which Date of Resolution by the Board of Directors falls (if the Tokyo Stock Exchange is closed on the day, the preceding business day)

（Note 3）
The rate of TSR against TOPIX Growth Rate ＝ TSR ÷ TOPIX Growth Rate

<iii Details of degree of achievement (long-term performance indicators) of material issues (materiality) to successfully complete Vision2030 including ESG>

Materiality Categories	Materiality
Materiality to achieve business growth	Create schemes to solve issues through the use of digital technology and business ecosystems
	Contribute to the environment through the use of digital technology and reduce the environmental burdens as a result of business activities in order to achieve a zero-emission society
Materiality to support business growth	Sustainably procure and provide safe and secure products and services throughout an entire value chain
	Develop and strengthen human resource to create a new future and promote diversity & inclusion
	Further improve corporate governance and integrity

The Company sets its performance targets (KPIs) for achieving the above Materiality to successfully complete our Vision2030.
The Company sets a formula to lift Transfer Restrictions of portion Allocated Shares based on the degree of achievement of KPIs at the end of the fiscal year after next following fiscal year in which Date of Resolution by the Board of Directors falls

The formula to lift Transfer Restrictions of portion Allocated Shares shall be approved by the Board of Directors after deliberations by the Nomination and Remuneration Committee.

＜Reference＞
Policies for deciding remunerations for each individual Director described in page 51 will be changed as follows, if Proposal 5 and Proposal 6 are approved as proposed.

1. Basic Remuneration Policy and Fixed Remunerations

- Remunerations for Executive Directors shall be composed of a) Fixed Remuneration (monthly remuneration), b) Bonus linked to a short-term performance, and c) Restricted Stock remuneration linked to medium-to long-term performance, etc. Non-Executive Directors such as Outside Directors shall be paid a) fixed remuneration (monthly remuneration) alone without link to performance.
- The Company will pay to Directors the above a) Fixed Remuneration (monthly remuneration) pursuant to standard coefficients decided by the Nomination and Remuneration Committee based on their positions and the total amount of a) Fixed Remuneration for all Directors shall not exceed ¥35 million per month as approved by the 49th General Meeting of Shareholders.

2. Performance-linked Remunerations

b) Bonus linked to a short-term performance

- A total Bonus paid to Executive Directors based on a short-term performance shall be decided by the Board of Directors as proposed in Proposal 5 pursuant to standard coefficients decided by the Nomination and Renumeration Committee on the basis of Profit attributable to Owners of Parent.
- A Bonus amount for each individual Executive Director will be calculated on the basis of the total Bonus amount above using standard coefficients based on their positions decided by the Nomination and Remuneration Committee. The Bonus will be paid in June in principle.

c) Restricted Stock remunerations linked to medium-to and long-term performance, etc.

- Executive Directors shall receive the Company's common stock as Restricted Stock remunerations linked to medium- to and long-term performance, etc. within the total remuneration amount and under conditions as proposed in Proposal 6 above.
- The Company shall allocate to each Executive Director Restricted Stock in June every year in principle after deliberations by the Board of Directors.
  The number of Allocated Shares to each Executive Director shall be calculated on the basis of the total remuneration amount above, using standard coefficients decided by the Nomination and Remuneration Committee based on positions.

3. Non-monetary Renumerations, etc.
Described in c) Restricted Stock remuneration linked to medium-to long-term performance, etc. above.

4. Policies on the Ratio of Fixed Remuneration Amount, Performance-linked Remuneration Amount, and Amount of Non-monetary Remuneration, etc.

- The ratio of a) Fixed Remuneration (monthly remuneration), b) Bonus linked to a short-term performance, and c) Restricted Stock remuneration linked to medium-to long-term performance, etc. (non-monetary remuneration) shall be 4:4:2.

  **The above ratio is based upon, with respect to the remuneration for the final fiscal year of the period of assessing the Stock Remuneration (which is the three-year period of the Management Policy 2021-2023), assumption that the Company achieves a short-term business earnings target 100% in the fiscal year ending March 2024 and the Company satisfies 100% each of the conditions for the Stock Remuneration in the final fiscal year.

  The c) Stock Remuneration consists of those conditional upon achievement of (i) tenure condition, (ii) mid-long term performance target, and (iii) specified KPIs such as ESG targets. The ratio of the above three is 3:1:2.

- The c) Stock Remuneration consists of those conditional upon achievement of (i) tenure condition, (ii) mid-long term performance target, and (iii) specified KPIs such as ESG targets. The ratio of the above three is 3:1:2.

5. Directors or a Third Party Authorized by the Board of Directors to Decide Remuneration for Each Director

- The Nomination and Remuneration Committee shall be delegated to decide remunerations for each Director to reflect the objective and fair opinion of Outside Directors. (The Committee is chaired by an Independent Outside Director. Half or more of its members are

Independent Outside Directors.)

- The Nomination and Remuneration Committee shall decide remunerations for each Director. The total amount shall not exceed the amount approved by the General Meeting of Shareholders pursuant to the policies stipulated in 1 to 4 above.

- The attendance of Independent Outside Director and the unanimous approval of all attending members, including the attending Independent Outside Director, are required when making resolutions by the Nomination and Remuneration Committee.

End of proposals

Attachment to Notice

Business Report (for the fiscal year from April 1, 2020 through March 31, 2021)

1 Current Situation of the Nihon Unisys Group

(1) Progress and Results of the Businesses

For the fiscal year ended March 2021, the Japanese economy has been continuously put in a difficult situation where it suffers the long-term impacts of COVID-19 pandemic. Business recoveries are desired. However, there are no prospects of the pandemic coming to an end, and the outlook of economy remains uncertain.
We have seen the pandemic impacting investment trends in the domestic information services market. Companies are forced to postpone ICT investments with no end in sight to the pandemic. We know that we are operating in a difficult environment.
Against this background, the Nihon Unisys group made continuous efforts about key issues indicated in its mid-term management plan 'Foresight in sight®2020 '(FY2018-FY2020), as a 'corporate group resolving social issues through socially beneficial services capable of creating a more affluent society together with customers and business partners'. The group aims to be at the center of the creation of business ecosystems that connect various companies across conventional boundaries of industry and business sector. It also aims to provide platforms capable of digital transformation Note 1.

Net sales of system service in the ICT Core business were decreased from the previous fiscal year, attributable to companies of some industries having shied away from making investments due to the pandemic. On the other hand, our digital transformation (DX)-related business and outsourcing business have been steadily increasing. We acquired a new user for an outsourcing service, the BankVision open core-banking service, in the fourth quarter. We will continue to focus on the outsourcing business, our growth driver.
In the Focal Area, we have seen a continuously stable transaction volume of value card business and digital code service, our commission-type businesses. Furthermore, our services related to dashcams (driving recorders) and energy management have been steadily increasing. The commission-type business as a whole increased compared with the same quarter of the previous fiscal year. It is conducive to a growth of the Focal Area business.
We aim to develop the energy management technology that may contribute to maximizing the value of energy and mobility, as a part of our initiatives of energy business area. We have been implementing a demonstration experiment about optimizing the charge-discharge control of EVs and rechargeable batteries in cooperation with Idemitsu Kosan Co., Ltd., since March 2021. This project is mainly based on predicted values of power demand of buildings, power amount by solar power generation, EV Note 2 service situations and situations in the wholesale power market.

Our future businesses are related to low carbonization of transportation through promoting the use of EVs and PHEVs Note 2, stable power supply, and further implementation of renewable energies such as solar power. We expect the businesses to originate in energy and mobility, grow and contribute to renovating communities through improving living convenience and comfort.
Furthermore, we have seen a significant increase in the digital transformation (DX) projects such as those of an AI-driven service for demand forecast and automatic order placement and an electronic shelf label solution in the retail industry. As a result, the net sales from the Focal Area were ¥68.4 billion, an increase of 42.6% compared with the same period of the previous fiscal year, significantly outperforming ¥60 billion targeted in our mid-term management plan.
Our DX business initiative for the retail industry is exemplified by our automatic order placement service 'AI-Order Foresight®'. The service is enabled based on an AI-driven demand forecast solution jointly developed by our company and LIFE CORPORATION. The service implemented at all Life Corporation shops requires no maintenance. The AI-driven automatic tuning function enables highly precise forecasts about daily foods (chilled groceries) and

perishables and automatically place orders for goods. The solution enables the supermarket company experiencing retail labor shortage in the midst of COVID-19 pandemic to efficiently operate shops with a small workforce serving for limited working hours.
Also, we are aware of a significant change in the priorities of consumers. Ordinary people become keen on reducing time for shopping and the BOPIS (Buy Online Pick up in Store) purchase scheme to buy on e-commerce sites and receive at real physical shops. We will enable futuristic shops that serve customers with new customer experience value composed of physical shop operations and digital shop operations. Such shops will largely rely on our ICT expertise as well as business ecosystems harnessing our collaborations with various types of stakeholders.
Furthermore, general consumers have significantly changed their commodity purchase process as a result of self-quarantine and self-isolation. People have become rapidly interested in a live commerce scheme capable of live streaming and online commodity sales at the same time. In response, we released 'Live kit TM' solution to enable commodity sales through live streaming on the websites such as e-commerce sites operated by companies.
This service concludes on one screen a process of commodity sales from throwing sales pitches at audience via live streaming to audience becoming enticed to purchase. This scheme will not dump audience's appetite for purchase.
Also, we will expand our business in the areas of customer interactions and sales promotion mainly through online capabilities. For example, we will help sellers by processing data in the live-commerce communications with consumers, in addition to providing our customer relations management CRM services.
As described above, our DX business has been becoming a key business, and we expect it to grow steadily in the future. We will continue to focus on providing DX solutions for many industries based on our awareness of social issues.

The company has received several awards and certifications again for various types of corporate culture reforms and achievements in the fiscal year 2020. We were also selected as a progressive enterprise engaging in efforts for diversity management under the Diversity Management Selection 100 Prime Note 3 program. The company was granted the 'Semi-Nadeshiko Brand' Note 4 designation for the third straight year.

The Nihon Unisys group as a whole was studious in achieving its goals set forth in the mid-term management plan, 'Foresight in sight 2020'. We will aim to continue communications with various stakeholders and continuously increase corporate value pursuant to the new business policies stipulated in 'Vision 2030'.

For this fiscal year, despite an increase in the outsourcing net sales, net sales were ¥ 309,685 million (a 0.6% decrease compared with the previous fiscal year) as a result of a decrease in the net sales of system services partly impacted by the ongoing COVID 19 pandemic spreads. Despite an increase in the R&D costs, an increase in operating income on the basis of the strength of outsourcing net sales and improved profitability enabled a ¥ 26,724 million operating income (a 2.2 % increase from the previous period). Ordinary income was ¥ 26,544 million (a 0.3% decrease) and profit attributable to owners of parent was ¥ 17, 076million (a 6.1% decrease).

The breakdown of net sales shows that services sales were ¥ 218,750 million, a 1.7 % or ¥ 3,761 million decrease from the previous fiscal year; software sales were ¥ 33,287 million, a 1.9 % or ¥ 656 million decrease; and hardware sales were ¥ 57,647 million, a 4.6 % or ¥ 2,548million increase.
As for the net sales contribution ratios, services sales were 70.6 % (against 71.4 % in the previous period); software sales were10.7 % (against 10.9%); and hardware sales were 18.6 % (against 17.7%).

（Notes）

1. Digital Transformation:
Companies transform themselves through the use of data and digital technologies in an attempt to enable agile responses to needs of customers and needs of society. Such a transformation in light of products, services, and business models, as well as businesses, organizations, processes, and corporate culture helps companies establish and strengthen competitive edges to cope with drastic changes in a business environment.

2. EVs/PHEVs:
An electric vehicle (abbreviated as EV) is a vehicle running on electric power. A plug-in hybrid electric vehicle (abbreviated as PHEV) means a hybrid vehicle equipped with batteries that can be directly charged using outlets and attachment plugs.

3. The Diversity Management Selection 100 Prime program:
Initiative sponsored by the Ministry of Economy, Trade and Industry to honor companies engaging in efforts for diversity management, Diversity 2.0 and creating value over the medium and long term on the basis of a diverse workforce

4. Semi Nadeshiko:
The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange select companies that made excellent efforts to promote women in the workplace as ‘Nadeshiko Brands’ for each of 27 industries. Companies are selected pursuant to certain scoring criteria for measuring the empowerment of women and then are screened based on a point-addition method of assessing financial performance (ROE). Companies out of the high-scoring companies that have not been selected as Nadeshiko Brands are selected as ‘Semi-Nadeshiko Brands’ regardless of industries.
5. Names of companies or products herein described are trademarks or registered trademarks of their respective organizations.

(2) Changes in the value of group assets and operating results

	Fiscal Year 74	Fiscal Year 75	Fiscal Year 76	Fiscal Year 77 (current consolidated fiscal year)
Category	from April 1, 2017 to March 31, 2018	from April 1, 2018 to March 31, 2019	from April 1, 2019 to March 31, 2020	from April 1, 2020 to March 31, 2021
Net sales (¥mil)	286,977	299,029	311,554	309,685
(Breakdown)				
Services (¥mil)	199,776	210,475	222,512	218,750
(composition ratio)(%)	(69.6)	(70.4)	(71.4)	(70.6)
Software (¥mil)	33,103	33,877	33,943	33,287
(composition ratio) (%)	(11.5)	(11.3)	(10.9)	(10.7)
Hardware (¥mil)	54,097	54,677	55,098	57,647
(composition ratio) (%)	(18.9)	(18.3)	(17.7)	(18.6)
Operating income (¥mil)	16,332	20,622	26,139	26,724
Operating margin (%)	5.7	6.9	8.4	8.6
Current profit attributable to owners of the parent (¥mil)	11,949	14,238	18,182	17,076
Current net profit per share (¥)	119.12	141.90	181.19	170.13
Total assets (¥mil)	197,278	211,421	214,975	231,980
Net assets (¥mil)	104,674	116,615	122,598	136,887
Equity (¥mil)	103,001	114,638	120,473	134,632
Return on equity (ROE) (%)	12.4	13.1	15.5	13.4
Orders (¥mil)	296,956	304,874	315,626	322,268

(Notes)
1. Any fractional amount less than one million yen is disregarded.
2. Current net profit per share is calculated by using the average number of shares outstanding during each fiscal year after deducting treasury shares therefrom, and are expressed by rounding off to two decimal places.
3. The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting," (Statement No. 28 issued by the Accounting Standards Board of Japan on February 16, 2018) from the beginning of the fiscal year 75. Accordingly, the key management indicators for the fiscal year 74 are the indicators after the retrospective application of the relevant accounting standards, etc.

(3) Outline of Capital Investment

Major capital investments during the current consolidated fiscal year were made in computers for business activities and software for outsourcing.

(4) Outline of Financing

The Company Group procures working capital mainly through own funds, loans, and issuance of bonds. Furthermore, in order to ensure flexible and stable access to funds, the Group has established commitment lines totaling 10,500 million yen with major banks. There is no balance used under commitment lines as of March 31, 2021.

(5) Issues to Be Dealt with

Our group has been operating in an even more difficult business environment where we have seen drastic changes in society and values as partly exemplified by digitalization rapidly promoted in the midst of the COVID-19 pandemic. We are expected to satisfy furthermore sophisticated and diversified needs of customers for ICT services, and we are facing intensification of competition escalated partly by enterprises of other business sectors entering the ICT market.

Our group aims to continuously grow and enable value in the midst of the current unforeseeable and highly uncertain situations. For this aim, we have established our 'Purpose' in search for future-proof corporate value immune to environmental changes. Furthermore, we have established the "Vision2030" to achieve the 'Purpose' as well as a new management policy.

<Purpose>
Create a sustainable society by using foresight and insight
to unlock the full potential of technology.
Foresight and Insight × Technology × Business Ecosystem = Create Social Value

<Vision2030>
Develop the Digital Commons to become a platform that helps create a society
where everyone can live happily.

We are based on aspiration and empathy, and by tapping the potential of technology, we aim to enable a sustainable society. For this purpose, we would like to create and provide shared social assets (digital commons), business ecosystems and platforms where matchings can be formed among various services, products, companies, and users.

Our new basic policy is to promote business through creating social value to achieve the Vision2030, from the perspectives of customer DX (to help sustainable growth of customers) and social DX (to contribute to solving social issues with customers and partners in various industries) .

Our Group creates new value to make our society abundant and accelerates our initiatives to solve social issues, as well as delivers ICT services, and We will transform ourselves into a group of companies to create social value.

We will renew our corporate brand and change our tradename from the perspective of a company to create social value as indicated in our 'Purpose'. We have made a proposal of amendment to the articles of incorporation in this regard.

Furthermore, we think that it is imperative to strengthen management and governance to work on sustainability issues as well as definitize the group-wide visions and viewpoints for creating value in order to improve continuously our corporate value.

In this regard, we newly established the sustainability committee in the fiscal year 2020. It is designed to promote further a sustainable management through proactive group-wide ESG and

SDGs initiatives.
We think that there are significantly many areas where we can contribute through the use of technologies to creating a sustainable society.
There are social issues that may not be easily solved by a single company such as issues related to energy management system as well as climate changes and other environmental problems.
Our aim is to continuously contribute to creating a new affluent society by enabling business ecosystem innovations and new services to solve those issues.

<Business Initiatives>

- Evolve and deepen the technical capabilities and service capabilities to conducive to customers in implementing ICT strategies.
  The Company identifies key areas where our group has strength, quickly deepens knowledge and expertise about customer businesses and industries, and arranges knowledge and expertise into patterns.
  Furthermore, we quickly deepen engineering technologies as the source for creating value and evolve technologies to use and combine engineering technologies.

- Strengthen our clear-sighted capabilities to create customer value from the standpoint as DX partner for customers.
  The Company combines crosscutting marketing activities and open innovation, strengthens efforts to create use cases based on the activities, and develops further high value-added businesses through DX initiatives for customers and industries.
  We develop UI, UX and other types of products, establish improvement processes and strengthen implementation capabilities by focusing on relevant laboratories. Furthermore, the Company promotes the establishment of DX business types and platforms to enable DX quickly.

- Create markets for solving social issues and develop sustainable growth stories
  The Company integrates various types of assets that we have obtained through our initiatives, and promotes activities across industries and sectors in order to promote approaches to solving even broader social issues from a viewpoint of the entire social systems.
  Furthermore, we promote accumulating knowledge and expertise in DX businesses to be eventually useful for solving social issues, and establishing standard processes.

- Evolve our group business management by redesigning our group value chain
  The Company attempts to revisit and strengthen our group value chain from a viewpoint of value creation cycle, and promotes the redesign of group business management.

- Strengthen organization capital and human capital, and promote investment strategies
  We accelerate our measures to strengthen our organization capital and human capital on the basis of our efforts to visualize the situation of employees in light of diversity and strength. Furthermore, we promote our corporate culture reforms partly through environmental contributions, diversity & inclusion initiatives, and business reforms in order to make it easy for employees to take on challenges of solving social issues. In addition, we revisit and recombine our investment portfolios pursuant to our investment strategies in order to strengthen strategic investment and business investment.

<Other Issues>
If businesses are expected to reduce economic activities and re-consider information system investments amidst the ongoing COVID 19 pandemic, the business activities of the Nihon Unisys group may be impacted, as well. The group is aware of the risk, and has been making efforts to prevent the pandemic from spreading in society. Furthermore, we have given top priority to ensuring safety for the employees, subcontractors, customers and business partners of

our Group, and we have been promoting workstyle reforms mainly through teleworking. We have fully supported customers in their continuing businesses, enabling remote working, and implementing digital transformation. We will accelerate our efforts to enable a resilient society.

We need to examine and identify appropriate business strategies in order to enable a sustainable growth of our group. Furthermore, we need a robust business platform to support our business strategies.

For this, we will further improve our corporate governance system and continue to perform appropriate business operations based on our system to ensure appropriate business operations as resolved by the board of directors (internal control system), with specific attentions to a complete penetration of compliance awareness.

In addition, we are aware of business risks becoming diversified as we further strengthen coordination among our group companies for business growth in future. We will furthermore develop our existing business risk management arrangements in response.

(6) Parent Company and Major Subsidiaries, etc.

(i) Relationship with Parent Company

Not applicable

(ii) Major Subsidiaries

Name of Subsidiary	Capital (¥ mil)	Percentage owned by the Company(%)	Key Businesses
UNIADEX, Ltd.	750	100	(1) Offering services and selling devices related to network system creation (2) Providing services of operating/managing computer systems and maintenance services

(7) Principal Businesses (as of March 31, 2021)

The Group provides services such as cloud computing and outsourcing; sells and leases computer systems and network systems; creates and sells software; and provides various types of system-related services

(8) Principal Offices (as of March 31, 2021)

Company Name	Office Name	Location
Nihon Unisys, Ltd.	Headquarters	Koto-ku, Tokyo
	Kansai RHQ	Osaka city
	Chubu RHQ	Nagoya city
	Kyushu RHQ	Fukuoka city
	Hokkaido RO	Sapporo city
	Tohoku RO	Sendai city
	Niigata RO	Niigata city
	Hokuriku RO	Kanazawa city
	Shizuoka RO	Shizuoka city
	Chugoku RO	Hiroshima city
UNIADEX, Ltd.	Headquarters	Koto-ku, Tokyo
	Kansai RO	Osaka city
	Chubu RO	Nagoya city
	Kyushu RO	Fukuoka city

** RHQ: Regional Headquarters
RO: Regional Office

(9) Group Employees (as of March 31, 2021)

(i) Employees of the Group

Number of Employees (persons)	Change from March 31, 2020 (persons)
7,913	+83

Category of occupation	Number of Employees (persons)
Sales representatives	1,300
System engineers	3,451
System service engineers, etc.	1,598
Staff	1,564
Total	7,913 (against 7,830 as of March 31, 2020)

(Note)

1. The Group conducts a broad range of business segments within the organization related to computer, software and other related products. Thus, the employee numbers are described by the unit of occupational category.
2. The employee numbers exclude secondees from the Group to outside the Group, and include secondees to the Group from outside.

(ii) Employees of the Company

Number of Employees (persons)	Change from March 31, 2019 (persons)	Average Age	Average Length of Service
4,407	+52	46.1	21.0

(10) Principal Sources of Borrowings (as of March 31, 2021)

Source of Borrowings	Amount of Loan (¥ mil)
Sumitomo Mitsui Banking Corporation	6,680
The Norinchukin Bank	5,220
Shinkin Central Bank	2,420

2. Matters about the Company Stock (as of March 31, 2021)

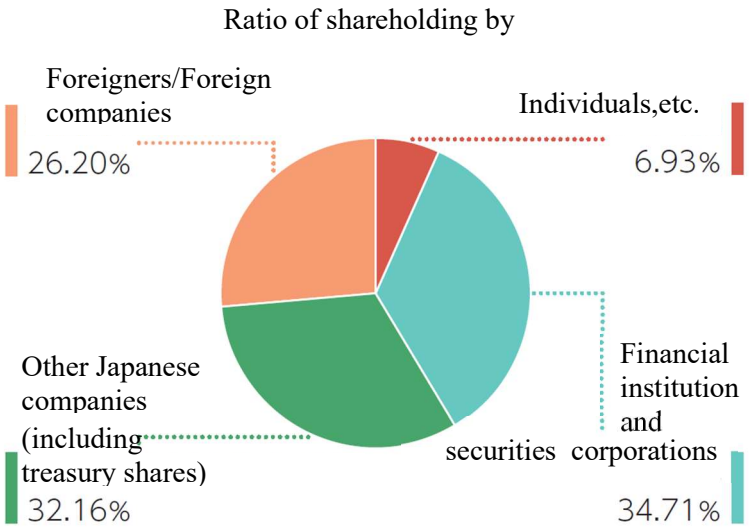
(1) Total Number of Authorized Shares: 300,000,000 shares
(2) Total Number of Shares Outstanding: 109,663,524 shares
(3) Number of Shareholders: 12,829 shareholders

(4) Major Shareholders:

Name	Number of Shares Held (Thousands of Shares)	Holding Ratio
Dai Nippon Printing Co., Ltd.	20,727	20.64%
Custody Bank of Japan, Ltd.(Trust Account)	10,339	10.29%
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,562	8.52%
The Norinchukin Bank	4,653	4.63%
Mitsui & Co., Ltd.	2,448	2.43%
THE BANK OF NEW YORK MELLON 140044	1,923	1.91%
ANA HOLDINGS INC.	1,794	1.78%
Custody Bank of Japan, Ltd. (Trust Account 7)	1,724	1.71%
Nihon Unisys Employee Stock Ownership Plan	1,531	1.52%
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation, Limited Account)	1,271	1.26%

(Note)
1. Numbers of shares less than one thousand has been omitted
2. The Company retains 9,268,680 treasury shares without voting rights. Thus, they are excluded from the major shareholder list above.
3. The ratios are calculated by deducting treasury shares and expressed by rounding down to two decimal places.

(5) Other Material Matters regarding Shares
None



<Reference>　Cross-Shareholdings

（1）Policy related to ‘Cross-Shareholdings’

The Company may sometimes hold shares of its business partners, if they are found to contribute to the enhancement of the Company’s corporate value, such as leading to the expansion of its revenue base through maintaining or strengthening relationships with such business partners.

The Company acquires such shares after adjudicating the appropriateness of acquiring them pursuant to its internal regulations. After acquiring the shares, the Company’s Board of Directors reviews the appropriateness of holding such shares each year and based on that annual examination, the Company sells stocks if it has judged the significance of holding such stocks has declined.

（2）Contents Examined by the Board of Directors

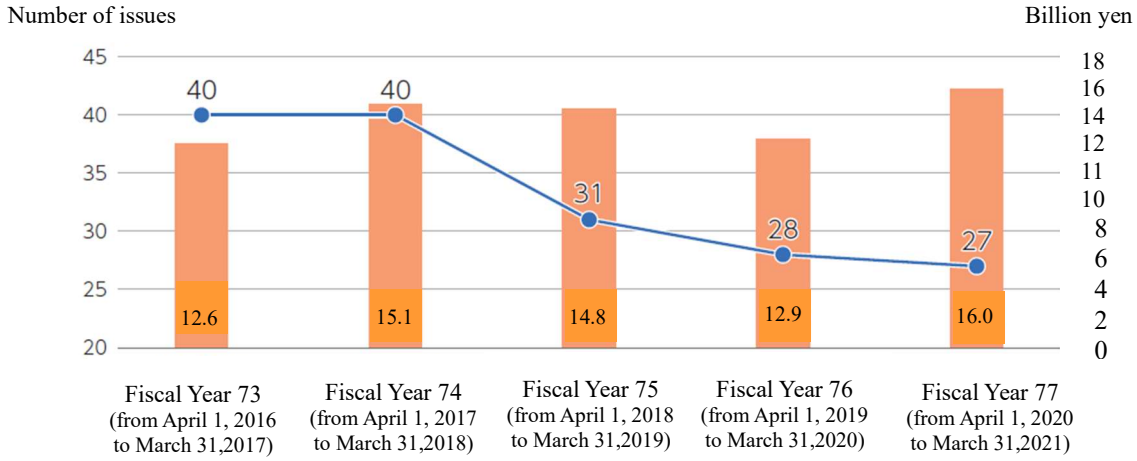
The Company reviews the appropriateness of each and every listed stock that it holds at Board of Directors meetings by taking into consideration purposes for holding, consistency with its business strategies and business related profits, etc.

(3) Responses to indications to sell the Company’s shares by cross-shareholders

When cross-shareholders that hold the Company’s shares indicate their intension to sell the Company’s shares, the Company will never prevent them from selling them. It will appropriately respond to their indication of sales.

Number of issues of Listed Companies Held by the Company Not for Purely Investment Purpose

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4. Details about the Company's Officers

(1) Company Officers（as of March 31, 2021）

Title	Name	Principal Positions and Significant Concurrent Position(s) Held in Other Organizations
Representative Director, President	Akiyoshi Hiraoka	CEO (Chief Executive Officer) CHO (Chief Health Officer) In charge: Entirety of the Company, Group Internal Audit
Representative Director, Executive Corporate Officer	Noboru Saito	CMO (Chief Marketing Officer) CSO (Chief Sustainability Officer) CCO (Chief Compliance Officer) In charge: Group Marketing, Technical Marketing & Design Planning, Corporate Communications, Regional Headquarters and Regional Offices
Director, Senior Corporate Officer	Koji Katsuya	CDO（Chief Digital Officer） CAO (Chief Administrative Officer) In charge: Business Service Division, Corporate Planning, Business Management, Procurement Management, Human Resources, Organization Development, Quality Management & Assurance, Group companies
Director, Senior Corporate Officer	Kazuo Nagai	In charge: Incubation Division, BizDevOps Division, Technology Research & Innovation
Director	Toshiki Sugimoto	Senior Corporate Officer in charge of ICT Business Development Division, Advanced Business Center, General Manager, 3rd Division Advanced Business Center, Dai Nippon Printing Co., Ltd.
Director	Go Kawada	Outside Director, Audit and Supervisory Committee Member, DAIREI CO., LTD.
Director	Ayako Sonoda	Representative Director, Cre-en Incorporated Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation) Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation) Representative Director, Mirai RITA Foundation (public interest incorporated foundation)
Director	Chie Sato	Member of the Committee of Certified Evaluation and Accreditation for Management and Professional Graduate Schools Member The Japan University Accreditation Association, JUAA (public interest incorporated foundation) TBS Television Program Council Member

Full-Time Auditor	Etsuo Uchiyama	
Full-Time Auditor	Yuji Teranishi	
Auditor	Hirofumi Hashimoto	Senior Corporate Officer in charge of Strategic Business Planning & Development Division, Value Creation & Promotion Division, Sanai-cho Sales Dept., Dai Nippon Printing Co., Ltd.
Auditor	Harumi Kojo	Partner for Sakurazaka Law Offices
Auditor	Norimitsu Yanai	Auditor (part time), Japan Pension Service.

(Note)
1. Mr. Go Kawada, Ms. Ayako Sonoda and Ms. Chie Sato are Outside Directors.
2. Mr. Etsuo Uchiyama, Ms. Harumi Kojo, and Mr. Norimitsu Yanai are Outside Auditors.
3. The Company has submitted a notification with Tokyo Stock Exchange designating Directors Mr. Go Kawada, Ms. Ayako Sonoda and Ms. Chie Sato as Independent Directors.
4. The Company has submitted a notification with Tokyo Stock Exchange designating Auditors Mr. Etsuo Uchiyama, Ms. Harumi Kojo and Mr. Norimitsu Yanai as Independent Officers.
5. Dai Nippon Printing, Co., Ltd. is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract.
6. Mr. Etsuo Uchiyama has considerable expertise in finance and accounting due to his long dedication in the financial institutions operations and
7. Mr. Yuji Teranishi has considerable expertise in finance and accounting due to his long dedication in financial and accounting operations for the Company and serving as General Manager of Accounting and Business Accounting of the Company.
8. Mr Hirofumi Hashimoto has considerable expertise in finance and accounting as evidenced in his serving as a Finance Manager for an overseas subsidiary of Dai Nippon Printing, Co., Ltd.
9. Mr. Norimitsu Yanai has considerable degree of financial and accounting expertise as indicated by his certificate of public certified accountant.
10. Other than the above, there is no special interest between the organizations at which Outside Directors and Auditors are concurrently posted and the Company.

* The Company has introduced a system of Corporate Officers (for shikkoyakuin and gyomu-shikkoyakuin). The Corporate Officers except Directors as of March 31, 2021 are listed below.

Title	Name	Position and Responsibility
Senior Corporate Officer	Hirokazu Konishi	Responsibility: Business Innovation Division, Business Innovation Operations
Senior Corporate Officer	Norihiko Murata	Responsibility: DX Promotion Division, DXN Business Incubation
Senior Corporate Officer	Kazuma Umehara	CFO (Chief Financial Officer) Responsibility: Legal Division, Finance, Accounting, Business Accounting
Corporate Officer	Hiroki Hyodo	General Manager, Kansai Regional Headquarters Responsibility: Regional Headquarters and Regional Offices
Corporate Officer	Yasuhide Hatta	Project Manager, Strategic Alliance Responsibility: Strategic Alliance
Corporate Officer	Mitsuru Tamura	General Manager, Legal Division Responsibility: Legal Division
Corporate Officer	Tatsuya Sugai	Responsibility: Social & Public Business Services 1, Social & Public Business Services 2
Corporate Officer	Teruhisa Tanaka	Ggeneral Manager, Global Business Division Responsibility: Global Business Division
Corporate Officer	Tsuneo Hoshi	CIO (Chief Information Officer) General Manager, Quality Management & Assurance Responsibility: Quality Management & Assurance
Corporate Officer	Tetsuya Fujito	Responsibility: Industry Market 2, Industry Market 3
Corporate Officer	Gakuji Watanabe	Senior Corporate Officer, UNIADEX, Ltd.
Corporate Officer	Kumiko Shirai	General Manager, Human Resources Responsibility: Human Resources, Organization Development
Corporate Officer	Ken Tanaka	General Manager, Strategic Business Unit - Digital Acceleration Responsibility: Strategic Business Unit - Digital Acceleration, LOB-Financial Industries, Industry Market 1,
Corporate Officer	Naoshi Nagashima	General Manager, Strategic Business Unit - Smart Town Responsibility: Strategic Business Unit - Smart Town, Service Innovation, Public Utility & Social Services, Transportation & Logistics
Corporate Officer	Yuji Takeuchi	General Manager, Strategic Business Unit - Neobank Responsibility: Strategic Business Unit-Neobank, , LOB - Community Banking Industry, LOB-Regional Banking Industry
Corporate Officer	Naoya Okuyama	General Manager, Manufacturing Business Services Responsibility: Manufacturing Business Services
Corporate Officer	Takashi Sasaki	Responsibility: Business Service Operations, Financial Business Services 1, Financial Business Services 3, Solution Services,
Corporate Officer	Hideki Moriguchi	General Manager, Business Development Initiative Responsibility: Business Development Initiative
Corporate Officer	Isao Miyata	Responsibility: Financial Business Services 2, Financial Solution Services

Title	Name	Position and Responsibility
Corporate Officer	Takashi Miyashita	CISO (Chief Information Security Officer), CPO (Chief Privacy Officer), CRMO (Chief Risk Management Officer) General Manager, Business Management Responsibility: Business Management, Procurement Management
Corporate Officer	Susumu Ogino	Responsibility: Commerce Business Services 1, Commerce Business Services 2
Corporate Officer	Sadayuki Baba	General Manager, Business Process Outsourcing Services Responsibility: Business Process Outsourcing Services, Platform Services, Support Services, Information Systems Services

(2) Overview of Liability Limitation Agreement
Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with each non-executive Director and Auditor to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act.
The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated in the laws and regulations. The limitation of liability is applicable only when they conduct their duties in good faith and without gross negligence.

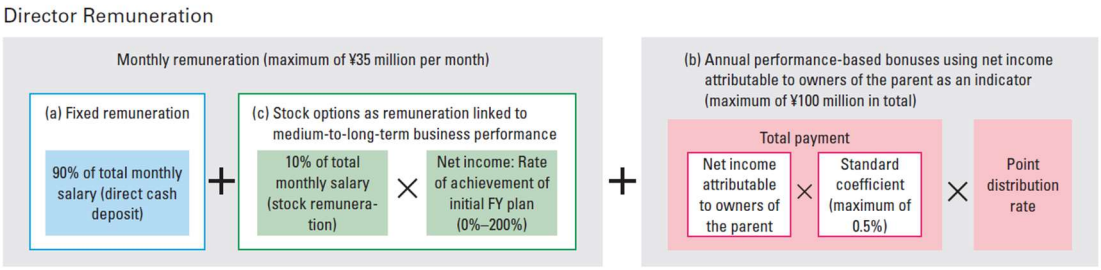
(3) Overview of Directors and Officers Liability Insurance Contracts
The Company has entered a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insured subjects are Directors, Auditors and Corporate Officers of the Company. The company pays total insurance premiums.
The insurance agreement covers damage and litigation expenses that may be incurred by the insured persons as a result of a third party lodging a damage claim or shareholders' derivative lawsuit about their business executions as a Director, an Auditor or a Corporate Officer. However, the case where the insured persons committed criminal acts such as bribery and committed illegal acts intentionally shall not be compensated.

(4) Remunerations for Directors and Auditors

① Method to decide policies for deciding remunerations for Officers and the contents of the policies

a. Method to decide policies for deciding remunerations for each individual Directors and the contents of the policies

Directors are in principle paid according to their position, with a focus on performance-based pay and taking into account market-rate salaries and employees' salary levels. Remuneration for Directors consists of: (a) fixed remuneration (a monthly salary paid 90% in direct cash deposits), (b) annual performance-based bonuses using net income attributable to owners of the parent as an indicator, and (c) stock options as remuneration linked to medium-to-long term business performance (appropriated from 10% of total monthly salary paid).
In addition, remuneration paid to Non-executive Directors including Outside Directors is not linked to performance and comprises monthly remuneration only set at a certain amount.
The policies for deciding remunerations for Directors are approved by the Board of Directors after deliberation by the Nomination and Remuneration Committee, advisory committee for the Board of Directors.



b. Method to decide a policy for deciding remunerations for Auditors and the contents of the policy

Remuneration paid to auditors are not linked to business performance in order to ensure the effectiveness of auditing from an independent perspective. A fixed monthly remuneration alone is paid to Auditors.
The policy for remuneration paid to Auditors is decided among Auditors after deliberation by the Nomination and Remuneration Committee.

② Business Performance-based Bonuses

The Company pays business performance-based bonuses and grants stock options as stock-based compensation to directors except Non-executive Directors.

a. The Performance-based Bonuses
(i) Total Payment Amount of Business Performance-based Bonuses
- The total amount is decided by multiplying profit attributable to owners of parent by a corresponding standard coefficient indicated in the table below. Note that for the time being, the standard coefficient shall not exceed 0.5% as approved at the 72nd Ordinary General Meeting of Shareholders, and at the same time the total amount shall not exceed the maximum amount of ¥100 million approved at the General Meeting of Shareholders.
- Also, the performance-based bonus is positioned as an incentive compensation for performance in a single fiscal year.
  Therefore, the profit attributable to owners of parent is used as the indicator.
- Total payment to directors = Profit attributable to owners of parent × Standardized coefficient

Profit attributable to owners of parent Standardized	coefficient
Less than ¥5.0 billion	0%
¥5.0 billion or more and less than ¥10.0 billion	0.2%
¥10.0 billion or more and less than ¥15.0 billion	0.3%
¥15.0 billion or more and less than ¥20.0 billion	0.4%
¥20.0 billion or more	0.5%

<Achievements for Busines Performance-based Bonus Indicators>
As the actual result of profit attributable to owners of parent for the fiscal year ended March 2021 was ¥17.0 billion, the Company paid a total amount of ¥67 million as the bonus calculated by using standardized coefficient of 0.4%, pursuant to the above, which amount is below the maximum limit of ¥100 million as resolved at the General Meeting of Shareholders.

(ii)Amount to be Paid to Each Director

・Based on the total payment amount of business performance-based bonus calculated in (i), a payment amount for each Director is determined by using the formula below.

・Amount of Bonus for each Director = Total amount of bonuses for Directors × Points for each Director ÷ Grand Total points of Directors

Managerial Position	Points	Person(s)	Total Points
Representative Director, President	10.0	1	10.0
Representative Director, Vice President	7.0	0	0.0
Representative Director, Executive Corporate Officer	6.0	1	6.0
Director, Senior Corporate Officer	5.0	2	10.0
Grand Total	―	4	26.0

b. Stock Options as Stock-Based as Remuneration

(i) Stock Options will be granted to the Eligible Grantees in the early part of July after an ordinary general meeting shareholders every year, as part of their compensation (which is uniformly 10% of monthly remuneration paid regardless of duty position) instead of cash. The type of shares which are the object of the stock acquisition rights shall be common stocks of the Company. The number of shares which is the object of one stock acquisition right shall be 100 shares.

(ii) If the profit attributable to owners of parent for the target fiscal year is achieved, as planned at the beginning of the fiscal year, and also any other conditions are satisfied, the Company will grant Stock Options equivalent to 100%. The number of exercisable Stock Options will fluctuate in the range of 0% to 200% in accordance with the actual achievement rate.

Since stock-based compensation is positioned as a medium-to-long-term incentive aimed at improving consolidated performance, profit attributable to owners of parent is the indicator, and an eligible grantee shall not be entitled to exercise his or her stock options while he or she holds the status of a Director, Auditor or Corporate Officer of the Company or its subsidiaries.

<Achievements of Stock Options as Stock-Based as Remuneration>

In the fiscal year ending March 2021, the target amount of profit attributable to owners of parent was ¥17 billion, and the actual result was ¥17.0 billion.
Therefore, the number of exercisable stock options was calculated by using a 100.8% achievement rate.

③ Non-monetary Compensation

The Company grants stock options as remuneration linked to medium-to-long-term business performance (appropriated from 10% of monthly remuneration paid) as non-monetary compensation to the Directors of the Company (except non-executive directors), as indicated in the ②b above.

④ Dates of general meetings of shareholders that resolved remunerations for Directors, and contents of the resolutions

a. It was resolved at the 49th Ordinary General Meeting of Shareholders held on June 25, 1993 that the total monthly remuneration amount for directors is within ¥35 million per month.
The number of Directors subject in the resolution is 31.
b. It was resolved at the 72nd Ordinary General Meeting of Shareholders held on June 28, 2016 that the total amount of Directors' bonus is limited to ¥100 million per year, with the payment standard set at 0.5% of profit attributable to owners of parent for the time being.
The number of Directors subject in the resolution is five.

c. It was resolved at the 76th Ordinary General Meeting of Shareholders held on June 25, 2020 that stock options would be issued as remuneration to directors of the Company (excluding Non-executive Directors) for the fiscal year ended March 2021. The stock options are to be issued within a year from the said General Meeting, within the limit of an annual amount of ¥60 million and with the maximum limit of 183 pieces (or 18,300 common stocks of the Company to be issued upon exercise of stock options).
The number of Directors subject in the resolution is four.

d. It was resolved at the 62nd Ordinary General Meeting of Shareholders of June 22, 2006 that the total monthly remuneration amount for Auditors is within ¥8 million per month.
The number of Auditors subject in the resolution is three.

⑤ Directors or a third party authorized to decide contents of remunerations for individual Directors

The Company assigns through delegation the Nomination and Remuneration Committee (chaired by an Independent Outside Director and composed of four Directors including two Independent Outside Directors) to decide contents of remunerations for individual Directors in order to reflect objective and fair opinions and views outside of the Company.
The Nomination and Remuneration Committee decides contents of remunerations of individual Directors that do not exceed an upper limit resolved at a general meeting of shareholders, pursuant to the decision policies stated in ① above.
The attendance of Independent Outside Director and the unanimous approval of all attending members, including the attending Independent Outside Director, are required when making resolutions by the Nomination and Remuneration Committee.

<Members of the Nomination and Remuneration Committee>

Go Kawada	Chairperson, Independent Outside Director
Akihoshi Hiraoka	Inside Director
Ayako Sonoda	Independent Outside Director
Noboru Saito	Inside Director

The position and role of the members are described in the (1) Details about the Company's Officers.

⑥ Total amount of remunerations by officer category, total amount by remuneration type, etc.

a. Total amount of remunerations by officer category, total amount by remuneration type, and subject officers

Category of Officer	Total amount of remuneration (million Yen)	Total amount by remuneration type (million Yen)			Number of Subject officers
		(a)Fixed remuneration	(b)Stock option	(c)Bonus	
Directors	300	215	17	67	10
Auditors	74	74	－	－	6
Total （Outside Officers）	374 (65)	289 (65)	17 (－)	67 (－)	16 (6)

(Notes)
1. Amounts are rounded down to the nearest million yen.
2. A Non-executive Director is not eligible for stock option and bonus.
3. Outside Directors and Outside Auditors are not eligible for stock option and bonus.
4. The officer retirement benefit plan was cancelled as of June 30, 2006 as resolved at a meeting of Board of Directors convened on April 28, 2006.
5. The table above includes remunerations for two Directors and one Auditor who retired at the conclusion of the 76th ordinary general meeting of shareholders held on June 25, 2020.

b. Reasons why the Board of Directors adjudicated that the remunerations for individual directors for this fiscal year comply with the decision policies stated in ①a. above

As indicated in the above table a, Directors are in principle paid according to their professional responsibilities, with a focus on performance-based pay and taking into account market-rate salaries and employees' salary levels. Remuneration for Directors consists of: (a) fixed remuneration (a monthly salary paid 90% in direct cash deposits), (b) annual performance-based bonuses using net income attributable to owners of the parent as an indicator, and (c) stock options as remuneration linked to medium-to-long term business performance (appropriated from 10% of total monthly salary paid). Fixed remunerations are paid to Non-executive Directors.
Furthermore, the Nomination and Remuneration Committee (partly composed of Independent Outside Directors) unanimously decided the contents of remunerations for individual Directors after deliberating from diversified perspectives including compliance with the policies. Thus, the Board of Directors adjudicates that the decision contents comply with the decision policies.

(4) Matters regarding Outside Officers

(i) The situation of significant concurrent positions and relationships with the Company are stated in (1) 'Company Officers.

(ii) Major Activities of Outside Officers

- Director Go Kawada

Mr. Kawada attended all 12 Board of Directors meetings held during the business year under review, and actively expressed opinions in light of risk management, utilizing his extensive experience as Outside Director highly specialized knowledge and expertise in the fields of taxation and accounting.

Mr. Kawada chairs the Nomination and Remuneration Committee. He attended all the meetings of the committee. Mr. Kawada actively expressed opinions from an objective and fair viewpoint as outside director. He plays the material role in the deliberations and reports about the personnel and remuneration matters of the Company officers.

- Director Ayako Sonoda

Ms. Sonoda attended all 12 Board of Directors meetings held during the business year under review, and actively asked questions and expressed opinions from diversified viewpoints about diversity management and ESG issues such as the environment. Ms. Sonoda's diversified viewpoints are based on her experiences in supporting many companies in the fields of CSR, SDGs, and environmental management, as well as experience in promoting women in work activities. She plays an important role for giving advice for and supervising the management of the Company.

Ms. Sonoda is a member of the Nomination and Remuneration Committee. She attended all the meetings of the committee. She actively expressed opinions from an objective and fair viewpoint as outside director. Ms. Sonoda plays the material role in the deliberations and reports about the personnel and remuneration matters of the Company officers.

- Director Chie Sato

Ms. Sato attended all 12 Board of Directors meetings held during the business year under review, and actively asked questions and expressed opinions based on her abundant business experience and expertise gained through serving the Boston Consulting Group as a management strategy consultant and being an author of many books on U.S. business schools.

She gave advice for and raised issues about the Company's business model transformation from the viewpoint of risk management based on the understandings of global situations.

- Auditor Etsuo Uchiyama

Mr. Uchiyama attended all 12 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held during the business year under review, and appropriately asked questions and expressed opinions, based on his many years of business experience at financial institutions, considerable expertise in finance and accounting and broad insight as a manager.

He appropriately audits the entire management of the Company as full-time auditor.

- Auditor Harumi Kojo

Ms. Kojo attended 10 of the 12 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held during the business year under review, and appropriately asked questions and expressed opinions based on her extensive legal knowledge and experience as an attorney

and judge. She audits the business execution situations of directors from an independent viewpoint as outside auditor.

- Auditor Norimitsu Yanai

Mr. Yanai attended all 12 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held during the business year under review, and appropriately asked questions and expressed opinions based on his specialized knowledge and experience in corporate accounting which he developed as a certified public accountant in the global arena. He audits the business execution situations of directors from an independent viewpoint as outside auditor.

5. Details about Accounting Auditor

(1) Name of Accounting Auditor
Deloitte Touche Tohmatsu LLC

(2) Compensation, etc. Paid to Accounting Auditor

(i) Total compensation paid by the Company to its Accounting Auditor relating to the business year under review	¥103 million
(ii) Total amount of monetary and other economic benefits payable by the Company and its subsidiaries to the Accounting Auditor	¥145 million

(Note)

1. The Company has not drawn any distinction between the compensation for the audit services pursuant to the Companies Act and that pursuant to the Financial Instruments and Exchange Act of Japan in the audit agreement with the Accounting Auditor. It is not practically possible to categorize the amounts. Thus, the amount listed in (i) above indicates the aggregated of those amounts.
2. The Company has paid the compensation to the Accounting Auditor for the consultation services, etc. pertaining to financial information disclosure, being services falling outside the services of Article 2, Paragraph 1 of the Certified Accountants Act.
3. The Audit & Supervisory Board of the Company deliberated on the compensation for the Accounting Auditor, Deloitte Touche Tohmatsu LLC, for their audit services pertaining to the 77th fiscal year, pursuant to Article 399, Paragraph 1 and Paragraph 2 of the Companies Act. As a result, the Audit & Supervisory Board recognized the reasonability of: an estimate vs. actual amount comparison of the audit compensation of the previous period; the plan of audit time and personnel assignment and a compensation estimate for the audit plan of this period; as well as the subsequent amount and ratio of change in the audit compensation amount as compared with the previous fiscal year on the basis of considerations of the above.
4. Total amount of monetary and other economic benefits payable by the Company and its subsidiaries to member firms of the network, which the Accounting Auditor belongs to, is ¥2 million for mainly their financial advisory works.

(3) Policy for Decisions on Dismissal or Refusal of Reappointment of Accounting Auditor

(i) If the Audit & Supervisory Board has judged that dismissal or refusal of reappointment of Accounting Auditor is appropriate due to the duty execution status of the Accounting Auditor, the Audit & Supervisory Board then requests the Board of Directors to submit an proposal calling for the 'dismissal or refusal of reappointment of the Accounting Auditor' and the 'appointment of an Accounting Auditor' to the General Meeting of Shareholders after deciding on the contents of the proposal. The Board of Directors then submits the proposal to the General Meeting of Shareholders.

(ii) If the Accounting Auditor is deemed to fall under the items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board may dismiss the Accounting Auditor pursuant to the consent from all members of the Audit & Supervisory Board.

(An extract from the website of the Company)

Necessary Systems to Ensure Appropriate Operations and Status of Operation of the Systems

The 'Necessary Systems to Ensure Appropriate Operations and Status of Operations of the System' (in Japanese) can be found via the following link on the website of the Company.
https://www.unisys.co.jp/invest-j/stock/meeting.html

An outline of the status of operation of the systems to ensure appropriateness of business for the fiscal year under review is as follows.

1. Systems to Ensure the Performance of Duties of Directors and Employees Complies with Laws and Regulations, and the Articles of Incorporation
＜Basic Framework for Heightening Compliance Awareness＞ · The Nihon Unisys Group has established a Compliance Committee headed by the Chief Compliance Officer (CCO) as the chairperson and has made efforts to help the officers and employees of the Group increase knowledge and heighten awareness of compliance by proactively deploying compliance programs for the entire group through this Committee. Furthermore, the Group set up, internally and externally, direct reporting and consulting routes ('hotlines') to the Compliance Committee Secretariat and auditors which can be used anonymously or under registration, and it has taken strict measures to prevent hotline users from suffering any form of disadvantage. The Group has made immediate and appropriate responses in the event of receiving whistleblowing reports and detecting compliance violations through imposing strict sanctions against offenders and taking preventive measures against recurrence based on the identification of the true cause. These activities are reported to the Executive Council and the Board of Directors. · The Group clarified and disseminated our sexual minority (LGBT) anti-discriminatory position as part of our diversity promotion measures. · In the fiscal year 2019, the Group made efforts to promote the compliance regarding the intellectual property rights, such as activities to inspect appropriate uses of software products as the Group did in the previous fiscal year. ＜Appropriate Financial Report＞ · The Group established its 'Basic Policy for Appropriate Financial Reporting of the Nihon Unisys Group' in order to ensure the accuracy and credibility of its financial reporting, and has made appropriate financial reports pursuant to the policy. ＜Action against Anti-social Forces＞ · The Group has a strong willingness to refuse transactions with anti-social forces and for that purpose developed business partner screening systems and cooperation with external institutions. ＜Election of Outside Directors＞ · The Company elects three (3) outside directors that constitute one third of all directors in order to strengthen the supervisory function of the Board of Directors. The Company has provided training for all directors and auditors in addition to opportunities for Outside Directors and Outside Auditors to exchange views and opinions with managers of our regional headquarters at teleconference sessions instead of visiting and inspecting its business facilities amidst of the COVID-19 pandemic in order to appropriately fulfill their roles and functions. (The training subjects for the fiscal year 2020 were sustainability and trends of technology.)

＜Audit by Auditors＞

- The Company has audits performed by its corporate auditors from the viewpoints of its key audit items that were decided based on the corporate auditor's audit results in fiscal 2019 and changes in the internal and external environments in fiscal 2020.

2. Systems to Store and Control Information related to Duties Performed by Directors

- The Company established its internal rules for information management such as the rules for storing and managing documents and the manuals for handling confidential information in order to manage information storage periods and locations and so forth.
- Information on the execution of duties by directors is appropriately stored and managed. The Company has developed and implemented systems to enable information to be provided at any time in response to requests from directors and auditors.

3. Regulations and Systems related to Management of Risk of Loss

- Through establishing a Risk Management Committee headed by the Chief Risk Management Officer (CRMO) as the chairperson, pursuant to internal rules, the Company has managed group-wide risks in an centralized manner, has reviewed risk management items as appropriate, taking measures to deal with risks that may have significant impacts on business management.
- The Company has identified as key measures for the mid-and long-term risk management strategies: strengthening group-wide risk management capabilities and improving risk management capabilities of group officers and employees.
- The Project Review Committee and the R&D Investment Committee, in which the management-level personnel participate, review the risks of critical projects.
- The Information Security Committee, chaired by the Chief Information Security Officer (CISO), has been established, which formulates cyber security strategies and implements the appropriate management of information assets.
- The Company has developed systems and plans that enable it to ensure business continuity smoothly and seamlessly in an emergency through a 'Business Continuity Project (BCP)' working group headed by a CRMO.
- We have implemented measures centering on preventing the COVID-19 pandemic from spreading and producing clusters through the Novel Coronavirus Response Headquarters that we established in the fiscal year 2020. Furthermore, we have improved arrangements for risk management and business continuity on the basis of understanding the ongoing pandemic spreads. Also, we have implemented cybersecurity measures in light of the spread of teleworking.
- The CRMO reports to the Executive Council and the Board of Directors on activities performed by the Risk Management Committee, the Information Security Committee, and the Business Continuity Project (BCP).

4. Systems to Ensure Efficient Execution of Duties by Directors

- The Company has adopted the Corporate Officer System (compose of Corporate Officers etc., concurrently serving as Director) in order to separate management supervision from management execution and to execute business promptly.
- The Company has established the Executive Council (consisting of Senior Corporate Officers and other higher-level personnel) as a decision-making body for deciding important matters in business execution.
- The Company established various specialized advisory committees in order to help the Company deliberate individual management issues from a practical point of view.

The Company newly established the sustainability committee that has the social committee and the environmental contribution committee as its subordinate organizations. The sustainability committee headed by Chief Sustainability Officer (CSO) is designed to further promote sustainable business management for the Group through active ESG and SDGs initiatives. The Company has launched activities through the committees such as those for considering sustainability initiatives policies, climate change scenarios analyses, and human rights initiatives.

- The Company operates a decision system (pursuant to rules about items subject to managerial decision and decision levels) to make decisions on matters beyond the authority of a head of a department.
- The Company formulated 'Foresight in sight® 2020' the mid-term management plan for the group for the three years from fiscal 2018, and regularly reviewed the progress at the Board of Directors. In addition, the Company prepared the new management policy (2021-2023) for the period from the fiscal year 2021 on the basis of the progresses.

5. Necessary Systems to Ensure Appropriate Operations in the Company and the Group

＜Framework for Group Company Management＞

- The Company has made attempts to improve the efficiency of its business management and unify its management philosophies among the Company and its group companies through a department assigned to help the Company supervise each group company pursuant to the regulations for managing affiliated companies.
- A manager for the supervising department of each group company has created and maintained appropriate consolidated management systems with the help of seconded executives and in cooperation with related back-office departments, and has developed and operated internal control systems and managed risks.

＜Group Compliance Systems＞

- The Company has established a hotline that can be used by officers and employees of the group including seconded personnel and dispatched workers, and has implemented compliance programs for the entire group. The Company established a dedicated hotline and began operation at its subsidiary in Vietnam in the fiscal year 2019. Furthermore, the group has made efforts to increase compliance awareness among the entire group partly by enabling CCOs of the group companies to share compliance cases and measures to prevent at round-table talks.

＜Internal Audit for the Company and the Group Companies＞

- Based on internal audit plans, the Company conducts audits of its major subsidiaries, points out areas for improvements, and reports on audits at the Executive Council and the Board of Directors.

6. Matters related to Employees Assigned to Assist Auditors, the Independence of Such Employees from Directors, and Ensuring the Effectiveness of Auditors' Directions to Such Employees

- The Company has established the Auditor's Office as a body to help auditors perform duties. It has assigned an appropriate number of employees including a manager dedicated to the Office.

7. Systems pertaining to Reports to Auditors and Systems to Ensure Effective Audit Performances by Auditors

＜Systems pertaining to Reports to Auditors (Audit & Supervisory Board)＞

- The Audit & Supervisory Board collects an “Execution Confirmation” document from each director. In the event that a fact that may significantly damage the Company is detected, the Board confirms with each director as to whether the fact was reported to the auditors (Audit & Supervisory Board) immediately.
- The Audit & Supervisory Board has established an auditor hotline as a direct reporting and consulting route to auditors. The Board has also prohibited practices that may disadvantage hotline users.

＜Other Systems to Ensure Effective Auditing by Auditors＞

- Auditors participate in important meetings mainly of the Board of Directors and the Executive Council. The Company has material documents such as documents for requesting managerial decisions sent over to the auditors.
- Auditors have conducted interviews with the President & CEO as well as other directors and key employees as needed.
- The Audit & Supervisory Board meets quarterly with the Accounting Auditor and the Internal Audit Division to exchange views about risk management situations and key audit items as well as confirm results of reviews by certified public accountants and the Auditing Oversight Board.
- Full-time auditors share information and exchange views as needed with the Group Internal Audit Division.
- Auditors audit the group companies on site visits as needed, and share information at quarterly liaison meetings with auditors of key group companies in order to check the status of management and control in group companies.

Audit Report

Accounting Auditor's Report on the Consolidated Financial Statements

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 13, 2021

To the Board of Directors of
Nihon Unisys, Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Kazunari Todoroki [seal]

Designated Engagement Partner,
Certified Public Accountant: Hajime Yoshizaki [seal]

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Nihon Unisys, Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2021, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2020 to March 31, 2021, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise
professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during

our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Accounting Auditor's Report on the Financial Statements

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 13, 2021

To the Board of Directors of
Nihon Unisys, Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Kazunari Todoroki [seal]

Designated Engagement Partner,
Certified Public Accountant: Hajime Yoshizaki [seal]

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Nihon Unisys, Ltd. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2021, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 76th fiscal year from April 1, 2020 to March 31, 2021, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with

a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

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Audit & Supervisory Board's Audit Report

AUDIT REPORT

Having examined the Directors' performance of their duties during the 77th fiscal year from April 1, 2020 to March 31, 2021, we, the Audit & Supervisory Board, prepare and make this report as follows, based upon discussion on the basis of the auditors' reports prepared by each member of the Audit & Supervisory Board.

1. Methods and Content of Audit by Auditors and Audit & Supervisory Board

(1) The Audit & Supervisory Board set out auditing policies, allocation of work duties, etc., received a report on the auditing work performed and the results thereof from each Auditor, and received a report on their status of work executed from the Directors and the Accounting Auditor and requested their explanations as necessary.

(2) While conforming to the auditing standards as set out by the Audit & Supervisory Board, and in accordance with the auditing policies, the allocation of duties, etc., partly through the use of telephone circuits and the Internet, each Auditor endeavored to facilitate mutual understanding with the Directors, the internal auditing department, and other employees in order to collect information and to maintain the auditing environment. They performed the audit pursuant to the methods below.
   (i) They attended meetings of the Board of Directors and other important meetings, received from the Directors and the employees reports on their status of work duties and requested their explanations as necessary, inspected material internal decision-making documents, etc., and investigated the status of operations and assets of the headquarters and major business sites. With respect to significant subsidiaries, we endeavored to facilitate mutual understanding and exchange of information with their directors, auditors, etc., and collected reports on their business as necessary.
   (ii) They were regularly reported to by the Directors and other employees on, requested explanations about as necessary and expressed opinions on: (i) the contents of the Board of Directors' resolutions regarding the maintenance of the system to ensure that the Directors' performance of their duties described in the Business Report comply with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a corporate group comprised of a stock company (*kabushiki kaisha*) and its subsidiaries; and (ii) the systems (internal control systems) based on such resolutions, and the construction and operation of those systems.
   (iii) Regarding internal control of financial reporting, the Directors and Deloitte Touche Tohmatsu LLC provided us with reports assessing the internal control procedures and audit status, as well as explanations where necessary.
   (iv) In addition, we examined and verified whether the independence of the Accounting Auditor was maintained and whether an appropriate audit was being undertaken, received reports on, and requested explanations on as necessary, the execution by the Accounting Auditor of its duties from the Accounting Auditor. We also received notifications from the Accounting Auditor that "Necessary systems to ensure appropriate execution of operations" (matters listed in each item of Article 131 of the Corporate Accounting Regulations of Japan) were maintained in line with "Quality control standards for auditing" (issued by the Japan Corporate Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above approach, the Audit & Supervisory Board examined the business reports and the annexed detailed statements and financial statements (balance sheet, profit

and loss statement, statement of changes in net assets, and individual list of explanatory notes) and the annexed detailed statements of the Company as well as the consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in net assets, and consolidated list of explanatory notes) for the fiscal year under review.

2. Results of Audit
   (1) Results of audit of the business report, etc.
      (i) In our opinion, the business report and the annexed detailed statements are in conformity with the applicable laws and regulations of Japan and the Articles of Incorporation of the Company and fairly present the state of the Company's status;
      (ii) We have found no misconduct or material fact constituting a violation of any applicable laws and regulations of Japan or the Articles of Incorporation in connection with the Directors' performance of their duties; and
      (iii) In our opinion, the contents of the resolutions of the Board of Directors with regard to the internal control systems is appropriate. Furthermore, we find no matters that require noting with regard to the Directors' performance of their duties, the details contained in the Business Report with regard to the internal control systems or the internal control systems in connection with the financial statements.
      In addition, the COVID-19 pandemic is still continues, and we will face furthermore diversified and complicated risks to cope with as a company which promotes to create social value. Audit & Supervisory Board is fully aware of the situation and will continue to monitor and verify the state of development and operation of internal control system in the Company and the Group companies.
   (2) Results of audit of the financial statements and the annexed detailed statements
   In our opinion, the auditing methods used and the conclusions reached by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.
   (3) Results of audit of the consolidated financial statements
   In our opinion, the auditing methods used and the conclusions reached by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

End of audit report

May 14, 2021
Audit & Supervisory Board
Nihon Unisys, Ltd.

Auditor, Full-Time, Outside Auditor	Etsuo Uchiyama [seal]
Auditor, Full-Time	Yuji Teranishi [seal]
Auditor	Hirofumi Hashimoto [seal]
Auditor, Outside Auditor	Harumi Kojo [seal]
Auditor, Outside Auditor	Norimitsu Yanai [seal]