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(Securities code: 6653)

March 11, 2024

(Start date of electronic provision measures: March 5, 2024)

**To Shareholders with Voting Rights:**

Hidetoshi Soeda  
President and Representative Director  
Seiko Electric Co., Ltd.  
7-25 Toko 2-chome, Hakata-ku,  
Fukuoka City, Japan

**NOTICE OF THE 120th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We would also like to express our sympathies for all those who have been affected by the Noto Peninsula Earthquake, their families, and other related people. We sincerely hope that they will return to a peaceful life as soon as possible.

We hereby inform you that the 120th Annual General Meeting of Shareholders of Seiko Electric Co., Ltd. (the “Company”) (the “Meeting”) will be held as described below. Your attendance will be appreciated.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. (Japan time), on Tuesday, March 26, 2024. For details on how to exercise your voting rights, please see pages 3 and 4 of the Japanese version of this document.

- 1. Date and Time:** Wednesday, March 27, 2024, at 10:00 a.m. Japan time  
(The reception desk will open at 9:00 a.m.)
- 2. Place:** Conference Room, Main Building 5F, Head Office, the Company  
7-25 Toko 2-chome, Hakata-ku, Fukuoka City, Japan  
(Please refer to the venue map at the end of the documents (Japanese version only).)
- 3. Meeting Agenda:**
  - Matters to be reported:** 1. The Business Report and Consolidated Financial Statements for the Company’s 120th Fiscal Year (January 1, 2023 - December 31, 2023) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 120th Fiscal Year (January 1, 2023 - December 31, 2023)

**Proposals to be resolved:**

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Nine (9) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors Serving as Audit and Supervisory Committee Members
- Proposal 4:** Determination of the Amount of Compensation for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 5:** Determination of the Amount of Compensation for Directors Serving as Audit and Supervisory Committee Members
- Proposal 6:** Determination of Compensation for Granting Restricted Stock to Directors (Excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors)

- If there is any revision to matters to be provided electronically, details of the revision will be posted on the websites of the Company and the TSE.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Partial Amendments to the Articles of Incorporation

#### 1. Reason for the amendments

- (1) The Company has decided to make the transition to a company with an audit and supervisory committee for the purpose of enhancing deliberations at and further strengthening the supervisory function of the Board of Directors, as well as speeding up decisions and business execution related to management.

Accordingly, the Company proposes to establish new provisions regarding the Audit and Supervisory Committee and Audit and Supervisory Committee Members, delete provisions regarding the Board of Auditors and Auditors, and establish new provisions regarding delegation of authority to make decisions regarding the execution of important business matters, as required for the transition to a company with an audit and supervisory committee.

- (2) The numbering of articles and other necessary changes will be made in accordance with the above changes.

#### 2. Details of the amendments

The details of the amendments are as follows.

The proposed amendments to the Articles of Incorporation will take effect at the conclusion of the Meeting.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I General Provisions	CHAPTER I General Provisions
<p>Article 1 (Name of the Company) The name of the Company shall be Kabushiki Kaisha Seiko Denki Seisakusho. It shall be written in English as SEIKO ELECTRIC CO., LTD.</p> <p>Article 2 (Purpose of the Company) The purpose of the Company shall be to engage in the following businesses:</p> <ol style="list-style-type: none"> <li>1. Manufacture and sale of electrical machinery and equipment</li> <li>2. Manufacture and sale of electronic machinery and equipment</li> <li>3. Production and sale of software</li> <li>4. Installation of electrical machinery and equipment</li> <li>5. Electrical work</li> <li>6. Any business related to the preceding items</li> </ol>	<p>Article 1 (Name of the Company) The name of the Company shall be Kabushiki Kaisha Seiko Denki Seisakusho. It shall be written in English as SEIKO ELECTRIC CO., LTD.</p> <p>Article 2 (Purpose of the Company) The purpose of the Company shall be to engage in the following businesses:</p> <ol style="list-style-type: none"> <li>1. Manufacture and sale of electrical machinery and equipment</li> <li>2. Manufacture and sale of electronic machinery and equipment</li> <li>3. Production and sale of software</li> <li>4. Installation of electrical machinery and equipment</li> <li>5. Electrical work</li> <li>6. Any business related to the preceding items</li> </ol>

Current Articles of Incorporation	Proposed Amendments
<p>Article 3 (Head Office) The head office of the Company shall be situated at Fukuoka City, Japan.</p> <p>Article 4 (Organizational Bodies) The Company shall have a General Meeting of Shareholders, Directors, and the following organs.</p> <p>(1) Board of Directors (2) <u>Auditors</u> (3) <u>Board of Auditors</u> (4) Accounting Auditor</p> <p>Article 5 [Omitted] CHAPTER II Shares</p> <p>Article 6 [Omitted]</p> <p><u>Article 7 (Acquisition of Treasury Shares)</u> <u>In accordance with the provisions of Article 165, Paragraph 2 of the Companies Act, the Company may acquire treasury shares through market transactions or other means by resolution of its Board of Directors.</u></p> <p>Articles <u>8</u> to <u>10</u> [Omitted] Article <u>11</u> (Share Handling Regulations) The handling and fees pertaining to the shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors in addition to laws, regulations and these Articles of Incorporation.</p> <p>Article <u>12</u> (The Shareholder Registry Administrator) [Omitted]</p> <p>2. The selection of the shareholder registry administrator and the location of its office shall be determined by resolution of the Board of Directors.</p> <p>3. [Omitted]</p> <p>CHAPTER III General Meeting of Shareholders Articles <u>13</u> to <u>18</u> [Omitted]</p> <p>CHAPTER IV Directors and Board of Directors Article <u>19</u> (Number of Directors) The number of Directors of the Company shall not exceed twelve (12).</p> <p>[Newly established]</p>	<p>Article 3 (Head Office) The head office of the Company shall be situated at Fukuoka City, Japan.</p> <p>Article 4 (Organizational Bodies) The Company shall have the General Meeting of Shareholders, Directors, and the following organs.</p> <p>(1) Board of Directors (2) <u>Audit and Supervisory Committee</u> [Deleted]</p> <p>(3) Accounting Auditor</p> <p>Article 5 [Unchanged] CHAPTER II Shares</p> <p>Article 6 [Unchanged] [Deleted]</p> <p>Articles <u>7</u> to <u>9</u> [Unchanged] Article <u>10</u> (Share Handling Regulations) The handling and fees pertaining to the shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors or by <u>Directors delegated by resolution of the Board of Directors</u>, in addition to laws, regulations and these Articles of Incorporation.</p> <p>Article <u>11</u> (The Shareholder Registry Administrator) [Unchanged]</p> <p>2. The selection of the shareholder registry administrator and the location of its office shall be determined by resolution of the Board of Directors <u>or by directors delegated by resolution of the Board of Directors, and public notice shall be made of this selection.</u></p> <p>3. [Unchanged]</p> <p>CHAPTER III General Meeting of Shareholders Articles <u>12</u> to <u>17</u> [Unchanged]</p> <p>CHAPTER IV Directors and Board of Directors Article <u>18</u> (Number of Directors) The number of <u>Directors (excluding Directors serving as Audit and Supervisory Committee Members)</u> of the Company shall not exceed twelve (12).</p> <p><u>2. The number of Directors serving as Audit and Supervisory Committee Members of the Company shall not exceed four (4).</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>20</u> (Method of Electing Directors)</p> <p>Directors shall be elected by the General Meeting of Shareholders.</p> <p>2. [Omitted]</p> <p>3. [Omitted]</p> <p>Article <u>21</u> (Term of Office)</p> <p>The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders held for the final fiscal year that ends within one (1) year of such Directors' election.</p> <p>[Newly established]</p> <p><u>2. The term of office of a Director who is elected to increase the number of Directors or who is elected to fill a vacancy caused by the resignation of a Director prior to the expiration of the term of office of such Director shall expire at the time the terms of office of the other Directors in office should expire.</u></p> <p>[Newly established]</p>	<p>Article <u>19</u> (Method of Electing Directors)</p> <p>Directors shall be elected by the General Meeting of Shareholders, <u>distinguishing between Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p> <p>2. [Unchanged]</p> <p>3. [Unchanged]</p> <p>Article <u>20</u> (Term of Office)</p> <p>The term of office of Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders for the final fiscal year that ends within one (1) year of such Directors' election.</p> <p><u>2. The term of office of Directors serving as Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the final fiscal year that ends within two (2) years of such Directors' election.</u></p> <p><u>3. The term of office of a Director serving as an Audit and Supervisory Committee Member who is elected to fill a vacancy caused by the resignation of a Director serving as an Audit and Supervisory Committee Member prior to the expiration of the term of office of such Director serving as an Audit and Supervisory Committee Member shall expire at the time the term of office of their predecessor expires.</u></p> <p><u>4. The election of substitutes for Directors serving as Audit and Supervisory Committee Members elected in accordance with Article 329, paragraph 3 of the Companies Act shall be effective up to the beginning of the Annual General Meeting of Shareholders for the final fiscal year that ends within two (2) years of such Directors' election.</u></p>
<p>Article <u>22</u> (Representative Directors, Directors with Special Titles, and Executive Officers)</p> <p>The Board of Directors shall, by its resolution, appoint the Representative Directors.</p> <p>2. [Omitted]</p> <p>3. [Omitted]</p> <p>4. [Omitted]</p> <p>Article <u>23</u> (Compensation for Directors)</p> <p>Compensation, bonuses, and other financial benefits received by Directors from the Company as consideration for the execution of their duties <u>(hereinafter referred to as the "Compensation")</u> shall be decided by resolution of a General Meeting of Shareholders.</p>	<p>Article <u>21</u> (Representative Directors, Directors with Special Titles, and Executive Officers)</p> <p>The Board of Directors shall, by its resolution, appoint the Representative Directors from among the Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members).</u></p> <p>2. [Unchanged]</p> <p>3. [Unchanged]</p> <p>4. [Unchanged]</p> <p>Article <u>22</u> (Compensation for Directors)</p> <p>Compensation, bonuses, and other financial benefits receive by Directors from the Company as consideration for the execution of their duties shall be decided by resolution of a General Meeting of Shareholders, <u>distinguishing between Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>24</u> (Convocation and Chairperson) [Omitted]</p> <p>Article <u>25</u> (Convocation Notice) The notice of convocation for Board of Directors meetings shall be delivered to each Director <u>and Auditor</u> at least five (5) days in advance. However, such period of advance notice may be shortened in case of an emergency.</p> <p>2. Board of Directors meetings may be convened without the Company’s convocation procedures with the unanimous consent of Directors <u>and Auditors</u>.</p> <p>Article <u>26</u> [Omitted]</p> <p>Article <u>27</u> (Executive Advisers and Corporate Advisers) 1. <u>The Board of Directors may, by its resolution, appoint several each of Executive Advisers and Corporate Advisers.</u> [Newly established]</p> <p>[Newly established]</p> <p>Article <u>28</u> (Exemption from Directors’ Liabilities) [Omitted]</p> <p>2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>Outside</u> Directors which limits the liability for damages due to failure to perform their duties. However, the maximum amount to which such liability may be limited shall be the amount as prescribed by the relevant laws and regulations.</p> <p>CHAPTER V <u>Auditors and Board of Auditors</u> Article <u>29</u> (Number of Auditors) <u>The number of Auditors of the Company shall not exceed four (4).</u></p>	<p>Article <u>23</u> (Convocation and Chairperson) [Unchanged]</p> <p>Article <u>24</u> (Convocation Notice) The notice of convocation for Board of Directors meetings shall be delivered to each Director at least five (5) days in advance. However, such period of advance notice may be shortened in case of an emergency.</p> <p>2. Board of Directors meetings may be convened without the Company’s convocation procedures with the unanimous consent of Directors.</p> <p>Article <u>25</u> [Unchanged]</p> <p>Article <u>26</u> (Executive Advisers and Corporate Advisers) 1. <u>The Company may, by resolution of the Board of Directors, appoint several each of Executive Advisers and Corporate Advisers.</u></p> <p><u>Article 27 (Delegation of Decision-making on Important Business Executions)</u> <u>In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate to Directors all or part of the authority of decision-making on important business executions (excluding matters listed in each item of Article 399-13, Paragraph 5 of the Companies Act).</u></p> <p><u>Article 28 (Board of Directors Regulations)</u> <u>In addition to those provided in the applicable law or ordinance and these Articles of Incorporation, matters regarding the Board of Directors shall be in accordance with the Board of Directors Regulations adopted by the Board of Directors.</u></p> <p>Article <u>29</u> (Exemption from Directors’ Liabilities) [Unchanged]</p> <p>2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with a Director <u>(excluding those serving as Executive Directors, etc.)</u> which limits the liability for damages due to failure to perform their duties. However, the maximum amount to which such liability may be limited shall be the amount as prescribed by the relevant laws and regulations.</p> <p>CHAPTER V <u>Audit and Supervisory Committee</u> [Deleted]</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 30 (Method of Election)</u>  <u>Auditors shall be elected at a General Meeting of Shareholders.</u></p> <p>2. <u>A resolution for the election of Auditors shall be adopted at a General Meeting of Shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third (1/3) or more of the total number of voting rights of all shareholders who are entitled to vote.</u></p>	<p>[Deleted]</p>
<p><u>Article 31 (Term of Office of Auditors)</u>  <u>The term of office of Auditors shall expire at the conclusion of the Annual General Meeting Of Shareholders held for the final fiscal year that ends within four (4) years from such Auditors' election.</u></p> <p>2. <u>The term of office of an Auditor who is elected to fill a vacancy caused by the resignation of an Auditor prior to the expiration of such Auditor's term of office shall expire at the time the term of office of their predecessor expires.</u></p>	<p>[Deleted]</p>
<p><u>Article 32 (Full-time Auditors)</u>  <u>The Board of Auditors shall, by its resolution, appoint full-time Auditors.</u></p>	<p><u>Article 30 (Full-time Audit and Supervisory Committee Members)</u>  <u>The Audit and Supervisory Committee may, by its resolution, appoint full-time Audit and Supervisory Committee Members.</u></p>
<p><u>Article 33 (Compensation for Auditors)</u>  <u>Compensation for Auditors shall be decided by resolution of a General Meeting of Shareholders.</u></p>	<p>[Deleted]</p>
<p><u>Article 34 (Convocation and Chairperson)</u>  <u>Meetings of the Board of Auditors shall be convened and chaired by the Auditor determined in advance by the Board of Auditors. However, this shall not preclude another Auditor from convening a meeting.</u></p>	<p>[Deleted]</p>
<p><u>Article 35 (Convocation Notice)</u>  <u>The notice of convocation for Board of Auditors meetings shall be delivered to each Auditor at least five (5) days in advance. However, such period of advance notice may be shortened in case of an emergency.</u></p> <p>2. <u>Board of Auditors meetings may be convened without the Company's convocation procedures with the unanimous consent of the Auditors.</u></p>	<p><u>Article 31 (Convocation Notice)</u>  <u>The notice of convocation for Audit and Supervisory Committee meetings shall be delivered to each Audit and Supervisory Committee Member at least five (5) days in advance. However, such period of advance notice may be shortened in case of an emergency.</u></p> <p>2. <u>Audit and Supervisory Committee Members meetings may be convened without the Company's convocation procedures with the unanimous consent of the Audit and Supervisory Committee Members.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 36 (Exemption from Liability of Auditors)</u>  <u>In accordance with the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Auditors (including former Auditors) from their liability for damages due to failure to perform their duties within the limits stipulated by laws and regulations.</u></p> <p><u>2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Outside Auditors to limit their liability for damages due to failure to perform their duties. However, the maximum amount of liability under such contract shall be the amount prescribed by laws and regulations.</u></p> <p>[Newly established]</p>	<p>[Deleted]</p> <p><u>Article 32 (Audit and Supervisory Committee Regulations)</u>  <u>Matters concerning the Audit and Supervisory Committee shall be governed by laws and regulations, the Articles of Incorporation, and the Audit and Supervisory Committee Regulations established by the Audit and Supervisory Committee.</u></p>
<p>CHAPTER VI Accounts  Articles <u>37</u> to <u>38</u> [Omitted]</p> <p>Article <u>39</u> (Record Date for Distribution of Surplus Dividends)  [Omitted]  [Newly established]</p> <p><u>2. In addition to the preceding paragraph, the Company may distribute dividends of surplus based on other record dates determined from time to time by the Company.</u></p> <p><u>Article 40 (Interim Dividend)</u>  <u>The Company may, by resolution of the Board of Directors, distribute interim dividends, the record date for which shall be June 30 each applicable year.</u></p> <p>Article <u>41</u> [Omitted]</p>	<p>CHAPTER VI Accounts  Articles <u>33</u> to <u>34</u> [Unchanged]</p> <p>Article <u>35</u> (Record Date for Distribution of Surplus Dividends)  [Unchanged]</p> <p><u>2. The record date for interim dividend distribution of surplus shall be June 30 of each applicable year.</u></p> <p><u>3. In addition to the preceding two paragraphs, the Company may distribute dividends of surplus based on other record dates determined from time to time by the Company.</u></p> <p>[Deleted]</p> <p>Article <u>36</u> [Unchanged]</p>



Current Articles of Incorporation	Proposed Amendments
<p>[Newly established]</p>	<p>[Supplementary Provisions]</p> <p>1. <u>In accordance with Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt any person who served as an Auditor (including former Auditors) prior to the effect of the partial amendment of the Articles of Incorporation with regard to the transition to a company with an audit and supervisory committee, which was resolved at the 120th Annual General Meeting of Shareholders from their liability for damages due to failure to perform their duties within the limits stipulated by laws and regulations.</u></p> <p>2. <u>In accordance with Article 427, Paragraph 1 of the Companies Act, with regard to an agreement limiting the liability of Outside Auditors (including former Outside Auditors) prior to the effect of the partial amendment of the Articles of Incorporation with regard to the transition to a company with an audit and supervisory committee, which was resolved at the 120th Annual General Meeting of Shareholders for damages due to failure to perform their duties, the provisions then in force shall remain applicable.</u></p>

**Proposal 2:** Election of Nine (9) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

If Proposal 1: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee, and the terms of office of all ten (10) current Directors will expire at the conclusion of the Meeting. Accordingly, the Company proposes the election of nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members).

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) have been nominated at the Board of Directors meeting after deliberation at the Nomination & Compensation Advisory Committee.


This proposal shall become effective subject to the effect of the amendments to the Articles of Incorporation in Proposal 1.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows.



No.	Name	Current positions and responsibilities at the Company and significant concurrent positions	Attendance at the Board of Directors meetings
1	Naonori Tsuchiya Male [Reappointment]	Chairman and Representative Director Chairman of the Nomination & Compensation Advisory Committee	100.0% 12/12
2	Hidetoshi Soeda Male [Reappointment]	President and Representative Director Member of the Nomination & Compensation Advisory Committee (Outside Director serving as Audit and Supervisory Committee Member of Kyudenko Corporation)	100.0% 12/12
3	Tsutomu Tanaka Male [Reappointment]	Director; Chief Operating Officer; General Manager of Corporate Planning and Development Division; Officer of CSR and Internal Control and Compliance	100.0% 12/12
4	Katsutoshi Arie Male [Reappointment]	Director; Chief Operating Officer; Division Chief of IT System Solutions Business Unit (President of Seiko IT Solution Co., Ltd.)	100.0% 10/10
5	Mitsuru Yamaguchi Male [Reappointment]	Director; Chief Operating Officer; General Manager of Sales Operation and Management Division; General Manager of Tokyo Office	100.0% 10/10
6	Hiroshi Wani Male [Reappointment] [Outside]	Outside Director (Executive Vice President and Representative Director of Kyushu Electric Power Transmission and Distribution Co., Inc.)	100.0% 10/10
7	Shigeyuki Takasaki Male [Reappointment] [Outside] [Independent]	Outside Director Member of the Nomination & Compensation Advisory Committee (Corporate Advisor of Nishi - Nippon Railroad Co., Ltd.)	100.0% 12/12
8	Kozo Ishida Male [Reappointment] [Outside] [Independent]	Outside Director Member of the Nomination & Compensation Advisory Committee (Corporate Fellow of HORIBA, Ltd.) (External Director of ULVAC, Inc.)	100.0% 12/12


No.	Name	Current positions and responsibilities at the Company and significant concurrent positions	Attendance at the Board of Directors meetings
9	[Reappointment] Reiko Aoki Female [Outside] [Independent]	Outside Director Member of the Nomination & Compensation Advisory Committee (CEO of DLC·GB Consulting Co., Ltd.)	100.0% 12/12


Note: Attendance at the Board of Directors meetings of Messrs. Katsutoshi Arie, Mitsuru Yamaguchi, and Hiroshi Wani is based solely on Board meetings held since their appointment on March 29, 2023.

No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 <p data-bbox="209 584 427 689">Naonori Tsuchiya (May 5, 1945) Male</p> <p data-bbox="225 723 411 752">[Reappointment]</p>	<p data-bbox="475 282 1259 658"> April 1969      Joined Hitachi, Ltd.  August 1981    Joined the Company  December 1985   Director; Deputy Factory Manager  March 1987     Director; General Manager of Sales Division  November 1994   Director; Factory Manager  June 1995      Managing Director; Factory Manager  June 1997      President and Representative Director  June 2005      Chairman and Representative Director  March 2008     Chief Corporate Adviser  March 2013     Chairman and Representative Director (to present) </p>	<p data-bbox="1326 483 1422 551">268,829 shares</p>
<p data-bbox="193 770 759 799">[Reason for nomination as candidate for Director]</p> <p data-bbox="193 801 1461 891">Mr. Naonori Tsuchiya has been involved in the core of the business of the Company for many years. He also has a wide range of knowledge and insight acquired through interactions with people outside the Company in related industries and the business circle.</p> <p data-bbox="193 898 1461 958">In addition, since 2013, he has played an appropriate role as Representative Director, making decisions on important management matters, supervising business execution, etc.</p> <p data-bbox="193 965 1461 1019">In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director.</p>			


No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p data-bbox="220 898 422 1003">Hidetoshi Soeda (March 20, 1955) Male</p> <p data-bbox="225 1048 418 1077">[Reappointment]</p>	<p data-bbox="475 282 1265 313">April 1978      Joined the Company</p> <p data-bbox="475 322 1265 421">January 2008    Executive Officer President of Seiko Social Infrastructure System Company</p> <p data-bbox="475 430 1265 528">March 2010      Senior Executive Officer of the Company President of Seiko Social Infrastructure System Company</p> <p data-bbox="475 537 1265 654">March 2011      Senior Executive Officer; General Manager of Tokyo Office of the Company President of Seiko Social Infrastructure System Company</p> <p data-bbox="475 663 1265 786">March 2012      Director; Senior Executive Officer; General Manager of Tokyo Office of the Company President of Seiko Social Infrastructure System Company</p> <p data-bbox="475 795 1265 911">March 2013      Director; Senior Executive Officer; General Manager of Sales Operation and Management Division; General Manager of Tokyo Office of the Company</p> <p data-bbox="475 920 1265 1019">March 2015      Director; Chief Operating Officer; General Manager of Sales Operation and Management Division; General Manager of Tokyo Office</p> <p data-bbox="475 1028 1265 1126">March 2018      President and Representative Director; General Manager of Sales Operation and Management Division</p> <p data-bbox="475 1135 1265 1167">March 2019      President and Representative Director (to present)</p> <p data-bbox="475 1176 1265 1274">June 2021      Outside Audit and Supervisory Board Member of Kyudenko Corporation</p> <p data-bbox="475 1283 1265 1314">June 2022      Outside Director serving as Audit and Supervisory Committee Member (to present)</p> <p data-bbox="475 1323 1265 1391">[Significant concurrent positions] Outside Director serving as Audit and Supervisory Committee Member of Kyudenko Corporation</p>	48,317 shares
<p data-bbox="193 1402 759 1433">[Reason for nomination as candidate for Director]</p> <p data-bbox="193 1442 1465 1529">Mr. Hidetoshi Soeda was appointed as Executive Officer in 2008, and has a wealth of experience cultivated primarily through execution of business in the fields of sales and overseas business, as well as a high level of insight into social and economic trends, among other matters.</p> <p data-bbox="193 1538 1465 1597">In addition, since 2018, he has played an appropriate role as Representative Director, making decisions on important management matters, supervising business execution, etc.</p> <p data-bbox="193 1606 1465 1664">In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director.</p>			


No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 <p>Tsutomu Tanaka (October 25, 1961) Male  [Reappointment]</p>	<p>April 1985      Joined the Company</p> <p>March 2010     Executive Officer; Deputy General Manager of Corporate Planning and Development Division; Department Manager of Financial Management Department</p> <p>May 2010       Executive Officer; General Manager of Corporate Planning and Development Division</p> <p>March 2012     Director; Senior Executive Officer; General Manager of Corporate Planning and Development Division</p> <p>March 2019     Director; Chief Operating Officer; General Manager of Corporate Planning and Development Division (to present)</p> <p>[Currently serving as:] Officer of CSR and Internal Control and Compliance</p>	37,269 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Tsutomu Tanaka was appointed as Executive Officer in 2010, and has a wealth of experience cultivated primarily through execution of business in the fields of accounting, finance, CSR, internal control, and compliance, as well as a prominent level of insight into social and economic trends, among other matters.</p> <p>In addition, he has been involved in the management of the Company since assuming the office of Director in 2012.</p> <p>In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director.</p>			
4	 <p>Katsutoshi Arie (March 20, 1963) Male  [Reappointment]</p>	<p>April 1985      Joined the Company</p> <p>March 2005     Director; Department Manager of Solutions Services Department of Seiko IT Solution Co., Ltd.</p> <p>January 2006   Executive Officer; Division Manager of IT Solution Division of the Company</p> <p>January 2006   President of Seiko IT Solution Co., Ltd. (to present)</p> <p>March 2010     Director; Senior Executive Officer; Division Manager of IT Solution Division of the Company</p> <p>April 2013      Director; Senior Executive Officer; Division Chief of IT System Solutions Business Unit</p> <p>March 2019     Chief Operating Officer; Division Chief of IT System Solutions Business Unit</p> <p>March 2023     Director; Chief Operating Officer; Division Chief of IT System Solutions Business Unit (to present)</p> <p>[Significant concurrent position] President of Seiko IT Solution Co., Ltd.</p>	38,549 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Katsutoshi Arie was appointed as Executive Officer in 2006, and has a wealth of experience cultivated primarily through execution of business in the field of information technology, as well as a prominent level of insight into social and economic trends, among other matters.</p> <p>In addition, he has been involved in the management of the Company since assuming the office of Director in 2023. In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director.</p>			


No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 <p>Mitsuru Yamaguchi (December 20, 1962) Male  [Reappointment]</p>	<p>April 1985      Joined the Company</p> <p>October 2002    Department Manager of Solutions Business Department, Information System Division</p> <p>March 2005      Director (to present); Department Manager of Solutions Business Department of Seiko IT Solution Co., Ltd.</p> <p>January 2010    Director; Supervisor of Tokyo Area; Supervisor of Sales Business Unit</p> <p>February 2016   Director; Supervisor of Services Business Unit</p> <p>June 2017       President and Representative Director of Seiko IT Solution Philippines Inc.</p> <p>March 2019      Executive Officer of the Company  President and Representative Director of Seiko IT Solution Philippines Inc.</p> <p>March 2020      Executive Officer; Department Manager of Human Resources Development Department of the Company  President and Representative Director of Seiko IT Solution Philippines Inc.</p> <p>February 2021   Director of Seiko IT Solution Philippines Inc. (to present)</p> <p>March 2021      Executive Officer; Deputy Division Chief of IT System Solutions Business Unit; Department Manager of Human Resources Development Department of the Company</p> <p>March 2023      Director; Chief Operating Officer; General Manager of Sales Operation and Management Division; General Manager of Tokyo Office (to present)</p>	18,499 shares
<p>[Reason for nomination as candidate for Director] Mr. Mitsuru Yamaguchi was appointed as Executive Officer in 2019, and has a wealth of experience cultivated primarily through development of overseas business in the field of information technology and execution of business in the field of human resource development, as well as a prominent level of insight into social and economic trends, among other matters.</p> <p>In addition, he has been involved in the management of the Company since assuming the office of Director in 2023. In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director.</p>			

No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	 <p>Hiroshi Wani (May 10, 1960) Male</p> <p>[Reappointment] [Outside]</p> <p>[Years served as Outside Director] 1 year</p>	<p>April 1986      Joined Kyushu Electric Power Co., Inc.</p> <p>July 2003      Assigned to Corporate Planning Office; Seconded to the Federation of Electric Power Companies of Japan</p> <p>July 2006      Head of Power Market System Group, Power System Operation Department of Kyushu Electric Power Co., Inc.</p> <p>July 2007      Head of Wide Area Management Group, Power System Operation Department</p> <p>July 2008      Head of Power Supply Planning Group, Power System Operation Department</p> <p>July 2011      Deputy General Manager of Transmission and System Operation Division; Head of Power Supply Planning Group</p> <p>July 2013      Deputy General Manager of Transmission and System Operation Division; Head of Plan Management Group</p> <p>July 2015      General Manager of Miyazaki Power Center</p> <p>April 2017      General Manager of Transmission and System Operation Division (System Operation); Head of Operation Group (January 2018 to June 2018), Transmission and Distribution Company</p> <p>April 2020      Executive Officer; General Manager of Oita Branch Office</p> <p>June 2022      Executive Vice President and Representative Director; General Manager of Power System Technology Division of Kyushu Electric Power Transmission and Distribution Co., Inc. (to present)</p> <p>March 2023      Outside Director of the Company (to present)</p> <p>[Significant concurrent positions] Executive Vice President and Representative Director of Kyushu Electric Power Transmission and Distribution Co., Inc.</p>	0 shares
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles] Mr. Hiroshi Wani has a prominent level of expertise based on his wealth of practical experience cultivated primarily through execution of business in the power transmission and other divisions at Kyushu Electric Power Co., Inc. and Kyushu Electric Power Transmission and Distribution Co., Inc. In addition, he possesses an excellent character and exceptional insight. The Company expects him to contribute to strengthening the supervisory function of business execution and provide advice and recommendations from a broad management perspective. The Company has thus nominated him again as a candidate for Outside Director.</p>			



No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	 <p>Shigeyuki Takasaki (January 7, 1955) Male</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Years served as Outside Director] 3 years</p>	<p>April 1980      Joined Nishi-Nippon Railroad Co., Ltd.</p> <p>July 2005      General Manager of Planning Department</p> <p>July 2006      General Manager of Corporate Planning Department, Corporate Planning Division</p> <p>June 2008      Director of the Board and Executive Officer; General Manager of Corporate Planning Division</p> <p>June 2011      Director of the Board and Managing Executive Officer; Director of Urban Development Business Division</p> <p>June 2014      Director of the Board and Senior Managing Executive Officer; Director of Housing Business Division</p> <p>June 2015      Director of the Board and Senior Managing Executive Officer; Director of Hotel Business Division</p> <p>June 2017      CEO and Senior Managing Executive Officer; Director of Town Development Promotion Division</p> <p>April 2019      CEO and Senior Managing Executive Officer; Director of Urban Development Business Division</p> <p>April 2020      Director of the Board</p> <p>April 2020      President of School Foundation Nishitetsu Gakuen</p> <p>June 2020      Corporate Advisor of Nishi-Nippon Railroad Co., Ltd. (to present)</p> <p>March 2021      Outside Director of the Company (to present)</p> <p>[Significant concurrent position] Corporate Advisor of Nishi-Nippon Railroad Co., Ltd.</p>	0 shares
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles] Mr. Shigeyuki Takasaki has been involved in the management of Nishi-Nippon Railroad Co., Ltd. for many years, and has a wealth of experience and a wide range of knowledge and insight regarding corporate planning and business strategy. In addition, the Company expects him to play an appropriate role in matters, such as supervising the management team through his involvement in their nomination and compensation as a member of the Nomination &amp; Compensation Advisory Committee, a voluntary committee. The Company has thus nominated him again as a candidate for Outside Director.</p>			

No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	 <p data-bbox="204 656 435 1055"> Kozo Ishida  (November 4, 1944)  Male  [Reappointment]  [Outside]  [Independent]  [Years served as  Outside Director]  7 years </p>	<p data-bbox="475 286 1257 992"> March 1970      Joined HORIBA, Ltd.  June 1982      General Manager of Product Department I,  Development and Sales Division  March 1985      Director and President of HORIBA Europe GmbH  (Germany)  June 1988      Director of HORIBA, Ltd.  June 1991      Managing Director  June 1996      Senior Managing Director  July 2001      Director and President (CEO) of HORIBA SAS  (currently HORIBA ABX SAS) (France)  June 2002      Executive Vice President of HORIBA, Ltd.  June 2005      Executive Vice President and Representative  Director  March 2014      Executive Vice Chairman  March 2016      Senior Advisor  September 2016   External Director of ULVAC, Inc. (to present)  November 2016   Corporate Adviser of the Company  March 2017      Outside Director (to present)  April 2018      Fellow of HORIBA, Ltd.  April 2021      Corporate Fellow (to present) </p> <p data-bbox="475 1014 874 1122"> [Significant concurrent positions]  Corporate Fellow of HORIBA, Ltd.  External Director of ULVAC, Inc. </p>	600 shares
<p data-bbox="193 1137 1466 1319"> [Reason for nomination as candidate for Outside Director and summary of expected roles]  Mr. Kozo Ishida has overseas business experience and technical knowledge cultivated through business experience at HORIBA, Ltd. In addition, the Company expects him to play an appropriate role in matters, such as supervising the management team through his involvement in their nomination and compensation as a member of the Nomination &amp; Compensation Advisory Committee, which is a voluntary committee. The Company has thus nominated him again as a candidate for Outside Director. </p>			

No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	 Reiko Aoki (March 20, 1959) Female [Reappointment] [Outside] [Independent] [Years served as Outside Director] 3 years	April 1984      Joined Fukuoka Prefectural Government April 1990      Advisor for Exchange with China of Fukuoka Prefecture January 1999    President of Beijing Great Wall Circle Vision Theater (Japan-China joint venture) April 2004      CEO of DLC Japan China Business Consulting Co., Ltd. (currently DLC·GB Consulting Co., Ltd.) (to present) April 2004      Adjunct Lecturer of Faculty of Economics, Fukuoka University April 2007      Lecturer of Waseda University China School July 2008        Head of Fukuoka International Student Support Center May 2016        Representative Director and Chairman of Jindesign Co., Ltd. (to present) March 2021      Outside Director of the Company (to present) [Significant concurrent position] CEO of DLC·GB Consulting Co., Ltd.	0 shares
[Reason for nomination as candidate for Outside Director and summary of expected roles] Ms. Reiko Aoki has experience and knowledge cultivated by working as a consultant at a consulting firm operating primarily in China for many years. In addition, the Company expects her to play an appropriate role in matters, such as providing advice and recommendations from the perspective of diversity and supervising the management team through her involvement in their nomination and compensation as a member of the Nomination & Compensation Advisory Committee, which is a voluntary committee. The Company has thus nominated her again as a candidate for Outside Director.			

Notes:

1. Mr. Hiroshi Wani is Executive Vice President and Representative Director of Kyushu Electric Power Transmission and Distribution Co., Inc., with which the Company makes business transactions of selling products (related to power equipment). In addition, in the past ten years, he executed business at Kyushu Electric Power Co., Inc., which is a specified associated service provider (major business partner) of the Company. His positions and responsibilities were as described on page 16.
2. There are no special interests between any of the other candidates for Directors and the Company.
3. Messrs. Hiroshi Wani, Shigeyuki Takasaki, and Kozo Ishida and Ms. Reiko Aoki are candidates for Outside Directors.
4. The Company has concluded agreements with Outside Officers to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of their liability for damages under the agreements is the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed, the Company plans to continue the same agreements with Messrs. Hiroshi Wani, Shigeyuki Takasaki, and Kozo Ishida and Ms. Reiko Aoki.
5. In order to ensure the independence of Outside Officers, in addition to the standards stipulated by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, the Company has established its own criteria for determining independence of Outside Officers (as described on page 27). Messrs. Shigeyuki Takasaki and Kozo Ishida and Ms. Reiko Aoki meet these criteria, and the Company has registered them with each of the stock exchanges as independent officers.
6. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. If this proposal is approved, and the candidates assume the office of Director, they will become the insureds under the said insurance agreement. The Company plans to renew the said insurance agreement during their terms of office.

**Proposal 3:** Election of Three (3) Directors Serving as Audit and Supervisory Committee Members

If Proposal 1: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee. Accordingly, the Company proposes the election of three (3) Directors serving as Audit and Supervisory Committee Members.

The candidates for Directors serving as Audit and Supervisory Committee Members have been nominated at the Board of Directors meeting after deliberation at the Nomination & Compensation Advisory Committee and after consent was obtained from the Board of Auditors.


This proposal shall become effective subject to the effect of the amendments to the Articles of Incorporation in Proposal 1.


The candidates for Directors serving as Audit and Supervisory Committee Members are as follows.

No.	Name	Current position in the Company	Attendance at the Board of Directors meetings	Attendance at the Board of Auditors meetings
1	Hiroshi Niino [New appointment]	Auditor	100.0% 12/12	100.0% 13/13
2	Katsunori Takada [New appointment] [Outside] [Independent]	Outside Auditor	100.0% 10/10	100.0% 10/10
3	Makoto Kondo [New appointment] [Outside] [Independent]	Outside Auditor	91.7% 11/12	100.0% 13/13

Note: Attendance at the Board of Directors meetings and Board of Auditors meetings of Mr. Katsunori Takada is based solely on Board of Directors meetings and Board of Auditors meetings held since his appointment on March 29, 2023.

No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 <p>Hiroshi Niiro (December 13, 1956) Male [New appointment]</p>	<p>April 1980    Joined the Company</p> <p>April 1999    Department Manager of Accounting Department</p> <p>April 2003    Department Manager in charge of Financial Management and Public Relations</p> <p>April 2004    Department Manager of Corporate Planning Department</p> <p>June 2004    Senior Department Manager of Corporate Planning Department</p> <p>May 2005    Executive Officer of the Company; President and Representative Director of Seiko Shokai Co, Ltd.</p> <p>January 2008    Senior Executive Officer; General Manager of Corporate Planning and Development Division of the Company</p> <p>March 2008    Director; Senior Executive Officer; General Manager of Corporate Planning and Development Division</p> <p>March 2010    Director; Chief Operating Officer; General Manager of Corporate Planning and Development Division</p> <p>May 2010    Director; Chief Operating Officer of the Company; General Manager of Dalian Seiko Electric Control Co., Ltd.</p> <p>February 2013    President of Seiko Service &amp; Engineering Co., Ltd.</p> <p>April 2013    Director; Senior Executive Officer; Division Chief of Services and Engineering Business Unit of the Company</p> <p>March 2019    Chief Operating Officer; Division Chief of Services and Engineering Business Unit</p> <p>March 2020    Auditor (to present)</p>	31,846 shares
<p>[Reason for nomination as candidate for Director serving as an Audit and Supervisory Committee Member] Mr. Hiroshi Niiro has served as head of the Accounting Department, etc. since joining the Company, and he has sufficient knowledge on and insight into finance and accounting. He is also highly knowledgeable about corporate management in general, having served as Executive Officer and Director of the Company, and he is expected to contribute to appropriate governance through auditing and other activities. The Company has thus nominated him as a new candidate for Director serving as an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p>Katsunori Takada (April 6, 1957) Male</p> <p>[New appointment] [Outside] [Independent]</p> <p>[Years served as Outside Auditor] 1 year</p>	<p>April 1980    Joined Kyushu Denki Koji Corporation (currently Kyudenko Corporation)</p> <p>July 1998    Manager of Administration Section, General Affairs Department, Tokyo Branch Office</p> <p>July 2000    Manager of Accounting Section, Accounting Department</p> <p>July 2003    General Manager of Accounting Department</p> <p>April 2005    General Manager of General Affairs Department, Fukuoka Branch Office</p> <p>April 2007    Deputy General Manager of Fukuoka Branch Office; General Manager of General Affairs Department, Fukuoka Branch Office</p> <p>March 2009    Head of Business Audit Office, Office of President</p> <p>April 2011    Head of Office of President</p> <p>April 2012    Director; Head of Office of President</p> <p>April 2013    Director; General Manager of Accounting Department</p> <p>April 2015    Executive Officer; General Manager of Accounting Department</p> <p>April 2017    Senior Executive Officer; General Manager of Finance Department</p> <p>April 2020    Assigned to Personnel Affairs Department; seconded to Kyushudenko Home, Co., Ltd. (currently Kyu-Denko Home, Inc.); Representative Director and President</p> <p>March 2023    Outside Auditor of the Company (to present)</p>	0 shares
<p>[Reason for nomination as candidate for Outside Director serving as an Audit and Supervisory Committee Member and summary of expected roles]</p> <p>Mr. Katsunori Takada has served as general manager of accounting department, etc. of Kyudenko Corporation, and has sufficient knowledge on and insight into finance and accounting. The Company hopes that he will leverage his wealth of experience and wide range of knowledge and insight cultivated through serving as executive officer at Kyudenko Corporation and representative director and president at Kyu-Denko Home, Inc. in management of the Company in general. The Company also hopes that he will contribute to improving the objectiveness of the management monitoring function and strengthening the supervisory function. The Company has thus nominated him as a new candidate for Outside Director serving as an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth) Gender	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 <p>Makoto Kondo (May 13, 1952) Male</p> <p>[New appointment] [Outside] [Independent]</p> <p>[Years served as Outside Auditor] 6 years</p>	<p>April 1981 Registered as an attorney Joined Yamashita &amp; Oshima Law Offices (Tokyo)</p> <p>April 1991 Joined Kigami Law Office (Fukuoka)</p> <p>April 1993 Established Fukuoka International Law Offices (to present)</p> <p>October 1996 Part-time Lecturer, Kyushu Institute of Design</p> <p>April 1999 Part-time Lecturer, Kyushu University Graduate School</p> <p>April 2005 Part-time Lecturer, Seinan Gakuin University Law School</p> <p>April 2007 Outside Auditor, Mitsui High-tec, Inc.</p> <p>March 2008 Outside Auditor of the Company (resigned in March 2014)</p> <p>April 2012 Part-time Lecturer, Faculty of Law, Kyushu University</p> <p>March 2018 Outside Auditor of the Company (to present)</p> <p>June 2019 Outside Auditor, SHIN-IDEMITSU Co., Ltd. (to present)</p> <p>[Significant concurrent position] Attorney, Fukuoka International Law Offices</p>	0 shares
<p>[Reason for nomination as candidate for Outside Director serving as an Audit and Supervisory Committee Member and summary of expected roles] In addition to leveraging his wealth of experience and expert knowledge cultivated over many years as an attorney in management of the Company in general, the Company expects that Mr. Makoto Kondo will play a role in improving the objectivity of the management check functions and the strengthening of supervisory functions, and has thus nominated him as a new candidate for Outside Director serving as an Audit and Supervisory Committee Member.</p>			

Notes:

1. There are no special interests between each of the candidates and the Company.
2. Messrs. Katsunori Takada and Makoto Kondo are candidates for Outside Directors serving as Audit and Supervisory Committee Members.
3. The Company has concluded agreements with Outside Officers to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of their liability for damages under the agreements is the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed, the Company plans to conclude the same agreement with Messrs. Katsunori Takada and Makoto Kondo.
4. In order to ensure the independence of Outside Officers, in addition to the standards stipulated by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, the Company has established its own criteria for determining independence of Outside Officers (as described on page 27). Messrs. Katsunori Takada and Makoto Kondo meet these criteria, and the Company plans to register them with each of the stock exchanges as an independent officer.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. If this proposal is approved, and each of the candidates assumes the office of Director serving as an Audit and Supervisory Committee Member, they will become the insureds under the said insurance agreement. The Company plans to renew the said insurance agreement during their terms of office.

(Reference)

1. Skill matrix of Directors under the new management structure

The Board of Directors of the Company has identified important skills for company management as follows and expects Directors to fully demonstrate their abilities.

First, skills of “corporate management,” “finance/accounting,” “legal/risk management,” “technology/manufacture/R&D,” “sales/marketing,” and “personnel affairs/HR development” are the basis for each and every judgment in company management.

Furthermore, in order to steadily solve social issues through the use of digital technologies and promote sustainability management according to the Mid-term Management Plan (SEIKO IC2026), skills of “global” and “innovation” are also required.

If each proposal is approved at the Meeting, the skill matrix of Directors under the new management structure will be as shown on the next page.

■ Evaluation of effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors through questionnaire surveys with all Directors and Auditors, including Outside Directors and Outside Auditors, and reports the aggregated and analyzed results to the Board of Directors.

In evaluating the effectiveness, the Company uses the skill matrix presented on the next page.

In fiscal 2023, the evaluation was performed in November and December and reported to the Board of Directors in December. The Board of Directors has concluded that it is appropriately performing its functions in general, such as collecting information, discussing from a multi-faceted perspective, making decisions on important matters, and monitoring business execution, and that the effectiveness of the Board of Directors is being ensured.

The Company will continue to make further improvements and work to increase the effectiveness of the Board of Directors.



Name	Gender	Positions and responsibilities at the Company (Planned)	Areas of expertise particularly expected of the Directors							
			Corporate management	Finance /Accounting	Legal /Risk management	Technology/ Manufacture /R&D	Sales /Marketing	Personnel affairs/HR development	Global	Innovation
Naonori Tsuchiya	Male	Chairman and Representative Director Chairman of the Nomination & Compensation Advisory Committee	●			●	●		●	●
Hidetoshi Soeda	Male	President and Representative Director Member of the Nomination & Compensation Advisory Committee	●			●	●		●	●
Tsutomu Tanaka	Male	Director; Chief Operating Officer; General Manager of Corporate Planning and Development Division; Officer of CSR and Internal Control and Compliance		●	●				●	
Katsutoshi Arie	Male	Director; Chief Operating Officer; General Manager of Business Operation Overall Division and Division Chief of IT System Solutions Business Unit	●			●	●		●	●
Mitsuru Yamaguchi	Male	Director; Chief Operating Officer; General Manager of Sales Operation and Management Division; In charge of Southeast Asia development; General Manager of Tokyo Office	●			●	●	●	●	●
Hiroshi Wani	Male	Outside Director	●			●	●		●	●
Shigeyuki Takasaki	Male	Independent Outside Director Member of the Nomination & Compensation Advisory Committee	●			●	●		●	●
Kozo Ishida	Male	Independent Outside Director Member of the Nomination & Compensation Advisory Committee	●			●	●		●	●
Reiko Aoki	Female	Independent Outside Director Member of the Nomination & Compensation Advisory Committee	●				●	●	●	
Hiroshi Niiro	Male	Director Audit and Supervisory Committee Member (Full-time)	●	●	●				●	
Katsunori Takada	Male	Independent Outside Director Audit and Supervisory Committee Member (Full-time)	●	●	●					
Makoto Kondo	Male	Independent Outside Director Audit and Supervisory Committee Member			●				●	

(Note) This matrix does not present all skills possessed by Directors.

## 2. Policies and procedures for nominating candidates for Directors

In order to ensure the objectivity and transparency of the functions of the Board of Directors and to further strengthen the corporate governance system, the Company has established a Nomination & Compensation Advisory Committee, which consists of five members, including three independent Outside Directors.

In nominating candidates for Directors, taking into consideration the following selection criteria and the concepts regarding the composition of the Board of Directors and the Audit and Supervisory Committee, the Board of Directors meeting makes decisions, after deliberation at the Nomination & Compensation Advisory Committee and obtaining consent from the Audit and Supervisory Committee(\*) with regard to candidates for Directors serving as Audit and Supervisory Committee Members.

\* Prior to the transition to a company with an audit and supervisory committee, decisions are made in the Board of Directors after obtaining consent from the Board of Auditors.

<Criteria for selecting candidates for Directors >

- 1) Candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members)
  - Candidates for Internal Directors shall have a wealth of experience as corporate managers, a prominent level of insight into social and economic trends, among other matters, and diverse perspectives.
  - Candidates for Outside Directors shall be able to provide advice on management of the company in general based on a broad range of knowledge and insight, and a wide variety of experience.
- 2) Candidates for Directors serving as Audit and Supervisory Committee Members
  - Candidates for Internal Directors shall be highly knowledgeable about the company's business and operations in general, and be able to monitor and supervise the management of the company in general and provide effective advice.
  - Candidates for Outside Directors shall have a wealth of experience and broad insights in areas such as the law, finance and accounting, and corporate management, and be able to monitor and supervise the management of the company in general and provide effective advice.

<Concepts regarding the composition of the Board of Directors>

- In order to ensure the balance and diversity of knowledge, experience, and abilities of the Board of Directors as a whole, the Board of Directors shall be composed of Outside Directors and Internal Directors. As for the size of the Board of Directors, the number of its members shall be such that its functions can be performed most effectively and efficiently (12 or fewer Directors not serving as Audit and Supervisory Committee Members and four or fewer Directors serving as Audit and Supervisory Members).
- Independent Outside Directors making up at least one-third of the Board of Directors shall be appointed, including persons who have management experience at other companies.

<Concepts regarding the composition of the Audit and Supervisory Committee>

- The Audit and Supervisory Committee shall consist of members with appropriate experience and abilities as well as the necessary knowledge of finance, accounting, and legal affairs. In particular, at least one person shall have sufficient knowledge on and insight into finance and accounting.

### 3. Criteria for determining independence of Outside Officers

The Company determines that an Outside Officer is independent unless he/she falls under any of the following items.

The Outside Officer himself/herself, or his/her spouse or relative within the second degree of kinship is:

- (1) A person who currently executes business of the Company or its group company or a person who executed business of the Company or its group company during a period of ten years prior to his/her appointment
- (2) A person who executes business of a corporation, etc. which is a business partner of the Company and which made a payment to the Company in any of the three most recently ended fiscal years of the Company of an amount exceeding 3% of the consolidated net sales of the Company for the relevant fiscal year or a person who executes business of a financial institution which is essential for the Company's fund raising and on which the Company is dependent to the extent that it has no alternative
- (3) A person who executes business of a corporation, etc. of which the Company is a business partner and which received a payment from the Company in any of the three most recently ended fiscal years of the Company of an amount exceeding 5% of the consolidated net sales of the corporation for its respective most recently ended fiscal year
- (4) A person who received compensation exceeding ¥10 million directly from the Company as a legal, accounting, or tax expert or consultant (excluding compensation received for serving as an officer of the Company) in any of the three most recently ended fiscal years of the Company (If the person who received the compensation is an organization, a person who belongs to the organization)
- (5) A person who belongs to an organization, etc. which received donations or subsidies of an amount exceeding ¥10 million per year from the Company in any of the three most recently ended fiscal years of the Company
- (6) A person who executes business of a corporation, etc. which is a shareholder of the Company who practically holds shares representing 10% or more of the Company's voting rights or a person who executed business of a corporation, etc. which is a shareholder of the Company who practically holds shares representing 10% or more of the Company's voting rights during a period of ten years prior to his/her appointment

**Proposal 4:** Determination of the Amount of Compensation for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

If Proposal 1: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee.

The amount of compensation for Directors of the Company has been set to be no more than 200 million yen per year (however, this shall not include the portion of employee's salary for Directors who concurrently serve as employees) since it was approved at the 103rd Annual General Meeting of Shareholders held on March 29, 2007. In addition, the amount of compensation for Outside Directors within the aforementioned amount of compensation for Directors has been set to be no more than 30 million yen per year since it was approved at the 115th Annual General Meeting of Shareholders held on March 27, 2019. With the transition to a company with an audit and supervisory committee, the Company would like to establish the amount of compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members) anew and to set it at no more than 300 million yen per year (of which the amount for Outside Directors shall be no more than 60 million yen).

The amount of compensation for Directors shall not include the portion of employee's salary for Directors who concurrently serve as employees.

This proposal has been decided by the Board of Directors after deliberation by the Nomination & Compensation Advisory Committee, taking into comprehensive consideration factors such as recent economic circumstances, the size of the Company's business, the level of payment of officers' compensation and future trends, while also factoring in matters such as preparations for future securing of human resources. The Company has determined that this proposal is reasonable.

The policy for decisions on compensation for individual Directors is as described on Page 42 of the Japanese version of this Notice of Convocation, and the contents of such decisions will be substantively the same as that policy even after the transition to a company with an audit and supervisory committee.

Currently, there are ten (10) Directors (including four (4) Outside Directors), but if Proposals 1 and 2 are approved as originally proposed, there will be nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members) (including four (4) Outside Directors).

This proposal shall become effective subject to the effect of the amendments to the Articles of Incorporation in Proposal 1.

**Proposal 5:** Determination of the Amount of Compensation for Directors Serving as Audit and Supervisory Committee Members

If Proposal 1: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee.

In this regard, the Company wishes to set the amount of compensation for Directors serving as Audit and Supervisory Committee Members to be no more than 60 million yen per year.

This proposal has been decided by the Board of Directors after deliberation by the Nomination & Compensation Advisory Committee, taking into comprehensive consideration factors such as recent economic circumstances, the size of the Company's business, the level of payment of officers' compensation and future trends, while also factoring in matters such as preparations for future securing of human resources. The Company has determined that this proposal is reasonable.

If Proposals 1 and 3 are approved as originally proposed, there will be three (3) Directors serving as Audit and Supervisory Committee Members.

This proposal shall become effective subject to the effect of the amendments to the Articles of Incorporation in Proposal 1.

**Proposal 6: Determination of Compensation for Granting Restricted Stock to Directors (Excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors)**

At the 115th Annual General Meeting of Shareholders held on March 27, 2019, the Company received approval for compensation for granting restricted stock to Directors (excluding Outside Directors) to be no more than 30 million yen per year.

If Proposal 1: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee. With this transition, in a separate category from the compensation for which approval is sought in Proposal 4: Determination of the Amount of Compensation for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members), the Company wishes to set an amount of no more than 50 million yen per year as restricted stock compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors; hereinafter “Eligible Directors”).

The specific timing of payment to each Eligible Director and the specific distribution shall be determined by the Board of Directors.

If Proposals 1 and 2 are approved as originally proposed, there will be five (5) Eligible Directors.

This proposal has been decided by the Board of Directors after deliberation by the Nomination & Compensation Advisory Committee, taking into comprehensive consideration factors such as recent economic circumstances, the size of the Company’s business, the level of payment of officers’ compensation and future trends, while also factoring in matters such as preparations for future securing of human resources. The Company has determined that this proposal is reasonable.

This proposal shall become effective subject to the effect of the amendments to the Articles of Incorporation in Proposal 1.

## **Outline of the Restricted Stock Compensation Scheme**

Eligible Directors shall, in accordance with a resolution of the Board of Directors of the Company, pay all monetary compensation claims received via this proposal as property contributed in kind, and receive common shares of the Company disposed from treasury stock. The total number of common shares of the Company disposed of as a result shall be no more than 80,000 shares (however, in the event of a stock split [including gratis allocation of the Company's common shares] or reverse stock split of the Company's common shares or any other event that requires the adjustment of the total number of common shares of the Company to be disposed of as restricted stock, that total number shall be adjusted within a reasonable range).

The amount to be paid in per share shall be determined by the Board of Directors, within a range that is not particularly advantageous to the Eligible Directors who will receive those common shares, on the basis of the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors (if no transactions were made on that day, the closing price on the trading day immediately preceding that day). In addition, for such disposal of the common shares of the Company, a restricted stock allocation agreement (hereinafter the "Allocation Agreement"), which includes the contents below, shall be concluded between the Company and the Eligible Directors.

The contents of the restricted stock to be granted to Eligible Directors are as follows.

### **(1) Transfer restriction period**

An Eligible Director shall not transfer, establish a security right over, or otherwise dispose of (hereinafter the "Transfer Restrictions") the Company's common shares that he or she receives via the Allocation Agreement (hereinafter the "Allocated Shares") from the date of receiving the allocation via the Allocation Agreement for the period of at least three years until a date to be determined in advance by the Company's Board of Directors or the period until the date on which the Eligible Director vacates the position of Director of the Company or other position determined by the Company's Board of Directors (hereinafter the "Transfer Restriction Period").

### **(2) Treatment of vacation of position**

If an Eligible Director vacates the position of Director of the Company or other position determined by the Company's Board of Directors prior to the expiration of the period determined by the Company's Board of Directors (hereinafter the "Service Provision Period"), the Company may automatically acquire the Allocated Shares without consideration, except in the case of an expiration of the term of office, death, or other justifiable reason.

### **(3) Lifting of the Transfer Restrictions**

Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restrictions on all Allocated Shares when the Transfer Restriction Period expires, on the condition that the Eligible Director was continuously in the position of Director of the Company or other position determined by the Company's Board of Directors throughout the Service Provision Period. However, the Company shall rationally adjust, as necessary, the number of Allocated Shares on which the Transfer Restrictions will be lifted and the time when the Transfer Restrictions will be lifted in the event that the Eligible Director vacates the position of Director of the Company or other position determined by the Company's Board of Directors before the expiration of the Service Provision Period due to the expiration of the term of office, death or any other justifiable reason set forth in (2) above.

In addition, the Company may automatically acquire without consideration the Allocated Shares on which Transfer Restrictions have not been lifted, immediately after the Transfer Restrictions have been lifted in accordance with the provisions above.

### **(4) Handling in the event of organizational restructuring or other transformation**

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement in which the Company is to be dissolved, a share exchange agreement or a share transfer plan in which the Company is to become a wholly owned subsidiary, or other matter concerning organizational restructuring or other transformation is approved at a General Meeting of Shareholders of the Company (or by the Company's Board of Directors if the said organizational restructuring or other transformation does not require approval at a General Meeting of Shareholders), the Company shall lift, prior to the effective date of the said organizational restructuring or other transformation, the Transfer Restrictions on the Allocated Shares, in a number determined rationally by a resolution of the Company's Board of

Directors based on the period from the commencement date of the Transfer Restriction Period to the approval date of the said organizational restructuring or other transformation. In such an event as set forth above, the Company may automatically acquire without consideration the Allocated Shares on which Transfer Restrictions have not been lifted, immediately after the Transfer Restrictions have been lifted.

(5) Other matters

Other matters concerning the Allocation Agreement shall be determined by the Company's Board of Directors.

(Reference)

In addition to Eligible Directors, the Company plans to grant restricted stock with the same contents as the above to Executive Officers who do not concurrently serve as Directors of the Company.