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Stock Code: 8150

# NOTICE OF THE 73rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

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**Time and Date of the Meeting:**

10:00 a.m. on Friday, June 21, 2024

Reception starts at 9:00 a.m.

**Venue:**

Conference Room on the 10th floor of the Company's headquarters,  
at 4-12, Shiba 4-chome, Minato-ku, Tokyo

**Agenda:**

Item 1: Payment of Year-End Dividends of Surplus

Item 2: Partial Changes to the Articles of Incorporation

Item 3: Appointment of Eight (8) Directors (Except Directors Who are Audit & Supervisory Committee Members)

Item 4: Appointment of Five (5) Directors Who are Audit & Supervisory Committee Members

Item 5: Appointment of One (1) Substitute Director Who is an Audit & Supervisory Committee Member

Item 6: Determination of Amount of Remuneration, etc. for Directors (Except Directors Who are Audit & Supervisory Committee Members)

Item 7: Determination of Amount of Remuneration, etc. for Directors Who are Audit & Supervisory Committee Members

Item 8: Determination of Amount and Details of Performance-Share Compensation, etc. of Directors (Except Directors Who are Audit & Supervisory Committee Members)

<b>If You are Unable to Attend the General Meeting of Shareholders</b>
Please exercise your voting rights on the Internet or in writing. Deadline for exercise of voting rights: 5:10 p.m. on Thursday, June 20, 2024

No souvenirs will be distributed to attending shareholders.

Sanshin Electronics Co., Ltd.

# NOTICE OF THE 73rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

Stock Code: 8150  
May 31, 2024

Dear Shareholder:

The 73rd Ordinary General Meeting of Shareholders of Sanshin Electronics Co., Ltd. (the “Company”), will be held at 10:00 a.m. (reception starts at 9:00 a.m.) on Friday, June 21, 2024, in the Conference Room on the 10th floor of the Company’s headquarters, at 4-12, Shiba 4-chome, Minato-ku, Tokyo.

When convening the General Meeting of Shareholders, the Company uses electronic provision measures for information that is the contents of reference materials, etc., for the General Meeting of Shareholders (matters subject to electronic provision measures). The information is posted on the Internet on the websites listed below. Please access either website to view the information.

Regarding this Notice, the Company will send the delivery document to all shareholders who requested delivery of written documents based on the applicable laws and regulations, and the Articles of Incorporation.

[Company Website]

<http://www.sanshin.co.jp/ir/meeting/>

(Please access the website listed above and refer to “Convocation Notice” under “The 73rd (FY 2023) Ordinary General Meeting of Shareholders.”)

[Websites Listing Materials for the General Meeting of Shareholders]

<https://d.sokai.jp/8150/teiji/>

[Website Operated by the Tokyo Stock Exchange (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Please access the Tokyo Stock Exchange website listed above. In the “Company Name/Code” enter and search for “Sanshin Electronics or the Company’s stock code “8150.” Click “Basic information” – “Documents for public inspection/PR information,” and then view the “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”)

If you are unable to attend the General Meeting of Shareholders, you may exercise your voting rights via the Internet or in writing. Please refer to the reference materials for the General Meeting of Shareholders listed later in this Notice. Follow the instructions for “Information on How to Exercise Your Voting Rights” listed on page 2 and exercise your voting rights no later than 5:10 p.m. on Thursday, June 20, 2024.

Sincerely yours,

Toshiro Suzuki

Representative Director, COO

Sanshin Electronics Co., Ltd.

4-12, Shiba 4-chome, Minato-ku, Tokyo, Japan

## Meeting Details

### Agenda:

#### Items to be reported

1. The Business Report, the Consolidated Financial Statements, and the report of the audit of the consolidated accounts by the Accounting Auditors and Audit & Supervisory Board for the 73rd term, from April 1, 2023 to March 31, 2024, will be reported at the meeting.
2. The Non-Consolidated Financial Statements for the 73rd term, from April 1, 2023 to March 31, 2024, will be reported at the meeting.

#### Items to be resolved

**Item 1: Payment of Year-End Dividends of Surplus**

**Item 2: Partial Changes to the Articles of Incorporation**

**Item 3: Appointment of Eight (8) Directors (Except Directors Who are Audit & Supervisory Committee Members)**

**Item 4: Appointment of Five (5) Directors Who are Audit & Supervisory Committee Members**

**Item 5: Appointment of One (1) Substitute Director Who is an Audit & Supervisory Committee Member**

**Item 6: Determination of Amount of Remuneration, etc. for Directors (Except Directors Who are Audit & Supervisory Committee Members)**

**Item 7: Determination of Amount of Remuneration, etc. for Directors Who are Audit & Supervisory Committee Members**

**Item 8: Determination of Amount and Details of Performance-Share Compensation, etc. of Directors (Except Directors Who are Audit & Supervisory Committee Members)**

#### Information on How to Exercise Your Voting Rights:

(1) If you choose to exercise your voting rights in writing

Please exercise your voting rights by indicating your approval or disapproval on the enclosed proxy card, and return it to us so that it arrives no later than 5:10 p.m. on Thursday, June 20, 2024.

(2) If you choose to exercise your voting rights via the Internet

If you choose to vote via the Internet, please check page 4 of the original notice in Japanese, and vote on the Internet at the designated website no later than 5:10 p.m. on Thursday, June 20, 2024.

(3) If you exercise your voting rights both in writing and via the Internet, the electronic exercise shall be deemed as valid. Similarly, if you exercise your voting rights multiple times via the Internet, or more than once using a PC, a smartphone and a mobile phone, the latest exercise shall be deemed as valid.

When attending the meeting in person, please present the enclosed proxy card at the reception desk.

The following items are not included in the document delivered with this Notice, because they are posted on the websites listed above in accordance with the applicable laws and regulations, and the provision of the Company's Articles of Incorporation.

Accounting Auditors and Auditors audit the documents subject to audit, including the following.

1) Notes to Consolidated Financial Statements

2) Notes to Non-consolidated Financial Statements

If any amendments are made to matters subject to electronic provision measures, the items before amendments and the items after amendments will be posted on the websites listed above.

## Reference Materials for the General Meeting of Shareholders

### Item 1: Payment of Year-End Dividends of Surplus

The Company considers profit returns to its shareholders as one of the most important management issues. The Company's basic policy is to determine dividends by comprehensively considering the need to maintain a balance between rewarding of shareholders, investment to gain opportunities for growth, attainment of sufficient retained earnings to enable sustainable growth, and improvement in capital efficiency. Under this policy, the Company has set a target for its dividend payout ratio of around 50% on a consolidated basis. We currently plan to pay the year-end dividends for the fiscal year under review as follows.

Type of dividends	Cash
Allocation and total of year-end dividends	We propose to pay a year-end dividend of ¥70 per share, with the total payment of ¥864,821,090. (Combined with the already paid interim dividend, the annual dividend thus becomes ¥105 per share.)
Date of commencement of payment of dividends of surplus	June 24, 2024

**Item 2: Partial Changes to the Articles of Incorporation**

**1. Reason for proposal**

In order to strengthen the supervisory functions of the Board of Directors, further buttress corporate governance and speed up management decision-making, the Company wishes to transition from a company with board of company auditors to a company with Audit & Supervisory Committee. To fulfill this aim, the Company is reorganizing provisions as necessary and making the changes listed below:

- Establishment of new rules for Directors who are also Audit and Supervisory Committee members and for the Audit and Supervisory Committee
- Elimination of certain rules regarding Corporate Auditors and the Board of Corporate Auditors
- Establishment of new rules to enable decisions on the execution of important duties to be delegated to Directors
- Establishment of new by-laws regarding the effective status of the eliminated rules

**2. Contents of changes**

The contents of the changes are as follows.

Changes to Articles of Incorporation in this agenda item come into effect as of the closing of this General Meeting of Shareholders.

(The modifications are underlined.)

Current Articles of Incorporation	Proposals for changes
<p style="text-align: center;">Chapter 1: General Provisions</p> <p>Article 1 to 3      &lt;Omission of text&gt;</p> <p>(Governing Body)</p> <p>Article 4</p> <p>In addition to the General Meeting of Shareholders and Directors, the Company shall have the following bodies:</p> <p>1) Board of Directors</p> <p>2) <u>Corporate Auditors</u></p> <p>3) <u>Board of Corporate Auditors</u></p> <p>4) Accounting Auditors</p>	<p style="text-align: center;">Chapter 1: General Provisions</p> <p>Article 1 to 3      &lt;No change&gt;</p> <p>(Governing Body)</p> <p>Article 4</p> <p>In addition to the General Meeting of Shareholders and Directors, the Company shall have the following bodies:</p> <p>1) Board of Directors</p> <p>2) <u>Audit &amp; Supervisory Committee</u></p> <p style="text-align: center;"><u>&lt; Deletion &gt;</u></p> <p>3) Accounting Auditors</p>

Current Articles of Incorporation	Proposals for changes
<p>(Method of Public Notices) Article 5 &lt;Omission of text&gt;</p> <p>Chapter 2: Company Stock Article 6 to 10 &lt;Omission of text&gt;</p> <p>Chapter 3: General Meeting of Shareholders Article 11 to 17 &lt;Omission of text&gt;</p> <p>Chapter 4: Directors and Board of Directors (Number of Directors) Article 18 The number of Directors of the Company shall be no more than <u>fifteen (15)</u>.</p> <p style="text-align: center;"><u>&lt;New establishment&gt;</u></p> <p>(Election of Directors) Article 19 <u>&lt;New establishment&gt;</u></p> <p>The election of Directors shall be adopted at a General Meeting of Shareholders where shareholders holding one-third (1/3) or more of the voting rights of all shareholders entitled to exercise voting rights are present and by a majority vote of the voting rights of the shareholders present.</p> <p><u>2.</u> Elections as referred to in Paragraph (1) hereof shall not be made by cumulative voting.</p>	<p>(Method of Public Notices) Article 5 &lt;No change&gt;</p> <p>Chapter 2: Company Stock Article 6 to 10 &lt;No change&gt;</p> <p>Chapter 3: General Meeting of Shareholders Article 11 to 17 &lt;No change&gt;</p> <p>Chapter 4: Directors and Board of Directors (Number of Directors) Article 18 1. The number of Directors of the Company shall be no more than <u>nine (9) (not including Directors who are also Audit and Supervisory Committee members)</u>.</p> <p><u>2. The number of Directors of the Company Who are Audit &amp; Supervisory Committee members shall be no more than six (6)</u></p> <p>(Election of Directors) Article 19 1. <u>Directors of the Company Who are Audit &amp; Supervisory Committee members shall be distinguished from Directors of the Company who are not Audit &amp; Supervisory Committee members, and both shall be appointed at a General Meeting of Shareholders.</u></p> <p><u>2.</u> The election of Directors shall be adopted at a General Meeting of Shareholders where shareholders holding one-third (1/3) or more of the voting rights of all shareholders entitled to exercise voting rights are present and by a majority vote of the voting rights of the shareholders present.</p> <p><u>3.</u> Elections as referred to in Paragraph (1) hereof shall not be made by cumulative voting.</p>

Current Articles of Incorporation	Proposals for changes
<p>(Term of Office) Article 20 The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last closing of business year ending within one (1) year from his/her appointment of office.</p> <p style="text-align: center;"><u>&lt;New establishment&gt;</u></p> <p style="text-align: center;"><u>&lt;New establishment&gt;</u></p> <p>(Representative Directors, etc.) Article 21 1. The Board of Directors shall appoint one or more Representative Directors from among the Directors.</p> <p>2. <u>The Board of Directors may, by its resolution, appoint one Chairman and one President, and Deputy Presidents, Executive Vice Presidents, Senior Vice Presidents and Advisors.</u></p>	<p>(Term of Office) Article 20 1. The term of office of a Director (<u>except Directors Who are Audit &amp; Supervisory Committee members</u>) shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last closing of business year ending within one (1) year from his/her appointment of office.</p> <p>2. <u>The term of office of a Director Who are Audit &amp; Supervisory Committee members shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last closing of business year ending within two (2) years from his/her appointment of office.</u></p> <p>3. <u>The term of office of Directors of the Company Who are Audit &amp; Supervisory Committee members and are appointed to replace former Directors of the Company who were Audit &amp; Supervisory Committee members shall be the remainder of the term of office of the Directors of the Company who were Audit &amp; Supervisory Committee members whom they replaced.</u></p> <p>(Representative Directors, etc.) Article 21 1. The Board of Directors (<u>except Directors Who are Audit &amp; Supervisory Committee members</u>) shall appoint one or more Representative Directors from among the Directors.</p> <p style="text-align: center;"><u>&lt;Deletion&gt;</u></p>

Current Articles of Incorporation	Proposals for changes
<p>(Convocation) Article 22 1. Notice of convocation of a meeting of the Board of Directors shall be sent to each Director <u>and Corporate Auditor</u> three (3) days in advance the date for such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. When a Director makes a proposal in regard to an issue for resolution by the Board of Directors, that resolution shall be considered to have been approved by the Board of Directors if all Directors who may join in on the resolution of that matter express their intent of agreement in written or electromagnetic form <u>and the Corporate Auditors do not voice an objection.</u></p> <p style="text-align: center;"><u>&lt;New establishment&gt;</u></p> <p>Article 23 to 24      &lt;Omission of text&gt;</p>	<p>(Convocation) Article 22 1. Notice of convocation of a meeting of the Board of Directors shall be sent to each Director three (3) days in advance the date for such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. When a Director makes a proposal in regard to an issue for resolution by the Board of Directors, that resolution shall be considered to have been approved by the Board of Directors if all Directors who may join in on the resolution of that matter express their intent of agreement in written or electromagnetic form.</p> <p><u>(Delegation of Decisions on Execution of Important Duties)</u> <u>Article 23</u> <u>As specified in Article 399-13, Paragraph 6 of the Company Law, the Company may, by resolution of the Board of Directors, delegate some or all decisions on execution of important duties (except those listed in each Item of Paragraph 5 of the Article) to Directors.</u></p> <p>Article <u>24</u> to <u>25</u>      &lt;No change&gt;</p>



Current Articles of Incorporation	Proposals for changes
<p>Chapter 5: Corporate Auditors and Board of Corporate Auditors (Election of Corporate Auditors) <u>Article 25</u> The election of Corporate Auditors shall be adopted at a General Meeting of Shareholders where shareholders holding one-third (1/3) or more of the voting rights of all shareholders who are entitled to exercise voting rights are present and by a majority vote of the voting rights of the shareholders present.</p> <p>(Term of Office) <u>Article 26</u> 1. The term of office of a Corporate Auditor shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last closing of business year ending within four (4) years from his/her appointment of office. 2. The term of office of any Corporate Auditor who is elected to fill a vacancy shall expire at the time of expiration of the term of office of the retired Corporate Auditor.</p> <p>(Standing Corporate Auditors) <u>Article 27</u> The Board of Corporate Auditors shall appoint Standing Corporate Auditors from among the Corporate Auditors.</p> <p>(Convocation) <u>Article 28</u> Notice of convocation of a meeting of the Board of Corporate Auditors shall be sent to each Corporate Auditor three (3) days in advance to the date for such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>(Regulations of Board of Corporate Auditors) <u>Article 29</u> Unless otherwise provided for by laws or ordinances or these Articles of Incorporation, the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors.</p>	<p>&lt;Deletion&gt;</p> <p>&lt;Deletion&gt;</p> <p>&lt;Deletion&gt;</p> <p>&lt;Deletion&gt;</p> <p>&lt;Deletion&gt;</p> <p>&lt;Deletion&gt;</p> <p>&lt;Deletion&gt;</p>

Current Articles of Incorporation	Proposals for changes
<p data-bbox="129 215 796 255"><u>(Release of Liability of Corporate Auditor)</u></p> <p data-bbox="129 257 796 297"><u>Article 30</u></p> <p data-bbox="129 300 796 533">1. Pursuant to the provisions of Article 426, Paragraph 1 of the Company Law, the Company may release liability for damage in the event that the Corporate Auditor (including those who previously held these positions) fails to perform his/her duties, through a resolution of the Board of Directors.</p> <p data-bbox="129 535 796 808">2. The Company may enter into a contract for limitation of liability with a Corporate Auditor, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit liability for damage in the event that he/she fails to perform his/her duties. However, the amount of their liability under these agreements is limited by laws and regulations.</p> <p data-bbox="336 853 587 893"><u>&lt;New establishment&gt;</u></p> <p data-bbox="336 972 587 1012"><u>&lt;New establishment&gt;</u></p> <p data-bbox="336 1252 587 1292"><u>&lt;New establishment&gt;</u></p> <p data-bbox="336 1572 587 1612"><u>&lt;New establishment&gt;</u></p>	<p data-bbox="1059 257 1197 297"><u>&lt;Deletion&gt;</u></p> <p data-bbox="1059 535 1197 575"><u>&lt;Deletion&gt;</u></p> <p data-bbox="879 853 1378 893"><u>Chapter 5: Audit &amp; Supervisory Committee</u></p> <p data-bbox="805 936 1422 976"><u>(Full-time Audit &amp; Supervisory Committee members)</u></p> <p data-bbox="805 978 927 1019"><u>Article 26</u></p> <p data-bbox="805 1021 1449 1128"><u>The Audit &amp; Supervisory Committee may, by its resolutions, select full-time Audit &amp; Supervisory Committee members.</u></p> <p data-bbox="805 1171 1449 1249"><u>(Notices of Convocation of the Audit and Supervisory Committee)</u></p> <p data-bbox="805 1252 927 1292"><u>Article 27</u></p> <p data-bbox="805 1294 1449 1487"><u>Notices of convocation of the Audit &amp; Supervisory Committee are in principle issued to the Audit &amp; Supervisory Committee members no later than three (3) days before the date of the meeting. However, in urgent cases this notice period may be shortened.</u></p> <p data-bbox="805 1529 1414 1570"><u>(Regulations of the Audit &amp; Supervisory Committee)</u></p> <p data-bbox="805 1572 927 1612"><u>Article 28</u></p> <p data-bbox="805 1615 1449 1807"><u>Items related to the Audit &amp; Supervisory Committee are determined by law, in these Articles of Incorporation and in the Regulations of the Audit &amp; Supervisory Committee as determined by the Audit &amp; Supervisory Committee.</u></p>

Current Articles of Incorporation	Proposals for changes
<p>Chapter 6: Accounting Article <u>31</u> to <u>34</u> &lt;Omission of text&gt;</p> <p>&lt;<u>New establishment</u>&gt;</p> <p>&lt;<u>New establishment</u>&gt;</p>	<p>Chapter 6: Accounting Article <u>29</u> to <u>32</u> &lt;No change&gt;</p> <p><u>Supplementary Provisions</u> <u>(Transitional Measures on Exemption from Liability of Auditors)</u></p> <p><u>Article 1</u> <u>As specified in Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Auditors (including former Auditors) as identified in Article 423, Paragraph 1 of the Companies Act from liability for damages regarding actions taken before the closing of the 73rd Ordinary General Meeting of Shareholders, to the extent permitted by law.</u></p>

**Item 3: Appointment of Eight (8) Directors (Except Directors who are Audit & Supervisory Committee Members)**

If agenda item No. 2, “Partial Changes to the Articles of Incorporation,” is approved as written, the Company will become a company with Audit & Supervisory Committee. As such, when the changes to the Articles of Incorporation come into force, the terms of office of all members of the Board of Directors (12 persons) will expire and said Board members will retire. In their place, the shareholders will be asked to appoint eight Directors (here and hereinafter, except Directors Who are Audit & Supervisory Committee members) to serve after the transition to a company with Audit & Supervisory Committee.

This agenda item only comes into force on the condition that the changes to the Articles of Incorporation in agenda item No. 2, “Partial Changes to the Articles of Incorporation,” come into force.

The candidates for the position of Director are as follows:

Candidate No.	Name	Gender	Current title, etc.	Attribute
1	Mitsumasa Matsunaga	Male	Representative Director, CEO	Reappointment
2	Toshiro Suzuki	Male	Representative Director, COO	Reappointment
3	Koji Sakamoto	Male	Director, Senior Operating Officer	Reappointment
4	Hiroshi Harada	Male	Director, Operating Officer	Reappointment
5	Jun-ichi Murakami	Male	Director, Operating Officer	Reappointment
6	Hitoshi Iwakami	Male	Director, Operating Officer	Reappointment
7	Minoru Nishino	Male	Director	Reappointment External Independent
8	Akihiro Fujioka	Male	Director	Reappointment External Independent

Reappointment

Candidate for reappointment as Director

External

Candidate for Director (External)

Independent

Independent Director/Auditor stipulated by the Tokyo Stock Exchange

Candidate No. 1	<b>Mitsumasa Matsunaga</b>	Shares owned: 148,645 shares
	(born February 7, 1948)	Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<b>Reappointment</b>	<p>[Brief personal history, and title and role in the Company]</p> <p>Jan. 1980:      Joined Sanshin Electronics Co., Ltd.  Oct. 1980:      Director  Nov. 1983:     Director, Senior Vice President  Apr. 1993:     Director, Executive Vice President  Jun. 1995:     Representative Director, Senior Executive Director  Jun. 1996:     Representative Director, President  Jun. 2014:     Representative Director, Chairman  Aug. 2014:     Representative Director, Chairman/CEO  Jun. 2016:     Representative Director, CEO (current)</p> <p>Reason for nomination as a Director candidate:  Mitsumasa Matsunaga has been involved in the management of Sanshin Electronics since 1980, when he was appointed as the Director. Mr. Matsunaga, who has deep knowledge of corporate management as well as strong leadership, can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 2	<b>Toshiro Suzuki</b>	Shares owned: 3,282 shares
	(born December 6, 1957)	Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<b>Reappointment</b>	<p>[Brief personal history, and title and role in the Company]</p> <p>Mar. 1982:     Joined Sanshin Electronics Co., Ltd.  Apr. 2003:     General Manager of General Affairs Department  Jun. 2005:     General Manager of Corporate Strategy Department  Jun. 2008:     Director  Jun. 2014:     Representative Director, President  Aug. 2014:     Representative Director, President/COO  Jun. 2016:     Representative Director, COO (current)</p> <p>[Duty]  In charge of Auditing Office</p> <p>Reason for nomination as a Director candidate:  Backed by an enormous reserve of knowledge regarding corporate management and management strategy, Toshiro Suzuki has led the Group as President since 2014. Drawing on this wealth of experience, Mr. Suzuki can be expected to take a leading role in implementing the policies to strengthen business capability of the Group. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 3	<b>Koji Sakamoto</b> (born February 3, 1960)	Shares owned: 2,418 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<b>Reappointment</b>	<p>[Brief personal history, and title and role in the Company]</p> <p>Mar. 1984: Joined Sanshin Electronics Co., Ltd.  Apr. 2003: General Manager of Personnel Department  Oct. 2013: Deputy Senior General Manager of Administration Division  Jun. 2014: Operating Officer, Senior General Manager of Administration Division  Jun. 2015: Director  Jun. 2016: Director, Operating Officer  Jun. 2021: Director, Senior Operating Officer (current)</p> <p>[Duty]  Senior General Manager of Administration Division</p> <p>Reason for nomination as a Director candidate:  Koji Sakamoto holds knowledge and experience in personnel strategy, corporate governance and internal controls. Drawing on this wealth of experience, Mr. Sakamoto can be expected to take a leading role in construction of a flexible organizational structure and strengthening of Company's human resources. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 4	<b>Hiroshi Harada</b> (born December 25, 1962)	Shares owned: 1,156 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<b>Reappointment</b>	<p>[Brief personal history, and title and role in the Company]</p> <p>Apr. 1985: Joined NEC Corporation  Jul. 2006: Manager of Manufacturing 3rd Sales Department in Kansai Manufacturing and Processing Industries Sales Division at Kansai Branch  Apr. 2014: Manager of Industries 2nd Sales Department at Chugoku Branch  Apr. 2016: Seconded to the Company, Manager of Osaka Branch in Solution Marketing &amp; Sales Division  Apr. 2017: Joined Sanshin Electronics Co., Ltd., Manager of Osaka Branch in Solution Marketing &amp; Sales Division  Apr. 2019: Operating Officer, Deputy Senior General Manager/Manager of Osaka Branch in Solution Marketing &amp; Sales Division  Jun. 2019: Director, Operating Officer (current)</p> <p>[Duty]  Deputy Senior General Manager of Solution Marketing &amp; Sales Division</p> <p>Reason for nomination as a Director candidate:  Hiroshi Harada has a great deal of experience in the application business, which is a pillar of the Group's solution business, and has led the entire solution business as Senior General Manager since 2019. This includes experience at his previous employer NEC Corporation. Drawing on this wealth of experience, Mr. Harada can be expected to take a leading role in expanding business for the overall application business of the Group. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 5	<b>Jun-ichi Murakami</b> (born August 3, 1965)	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<b>Reappointment</b>	<p>[Brief personal history, and title and role in the Company]</p> <p>Apr. 1989: Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>Apr. 2014: General Manager of Machida Corporate Business Office</p> <p>Apr. 2016: General Manager of Kobe Corporate Business Office-1</p> <p>Oct. 2018: General Manager of Tokyo Corporate Banking Dept. 12</p> <p>May 2021: Seconded to the Company, Deputy Senior General Manager of Finance &amp; Accounting Division</p> <p>Jun. 2022: Director, Operating Officer (current)</p> <p>[Duty]</p> <p>Senior General Manager of Finance &amp; Accounting Division</p>	
	<p>Reason for nomination as a Director candidate:</p> <p>In addition to experience obtained during his previous position at Sumitomo Mitsui Banking Corporation, Jun-ichi Murakami has been deeply involved in finance; for example, he held the position of Deputy Senior General Manager of the Finance &amp; Accounting Division while seconded to the Company, and the position of Senior General Manager of the Finance &amp; Accounting Division after being appointed as a Director at the Company. Mr. Murakami can be expected to fulfill a central role in enhancing financial strategy and IR activities, and to strengthen the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as a Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 6	<b>Hitoshi Iwakami</b> (born February 17, 1963)	Shares owned: 155 shares
		Rate of attendance at the Board of Directors meetings during the current term: 10 times / 10 meetings (100%)
<b>Reappointment</b>	<p>[Brief personal history, and title and role in the Company]</p> <p>Feb. 1988: Joined Sanshin Electronics Co., Ltd.</p> <p>Oct. 2010: Senior Manager (seconded) of SANSHIN ELECTRONICS (HONG KONG) CO., LTD.</p> <p>Oct. 2013: President (seconded) of SANSHIN ELECTRONICS (SHANGHAI) CO., LTD.</p> <p>Oct. 2020: Operating Officer, Director of Overseas Sales Unit</p> <p>Jun. 2022: Operating Officer, Director of Electronic Components Sales Promotion Unit, Director of Overseas Sales Unit (current)</p> <p>Jun. 2023: Director, Operating Officer (current)</p> <p>[Duty]</p> <p>Director of Electronic Components Sales Promotion Unit and Director of Overseas Sales Unit</p>	
	<p>Reason for nomination as a Director candidate:</p> <p>Hitoshi Iwakami has worked in the electronics components business for many years and has extensive experience working at overseas subsidiaries. He possesses experience in supervising the overseas business and electronic components business. Drawing on this wealth of experience, Mr. Iwakami can be expected to take a leading role in strengthening the overseas business and the electronic components business, which account for a large proportion of the device business. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to serve in that capacity.</p>	

Candidate No. 7	<b>Minoru Nishino</b>	Shares owned: 0 shares
	(born August 16, 1950)	Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<b>Reappointment</b> <b>External</b> <b>Independent</b>	[Brief personal history, and title and role in the Company]	
	Apr. 1974: Joined The Daiwa Bank, Limited. (currently Resona Bank, Limited)	
	Jun. 2003: Executive Officer of Resona Holdings, Inc	
	Jun. 2004: Director of Haseko Corporation	
	Apr. 2005: Director, Senior Operating Officer	
	Jun. 2007: Representative Director, Senior Operating Officer	
	Apr. 2010: Representative Director & Executive Operating Officer	
	Jun. 2016: Director (External) of the Company (current)	
	Reason for nomination as a Director (External) candidate and expected role: Minoru Nishino can be expected to provide extensive suggestions concerning all aspects of the Company's corporate management, based on his abounding experience in corporate management as a director for listed companies. Furthermore, Mr. Nishino can be expected to provide effective suggestions, mainly in finance, such as effective fund operation reflecting the Company's management strategy, based on his abounding work experience in a bank, in addition to his central role in the corporate planning of a construction company. Therefore, Mr. Nishino is judged as an appropriate candidate to serve as a Director (External) of the Company and is being asked to continue to serve in that capacity.	

Candidate No. 8	<b>Akihiro Fujioka</b>	Shares owned: 0 shares
	(born January 20, 1957)	Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<b>Reappointment</b> <b>External</b> <b>Independent</b>	[Brief personal history, and title and role in the Company]	
	Apr. 1979: Joined Mitsui Mutual Life Insurance Company (currently Taiju Life Insurance Company Limited)	
	Apr. 2003: President of Sansei Capital Investment Co., Ltd.	
	Apr. 2008: Operating Officer of Mitsui Life Insurance Company Limited (currently Taiju Life Insurance Company Limited)	
	Jun. 2013: Director, Senior Operating Officer	
	Jun. 2014: Director & Vice President of Sumitomo Mitsui Asset Management Company, Limited (currently Sumitomo Mitsui DS Asset Management Company, Limited)	
	Jun. 2020: Director (External) of the Company (current)	
	Reason for nomination as a Director (External) candidate and expected role: Akihiro Fujioka has abundant experience participating as a director in the management of a member company of a major financial group. Accordingly, he can be expected to provide valuable advice to the Company on a wide variety of management topics. Moreover, he brings to the table a wealth of experience in the financial field, and can particularly be expected to advise the Company on investment risk management. Therefore, Mr. Fujioka is judged as an appropriate candidate to serve as a Director (External) of the Company and is being asked to continue to serve in that capacity.	



- Notes:
1. The candidates are decided by the Board of Directors based on reports received from the Nomination & Remuneration Committee. Key members of this Committee are Independent Directors/Auditors reported by the Company to the Tokyo Stock Exchange.
  2. None of the above candidates have special vested interests with the Company.
  3. Minoru Nishino and Akihiro Fujioka are candidates for Director (External).
  4. Minoru Nishino and Akihiro Fujioka are currently Directors(External) of the Company. The term of office for Minoru Nishino shall be eight (8) years at the closing of this General Meeting of Shareholders. The term of office for Akihiro Fujioka shall be four (4) years at the closing of this General Meeting of Shareholders.
  5. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company entered into an agreement with Minoru Nishino and Akihiro Fujioka that limits their liability for damages prescribed in Article 423, Paragraph 1 of the same Act. In each case the limit on their liability for damages under the agreement coincides with the legally stipulated amounts. If the reappointment of them is approved as proposed at this General Meeting of Shareholders, the Company will continue the said agreement with them.
  6. The Company designated Minoru Nishino and Akihiro Fujioka as Independent Directors as per the provisions of the Tokyo Stock Exchange, and gave notice to this effect to the Tokyo Stock Exchange. If the reappointment of them is approved as proposed at this General Meeting of Shareholders, the Company will designate them as Independent Directors again, and will give notice to this effect to the Tokyo Stock Exchange.
  7. Pursuant to Article 430, Paragraph 3, Item 1 of the Companies Act, the Company has entered into a liability insurance contract for officers, etc., with insurance companies. An overview of the insurance contract is listed on the Business Report on the 73rd Term delivered with this Notice, “IV. Directors and Audit & Supervisory Board Members (3) Overview of Liability Insurance Contract for Officers, etc.” Each candidate will become insured under the insurance contract upon being nominated and appointed as a Director. Furthermore, we plan to renew the insurance contract with the same contents at the next renewal period.

#### Item 4: Appointment of Five (5) Directors Who are Audit & Supervisory Committee Members

If agenda item No. 2, “Partial Changes to the Articles of Incorporation,” is approved as written, the Company will become a company with Audit & Supervisory Committee. As such, the shareholders will be asked to appoint five Directors who are Audit & Supervisory Committee members.

This agenda item only comes into force on the condition that the changes to the Articles of Incorporation in agenda item No. 2, “Partial Changes to the Articles of Incorporation,” come into force. The candidates for Director who are Audit & Supervisory Committee members are as follows:

Candidate No.	Name	Gender	Current title, etc.	Attribute
1	Akio Misono	Male	Audit & Supervisory Board member (full-time)	<u>New Appointment</u>
2	Shinichi Miura	Male	Audit & Supervisory Board member (full-time)	<u>New Appointment</u>
3	Shohei Yamamoto	Male	Audit & Supervisory Board member	<u>New Appointment</u> <u>External</u> <u>Independent</u>
4	Kuniharu Kezuka	Male	Audit & Supervisory Board member	<u>New Appointment</u> <u>External</u> <u>Independent</u>
5	Minako Adachi	Female	Director	<u>New Appointment</u> <u>External</u> <u>Independent</u>

New Appointment

Candidate for new appointment as Director

External

Candidate for Director (External)

Independent

Independent Director/Auditor stipulated by the Tokyo Stock Exchange

Candidate No. 1	<p style="text-align: center;"><b>Akio Misono</b> (born June 24, 1959)</p>	Shares owned: 13,076 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%) Rate of attendance at the Audit & Supervisory Board meetings during the current term: 16 times / 16 meetings (100%)
<div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div>	[Brief personal history and title in the Company]	
	Mar. 1982:   Joined Sanshin Electronics Co., Ltd. Apr. 2003:   General Manager of Accounting Department Oct. 2008:   General manager of Planning Department Oct. 2012:   General Manager of Finance Department Oct. 2013:   Deputy Senior General Manager of Finance & Accounting Division Jun. 2014:   Director Jun. 2016:   Director, Operating Officer Jun. 2019:   Director, Senior Operating Officer Jun. 2022:   Audit & Supervisory Board member (full-time) ,(current)	
	Reason for nomination as a Director who is an Audit & Supervisory Committee member candidate: Akio Misono has not only engaged in the fields of management planning, accounting, finance and IR activities as a Director, but also handling management supervision, including risk management and internal controls as an Audit & Supervisory Board member(full-time). Drawing on this wealth of experience, the Company expects he would strengthen the Company's supervisory functions with respect to execution of duties. Therefore, Mr. Misono is judged as an appropriate candidate to serve as a Director who is an Audit & Supervisory Committee member of the Company and is being asked to serve in that capacity.	

Candidate No. 2	<p style="text-align: center;"><b>Shinichi Miura</b> (born July 21, 1956)</p>	Shares owned: 21,163 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%) Rate of attendance at the Audit & Supervisory Board meetings during the current term: 16 times / 16 meetings (100%)
<div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div>	[Brief personal history and title in the Company]	
	Mar. 1980:   Joined Sanshin Electronics Co., Ltd. Oct. 1994:   General Manager of Sanshin Electronics (Hong Kong) Co., Ltd. (secondment) Aug. 2003:   General manager of Logistics Center Jun. 2012:   Audit & Supervisory Board member (full-time) ,(current)	
	Reason for nomination as a Director who is an Audit & Supervisory Committee member candidate: Shinichi Miura possesses wide-ranging knowledge of and experience in corporate management and thoroughly understands the importance of internal controls. The Company expects he would supervise management from an objective standpoint and to provide accurate advice and recommendations both within and outside Board meetings. Therefore, Mr. Miura is judged as an appropriate candidate to serve as a Director who is an Audit & Supervisory Committee member of the Company and is being asked to serve in that capacity.	

Candidate No. 3	<p style="text-align: center;"><b>Shohei Yamamoto</b> (born December 31, 1962)</p>	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%) Rate of attendance at the Audit & Supervisory Board meetings during the current term: 16 times / 16 meetings (100%)
<div style="border: 1px solid black; padding: 2px; display: inline-block;">New</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	[Brief personal history and title in the Company]	
	Apr. 1998: Registered as an attorney-at-law with the Tokyo Bar Association. Joined Yanase Law Office (currently Marunouchi-Chuo Law Office) Apr. 2015: Partner of Marunouchi-Chuo Law Office (current) Jun. 2015: External Audit & Supervisory Board Member of the Company (current) [Important concurrent role] Lawyer of Marunouchi-Chuo Law Office Director (External) of Narasaki Sangyo Co., Ltd. Audit & Supervisory Board member of MegaHouse Corporation External Audit & Supervisory Board member of BANDAI Co., Ltd. External Audit & Supervisory Board member of TOIN CORPORATION	
Overview of reasons for nomination as a candidate for Director (External) who is an Audit & Supervisory Committee member and of expected roles: In addition to high-level specialized expertise and extensive knowledge/experience as a lawyer, he has the knowledge and experience that has been accumulated through his duties as the Director (External) and Audit & Supervisory Board member (External) at a publicly listed company The Company expects he would strengthen the Company's supervisory functions with respect to execution of duties. Therefore, Mr. Yamamoto is judged as an appropriate candidate to serve as a Director who is an Audit & Supervisory Committee member of the Company and is being asked to serve in that capacity.		

Candidate No. 4	<p style="text-align: center;"><b>Kuniharu Kezuka</b> (born June 30, 1967)</p>	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%) Rate of attendance at the Audit & Supervisory Board meetings during the current term: 16 times / 16 meetings (100%)
<div style="border: 1px solid black; padding: 2px; display: inline-block;">New</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	[Brief personal history and title in the Company]	
	Oct. 1992: Joined Chuo Shinko Audit Corporation (changed the name to MISUZU Audit Corporation) Apr. 1996: Registered as a certified public accountant Nov. 1999: Seconded to Price Waterhouse Coopers Dusseldorf (PwC Düsseldorf) May 2006: Established Kezuka Accounting Office Apr. 2007: Registered as a tax accountant Feb. 2015: External Audit & Supervisory Board member (full-time) at Levi Strauss Japan K.K. Feb. 2016: Director (External) (full-time Audit & Supervisory Committee member) at Levi Strauss Japan K.K. Jun. 2018: External Audit & Supervisory Board member of the Company (current) [Important concurrent role] Certified public accountant and tax accountant at Kezuka Accounting Office	
Overview of reasons for nomination as a candidate for Director (External) who is an Audit & Supervisory Committee member and of expected roles: Kuniharu Kezuka has a high level of expertise and extensive experience as a certified public accountant and tax accountant. He has the knowledge and experience that has been accumulated through his duties as the Director (External) and Audit & Supervisory Board member (External) for Auditing at a publicly listed company and that will contribute to the Company's effort to strengthen its auditing system. The Company expects that Mr. Kezuka would monitor the management of the Company and provide expert advice and recommendations from the objective viewpoint as an expert of corporate accounting. Therefore, Mr. Kezuka is judged as an appropriate candidate to serve as a Director who is an Audit & Supervisory Committee member of the Company and is being asked to serve in that capacity.		

Candidate No. 5	<p style="text-align: center;"><b>Minako Adachi</b> (born October 1, 1956)</p>	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 9 times / 10 meetings (90%) Rate of attendance at the Audit & Supervisory Board meetings during the current term: - times / - meetings (-%)
<div style="border: 1px solid black; padding: 2px; display: inline-block;">New</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	<p>[Brief personal history, and title and role in the Company]</p> <p>Apr. 1979:           Joined Hochiki Corporation</p> <p>Jun. 2006:           President of Hochiki Europe (U.K.) Limited</p> <p>Apr. 2009:           Executive Officer of Hochiki Corporation</p> <p>Jun. 2010:           Director of Hochiki Corporation and Chairperson of Hochiki Fire Prevention Technology Corporation</p> <p>Oct. 2012:           President and Director of Hochiki Australia Pty Ltd.</p> <p>Jun. 2015:           Representative Director of Hochiki Shoji Corporation</p> <p>Jun. 2023:           Director (External) of the Company (current)</p> <p>[Important concurrent role]</p> <p>Audit and Supervisory Board Member of Hochiki Corporation</p> <p>Director (External) of Sinko Industries Ltd.</p>	
	<p>Overview of reasons for nomination as a candidate for Director (External) who is an Audit &amp; Supervisory Committee member and of expected roles:</p> <p>Minako Adachi can be expected to provide extensive suggestions concerning all aspects of the Company's corporate management, based on her abounding experience in corporate management as a director for listed companies. Ms. Adachi can also be expected to provide suggestions based on her knowledge in advancing the role of women. Furthermore, she worked at a manufacturer of disaster-prevention facilities in overseas sales in regions such as Europe and Asia, and served as president of a local subsidiary, so she can particularly be expected to provide suggestions on growth strategy for the overseas business of the Group. Therefore, Ms. Adachi is judged as an appropriate candidate to serve as a Director who is an Audit &amp; Supervisory Committee member (External) of the Company and is being asked to serve in that capacity.</p>	

Notes:

1. The candidates are decided by the Board of Directors based on reports received from the Nomination & Remuneration Committee.
2. The above candidates have no special vested interests with the Company.
3. Shohei Yamamoto, Kuniharu Kezuka, and Minako Adachi are candidates for Directors Who are Audit & Supervisory Committee members (External).
4. Shohei Yamamoto and Kuniharu Kezuka are currently External Audit & Supervisory Board members of the Company, and Minako Adachi is Director (External). The term of office for Shohei Yamamoto shall be nine (9) years at the closing of this General Meeting of Shareholders. The term of office for Kuniharu Kezuka shall be six (6) years at the closing of this General Meeting of Shareholders. The term of office for Minako Adachi shall be one (1) year at the closing of this General Meeting of Shareholders.
5. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company entered into an agreement with candidates that limits their liability for damages prescribed in Article 423, Paragraph 1 of the same Act. If their reappointment is approved as proposed at this General Meeting of Shareholders, the Company will continue the said agreement with him. The limit on their liability for damages under the agreement coincides with the legally stipulated amounts.
6. The Company designated Shohei Yamamoto, Kuniharu Kezuka, and Minako Adachi as Independent Directors/Auditors as per the provisions of the Tokyo Stock Exchange, and gave notice to this effect to the Tokyo Stock Exchange. If the reappointment of them is approved as proposed at this General Meeting of Shareholders, the Company will designate them as Independent Directors/Auditors members again, and will give notice to this effect to the Tokyo Stock Exchange.
7. Pursuant to Article 430, Paragraph 3, Item 1 of the Companies Act, the Company has entered into a liability insurance contract for officers, etc., with insurance companies. An overview of the insurance contract is listed on the Business Report on the 73rd Term delivered with this Notice, "IV. Directors and Audit & Supervisory Board Members (3) Overview of Liability Insurance Contract for Officers, etc." The candidates will become insured under the insurance contract upon being nominated and appointed as Directors who are also Audit & Supervisory Committee members. Furthermore, we plan to renew the insurance contract with the same contents at the next renewal period.

**Item 5: Appointment of One (1) Substitute Director Who is an Audit & Supervisory Committee Member**

If agenda item No. 2, “Partial Changes to the Articles of Incorporation,” is approved as written, the Company will become a company with Audit & Supervisory Committee. As such, to prepare for a contingency in which the Company does not have the number of Director who are Audit & Supervisory Committee members required by laws and regulations, the Company hereby proposes the election of one (1) substitute Audit & Supervisory Committee member.

This agenda item only comes into force on the condition that the changes to the Articles of Incorporation in agenda item No. 2, “Partial Changes to the Articles of Incorporation,” come into force. The candidate for Director who is also a Substitute Audit & Supervisory Committee Member is as follows:

Name	Gender	Current title, etc.	Attribute	
Hidekazu Kayawari	Male	—	New Appointment	External Independent
New Appointment		External	Independent	
Candidate for new appointment as Substitute Director		Candidate for Substitute Director (External)	Independent Director/Auditor stipulated by the Tokyo Stock Exchange	

	<b>Hidekazu Kayawari</b> (born December 3, 1969)	Shares owned: 0 shares
<input type="checkbox"/> New <input type="checkbox"/> appointment <input type="checkbox"/> External <input type="checkbox"/> Independent	[Brief personal history and title] Apr. 2000: Registered as an attorney-at-law with the Tokyo Bar Association. Apr. 2000: Joined SAH & Co. Aug. 2011: Established Hidekazu General Law Office. June 2019: Director (External) of NFK Holdings Co., Ltd. [Important concurrent role] Lawyer of Shuwa General Law Office	
	Reason for nomination as a Substitute Director (External) Who is an Audit & Supervisory Committee member candidate: In addition to high-level specialized expertise and extensive knowledge/experience as a lawyer, Hidekazu Kayawari has the knowledge and experience that has been accumulated through his duties as the Director (External) at a publicly listed company The Company expects he would strengthen the Company’s supervisory functions with respect to execution of duties. Therefore, Mr. Kayawari is judged as an appropriate candidate to serve as a Substitute Director Who is an Audit & Supervisory Committee member of the Company and is being asked to serve in that capacity.	

Notes: 1. The above candidate has no special vested interests with the Company.

2. The candidate is a candidate for the Director (External) who is a substitute External Audit & Supervisory Committee member. If the candidate assumes the office of the Director (External) who is a substitute Audit & Supervisory Committee member, the Company will designate the candidate as an Independent Director/Audit as per the provisions of the Tokyo Stock Exchange, and will give notice to this effect to the Tokyo Stock Exchange.
3. If the candidate assumes the office of the Director (External) who is also a substitute External Audit & Supervisory Committee member, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with the candidate that limits his liability for damages prescribed in Article 423, Paragraph 1 of the same Act as the legally stipulated amount of limited liability.
4. Pursuant to Article 430, Paragraph 3, Item 1 of the Companies Act, the Company has entered into a liability insurance contract for officers, etc., with insurance companies. An overview of the insurance contract is listed on the Business Report on the 73rd Term delivered with this Notice, “IV. Directors and Audit & Supervisory Board Members (3) Overview of Liability Insurance Contract for Officers, etc.” The candidate will become insured under the insurance contract upon being appointed as a Director (External) who is Audit & Supervisory Committee member. Furthermore, we plan to renew the insurance contract with the same contents at the next renewal period.

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**Item 6: Determination of Amount of Remuneration, etc. for Directors (Except Directors Who are Audit & Supervisory Committee Members)**

At the Company's 56th Ordinary General Meeting of Shareholders held on June 22, 2007, shareholders approved annual remuneration for Directors of ¥420 million (not including employee salaries of Directors who were concurrently employees). In view of the Company's transition to a company with Audit & Supervisory Committee if agenda item No. 2, "Partial Changes of the Articles of Incorporation," is approved as drafted, and in view of the recent economic situation, and various other circumstances, the Company asks shareholders to approve annual remuneration for Directors (here and throughout for this agenda item, not including Directors who are Audit & Supervisory Committee members) of no more than ¥300 million (including annual remuneration for Directors(External) of no more than ¥30 million) after the Company transitions to a company with Audit & Supervisory Committee. The Company further requests that shareholders approve placing specific amounts, timing of payment and so on for individual Directors at the discretion of resolutions of the Board.

An overview of the Company's policy on determining the details of remuneration, etc. for individual Directors is listed in "IV. Directors and Audit & Supervisory Board Members (5) Policies, etc., Related to the Determination of Contents for Compensation, etc., of Officers" of the Business Report. At the meeting of the Board of Directors following closing of the Ordinary General Meeting of Shareholders, the Board intends to change the scope of this policy from "Directors" to "Directors (except Directors who are Audit & Supervisory Committee members)"; otherwise no real changes are intended. Based on the policy after this change, the amount of remuneration, etc. in this agenda item calls for payment of both basic remuneration and results-linked remuneration to Directors (except Directors who are Audit & Supervisory Committee members). The Company believes this change is appropriate in view of the responsibilities of the Directors, the number of Directors, and recent economic and other conditions. This remuneration, etc. does not include employee salaries of Directors who are concurrently employees.

The current number of Directors is 12; if Agenda item No. 2, "Partial Changes of the Articles of Incorporation," and Agenda item No. 3, "Appointment of Eight (8) Directors (Except Directors Who are Audit & Supervisory Committee Members)" are approved as drafted, the number of Directors (except Directors who are Audit & Supervisory Committee members) will be eight (including two Directors (External)).

This agenda item only comes into force on the condition that the changes to the Articles of Incorporation in agenda item No. 2, "Partial Changes to the Articles of Incorporation," come into force.



## **Item 7: Determination of Amount of Remuneration, etc. for Directors Who are Audit & Supervisory Committee Members**

In view of the Company's transition to a company with Audit & Supervisory Committee if agenda item No. 2, "Partial Changes of the Articles of Incorporation," is approved as drafted, the Company asks shareholders to approve annual remuneration for Directors who are Audit & Supervisory Committee members of no more than ¥70 million after the Company transitions to a company with Audit & Supervisory Committee. The Company further requests that shareholders approve placing specific amounts, timing of payment and so on for individual Directors who are Audit & Supervisory Committee members at the discussions of Audit & Supervisory Committee. The Company believes the amount of remuneration, etc. in this agenda item is appropriate in view of the responsibilities of the Directors who are also Audit and Supervisory Committee members, the number of such Directors, and recent economic and other conditions.

If Agenda item No. 2, "Partial Changes of the Articles of Incorporation," and Agenda item No. 4, "Appointment of Five (5) Directors Who are Audit & Supervisory Committee Members" are approved as drafted, the number of Directors who are Audit & Supervisory Committee members) will be five.

This agenda item only comes into force on the condition that the changes to the Articles of Incorporation in agenda item No. 2, "Partial Changes to the Articles of Incorporation," come into force.

## **Item 8: Determination of Amount and Details of Performance-Share Compensation, etc. of Directors (Except Directors Who are Audit & Supervisory Committee Members)**

### **1) Reasons for the Proposal and Why the Remuneration, etc. is Reasonable**

At the 66th Ordinary General Meeting of Shareholders, held on June 23, 2017, the Company passed a resolution (hereinafter “the Previous Resolution”) to introduce a program of results-based, stock-linked remuneration program (hereinafter “the Program”). The Program remains in operation to this day. However, if shareholders approve agenda item No. 2, “Partial Changes of the Articles of Incorporation,” as drafted, the transition to a company with Audit & Supervisory Committee will mean that the current remuneration brackets for Directors (except Directors (External)) under the Program will be eliminated. After the transition to a company with Audit & Supervisory Committee, the Board wishes to establish new remuneration brackets for Directors (except Directors who are Audit & Supervisory Committee members, External Directors).

As with the remuneration brackets in the Program as currently framed, these remuneration brackets are separate from the remuneration brackets for which the Company requests approval in agenda item No. 6, “Determination of Amounts of Remuneration, etc. for Directors (except Directors who are Audit & Supervisory Committee members).” The Company further requests that the details be left to the Board’s discretion, within the scope described below. In setting policy for determining the details of remuneration, etc. for individual Directors, the Company intends to make the changes necessary for the transition to a company with Audit & Supervisory Committee, subject to shareholders’ approval of agenda item No. 2, “Partial Changes of the Articles of Incorporation,” and agenda item No. 6, “Determination of Amounts of Remuneration, etc. for Directors (except Directors who are Audit & Supervisory Committee members).”

This agenda item concerns procedural matters regarding the transition to a company with Audit & Supervisory Committee. Actual details of remuneration are the same as those approved in the Previous Resolution. The Company believes that the details of this agenda item are necessary and reasonable for payment of remuneration in accordance with the proposed changes to policy on determining the details of remuneration, etc. to individual Directors as described above.

If Agenda item No. 2, “Partial Changes of the Articles of Incorporation,” and Agenda item No. 3, “Appointment of Eight (8) Directors (Except Directors Who are Also Directors who are Audit & Supervisory Committee Members)” are approved as drafted, the number of Directors who are eligible for the Program (except Directors (External) who are Audit & Supervisory Committee members and External Directors; hereinafter “the Directors) will be six.

This agenda item only comes into force on the condition that the changes to the Articles of Incorporation in agenda item No. 2, “Partial Changes to the Articles of Incorporation,” come into force.

## 2) Amounts and Details of Remuneration, etc. in the Program

### Overview of the Program

In the Program, a trust fund that is established with funding disbursed from the Company (hereinafter “the Trust Fund”) acquires common shares in the Company (hereinafter “the Company Shares”). Through the Trust Fund, the Company transfers shares to each Director in an amount proportional to the number of points awarded to each Director.

In principle, the shares are transferred to Directors upon their retirement.

Details of the Program		
(1)	Target of the Program*	Directors of the Company (except Directors (External) and Directors who are Audit & Supervisory Committee members)
(2)	Upper limit of funds disbursed by the Company to acquire the Company Shares as necessary to transfer to the people subject to (1) during the extended trust period (the five-year period from September 2022 to August 2027)*	¥200 million in total
(3)	Method of acquisition of the Company Shares	Disposal of treasury shares or acquisition from the stock exchange (including in after-hours trading)
(4)	Upper limit on points awarded to people subject to (1)	50,000 points per year
(5)	Criteria for award of points	Points are awarded according to each Director’s position, degree of achievement of target business results, etc.
(6)	Timing of transfer of the Company Shares to people subject to (1)	In principle, the Company Shares are awarded upon retirement.

Notes: 1. During the period until the transition to a company with Audit & Supervisory Committee, the target of the Program is the Directors (except Directors (External)), as provided in the Previous Resolution.

2. The Trust Fund has already been established, as it will be continued from the Program before the transition to a company with Audit & Supervisory Committee.

## **Upper Limit on Funds Disbursed by the Company**

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Based on the Previous Resolution, the Company is extending the trust period of the Trust Fund by five years and disbursing additional funds to the Trust Fund to acquire the necessary shares to transfer to Directors in accordance with the Program. Later, the Trust Fund will draw on its funds to acquire additional shares in the Company. If the Fund does not possess sufficient Company shares to transfer to Directors the number of Company shares expected to be required based on the Program, and does not possess sufficient funds necessary to acquire sufficient Company shares to make up the shortfall., the Company may disburse additional funds to the Trust Fund to acquire sufficient Company shares to make up the shortfall. In this case, the Fund will acquire the Company shares by distribution of the Company's treasury shares or by acquiring them from the stock exchange (including in after-hours trading). However, total funds entrusted to the Trust Fund by the Company for the acquisition of Company shares during the extended trust period described above (from September 2022 to August 2027) may not exceed ¥200 million.

Note: Funds additionally entrusted to the Trust Fund by the Company as described above includes not only funds for acquisition of Company shares but also funds for the expected amounts of trust fees, remuneration of trust custodians and other necessary expenses of the Trust Fund.

Each time the trust period expires, by resolution of the Board of Directors, the trust period can be extended (including effective extension of the trust period by transfer of the trust assets of the Trust Fund to another trust fund established by the Company with the same purpose as the Trust Fund) and the Program can thereby be extended for a further period of not more than five years. In such cases, the Company will, within the extended trust period, entrust additional funds to the Funds as necessary for additional acquisition of Company shares necessary for transfer to Directors under the Program, to a maximum of ¥40 million per year of the extended trust period. In this way the awarding of points as described in (3) and the transfer of Company shares will continue.

Even if the Program is not continued and the trust period has expired, if some Directors to whom points have been awarded have not yet retired remain, the trust period of the Trust Fund may be extended until said Directors have retired and the due Company shares have been transferred to said Directors.

## **Method of Calculation of Company Shares Transferred to Directors and Maximum Number of Shares Transferable**

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### 1) Method of awarding points to Directors, etc.

Based on the Share Transfer Regulations determined by the Board of Directors, the Company awards points to Directors according to each Director's position, degree of achievement of target business results, etc. on the date for awarding of points that is specified in the Share Transfer Regulations. From the closing of the current Ordinary General Meeting of Shareholders, the points awarded for execution of duties up to the closing of the current Ordinary General Meeting of Shareholders may be awarded within the scope of the Previous Resolution.

However, the total number of points awarded to Directors shall not exceed 50,000 points per year.

### 2) Transfer of Company shares based on number of points awarded

The Company uses the procedure described in 3 below and transfers Company shares to Directors based on the number of points awarded by using the procedure described in 1 above. However, in cases such as when a Director retires for the Director's own reasons, all or some of the points accumulated by the Director can be invalidated by resolution of the Board of Directors. In this case the Director loses the right to receive the shares corresponding to the invalidated points.

One point currently equals one Company share. However, in cases where it is judged appropriate to adjust the number of Company shares to be transferred, such as share split or share merger, the number of shares transferable per point

awarded shall be adjusted according to the ratio of the share split, share merger, etc.

### 3) Transfer of Company shares to Directors

In principle each Director acquires beneficiary rights from the Trust Fund at the time of retirement, by the specified procedure, receiving transfer of the Company shares described in 2 above from the Trust Fund as a beneficiary of the Trust Fund.

However, a certain proportion of the Company shares may be sold by the Fund to convert them to cash, to be withheld as assets for payment of taxes such as withholding tax. In certain cases, such as when Company shares held by the Trust Fund are converted to settle tender offers for Company shares held by the Trust Fund, cash may be transferred in lieu of Company shares.

### **Exercise of Voting Rights**

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Based on the instructions of the trust manager, who is independent from the Company and its Directors, none of the voting rights pertaining to Company shares held by the Trust Fund may be exercised. By this, the Company is committed to maintaining the neutrality of its management with respect to the exercise of voting rights pertaining to Company shares held by the Trust Fund.

### **Handling of Dividends**

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Dividends pertaining to Company shares held by the Trust Fund are received by the Trust Fund and used for applications such as the acquisition of Company shares and remuneration of trust custodians.

[Reference Material]

## Concept Regarding the Skills of Directors

[Basic concept]

Management at the Company is responsible for building and operating a highly transparent and effective corporate governance system in order to achieve sustainable growth of the Sanshin Electronics Group, and to demonstrate and increase corporate value over the medium to long term for all stakeholders. In order for the Board of Directors and to properly fulfill this responsibility, they must have the ability to make accurate decisions on important matters related to business execution and to supervise business execution; that is, they must possess the latest knowledge on the business content and business environment of the Group. In addition, they must possess a variety of specialized knowledge that serves as the basis of logical decision-making. In this regard, we will select the skills necessary to fully perform the functions of the Board of Directors, and will appoint Directors (including Directors who are Audit & Supervisory Committee members) in a manner which ensures the skill balance of the entire management team.

[Required skills for overall Board of Directors]

In order to make decision on important matters related to business execution and to supervise the performance of duties by Directors, the Board of Directors must possess fundamental skills in corporate management and management strategy, governance and internal controls, legal affairs and risk management, finance and accounting, and organizational and human resources management. Additionally, there is also the need for individual skills such as knowledge regarding industry trends and strategic business domains including fields such as electronics, computers, and information and communication, which are the main business domains of the Group, and actual global experience in areas such as regional risk and cultural aspects including business practices. Furthermore, in order to ensure sustainable business growth (sustainability), there is a need for knowledge regarding society and the environment; for example, establishing systems for ensuring diversity and addressing climate change issues. Accordingly, the Company lists such knowledge as a required skill.

Also, particularly with respect to Directors who are also Audit and Supervisory Committee members, governance and internal controls, legal affairs and risk management, and finance and accounting are positioned as important skills.

	Skill fields possessed by Directors and Audit & Supervisory Committee members of the Company, and especially expected by the Company							
	Corporate management and management strategy	Governance and internal controls	Legal affairs and risk management	Finance and accounting	Organizational and human resources management	Society and environment	Knowledge of industry trends and strategic business domains	Global experience
[Directors (Except Directors who are Audit & Supervisory Committee members)]								
Mitsumasa Matsunaga	✓	✓			✓	✓	✓	
Toshiro Suzuki	✓	✓	✓		✓	✓	✓	
Koji Sakamoto	✓	✓	✓		✓	✓		
Hiroshi Harada	✓	✓			✓		✓	
Junichi Murakami				✓	✓			
Hitoshi Iwakami					✓		✓	✓
Minoru Nishino	✓	✓		✓				
Akihito Fujioka	✓	✓		✓				
[Directors who are Audit & Supervisory Committee members]								
Akio Misono		✓	✓	✓	✓		✓	
Shin-ichi Miura		✓	✓		✓		✓	✓
Shohei Yamamoto		✓	✓					
Kuniharu Kezuka		✓	✓	✓				✓
Minako Adachi	✓	✓				✓	✓	✓

The above table is a list of Directors and Audit & Supervisory Committee members (planned) and their skills after the closing of this Ordinary General Meeting of Shareholders. Overall, we believe that the listed members possess the necessary skills.

## [Reference Material]

### Independence Standards Required by the Company for the Positions of Directors (External)

The Company judges that the positions of Directors (External) shall have independence, in order to guarantee the objectivity and transparency necessary for proper governance. If the requirements below are not met, the Directors (External) shall not be appointed.

1. Officers<sup>\*1</sup> or employees of the Company and its subsidiaries (hereinafter referred to as “The Group”) shall not be appointed. The same applies after retirement.
2. Individuals to which one of the following a) to g) apply in the last five years shall not be appointed.
  - a) Executives<sup>\*2</sup> working for companies, etc., which are or will be major clients<sup>\*3</sup> of the Group
  - b) Executives working for the principal lenders<sup>\*4</sup> of the Group
  - c) Individuals who are the major shareholders<sup>\*5</sup> of the Company (in the event of corporations or organizations such as unions, their members)
  - d) Executives working for companies, etc., which are the Group’s major shareholders<sup>\*5</sup>
  - e) Specialists such as Consultants, Public Accountants, Tax Accountants, Lawyers, Judicial Scriveners, Patent Attorneys, who acquired large amounts<sup>\*6</sup> of money and other assets from the Group (in the event of corporations or organizations such as unions, their members)
  - f) Individuals benefiting from donations in the form of large amounts<sup>\*6</sup> of money and other assets from the Group (in the event of corporations or organizations such as unions, their members)
  - g) Officers and employees of companies, etc., which have a relationship of mutual assumption of office with individuals such as officers of the Group
3. The aforementioned items 1 and 2 shall not apply to the spouse and near relatives within the second degree of kinship of the individuals concerned (other than persons of low importance).
4. The individuals shall not be recognized as having special motivations to lead to a conflict of interests with the Group.

\*1: “Officer” refers to directors, executive officers, Audit & Supervisory Board member, and other corporate directors (excluding External Officers).

\*2: “Executives” refers to any person who falls under Article 2, Paragraph 3, Item 6 of the Enforcement of the Companies Act.

\*3: “Major clients” refers to companies, etc., which paid or received an amount of money in any fiscal year of the last five years, as a compensation for business and trade with the Group, this amount being more than 2% of the consolidated net sales of the client or more than 2% of the consolidated net sales of the Group.

\*4: “Principal lenders” refers to financial institutions which lent money to the Group, for which outstanding borrowings of the end of the fiscal year of any of the last five years exceeded 2% of the consolidated total assets of the Group at the end of such fiscal year.

\*5: “Major shareholders” refers to stockholders who own directly or indirectly more than 10% of the total votes.

\*6: “Large amounts” refers to amounts exceeding ¥10 million or 2% of the higher amount between net sales or the total income of this person, except executive compensation, in the event of a payment such as a remuneration for professional services, or a compensation for business and trade, in any fiscal year of the last five years. In the event of a donation, it refers to an amount exceeding ¥10 million or 2% of the higher amount between net sales or the total income of this person.