

Note: This is an unofficial translation of the Japanese original version and is provided for your reference and convenience only. Where there are any discrepancies between the Japanese original and the translated document, the original Japanese document shall prevail.

To Our Shareholders:

Stock Code: 6741

May 24, 2024

Nippon Signal Co., Ltd.

5-1, Marunouchi, 1-Chome,

Chiyoda-ku, Tokyo

President & CEO & COO

Hidehiko Tsukamoto

Notice of Convocation of the Ordinary General Meeting of Shareholders for the 141st Business Term

Notice is hereby given that the Ordinary General Meeting of Shareholders for the 141st Business Term of Nippon Signal Co., Ltd. (hereinafter referred to as the 'Company') will be held on the coming June 21.

Your attendance at the meeting is cordially requested.

In convening this Meeting, the Company has taken measures for electronic provision of the information that constitutes the Reference Documents for the General Meeting of Shareholders, etc. (matters subject to electronic provision) and posted the matters subject to electronic provision on the Company's website as the "Notice of Convocation of the Ordinary General Meeting of Shareholders for the 141st Business Term." Please access the Company's website shown below to check this information.

The Company's website: <https://english.signal.co.jp/ir/>

Matters subject to electronic provision are also posted on the "Net de Shoshu (online convocation)" service website and the Tokyo Stock Exchange (TSE) website shown below, in addition to the Company's website.

"Net de Shoshu (online convocation)" service (<https://s.srdb.jp/6741/>) (Japanese only)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website above, enter the Company name or the Company's securities code "6741" and click "Search." Select "Basic information" and then "Documents for public inspection/PR information" in that order and refer to the relevant information.

Should you not attend the meeting, you can exercise your voting rights via the internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:05 p.m. on Thursday, June 20, 2024 (Japan time).

Guide to the Exercise of Voting Rights

Voting via the Internet:

Please access the voting website designated by the Company (<https://soukai.mizuho-tb.co.jp/>), enter the exercise voting rights code and password indicated in the enclosed Cards for Exercise of Voting Rights, and input your approval or disapproval concerning each proposal following the on-screen guidance.

For exercise of voting rights via the internet, please refer to the “Voting via Internet” section in the Guide to the Exercise of Voting Rights on page 4 of this notice.

Voting by postal mail:

As described in the “Voting by postal mail” section in the Guide to the Exercise of Voting Rights on page 4 of this notice, please indicate your approval or disapproval concerning the proposals shown on the Voting Form and send it back to us no later than the abovementioned deadline for exercising voting rights.

1. Date and Time: Friday, June 21, 2024 at 10:00 a.m. (Japan time)
(Reception will start at 9:00 a.m.)

2. Venue: Hall D7, Tokyo International Forum,
5-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo

* Please note that the meeting venue is different from that of last year's meeting.

3. Agenda for the Meeting:

[Matters for Reporting]

- 1 Reports on the contents of the Business Report and Consolidated Financial Statements for the 141st Business Term (from April 1, 2023 to March 31, 2024), and reports on the Auditing Results of Accounting Auditor and Audit and Supervisory Committee regarding the Consolidated Financial Statements.
- 2 Reports on the content of the Financial Statements for the 141st Business Term (from April 1, 2023 to March 31, 2024).

[Matters for Resolution]

- 1- Partial Amendments to the Articles of Incorporation
- 2- Election of Seven Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- 3- Election of One Director who is an Audit and Supervisory Committee Member

4. Matters decided in convening the Meeting:

- (1) The following items are not recorded in the physical documents provided to shareholders who made requests for provision of physical documents in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company. Items that are omitted from the physical documents will be posted on the Company's website.
 - "Basic Policy on Parties Who Control Decisions on the Company's Financial and Business Policies" in the Business Report
 - Consolidated Statements of Changes in Net Assets
 - Notes to Consolidated Financial Statements
 - Statements of Changes in Net Assets
 - Notes to Financial Statements
- (2) Should you vote both in writing on the Cards for Exercise of Voting Rights and via the Company's designated voting website on the Internet, only your vote placed via the Internet will be valid. In addition, should you submit your vote multiple times via the Internet, only the last vote will be valid.
- (3) Should you indicate neither approval nor disapproval of the proposal in the Cards for Exercise of Voting Rights, it shall be treated as an approval vote.

Guide to the Exercise of Voting Rights

Voting by postal mail

Please indicate your approval or disapproval concerning the proposals shown on the Voting Form and send it back to us.

Deadline for exercising voting rights:

The Voting Form must be received by 5:05 p.m. on Thursday, June 20, 2024 (Japan time)

Voting via Internet

Please input your approval or disapproval concerning each proposal via the voting website designated by the Company (<https://soukai.mizuho-tb.co.jp/>).

Deadline for exercising voting rights:

No later than 5:05 p.m. on Thursday, June 20, 2024 (Japan time)

Voting by “Smart Exercise”

Please input your approval or disapproval by the deadline for exercising voting rights after scanning the QR code for “Smart Exercise” on the lower right of the enclosed Voting Form using a smartphone or tablet device.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Deadline for exercising voting rights:

No later than 5:05 p.m. on Thursday, June 20, 2024 (Japan time)

- When you exercise the voting rights through a proxy, such proxy must be only one shareholder who is entitled to attend the general meeting of shareholders. In this case, please submit a written power of attorney and the enclosed Cards for Exercise of Voting Rights to the receptionist of the Meeting.
- Any changes in the matters subject to electronic provisions will be posted on each website where such information is posted.

No.1 – Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal of the amendments

The Company has introduced an executive officer system in order to enhance the agility of business execution and expedite decision-making. The Company also transitioned to a Company with an Audit and Supervisory Committee at the previous ordinary General meeting of shareholders. The Company decided, in the course of advancing separation between management and business execution with an eye to the functionality of the Board of Directors as a monitoring board, to decrease the number of directors in order to set the number at a suitable level for the Company's size of business.

Accordingly, the Company proposes these amendments to Article 18 of the Company's Articles of Incorporation.

2. Contents of the amendments

The contents of the amendments are as follows.

(Underlines indicate amended sections)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1. to 17. <Text omitted>	Articles 1. to 17. <Unchanged>
Chapter 4 Directors and Board of Directors	Chapter 4 Directors and Board of Directors
(Number of directors)	(Number of directors)
Article 18. Number of the directors shall be not more than <u>fourteen (14)</u> .	Article 18. Number of the directors shall be not more than <u>eleven (11)</u> .
2 Of the directors, number of the directors who are Audit and Supervisory Committee Members shall be not more than <u>five (5)</u> .	2 Of the directors, number of the directors who are Audit and Supervisory Committee Members shall be not more than <u>four (4)</u> .
Articles 19. to 36. <Text omitted>	Articles 19. to 36. <Unchanged>

No.2 – Election of Seven Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of all seven Directors (Excluding Directors who are Audit and Supervisory Committee Members. The same shall apply hereinafter in this Proposal) will expire at the end of this General Meeting of Shareholders. Accordingly, the Company requests the election of seven Directors.

The candidates for the Directors are as follows.

In addition, in selecting candidates for the Directors, the Company receives a recommendation by the “Appointment and Remuneration Committee,” a majority of the members of which are Independent Outside Directors, in order to enhance the objectivity and transparency in the decision-making process.

The Audit and Supervisory Committee confirmed that the process of selection of Directors who are not Audit and Supervisory Committee members was appropriately conducted after reviewing the content of the deliberation by the Appointment and Remuneration Committee, and therefore there are no special matters to be stated at the General Meeting of Shareholders according to the regulations of the Companies Act.

No.	Name		Current status	Primary responsibilities	Attendance at the Board of Directors' Meetings
1	Reappointment	Hidehiko Tsukamoto	President and Chief Executive Officer and Chief Operating Officer	Overall management	13 / 13 meetings
2	Reappointment	Takeshi Fujiwara	Director and Executive Vice President	In charge of business administration In charge of Monodukuri Responsible for TQM Promoting Dept.	13 / 13 meetings
3	Reappointment	Masayoshi Sakai	Director Deputy Chief Executive Officer	In charge of business management Responsible for Kuki Plant Responsible for transportation infrastructure business In charge of technology research and development Responsible for Group IT Strategy Dept.	13 / 13 meetings
4	Reappointment	Kazuhiro Hirano	Director Managing Executive Officer	Chief General Manager, Osaka Branch Office Responsible for western Japan area	13 / 13 meetings
5	New Appointment	Ryuichi Goto	Managing Executive Officer	Deputy in charge of business management Responsible for Utsunomiya Plant Responsible for ICT solutions business Responsible for branch offices	—

6	Reappointment Outside Independent	Yuriko Inoue	Outside Director	—	12 / 13 meetings
7	Reappointment Outside Independent	Yoshiyuki Murata	Outside Director	—	11 / 13 meetings

* The Company has entered into a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers damages to be borne by the insured parties that arise from the insured parties as individuals being subject to a claim for damages such as derivative lawsuits and third-party lawsuits. The candidates will be included as insured parties under the insurance agreement. The Company intends to renew the agreement with the above contents at the time of renewal in July 2024.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
1	<p>Reappointment</p> <p>Hidehiko Tsukamoto</p> <p>(September 15, 1958)</p> <p>Age:65</p> <p>Years in office as Director: 12 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 13 / 13 (100%)</p>	<p>April 1982 May 2005</p> <p>Joined the Company General Manager of AFC Systems Sales Dept. of AFC Systems Division</p> <p>June 2006 June 2010</p> <p>Executive Officer Director and Managing Executive Officer</p> <p>June 2014</p> <p>Deputy Chief Executive Officer Business Administration Headquarters</p> <p>April 2015</p> <p>Representative Director Executive Vice President & Chief Operating Officer</p> <p>June 2016 June 2020</p> <p>President (to present) Chief Executive Officer</p> <p>April 2021</p> <p>Chief Operating Officer (to present)</p>	131,900
		[Significant concurrent positions]	
		None	
		[Reason for nomination as a candidate for Director]	
		Hidehiko Tsukamoto, as the Company's Representative Director, possesses a wealth of experience and achievements in leading the business management of the Company. We have determined that he is qualified to play an important role as the Company pursues business structural reforms to adapt to rapid changes in the business environment such as globalization and technical innovations since he is also well-versed in technical development and has contributed to creating new businesses and expanding business areas. Therefore, we have nominated him as a candidate to continue as a Director.	

There are no special interests between the Company and Hidehiko Tsukamoto.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
2	<p data-bbox="288 824 464 1081">Reappointment Takeshi Fujiwara (November 7, 1959) Age: 64</p> <p data-bbox="288 1104 485 1216">Years in office as Director: 11 years (at the end of this Meeting)</p> <p data-bbox="288 1238 491 1350">Attendance at the Board of Directors' meetings: 13 / 13 (100%)</p>	<p data-bbox="515 309 1070 533">April 1983 July 2009 Joined the Company General Manager of Private Railways Sales Dept. of Railway Signal Systems Division</p> <p data-bbox="515 544 995 656">June 2010 April 2013 Executive Officer Managing Executive Officer</p> <p data-bbox="515 667 1038 846">June 2013 April 2016 Director Chief General Manager of Sales and Marketing Head Office</p> <p data-bbox="515 857 1082 969">April 2019 Responsible for Domestic Business and Branch Offices</p> <p data-bbox="515 981 1082 1093">April 2020 Deputy Chief Executive Officer Responsible for Domestic and Overseas Businesses and Branch Offices</p> <p data-bbox="515 1104 1066 1216">June 2020 Responsible for Smart Mobility Section</p> <p data-bbox="515 1227 1114 1440">April 2022 In charge of business management Responsible for Transport Systems, Smart Mobility Systems Promotion Division, and Branch Offices</p> <p data-bbox="515 1451 1054 1771">April 2024 Director and Executive Vice President (to present) In charge of business administration, In charge of Monodukuri, and Responsible for TQM Promoting Dept. (to present)</p>	54,200
		<p data-bbox="515 1783 943 1841">[Significant concurrent positions] None</p>	

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
		<p>[Reason for nomination as a candidate for Director]</p> <p>Takeshi Fujiwara has achievements in leading our domestic business, having held positions including the manager of the Business Head Office handling railway signals and Automatic Fare Collection systems, and deep insight based on his broad experience including Monodukuri (manufacturing). We have determined that he is qualified to lead the Company in expanding its business areas and enhancing its competitiveness in the future. Therefore, we have nominated him as a candidate to continue as a Director.</p>	

There are no special interests between the Company and Takeshi Fujiwara.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
3	<p>Reappointment</p> <p>Masayoshi Sakai</p> <p>(September 20, 1960) Age: 63</p> <p>Years in office as Director: 3 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 13 / 13 (100%)</p>	<p>April 1985 June 2014</p> <p>April 2016</p> <p>April 2020</p> <p>April 2021</p> <p>June 2021 April 2023</p> <p>April 2024</p> <p>Joined the Company Chief General Manager of Kuki Plant, Monodukuri Division</p> <p>Executive Officer, Chief General Manager of Research & Development Center, Technical Development Head Office and Chief General Manager of Visionary Business Center</p> <p>Senior Executive Officer, In charge of research and development, Chief General Manager of Research & Development Section, Chief General Manager of ANSHIN Center, General Manager of Safety Technology Research Dept., and General Manager of Advanced Railway System Development Section</p> <p>Managing Executive Officer Responsible for Kuki Plant (to present), In charge of technology, research and development (to present), Chief General Manager of Research & Development Section, General Manager of Patent Management Dept., General Manager of Advanced Railway System Development Section, Responsible for TQM Promoting Dept.</p> <p>Director (to present)</p> <p>Responsible for Railway Signal Systems Division Responsible for Smart Mobility Systems Division</p> <p>Deputy Chief Executive Officer (to present) In charge of business management, Responsible for transportation infrastructure business,</p>	26,500

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
		<p style="text-align: center;">and Responsible for Group IT Strategy Dept.</p> <p>[Significant concurrent positions] None</p> <p>[Reason for nomination as a candidate for Director] Having held positions including the manager of the research and development divisions, Masayoshi Sakai possesses experience and achievements in promoting advanced technological strategies that make use of ICT. We have determined that he is qualified to lead business expansion utilizing IoT and AI. Therefore, we have nominated him as a candidate to continue as a Director.</p>	

There are no special interests between the Company and Masayoshi Sakai.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
4	<p>Reappointment</p> <p>Kazuhiro Hirano (August 6, 1960) Age: 63</p> <p>Years in office as Director: 2 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 13 / 13 (100%)</p>	<p>April 1983 May 2011</p> <p>Joined the Company Chief General Manager of Transport Information Systems Division</p> <p>June 2014</p> <p>Executive Officer Chief General Manager of Railway Signal Division of Business Division</p> <p>April 2019</p> <p>Senior Executive Officer Chief General Manager of Railway Signal Division</p> <p>April 2020</p> <p>Chief General Manager of Transport Systems Division</p> <p>April 2021</p> <p>Managing Executive Officer (to present) Responsible for Transport Systems, Chief General Manager of Transport Systems Division, and Responsible for Smart Mobility Systems Promotion Division</p> <p>April 2022</p> <p>Chief General Manager, Osaka Branch Office (to present) Responsible for western Japan area (to present)</p> <p>June 2022</p> <p>Director (to present)</p>	28,200
		[Significant concurrent positions] None	
		[Reason for nomination as a candidate for Director] Kazuhiro Hirano has achievements of leading our domestic business, having held positions including the manager of the Business Head Office handling railway signals and transport signals, and deep insight based on his broad experience. We have determined that he is qualified to lead the Company in expanding its business areas and enhancing its competitiveness in the future. Therefore, we have nominated him as a candidate to continue as a Director.	

There are no special interests between the Company and Kazuhiro Hirano.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
5	New Appointment Ryuichi Goto (April 19, 1964) Age: 60	<p>June 1992 Joined the Company</p> <p>May 2011 General Manager of JR Sales Dept. of Railway Signal Systems Division</p> <p>June 2014 General Manager of Chubu Branch Office</p> <p>April 2019 Officer</p> <p>April 2020 Executive Officer, and Chief General Manager of AFC Systems Division</p> <p>April 2023 Managing Executive Officer (to present) Responsible for Utsunomiya Plant (to present) Responsible for AFC Systems Division and Robotics & Sensing Division</p> <p>April 2024 Deputy in charge of business management (to present) Responsible for ICT solutions business and Responsible for branch offices (to present)</p>	19,300
		[Significant concurrent positions] None	
		[Reason for nomination as a candidate for Director] Ryuichi Goto has achievements of leading our domestic business, having held positions including the manager of the Business Head Office handling railway signals and Automatic Fare Collection systems, and deep insight based on his broad experience. We have determined that he is qualified to lead the Company in expanding its business areas and enhancing its competitiveness in the future. Therefore, we have nominated him as a new candidate as a Director.	

There are no special interests between the Company and Ryuichi Goto.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
6	<p>Reappointment Outside Independent</p> <p>Yuriko Inoue (May 29, 1963) Age: 61</p> <p>Years in office as Outside Director: 6 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 12 / 13 (92%)</p>	<p>November 1993 Full-time Lecturer of Graduate Schools for Law and Politics, The University of Tokyo</p> <p>April 2004 Professor of Graduate School of Law, Kobe University</p> <p>October 2010 Professor of The Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>April 2018 Professor of Business Law Department, Graduate School of Law, Hitotsubashi University</p> <p>June 2018 Outside Director of the Company (to present) Outside Director of Dai- ichi Life Holdings, Inc. (to present)</p> <p>April 2020 Professor of Business Law Department, Graduate School of Law, Hitotsubashi University (to present)</p> <p>[Significant concurrent positions] Professor of Business Law Department, Graduate School of Law, Hitotsubashi University Outside Director of Dai-ichi Life Holdings, Inc.</p> <p>[Reason for nomination as a candidate for Outside Director and an outline of expected roles] Yuriko Inoue is a professional in intellectual property rights and possesses sophisticated and specialized knowledge and experience. We expect that she will offer advice on the Company's management and strategies including advice mainly on corporate law, data governance and brand strategy, and exercise effective management supervisory function by making use of her capabilities in her specialized field. Therefore, we have nominated her as a candidate to continue as an Outside Director. Yuriko Inoue will have served as an Outside Director for six years, at the end of this General</p>	3,300

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
		<p>Meeting of Shareholders.</p> <p>Dai-ichi Life Insurance Company Limited, a subsidiary of Dai-ichi Life Holdings, Inc. where Yuriko Inoue serves as an Outside Director, is a major shareholder and business partner of the Company. However, its voting rights ratio is less than 2% and the transaction amount is immaterial (less than 0.1% of the consolidated net sales of the said company and of the Company), and we therefore believe that it does not affect her independence as an Outside Director.</p>	

1. There are no special interests between the Company and Yuriko Inoue.
2. Yuriko Inoue is an Outside Director candidate.
3. Yuriko Inoue meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc.
4. If Yuriko Inoue is elected as an Outside Director, the Company plans to enter into a limited liability agreement with her, which limits her liability for damages under Article 423, Paragraph 1 of the Companies Act. However, based on the agreement, the minimum liability amount will be the amount prescribed by laws and regulations.

No.	Name (Date of birth)	Biography, status, and responsibilities		Number of the Company's shares held
7	<p>Reappointment Outside Independent</p> <p>Yoshiyuki Murata (July 19, 1954) Age:69</p> <p>Years in office as Outside Director: 3 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 11 / 13 (85%)</p>	April 2009	President and Representative Director of TAISEI HOUSING CORPORATION	2,600
		April 2011	Executive Officer of TAISEI CORPORATION	
		April 2013	Managing Executive Officer of TAISEI CORPORATION	
		June 2013	Member of the Board of TAISEI CORPORATION	
		April 2015	President and Chief Executive Officer, Representative Director of TAISEI CORPORATION	
		June 2020	Vice Chairman, Representative Director of TAISEI CORPORATION	
		June 2021	Outside Director of the Company (to present) Director and Executive Vice President of DAIWA HOUSE INDUSTRY CO., LTD.	
		April 2022	Outside Director of Fujita Corporation (to present)	
June 2022	Representative Director and Executive Vice President of DAIWA HOUSE INDUSTRY CO., LTD. (to present)			
		[Significant concurrent positions] Representative Director and Executive Vice President of DAIWA HOUSE INDUSTRY CO., LTD. Outside Director of Fujita Corporation		
		[Reason for nomination as a candidate for Outside Director and an outline of expected roles] Yoshiyuki Murata possesses a wealth of experience, achievements and knowledge as a manager, and we expect him to use these capabilities for the benefit of the Company's management and exercise effective		

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
		<p>management supervisory function. Therefore, we have nominated him as a candidate to continue as an Outside Director.</p> <p>Yoshiyuki Murata will have served as an Outside Director for three years at the end of this General Meeting of Shareholders.</p> <p>A subsidiary of DAIWA HOUSE INDUSTRY CO., LTD., where Yoshiyuki Murata serves as Director and Executive Vice President, is a business partner of the Company. However, the transaction amount is immaterial (less than 0.1% of the consolidated net sales of the said company and of the Company), and we therefore believe that it does not affect his independence as an Outside Director.</p>	

1. There are no special interests between the Company and Yoshiyuki Murata.
2. Yoshiyuki Murata is an Outside Director candidate.
3. Yoshiyuki Murata meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc.
4. TAISEI CORPORATION, where Yoshiyuki Murata served as Representative Director until June 2021, has received a cease and desist order from the Japan Fair Trade Commission in December 2020 on the grounds of violating the Antimonopoly Act in relation to construction work on the Chuo Shinkansen. However, the said company has filed an action for the revocation of the order, and the case is now pending.
5. If Yoshiyuki Murata is elected as an Outside Director, the Company plans to enter into a limited liability agreement with him, which limits his liability for damages under Article 423, Paragraph 1 of the Companies Act. However, based on the agreement, the minimum liability amount will be the amount prescribed by laws and regulations.

No.3 – Election of One Director who is an Audit and Supervisory Committee Member
Audit and Supervisory Committee Member Masayuki Tamagawa will resign at the end of this General Meeting of shareholders.

Accordingly, as his substitute, the Company requests the election of one Director who is an Audit and Supervisory Committee Member.

The term of office of a substitute for a Director who is an Audit and Supervisory Committee Member elected to fill a vacancy shall expire at the time the term of office of the retiring member expires according to the regulations of the Articles of Incorporation of the Company.

This proposal has been approved by the Audit and Supervisory Committee.

The candidate for the Director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
<p>New appointment Outside Independent</p> <p>Toshihiko Aizawa (November 29, 1961) Age: 62</p>	<p>April 1985 Joined COSMO OIL CO., LTD.</p>	0
	<p>July 1995 Joined Andersen Consulting (currently Accenture Japan Ltd.)</p>	
	<p>September 1999 Joined Booz Allen Hamilton, Inc</p>	
	<p>August 2000 Joined Accenture Japan Ltd.</p>	
	<p>September 2002 Executive Partner of Accenture Japan Ltd.</p>	
	<p>May 2006 Director of The Daiei, Inc.</p>	
	<p>February 2007 Representative Director and Chief Executive Officer of am/pm Japan Co., Ltd.</p>	
	<p>August 2009 Representative Director of TSUNAGU· Partners Co., Ltd. (to present)</p>	
	<p>April 2010 Professor of Graduate School of Management, GLOBIS University (to present)</p>	
	<p>June 2012 Director of SPARX Group Co., Ltd.</p>	
	<p>December 2020 Representative Director of Quantum Leaps Food Innovation Co., Ltd. (to present)</p>	
	<p>[Significant concurrent positions] Representative Director of TSUNAGU·Partners Co., Ltd. Professor of Graduate School of Management, GLOBIS University Representative Director of Quantum Leaps Food Innovation Co., Ltd.</p>	
	<p>[Reason for nomination as a candidate for Outside Director who is Audit and Supervisory Committee Member and an outline of expected roles] Toshihiko Aizawa possesses a wealth of experience, achievements and knowledge as a manager, a management consultant, and a professor of a graduate school of management. We expect him to use such knowledge to offer advice on the management strategy development, corporate restructuring, digital transformation, new business development, etc. and exercise effective management supervisory function. Therefore, we have nominated him as a</p>	

Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
	candidate as an Outside Director who is an Audit and Supervisory Committee Member.	

1. There are no special interests between the Company and Toshihiko Aizawa.
2. Toshihiko Aizawa is an Outside Director candidate.
3. Toshihiko Aizawa meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc.
4. If Toshihiko Aizawa is elected as an Outside Director, the Company plans to enter into a limited liability agreement with him, which limits his liability for damages under Article 423, Paragraph 1 of the Companies Act. However, based on the agreement, the minimum liability amount will be the amount prescribed by laws and regulations.

(Reference)

Competence (knowledge, experience, and capabilities) required of candidates for Directors (including Directors who are Audit and Supervisory Committee Members)

The Group aims to continue being a provider that supports evolution of infrastructure with safe and trustworthy solutions. In order to lead sustainable business growth, the Company selects as candidates for Director those who possess strong acumen and experience as a corporate manager, deep insight into technological development surrounding the Company, capabilities to drive the expansion of business domains conducted on a global scale, and expert knowledge that contributes to corporate governance.

[Candidates for Director selected from within the Company]

The Company selects those who possess strong acumen for overall management, with knowledge regarding the business environment surrounding the Company and its industries, understanding of the Company's strengths and issues through manufacturing, technological research and development, marketing, and sales activities, and experience in management administration such as accounting, legal affairs, and risk management.

[Candidates for Outside Director]

The Company selects those who can provide advice on management strategies and perform an effective supervisory function on management by drawing on advanced and specialized knowledge and experience in fields other than the Group's business domains, while appropriately ensuring well-rounded diversity. Furthermore, in order to sufficiently incorporate opinions from an objective and independent position into management of the Company, the Company selects those who meet the requirements for Independent Officers as stipulated by the Tokyo Stock Exchange, Inc. as candidates for Outside Director. In addition, the Company selects candidates for Director so that at least one-third of the candidates are candidates for Outside Director, and at least one of the candidates for Outside Director must possess experience in management in other companies.

Skills Matrix of the Board of Directors of the Company is as follows.

◆ Knowledge, experience, and capabilities of Directors (If the proposals are approved as originally proposed)

Name	Proposed title	Corporate management	Finance/Accounting	Risk management Legal affairs	Global experience	Technology R&D	Manufacturing	Sales Marketing
Hidehiko Tsukamoto	Representative Director	●		●	●	●	●	●
Takeshi Fujiwara	Director	●	●	●	●		●	●
Masayoshi Sakai	Director	●				●	●	●
Kazuhiro Hirano	Director	●						●
Ryuichi Goto	Director				●		●	●
Yuriko Inoue	Director Independent Outside			●				
Yoshiyuki Murata	Director Independent Outside	●		●	●	●		●
Yoshitaka Tokubuchi	Audit and Supervisory Committee Member	●	●	●			●	
Takashi Tokunaga	Audit and Supervisory Committee Member Independent Outside			●	●			
Masako Suzuki	Audit and Supervisory Committee Member Independent Outside	●		●				●
Toshihiko Aizawa	Audit and Supervisory Committee Member Independent Outside	●	●	●	●			●

The above table shows the areas of expertise of Directors the Company particularly expects.

(Reference) Criteria for the Independence of Outside Officers

The Company prescribes the following criteria for the independence of Outside Officers to objectively determine the independence of Outside Officers. If an Outside Officer falls under any of the following items, the Company determines that the Outside Officer is not sufficiently independent from the Company.

An Outside Officer designated as an Independent Officer as stipulated under the Tokyo Stock Exchange, Inc. shall endeavor to maintain independence as prescribed in this Criteria until resignation. If the Outside Officer loses his/her independence, the Outside Officer shall notify the Company in advance (or as soon as possible after an event under unavoidable circumstances).

1. A person who is, or has been in the past 10 years, a business executor (*1) or Non-executive Director at the Group (i.e., the Company or its subsidiaries).

2. Any person (party) who falls under any of the following items (1) to (8) in the past three years.

- (1) A party for whom the Group is a major business partner (*2) or a business executor of such party
- (2) A major business partner of the Group (*3) or a business executor of such partner
- (3) A consultant, accounting professional, or legal professional who has received a significant amount of money (*4) or other property from the Group other than officer remunerations (if a party who receives such property is a corporation, association, or any other entity, a party who belongs to the relevant entity)
- (4) A current major shareholder of the Group (*5) or a business executor of such shareholder
- (5) A business executor of a corporation that is a current major shareholder of the Group (*5)
- (6) A person who belongs to the appointed audit firm for the statutory audit of the Group
- (7) A business executor of an entity whose Outside Officer is also a business executor of the Group
- (8) A person, an officer or other business executor of a corporation, association, or any other entity who receives a large amount of donation or grant (*6) from the Group

3. If a person who falls under 1. and 2. above is a key person (*7), close relatives (spouse, first or second degree relatives) of such person

4. A person who has assumed the office of Outside Officer for eight years or more in total

- (*1) A business executor refers to a person who executes the duties of a Director (excluding an Outside Director), Executive Officer, or employee, etc.
- (*2) A party for whom the Group is a major business partner refers to a party who has business transactions with the Group, with total amount of sales in any of the fiscal year within the last three fiscal years exceeding 2% of the consolidated net sales of such business partner. Such business partner shall include its parent company and important subsidiaries if such business partner is a corporation.
- (*3) A major business partner of the Group refers to a party with whom the Group has business transactions, with total amount of sales in any of the fiscal year within the last three fiscal years exceeding 2% of the consolidated net sales of the Group, or a party who has made a loan to the Group in the amount at 2% or more of the consolidated net assets of the Company at the end of the most recent fiscal year.
- (*4) A significant amount of money refers to the yearly average money exceeding 10 million yen over the three most recent fiscal years.
- (*5) A major shareholder refers to a shareholder who holds, directly or indirectly, 10% or more of the total voting rights. Such major shareholder shall include its parent company or important subsidiaries if such major shareholder is a corporation.
- (*6) A large amount of donation or grant refers to a yearly average amount exceeding 10 million yen over the three most recent fiscal years.
- (*7) A key person refers to a Director, Corporate Officer, Executive Officer, business executor who serves as a General Manager or in a higher rank, or business executor who has authority equivalent to that of a General Manager or higher position.