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(Stock Exchange Code 3132)

June 7, 2024

(Date of commencement of electronic provision measures: May 31, 2024)

**To Shareholders with Voting Rights:**

Kazumasa Hara  
Representative Director and  
President  
MACNICA HOLDINGS, INC.  
1-6-3 Shin-Yokohama, Kohoku-ku,  
Yokohama, 222-8561 Japan

**NOTICE OF  
THE 9TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to notify you that the 9th Annual General Meeting of Shareholders of MACNICA HOLDINGS, INC. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”). Matters subject to the electronic provision measures have been posted on the following website:

The Company’s website (<https://holdings.macnica.co.jp/ir/ja/event/meeting.html>) (in Japanese only)

In addition to the above website, those matters have also been posted on the following website:

The Tokyo Stock Exchange’s website:

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

On the above website, please enter and search for the Company’s name or stock exchange code, and select “Basic information” and then “Documents for public inspection/PR information” to view the information.

If you are unable to attend the meeting, you can exercise your voting rights either in writing or via the Internet. Please review the “Reference Documents for the General Meeting of Shareholders” posted on the above websites, and exercise your voting rights no later than 5:00 p.m. on Tuesday, June 25, 2024, Japan time.

**1. Date and Time:** Wednesday, June 26, 2024 at 10:00 a.m. Japan time

**2. Place:** Sinfonia, 5th floor, Shin Yokohama Prince Hotel  
3-4, Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the Company’s 9th Fiscal Year (April 1, 2023–March 31, 2024), and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 9th Fiscal Year (April 1, 2023–March 31, 2024)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendments to Articles of Incorporation  
**Proposal 3:** Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)  
**Proposal 4:** Election of Three (3) Directors Who Are Audit and Supervisory Committee

	Members
<b>Proposal 5:</b>	Determination of Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
<b>Proposal 6:</b>	Determination of Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members
<b>Proposal 7:</b>	Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

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- Ⓞ The reception will open at 9:00 a.m. Please note that we will have no waiting room.
- Ⓞ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the meeting venue.
- Ⓞ On the day of the meeting, staff will be wearing light attire (“Cool Biz”). We appreciate your understanding, and also encourage shareholders to attend in light attire.
- Ⓞ Subsequent amendments to the matters subject to the electronic provision measures will be posted on the above-listed websites.
- Ⓞ At the meeting venue, wheelchairs can be used, and you can enter with a guide dog, service dog, or hearing dog. Please feel free to let the meeting venue staff know.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

The Company's basic policy for dividends is to secure the required internal reserves to further enrich and strengthen future business expansion and the management structure while returning profits as much as possible to shareholders, with the focus of continuing stable dividends in consideration of all factors concerned.

Based on the above basic policy, in view of trends in business results for the fiscal year under review and the future business environment, the Company proposes year-end dividends as shown below.

(1) Type of dividend property

Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount

120 yen per share of common stock

Total dividends of 7,198,232,640 yen

Furthermore, as 80 yen per share has been paid as interim dividends in December 2023, annual dividends will be 200 yen per share for the fiscal year under review.

(3) Effective date of distribution of surplus

June 27, 2024

**Proposal 2: Partial Amendments to Articles of Incorporation**

1. Reasons for the Proposal

- (1) The Company has continuously worked to enhance and strengthen its Corporate Governance to become a more competitive company and improve its corporate value over the medium- to long-term. By transitioning to a Company with an Audit and Supervisory Committee, important business decisions are delegated from the Board of Directors to the Directors, accelerating decision-making and business execution. Meanwhile, the Board of Directors remains committed to enhancing the competitiveness and corporate value of the Company as the twin pillars of supervision and execution, by focusing on key management challenges, such as strategy, human resources and risks, as well as executing policy decisions. Additionally, the supervisory function is strengthened by monitoring the execution by the management. As part of the transition to a Company with an Audit & Supervisory Committee, this proposal is to newly establish the provisions regarding the Audit & Supervisory Committee and its members, while deleting provisions related to the Audit & Supervisory Board and its members, among others.
- (2) To achieve a flexible capital and dividend policy, the Company will establish a new provision that allows dividends from surplus, etc. to be also paid by resolution of the Board of Directors, in accordance with Article 459, paragraph 1 of the Companies Act. This will lead to the deletion of redundant provisions in the present Articles of Incorporation, specifically Article 7 (Acquisition of Treasury Shares) and Article 41 (Interim Dividends). These changes will not limit shareholder proposal rights for appropriation of surplus.
- (3) Additionally, other necessary changes will be made, including updates to the number of articles, adding and deleting articles, reordering phrases, and correcting terms, all in line with the aforementioned changes.
- (4) The proposed amendments to the Articles of Incorporation shall become effective upon the conclusion of this Annual General Meeting of Shareholders.

2. Details of the amendments

The amendments are as follows.

(Underlined parts indicate changes.)

Present Articles of Incorporation	Proposed Amendments
<p><b>CHAPTER I General Provisions</b></p> <p><b>ARTICLES 1 to 3</b> (Text omitted)</p> <p><b>ARTICLE 4</b> (Organizational Bodies)</p> <p>The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Directors.</p> <ol style="list-style-type: none"> <li>1. Board of Directors</li> <li><u>2. Audit &amp; Supervisory Board Members</u></li> <li><u>3. Audit &amp; Supervisory Board</u></li> <li><u>4. Independent Auditors</u></li> </ol>	<p><b>CHAPTER I General Provisions</b></p> <p><b>ARTICLES 1 to 3</b> (Text is the same as in the present Article)</p> <p><b>ARTICLE 4</b> (Organizational Bodies)</p> <p>The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Directors.</p> <ol style="list-style-type: none"> <li>1. Board of Directors (Deleted)</li> <li><u>2. Audit &amp; Supervisory Committee</u></li> <li><u>3. Independent Auditors</u></li> </ol>
<p><b>ARTICLE 5</b> (Text omitted)</p> <p><b>CHAPTER II Shares</b></p> <p><b>ARTICLE 6</b> (Text omitted)</p>	<p><b>ARTICLE 5</b> (Text is the same as in the present Article)</p> <p><b>CHAPTER II Shares</b></p> <p><b>ARTICLE 6</b> (Text is the same as in the present Articles)</p>

Present Articles of Incorporation	Proposed Amendments
<p><b>ARTICLE 7</b> (Acquisition of Treasury Shares)</p> <p><u>The Company may purchase (refers to purchasing, provided for in Article 165, Paragraph 2 of the Companies Act) treasury shares through market transactions, etc. based on a resolution of its Board of Directors.</u></p> <p><b>ARTICLES 8 to 10</b> (Text omitted)</p> <p><b>ARTICLE 11</b> (Transfer Agent) (Text omitted)</p> <p>2. The transfer agent and its office at which the Company shares are handled shall be determined by the Board of Directors, and shall be announced by public notice.</p> <p>3. (Text omitted)</p> <p><b>ARTICLE 12</b> (Handling of Shares)</p> <p>The handling of shares of the Company, procedures for exercising shareholder rights and fees shall be governed by laws, regulations and the Articles of Incorporation as well as by the Share Handling Regulations which the Board of Directors shall prescribe.</p> <p><b>CHAPTER III General Meeting of Shareholders</b></p> <p><b>ARTICLES 13 to 18</b> (Text omitted)</p> <p><b>CHAPTER IV Directors and Board of Directors</b></p> <p><b>ARTICLE 19</b> (Number of Directors) (Text omitted) (Newly established)</p>	<p>(Deleted)</p> <p><b>ARTICLES 7 to 9</b> (Text is the same as in the present Article)</p> <p><b>ARTICLE 10</b> (Transfer Agent) (Text is the same as in the present Article)</p> <p>2. The transfer agent and its office at which the Company shares are handled shall be determined by the Board of Directors <u>or a Director delegated by a resolution of the Board of Directors</u>, and shall be announced by public notice.</p> <p>3. (Text is the same as in the present Article)</p> <p><b>ARTICLE 11</b> (Handling of Shares)</p> <p>The handling of shares of the Company, procedures for exercising shareholder rights and fees shall be governed by laws, regulations and the Articles of Incorporation as well as by the Share Handling Regulations which the Board of Directors <u>or a Director delegated by a resolution of the Board of Directors</u> shall prescribe.</p> <p><b>CHAPTER III General Meeting of Shareholders</b></p> <p><b>ARTICLES 12 to 17</b> (Text is the same as in the present Article)</p> <p><b>CHAPTER IV Directors and Board of Directors</b></p> <p><b>ARTICLE 18</b> (Number of Directors) (Text is the same as in the present Article)</p> <p><u>2. Among the Directors provided in the preceding paragraph, the Directors who are Audit &amp; Supervisory Committee Members shall not be more than five (5) in number.</u></p>

Present Articles of Incorporation	Proposed Amendments
<p><b>ARTICLE 20</b> (Election of Directors)</p> <p>Directors shall be elected by a resolution of the general meeting of shareholders.</p> <p>2.-3. (Text omitted)</p> <p>(Newly established)</p> <p><b>ARTICLE 21</b> (Term of Office)</p> <p>The term of office of each of the Directors shall expire at the close of the ordinary general meeting of shareholders held for the last business year that ends within <u>two (2)</u> years from assumption of office.</p> <p>2. <u>The term of office of a Director elected to serve as a substitute in order to fill a vacancy or increase in the number of Directors shall be up to the expiry of the term of office of the other existing Directors.</u></p> <p>(Newly established)</p> <p><b>ARTICLE 22</b> (Representative Directors and Executive Directors)</p> <p>By a resolution of the Board of Directors, Representative Directors shall be elected.</p> <p>2. The Board of Directors shall, by its resolution, appoint the Director and President from among the Representative Directors and may, if necessary, appoint from among the Directors the Chairman of the Board, the Vice Chairman of the Board, the Director and Vice President, the Managing Director and the Managing Director.</p>	<p><b>ARTICLE 19</b> (Election of Directors)</p> <p>Directors shall be elected by a resolution of the general meeting of shareholders, <u>which should be implemented by distinguishing between Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u></p> <p>2.-3. (Text is the same as in the present Article)</p> <p>4. <u>A resolution for the election of a substitute Director who is an Audit &amp; Supervisory Committee Member shall remain in effect until the beginning of the ordinary general meeting of shareholders held for the last business year that ends within two (2) years from the date of such resolution.</u></p> <p><b>ARTICLE 20</b> (Term of Office)</p> <p>The term of office of each of the Directors (<u>excluding Directors who are Audit &amp; Supervisory Committee Members</u>) shall expire at the close of the ordinary general meeting of shareholders held for the last business year that ends within <u>one (1)</u> year from assumption of office.</p> <p>2. <u>The term of office of each of the Directors who are Audit &amp; Supervisory Committee Members shall expire at the close of the ordinary general meeting of shareholders held for the last business year that ends within two (2) years from assumption of office.</u></p> <p>3. <u>The term of office of a Director elected to serve as a substitute Audit &amp; Supervisory Committee Member in order to fill a vacancy caused by retirement of a Director who is an Audit &amp; Supervisory Committee Member prior to the expiration of his or her term of office shall be up to the expiry of the term of office of the retiring Director.</u></p> <p><b>ARTICLE 21</b> (Representative Directors and Executive Directors)</p> <p>By a resolution of the Board of Directors, Representative Directors shall be elected <u>from among the Directors (excluding Audit &amp; Supervisory Committee Members).</u></p> <p>2. The Board of Directors shall, by its resolution, appoint the Director and President from among the Representative Directors and may, if necessary, appoint from among the Directors (<u>excluding Audit &amp; Supervisory Committee Members</u>) the Chairman of the Board, the Vice Chairman of the Board, the Director and Vice President, the Managing Director and the Managing Director.</p>

Present Articles of Incorporation	Proposed Amendments
<p><b>ARTICLE 23</b> (Text omitted)</p> <p><b>ARTICLE 24</b> (Convening Meetings of the Board of Directors)</p> <p>Each of the Directors <u>and Audit &amp; Supervisory Board Members</u> shall be notified of a meeting of the Board of Directors three (3) days before the date set for such meeting. However, this period may be shortened if urgently necessary.</p> <p>2. With the unanimous consent of all Directors <u>and Audit &amp; Supervisory Board Members</u>, a Board of Directors meeting may be held without the convening procedure.</p> <p><b>ARTICLE 25</b> (Text omitted)</p> <p>(Newly established)</p> <p><b>ARTICLE 26</b> (Text omitted)</p> <p><b>ARTICLE 27</b> (Remuneration, etc.)</p> <p>Remuneration, bonuses and other financial benefits for Directors received from the Company in consideration of the performance of their duties (refers to remunerations, etc.) shall be decided by a resolution of the general meeting of shareholders.</p> <p><b>ARTICLE 28</b> (Text omitted)</p> <p><b>CHAPTER V <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></b></p>	<p><b>ARTICLE 22</b> (Text is the same as in the present Article)</p> <p><b>ARTICLE 23</b> (Convening Meetings of the Board of Directors)</p> <p>Each of the Directors shall be notified of a meeting of the Board of Directors three (3) days before the date set for such meeting. However, this period may be shortened if urgently necessary.</p> <p>2. With the unanimous consent of all Directors, a Board of Directors meeting may be held without the convening procedure.</p> <p><b>ARTICLE 24</b> (Text is the same as in the present Article)</p> <p><b>ARTICLE 25</b> (<u>Delegation of Decisions on Execution of Important Operations</u>)</p> <p><u>Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or part of the decisions regarding execution of important operations (excluding matters set forth in items of Article 399-13, Paragraph 5 of the Companies Act) to Directors by a resolution of the Board of Directors.</u></p> <p><b>ARTICLE 26</b> (Text is the same as in the present Article)</p> <p><b>ARTICLE 27</b> (Remuneration, etc.)</p> <p>Remuneration, bonuses and other financial benefits for Directors received from the Company in consideration of the performance of their duties (refers to remunerations, etc.) shall be decided by a resolution of the general meeting of shareholders, <u>distinguishing between Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u></p> <p><b>ARTICLE 28</b> (Text is the same as in the present Article)</p> <p><b>CHAPTER V <u>Audit &amp; Supervisory Committee</u></b></p>

Present Articles of Incorporation	Proposed Amendments
<p><b>ARTICLE 29</b> (Number of Audit &amp; Supervisory Board Members)</p> <p><u>Audit &amp; Supervisory Board Members shall not be more than five (5) in number.</u></p> <p><b>ARTICLE 30</b> (Election of Audit &amp; Supervisory Board Members)</p> <p><u>Audit &amp; Supervisory Board Members shall be elected by resolution of a general meeting of shareholders.</u></p> <p>2. <u>With respect to a resolution for the election provided for in the preceding paragraph, the attendance of shareholders owning not less than one-third of the total voting rights of qualified shareholders shall be required. The resolution shall be adopted by a majority.</u></p> <p><b>ARTICLE 31</b> (Term of Office)</p> <p><u>The term of office for each of the Audit &amp; Supervisory Board Members shall expire at the close of the ordinary general meeting of shareholders held for the last business year that ends within four (4) years from assumption of office.</u></p> <p>2. <u>The term of office of an Audit and Supervisory Board Member elected to serve as a substitute in order to fill a vacancy caused by retirement of an Audit &amp; Supervisory Board Member prior to the expiration of his or her term of office shall be up to the expiry of the term of office of the retiring Audit &amp; Supervisory Committee Member.</u></p> <p><b>ARTICLE 32</b> (Full-time Audit &amp; Supervisory Board Members)</p> <p><u>The Audit &amp; Supervisory Board shall, by its resolution, select Full-time Audit &amp; Supervisory Members.</u></p> <p><b>ARTICLE 33</b> (Convening Meetings of the Audit &amp; Supervisory Board)</p> <p>Each of the <u>Audit &amp; Supervisory Board Members</u> shall be notified of a <u>meeting of the Audit &amp; Supervisory Board</u> three (3) days before the date set for such meeting. However, this period may be shortened if urgently necessary.</p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p><b>ARTICLE 29</b> (Convening Meetings of the <u>Audit &amp; Supervisory Committee</u>)</p> <p>Each of the <u>Audit &amp; Supervisory Committee Members</u> shall be notified of a <u>meeting of the Audit &amp; Supervisory Committee</u> three (3) days before the date set for such meeting. However, this period may be shortened if urgently necessary.</p>
<p>2. With the unanimous consent of all <u>Audit &amp; Supervisory Board Members</u>, an <u>Audit and Supervisory Board meeting</u> may be held without the convening procedure</p>	<p>2. With the unanimous consent of all <u>Audit &amp; Supervisory Committee Members</u>, an <u>Audit &amp; Supervisory Committee meeting</u> may be held without the convening procedure.</p>



Present Articles of Incorporation	Proposed Amendments
<p><b>ARTICLE 34</b> (Regulations of the <u>Audit &amp; Supervisory Board</u>)</p> <p>Matters relating to the <u>Audit &amp; Supervisory Board</u> shall be governed by laws, regulations and the Articles of Incorporation which the <u>Audit &amp; Supervisory Board</u> shall prescribe.</p> <p><b>ARTICLE 35</b> (Remuneration, etc.)</p> <p><u>Remuneration, etc. for Audit &amp; Supervisory Board Members shall be decided by resolution of a general meeting of shareholders.</u></p> <p><b>ARTICLE 36</b> (Exemption in Liabilities of Audit &amp; Supervisory Board Members)</p> <p><u>The Company may exempt its Audit &amp; Supervisory Board Members from their liabilities for damages due to negligence of their duties within the limit of laws and ordinances based on a resolution of the Board of Directors (refers to a resolution pursuant to Article 426, Paragraph 1 of the Companies Act).</u></p> <p><u>2. The Company may conclude an agreement with Audit &amp; Supervisory Board Members limiting their liabilities for damages due to negligence of their duties to the amount prescribed by relevant laws or ordinances (refers to an agreement based on Article 427, Paragraph 1 of the Companies Act).</u></p> <p style="text-align: center;"><b>CHAPTER VI Independent Auditors</b></p> <p><b>ARTICLES 37 to 38</b> (Text omitted)</p> <p><b>ARTICLE 39</b> (Remuneration, etc. for Independent Auditors)</p> <p>Remuneration, etc. for Independent Auditors shall be decided by the Representative Director with the consent of the <u>Audit &amp; Supervisory Board</u>.</p>	<p><b>ARTICLE 30</b> (Regulations of the <u>Audit &amp; Supervisory Committee</u>)</p> <p>Matters relating to the <u>Audit &amp; Supervisory Committee</u> shall be governed by laws, regulations and the Articles of Incorporation which the <u>Audit &amp; Supervisory Committee</u> shall prescribe.</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;"><b>CHAPTER VI Independent Auditors</b></p> <p><b>ARTICLES 31 to 32</b> (Text is the same as in the present Article)</p> <p><b>ARTICLE 33</b> (Remuneration, etc. for Independent Auditors)</p> <p>Remuneration, etc. for Independent Auditors shall be decided by the Representative Director with the consent of the <u>Audit &amp; Supervisory Committee</u>.</p>
<p style="text-align: center;"><b>CHAPTER VII Accounts</b></p> <p><b>ARTICLE 40</b> (Text omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;"><b>CHAPTER VII Accounts</b></p> <p><b>ARTICLE 34</b> (Text is the same as in the present Article)</p> <p><b>ARTICLE 35</b> (Decision-making Body on the Payment of Dividends of Surplus, etc.)</p> <p><u>The Company may decide matters concerning the payment of dividends of surplus and other matters set forth in each item under Article 459, Paragraph 1 of the Companies Act subject to a resolution of the Board of Directors, unless otherwise provided by laws or regulations.</u></p>

Present Articles of Incorporation	Proposed Amendments
<p><b><u>ARTICLE 41 (Interim Dividends)</u></b></p> <p><u>The Company may decide matters concerning the payment of interim dividends set forth in dividend of surplus funds under Article 454, Paragraph 5 of the Companies Act subject to a resolution of the Board of Directors.</u></p> <p><b>ARTICLES <u>42</u> to <u>43</u></b> (Text omitted)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><b>ARTICLES <u>36</u> to <u>37</u></b> (Text is the same as in the present Article)</p> <p><b><u>Supplementary Provisions</u></b> (Transitional Measures regarding Exemption in Liabilities of Audit &amp; Supervisory Board Members)</p> <p>1. <u>The Company may, pursuant to Article 426, Paragraph 1 of the Companies Act, exempt Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) from liability for damages due to negligence of their duties before the partial amendment to the Articles of Incorporation resolved at the 9th Ordinary General Meeting of Shareholders comes into effect, by a resolution of the Board of Directors, to the extent permitted by law.</u></p> <p>2. <u>With regard to liability limitation agreements concluded with Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) before the partial amendments to the Articles of Incorporation approved at the 9th Ordinary General Meeting of Shareholders took effect, the provisions then in force shall remain applicable.</u></p>

**Proposal 3:** Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval of Proposal 2 “Partial Amendments to Articles of Incorporation,” the Company shall make the transition to a Company with an Audit and Supervisory Committee. Consequently, the terms of office of all the eleven (11) Directors will expire at the conclusion of the Annual General Meeting of Shareholders. Accordingly, election of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members), including four (4) Outside Directors is proposed.

This proposal shall come into effect in the event that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to Articles of Incorporation” come into effect.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

No.	Name		Current positions at the Company
1	Kiyoshi Nakashima	[Reappointment]	Chairman of the Board
2	Kazumasa Hara	[Reappointment]	Representative Director and President
3	Akinobu Miyoshi	[Reappointment]	Representative Director and Vice President
4	Eiichi Nishizawa	[Reappointment]	Director
5	Makoto Okawara	[New appointment]	
6	Tsunesaburo Sugaya	[Reappointment] [Outside Director] [Independent Director]	Outside Director
7	Makiko Noda	[Reappointment] [Outside Director] [Independent Director]	Outside Director
8	Shinichiro Omori	[Reappointment] [Outside Director] [Independent Director]	Outside Director
9	Yasuaki Mori	[New appointment] [Outside Director] [Independent Director]	

(Reference) Policy and process to elect candidates for Directors

When deciding on candidates for inside Directors, the Company has a system where Directors with different expertise and experience make up the Board of Directors so that it can exercise comprehensive supervision over management as a whole. We also select candidates for Outside Directors whose backgrounds are different from those at the Company and whose experience and insight contribute to management supervision.

In addition, President and Representative Director is selected following the deliberation of the Nomination and Remuneration Advisory Committee with a majority of Outside Officers, whose establishment was decided at the Board of Directors meeting held on September 25, 2018 with the objective of improving transparency, objectivity, and fairness in the election, dismissal, and remuneration of President and Representative Director.

Moreover, the regulations for the Nomination and Remuneration Advisory Committee were revised in January 2022, whereby the selection of candidates for Directors and Audit & Supervisory Board Members is added to the matters to be deliberated and reported, and determined following the deliberation of the Committee.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kiyoshi Nakashima (March 13, 1955)  [Reappointment]	<p>April 1981    Joined Macnica, Inc. May 1991    Director and Component First Business Department General Manager, Macnica, Inc. April 1999    Director and Network Business General Manager, Macnica, Inc. June 2003    Managing Director, Macnica, Inc. March 2004    Representative Director, Macnica Networks Corp. (currently Macnica Networks Company Inc.) April 2005    Executive Vice President, Macnica, Inc.                   Representative Director, ALTIMA Corp. (currently Altima Company, Macnica, Inc.) June 2008    President and CEO, Macnica, Inc. April 2015    Representative Director and President, the Company June 2019    Representative Director and Chairman, Macnica, Inc.                   Representative Director and Chairman, the Company June 2021    Chairman of the Board, Macnica, Inc. (to present)                   Chairman of the Board, the Company (to present) March 2024    Outside Director, MonotaRO Co., Ltd. (to present)</p> <p>[Significant concurrent positions] Chairman of the Board, Macnica, Inc. Outside Director, MonotaRO Co., Ltd.</p>	102,455
<p>[Reason for nomination as candidate for Director] Mr. Kiyoshi Nakashima has served as President and CEO of Macnica, Inc., a subsidiary of the Company, since 2008 and concurrently serves as Representative Director and President of the Company since 2015 in accordance with its establishment, Representative Director and Chairman of the Company since June 2019, and Chairman of the Board of the Company since June 2021. He possesses extensive experience and achievements and broad knowledge as top management. For these reasons, the Company has judged that he is qualified for supervising and promoting the Group's management, and has therefore renominated him as a candidate for Director.</p>			
2	Kazumasa Hara (October 18, 1971)  [Reappointment]	<p>September 1995    Joined Macnica, Inc. April 2007    General Manager of First Sales, TecStar Company, Macnica, Inc. April 2011    President, TecStar Company, Macnica, Inc. April 2018    General Manager of Strategic Innovation Business Group June 2018    Director, Macnica, Inc. June 2019    President and CEO, Macnica, Inc. (to present)                   Representative Director and President, the Company (to present)</p> <p>[Significant concurrent positions] President and CEO, Macnica, Inc.</p>	67,951
<p>[Reason for nomination as candidate for Director] Mr. Kazumasa Hara has engaged in marketing and sales of the semiconductor business at Macnica, Inc., a subsidiary of the Company. He has also promoted new businesses as the person in charge and he has been serving as Director of Macnica, Inc. since 2018, and Representative Director and President of the Company and President and CEO of Macnica, Inc. since 2019. He possesses extensive knowledge about the industry to which the Company belongs, as well as experience and achievements in management. He has also been promoting the Group's long-term strategies and reform topics as a person in charge of new businesses. The Company has judged that he is qualified for promoting the Group's management and leading efforts to achieve the Group's long-term vision, and has therefore renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Akinobu Miyoshi (July 13, 1971)  [Reappointment]	<p>July 1995      Joined Macnica, Inc.</p> <p>April 2007      General Manager of Product Sales, ALTIMA Corp. (currently Altima Company, Macnica, Inc.)</p> <p>June 2009      Director, ALTIMA Corp.</p> <p>June 2010      Executive Vice President, ALTIMA Corp.</p> <p>June 2011      President and CEO, ALTIMA Corp.</p> <p>October 2011    General Manager of Asia Pacific Business Group, Macnica, Inc.</p> <p>                    President, MACNICA ASIA PACIFIC PTE LTD</p> <p>                    President, MACNICA HONG KONG, LIMITED</p> <p>April 2015      General Manager of Global Business Development Office, Macnica, Inc.</p> <p>                    CEO, MACNICA AMERICAS, INC.</p> <p>June 2018      Director, Macnica, Inc.</p> <p>June 2019      Co-CEO, Macnica, Inc. (to present)</p> <p>                    Representative Director and Vice President, the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>Co-CEO, Macnica, Inc.</p>	37,947
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Akinobu Miyoshi has engaged in marketing and sales of the semiconductor business at Macnica, Inc., a subsidiary of the Company. He has also been promoting the formulation and implementation of the Group's global strategy as a person in charge of overseas business since 2011. He has also served as Representative Director and Vice President of the Company and Co-CEO of Macnica, Inc. since 2019. He possesses extensive experience and knowledge including management, and the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.</p>		
4	Eiichi Nishizawa (March 26, 1957)  [Reappointment]	<p>April 1982      Joined Toho Mutual Life Insurance Company (currently The Gibraltar Life Insurance Co., Ltd.)</p> <p>December 1999    Joined Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>May 2001      Head of Strategic Planning Office, Fuji Electronics Co., Ltd.</p> <p>May 2006      Executive Officer, Head of Strategic Planning Office and General Manager of General Affairs Div., Fuji Electronics Co., Ltd.</p> <p>May 2010      Senior Executive Officer and General Manager of Strategic Planning Div., Fuji Electronics Co., Ltd.</p> <p>May 2011      Director and General Manager of Financial &amp; Accounting Div., Fuji Electronics Co., Ltd.</p> <p>May 2014      Managing Director, Fuji Electronics Co., Ltd.</p> <p>April 2015      Director, the Company (to present)</p> <p>June 2017      Representative Director Vice President, Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>June 2019      Executive Vice President, Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>[Significant concurrent positions]</p> <p>None</p>	17,677
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Eiichi Nishizawa has engaged in strategic planning, personnel, and accounting operations at Fuji Electronics Co., Ltd., a subsidiary of the Company. He also possesses extensive experience and knowledge in management in general as Representative Director Vice President in charge of administration divisions. In addition, he has served as Director of the Company since 2015 in accordance with its establishment. Additionally, as he possesses extensive knowledge and experience in overall management, for these reasons, the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Makoto Okawara (October 3, 1963) [New appointment]	<p>April 1987      Joined Mitsubishi Corporation</p> <p>June 2006      Seconded to Mitsubishi Corporation Finance PLC as Managing Director</p> <p>April 2010      General Manager of Investor Relations Dept., Mitsubishi Corporation</p> <p>July 2011      Senior Vice President of New Industrial Finance Business Group, Mitsubishi International Corporation</p> <p>June 2017      General Manager of Finance Dept., Mitsubishi Corporation</p> <p>April 2020      Senior Vice Presidents and General Manager of Finance Dept., Mitsubishi Corporation</p> <p>April 2023      General Manager, Financial Group, Macnica, Inc. (to present)</p> <p>June 2023      Managing Executive Officer, the Company (to present)</p> <p>[Significant concurrent positions] General Manager, Financial Group, Macnica, Inc.</p>	2,282
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Makoto Okawara, prior to joining the Company, served as the person in charge of finance at Japan's leading trading company. He possesses a broad range of experience and knowledge, including financial strategies both at home and overseas, and business management and business investment at global corporations. For these reasons, the Company has judged that he is qualified for promoting the necessary financial strategies for further growth of the Group and the Group's management, and has therefore nominated him as a candidate for Director.</p>			
6	Tsunesaburo Sugaya (November 24, 1963) [Reappointment] [Outside] [Independent]	<p>April 1988      Joined Motorola, Co., Ltd.</p> <p>June 1999      Joined JAFCO Co., Ltd. (currently JAFCO Group Co., Ltd.)</p> <p>January 2003    President &amp; CEO, JAFCO America Ventures Inc. (currently Icon Ventures), JAFCO Co., Ltd.</p> <p>March 2008      Executive Officer responsible for United States, JAFCO Co., Ltd.</p> <p>June 2015      Outside Director, Plat'Home Co., Ltd. (to present)</p> <p>July 2015      Outside Director, I Peace, Inc. (to present)</p> <p>December 2015 Representative Director, MIYAKO CAPITAL (to present)</p> <p>August 2017    Outside Director, AerNos, Inc. (to present)</p> <p>June 2019      Director, the Company (to present)</p> <p>October 2022    Audit &amp; Supervisory Board Member, Artiza Networks, Inc. (to present)</p> <p>[Significant concurrent positions] Outside Director, Plat'Home Co., Ltd. Representative Director, MIYAKO CAPITAL Audit &amp; Supervisory Board Member, Artiza Networks, Inc. Outside Director, I Peace, Inc. Outside Director, AerNos, Inc.</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Tsunesaburo Sugaya is currently Outside Director of the Company and has been providing advises and opinions at the Board of Directors based on the experience and expertise cultivated in the management of foreign investment businesses. He also stands as a member of the Nominating and Compensation Advisory Committee from a standpoint of objectivity and independence. The Company expects that he will provide appropriate advice on sustainable improvement of the Group's corporate value, and fill the role of member of the Nominating and Compensation Advisory Committee. Therefore, the Company has renominated him as a candidate for Outside Director. Mr. Tsunesaburo Sugaya's term of office as an Outside Director of the Company will be five years at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Makiko Noda (August 25, 1970)  [Reappointment] [Outside] [Independent]	<p>April 1993      Joined Venture Link Co., Ltd.  April 2010      Director, Venture Link Co., Ltd.  December 2010    President and Representative Director, Human Delight Inc. (to present)  March 2011      President and Representative Director, INCGROW Co., Ltd.  February 2015    Chairman and Director, INCGROW Co., Ltd. (retired in February 2017)  June 2017      Outside Director, The Bank of Toyama (to present)  June 2019      Director, the Company (to present)  June 2019      Outside Director, Keyware Solutions Inc. (to present)  March 2020      Outside Director, Arte Salon Holdings, Inc. (currently ARTE GENESIS, Inc.) (to present)</p> <p>[Significant concurrent positions]  President and Representative Director, Human Delight Inc.  Outside Director, The Bank of Toyama  Outside Director, Keyware Solutions Inc.  Outside Director, ARTE GENESIS, Inc.</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]  Ms. Makiko Noda is currently an Outside Director of the Company, and has been providing advises and opinions at the Board of Directors based on experience and knowledge in support operations for local financial institute and expanding opportunities for women. She also stands as a member of the Nominating and Compensation Advisory Committee from a standpoint of objectivity and independence. The Company expects that she will provide appropriate advice on sustainable improvement of the Group's corporate value, and fill the role of member of the Nominating and Compensation Advisory Committee. Therefore, the Company has renominated her as a candidate for Outside Director. Ms. Makiko Noda's term of office as an Outside Director of the Company will be five years at the conclusion of this General Meeting of Shareholders.</p>			
8	Shinichiro Omori (February 6, 1956)  [Reappointment] [Outside] [Independent]	<p>April 1978      Joined Hitachi, Ltd.  April 2016      Senior Vice President and Executive Officer (retired in March 2019)  June 2017      Outside Director, Hitachi Capital Corporation (currently Mitsubishi HC Capital Inc.) (retired in June 2019)  June 2017      Director, Hitachi Chemical Co., Ltd. (currently Resonac Corporation) (retired in June 2018)  June 2019      Chairperson of the Board, Hitachi Metals, Ltd. (currently Proterial, Ltd.) (retired from the position of Chairperson in March 2020 and retired from the position of Director in June 2020)  July 2020      Chairman of the Board, Hitachi High-Tech Corporation (retired in March 2021)  March 2022      Outside Director of the Board, KOKUYO Co., Ltd. (to present)  June 2022      Director, the Company (to present)  June 2023      Outside Director of the Board, Kansai Paint Co., Ltd. (to present)</p> <p>[Significant concurrent positions]  Outside Director of the Board, KOKUYO Co., Ltd.  Outside Director of the Board, Kansai Paint Co., Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]  Mr. Shinichiro Omori has a wealth of knowledge and extensive experience in management, having served as executive officer and chairperson of the board at global business corporations. The Company has renominated him as a candidate for Outside Director, expecting that he will contribute to the Group mainly by supervising and providing advice, from independent and objective standpoint, on initiatives to reinforce global management, IT strategy, digital transformation management and governance structures. Mr. Shinichiro Omori's term of office as an Outside Director of the Company will be two years at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Yasuaki Mori (October 12, 1961) [New appointment] [Outside] [Independent]	<p>November 1984 Joined Advanced Micro Devices, Inc.</p> <p>April 1997 General Manager of Marketing Department, Tokyo Branch, AMD Japan, Ltd.</p> <p>August 1998 Director and General Manager of Sales and Marketing Division, AMD Japan, Ltd.</p> <p>November 2000 President and Representative Director, Infineon Technologies Japan K.K. (retired in February 2018)</p> <p>October 2018 Vice President, Sight Machine Inc. (retired in October 2019) Advisor, Wibu-Systems A.G. (to present) Advisor, Wibu-Systems K.K. (to present)</p> <p>October 2019 Corporate Supervisor, AvioCast, Inc. (to present)</p> <p>March 2020 Advisor, OSARO INC. (to present)</p> <p>November 2022 Advisor, RGo Robotics, Inc. (to present)</p> <p>[Significant concurrent positions] Advisor, Wibu-Systems A.G. Advisor, Wibu-Systems K.K. Corporate Supervisor, AvioCast Inc. Advisor, OSARO INC. Advisor, RGo Robotics, Inc.</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles] Mr. Yasuaki Mori works for one of the world's leading semiconductor manufacturers. He possesses not only extensive experience and knowledge in the semiconductor industry, but also experience in overall management as the person in charge of a Japanese subsidiary, as well as providing advice as an advisor to cutting-edge technology venture corporations, etc. globally. The Company has nominated him as a candidate for Outside Director, expecting that he will contribute to the Group mainly by supervising and providing advice, from independent and objective standpoint, not only on the semiconductor business and network business, which are the Group's main businesses, but also on strategic direction, business investment, etc. in the new CPS solution business.</p>			

(Notes)

- Mr. Tsunesaburo Sugaya, Ms. Makiko Noda, Mr. Shinichiro Omori, and Mr. Yasuaki Mori are candidates for Outside Directors. The Company has designated Mr. Tsunesaburo Sugaya, Ms. Makiko Noda, and Mr. Shinichiro Omori as Independent Directors as prescribed by the Tokyo Stock Exchange and submitted a notification of the designation to the same Exchange. If their reelection is approved as proposed, the Company intends to continue their designation as Independent Directors. Additionally, the Company intends to designate Mr. Yasuaki Mori as an Independent Director as prescribed by the Tokyo Stock Exchange and submit a notification of the designation to the same Exchange.
- Independence of Outside Directors**  
In accordance with the independence standards of the Tokyo Stock Exchange, Inc., the Company excludes parties that hold the Company and its group operating companies as major transaction partners and business executives thereof, consultants, etc., that receive a significant amount of remuneration from the Company and parties affiliated with said organizations, and parties that are relatives, etc., of parties to which the above items apply.  
There are no special conflicts of interest between the Company and each of Mr. Tsunesaburo Sugaya, Ms. Makiko Noda, and Mr. Shinichiro Omori.  
The Company has concluded the following advisory agreement with Mr. Yasuaki Mori with the contract period up to this General Meeting of Shareholders, on the premise that he will take office as Outside Director s of the Company. The objective is to have the candidate understand the management conditions and business contents, etc., of the Company prior to assuming office as Outside Director, and the Company believes that he has sufficient independence to fulfill the role of Outside Director of the Company.  
The Company has concluded an advisory agreement with Mr. Yasuaki Mori since October 2023. His remuneration amount is 0.50 million yen per month.
- The Company has entered into liability limitation agreements with Mr. Tsunesaburo Sugaya, Ms. Makiko Noda, and Mr. Shinichiro Omori pursuant to Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by laws and regulations. If their reelection is approved as proposed, the Company intends to continue the above agreement with them.  
If election of Mr. Yasuaki Mori is approved as proposed, the Company intends to enter into a liability limitation agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by laws and regulations.
- The Company has concluded indemnification agreements to the effect that the Company will compensate Mr. Kiyoshi Nakashima, Mr. Kazumasa Hara, Mr. Akinobu Miyoshi, Mr. Eiichi Nishizawa, Mr. Tsunesaburo Sugaya, Ms. Makiko



Noda, and Mr. Shinichiro Omori for the expenses stipulated in Item 1 of Article 430-2, Paragraph 1 of the Companies Act and the losses stipulated in Item 2 of the same Paragraph to the extent provided for by relevant laws and regulations. If their reelection is approved as proposed, the Company intends to continue the above agreements with them.

If election of Mr. Makoto Okawara and Mr. Yasuaki Mori is approved as proposed, the Company intends to conclude indemnification agreements to the effect that the Company will compensate the expenses stipulated in Item 1 of Article 430-2, Paragraph 1 of the Companies Act and the losses stipulated in Item 2 of the same Paragraph to the extent provided for by relevant laws and regulations.

5. The Company shall conclude a directors and officers liability insurance agreement with an insurance company. The insurance covers economic damages to be incurred by the insureds due to claims for damages in pursuit of their liability resulting from the performance of their duties as Director. However, measures are in place to ensure the proper execution of duties by the Directors, by excluding coverage for damage caused by criminal acts such as bribery or by the insureds themselves who intentionally committed an illegal act. Each candidate will be included as the insured under this insurance agreement. The said insurance agreement is renewed on April 1 every year, and the Company plans to renew the insurance with the above details at the next time of renewal.
6. Hitachi Metals, Ltd., in which Mr. Omori served as Board Director, Chairperson until June 2020, announced in April 2020, that it discovered conduct including inappropriate descriptions of numerical values of test results in the inspection reports submitted to customers of some products manufactured by the company and its subsidiaries. While Mr. Omori was not aware of the fact until the discovery of the said fact, he had regularly made recommendations, as appropriate, on the importance of legal compliance and strict adherence to laws and regulations. After the discovery of the said fact, Mr. Omori made recommendations on investigation into the facts, identification of root cause, and prevention of recurrence.

**Proposal 4:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

Subject to the approval of Proposal 2 “Partial Amendments to Articles of Incorporation,” the Company shall make the transition to a Company with an Audit and Supervisory Committee. Accordingly, election of three (3) Directors who are Audit and Supervisory Committee Members, including two (2) Outside Directors is proposed.

The Audit & Supervisory Board has already approved this proposal.

This proposal shall come into effect in the event that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to Articles of Incorporation” come into effect.

The candidates for Directors who are Audit and Supervisory Committee Members (including two (2) Outside Directors) are as follows:

No.	Name		Current positions at the Company
1	Shinichi Onodera	[New appointment]	Standing Audit & Supervisory Board Member
2	Kay Miwa	[New appointment] [Outside Director] [Independent Director]	Outside Audit & Supervisory Board Member
3	Yukie Sugita	[New appointment] [Outside Director] [Independent Director]	Outside Audit & Supervisory Board Member

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Shinichi Onodera (January 8, 1956) [New appointment]	<p>April 1978 Joined Wacoal Corp.</p> <p>December 1987 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2010 Joined Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>May 2010 Executive Officer and General Manager of General Affairs Div., Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>May 2011 Executive Officer and Deputy General Manager of Marketing Sector, Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>May 2012 Director and Deputy General Manager of Sales Management Sector, Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>May 2014 Managing Director, Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>April 2015 Director, the Company</p> <p>June 2017 Representative Director and President (CEO), Fuji Electronics Co., Ltd. (currently Macnica, Inc.)</p> <p>June 2020 Audit &amp; Supervisory Board Member, Macnica, Inc. (to present) Corporate Auditor, Macnica Solutions Corp. (to present) Standing Audit &amp; Supervisory Board Member, the Company (to present)</p> <p>[Significant concurrent positions] Audit &amp; Supervisory Board Member, Macnica, Inc. Audit &amp; Supervisory Board Member, Macnica Solutions Corp.</p>	10,214
<p>[Reason for nomination as candidate for Director who is an Audit and Supervisory Committee Member]</p> <p>After engaging in international finance business at financial institutions, Mr. Shinichi Onodera served as Representative Director and President (CEO), Fuji Electronics Co., Ltd. He has also concurrently served as Director of the Company since the establishment of the Company. He has extensive experience and knowledge of the Company and overall management. For these reasons, the Company has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member, judging that he will be able to conduct audit and supervision of the Company's overall business execution as an Audit and Supervisory Committee Member.</p>			
2	Kay Miwa (February 22, 1969) [New appointment] [Outside] [Independent]	<p>February 1992 Lawyer, Haidian Lawyer Office, China</p> <p>April 1998 Legal Division, NEC Corporation</p> <p>April 2004 Assistant General Counsel of Legal Department, Nissan Motor Co., Ltd.</p> <p>December 2011 Deputy General Manager, Legal Department, Nissan Motor Co., Ltd.</p> <p>April 2014 General Manager of Strategic Partnerships and Projects, Corporate Strategy Division, Nissan Motor Co., Ltd.</p> <p>April 2019 General Manager of Corporate Management Office, Nissan Motor Co., Ltd.</p> <p>October 2020 General Manager of Corporate Planning Office, Corporate Strategy Group, Hitachi Construction Machinery Co., Ltd.</p> <p>June 2022 Outside Director, MEIWA CORPORATION (to present)</p> <p>June 2023 Outside Audit &amp; Supervisory Board Member, the Company (to present)</p> <p>[Significant concurrent positions] Outside Director, MEIWA CORPORATION</p>	0
<p>[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles]</p> <p>After practicing as a lawyer in China, Ms. Kay Miwa gained extensive knowledge and experience in the fields of legal affairs, cross-border M&amp;A, and corporate governance as an in-house lawyer at multiple companies. She also has valuable knowledge about matters related to China, which is one of the major countries for the Company's business. For these reasons, the Company has nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member, judging that she will be able to conduct audit and supervision of the Company's overall business execution as an Audit and Supervisory Committee Member. Ms. Kay Miwa is currently an Outside Audit &amp; Supervisory Board Member of the Company, and her term of office as an Outside Audit &amp; Supervisory Board Member will be one year at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Yukie Sugita (May 19, 1965) [New appointment] [Outside] [Independent]	<p>October 2001    Joined ShinNihon Audit Corporation (currently Ernst &amp; Young ShinNihon LLC)</p> <p>April 2005      Registered as a certified public accountant</p> <p>October 2018    Established Sugita Certified Public Accountant Firm, Representative Partner (to present)</p> <p>November 2019   Representative Director, Miogi Advisory Co., Ltd. (currently Ayumu Advisory Co., Ltd.) (to present)</p> <p>March 2020      Outside Corporate Auditor, NAKANO REFRIGERATORS CO., LTD (to present)</p> <p>August 2021     Outside Director, NEXT EDUCATION inc. (retired in April 2022)</p> <p>June 2022       Auditor, Saitama housing inspection center (to present)</p> <p>June 2023       Outside Audit &amp; Supervisory Board Member, the Company (to present)</p> <p>                      Outside Director, SANYEI CORPORATION (to present)</p> <p>[Significant concurrent positions] Representative Partner, Sugita Certified Public Accountant Firm Representative Director, Ayumu Advisory Co., Ltd. Outside Corporate Auditor, NAKANO REFRIGERATORS CO., LTD Auditor, Saitama housing inspection center Outside Director, SANYEI CORPORATION</p>	0
<p>[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles]</p> <p>Ms. Yukie Sugita has professional knowledge and extensive experience gained as a certified public accountant. She also has experience of supporting listing of companies and serving as outside officer. For these reasons, the Company has nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member, judging that she will be able to conduct audit and supervision of the Company's overall business execution as an Audit and Supervisory Committee Member. Ms. Yukie Sugita is currently an Outside Audit &amp; Supervisory Board Member of the Company, and her term of office as an Outside Audit &amp; Supervisory Board Member will be one year at the conclusion of this General Meeting of Shareholders.</p>			

(Notes)

1. There are no special interests between the candidates and the Company.
2. Mses. Kay Miwa and Yukie Sugita are candidates for Outside Directors. The Company has designated Mses. Kay Miwa and Yukie Sugita as Independent Audit & Supervisory Board Members as prescribed by the Tokyo Stock Exchange and submitted a notification of the designation to the same Exchange.
3. The Company has concluded liability limitation agreements with Mr. Shinichi Onodera and Mses. Kay Miwa and Yukie Sugita pursuant to Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by laws and regulations. If this proposal is approved, the Company intends to continue the above agreement with them.
4. The Company has concluded indemnification agreements to the effect that the Company will compensate Mr. Onodera and Mses. Kay Miwa and Yukie Sugita for the expenses stipulated in Item 1 of Article 430-2, Paragraph 1 of the Companies Act and the losses stipulated in Item 2 of the same Paragraph to the extent provided for by relevant laws and regulations. If this proposal is approved, the Company intends to continue the above agreement with them.
5. The Company shall conclude a directors and officers liability insurance agreement with an insurance company. The insurance covers economic damages to be incurred by the insureds due to claims for damages in pursuit of their liability resulting from the performance of their duties as Audit & Supervisory Board Members. However, measures are in place to ensure the proper execution of duties by the Audit & Supervisory Board Members, by excluding coverage for damage caused by criminal acts such as bribery or by the insureds themselves who intentionally committed an illegal act. Each candidate will be included as the insured under this insurance agreement. The said insurance agreement is renewed on April 1 every year, and the Company plans to renew the insurance with the above details at the next time of renewal.

(Reference)

■Criteria for ensuring independence of Outside Directors of the Company

The Company has established its own criteria, as described in the following page, to determine the independence of Outside Directors in order to ensure transparency and objectivity in its corporate governance when appointing Outside Directors, in reference to the criteria for independence of officers as prescribed in the regulations of the Tokyo Stock Exchange.

The Company believes that Mr. Tsunesaburo Sugaya, Ms. Makiko Noda, Mr. Shinichiro Omori, Mr. Yasuaki Mori, Ms. Kay Miwa, and Ms. Yukie Sugita, who are candidates as proposed in Proposals 3 and 4, meet the independence criteria of the Company.

<p>The Board of Directors of the Company judges an Outsider Director to be adequately independent of the Company when the individual is considered to meet the criteria set forth below, in addition to the criteria for independence of officers as prescribed in the regulations of the Tokyo Stock Exchange (the Company herein includes its Group companies).</p> <ol style="list-style-type: none"><li>1. The person does not fall under any of the following at present or in the past one year:<ol style="list-style-type: none"><li>(1) an executive (Note 2) of a major shareholder (Note 1) of the Company</li><li>(2) an executive of a major business partner (Note 3) of the Company or an executive of a firm for whom the Company is a major business partner</li><li>(3) an executive of a supplier (including those headquartered overseas and overseas subsidiaries) of the Company with whom the Company has an agency agreement, etc.</li><li>(4) an executive of a major lender (Note 4) of the Company</li><li>(5) an executive of an accounting firm who performs statutory audits of the Company, or a person who is in charge of audit of the Company</li><li>(6) a consultant, accounting professional, or legal professional (an executive of such corporation or an organization if applicable) who receives a large amount (Note 5) of money or other benefit from the Company aside from the officer's remuneration</li><li>(7) a director (limited to a person who executes business) or an executive of an organization (e.g. public interest incorporated foundation, public interest incorporated association, non-profit corporation) that receives donations or subsidies in excess of 10 million yen from the Company or its subsidiaries</li></ol></li><li>2. The person's close relative (Note 6) falls under none of 1 (1) to (7) at present or in the past one year</li><li>3. The person must not be an executive, auditor or accounting advisor of a company, or parent company or subsidiary of such company that accepts a director (either full-time or part-time) from the Company or its subsidiaries</li><li>4. The Company may, even if a person to whom any of 1 (1) to (7) above applies, appoint the person as its Outside Director, on condition that the Company externally explains the reason it believes the person to be appropriate as Outside Director of the Company</li><li>5. The person has no risk of having constant, substantial conflict of interests with general shareholders of the Company due to circumstances other than the reasons considered in 1 (1) to (7) above.</li></ol>
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(Notes)

1. A major shareholder refers to a shareholder directly or indirectly holding 10% or more of total voting rights at the end of a fiscal year.
2. An executive refers to an important employee including executive director, executive officer and operating officer. (An auditor or accounting advisor does not fall under the criteria.)
3. A major business partner refers to a business partner whose annual transactions with the Company exceed 2% of respective consolidated net sales of the Company or the business partner.
4. A major lender refers to a company ranked in top three, in terms of the outstanding borrowings, among the lenders of the Company at the end of the most recent fiscal year.
5. A large amount means an amount of considerations received from the Company exceeding 10 million yen a year.
6. A close relative refers to the spouse or a relative within the second degree of kinship, or a relative living together with the person

■ Skills matrix of Directors to be elected

The matrix below maps the skills of Directors, provided that Proposals 3 and 4 are approved as proposed. The skills are identified in light of consistency with functions required for the Board of Directors and the Audit and Supervisory Committee as well as management strategy of the Company. Please note that the skills matrix does not fully encompass the knowledge possessed by the Directors.

Name	Position (Outside)	Since	Skills required to fulfill the functions of the board (including expertise, experience, competencies)													
			Corporate Management	Corporate Governance	Long-term Strategy	Risk Management	Human Resource & Corporate Culture	Capital Market & Finance	Global Business Management	Innovation	Business Investment & M&A	Industry Knowledge	DX & Technology	Branding	Compliance & Legal Affair	Sustainability
Kiyoshi Nakashima	Director (Non-executive)	2015	●	●	●	●	●	●	●	●	●	Semiconductor & NW	—	●	—	—
Kazumasa Hara	Representative Director	2019	●	●	●	●	●	●	—	●	●	Semiconductor & NW	●	●	—	●
Akinobu Miyoshi	Representative Director	2019	●	—	●	—	●	—	●	●	—	Semiconductor & NW	—	—	—	—
Eiichi Nishizawa	Director (Non-executive)	2015	—	●	—	●	—	●	—	—	●	Semiconductor	—	—	—	—
Makoto Okawara	Director	2024	●	—	—	●	—	●	●	—	●	Trade company	—	—	—	—
Tsunesaburo Sugaya	Outside Director	2019	●	●	—	—	—	●	●	●	●	Investment	—	—	—	—
Makiko Noda	Outside Director	2019	●	●	—	—	—	—	—	—	—	Business development, etc.	—	—	—	●
Shinichiro Omori	Outside Director	2022	●	●	—	●	—	—	●	—	●	Electrical machinery, etc.	●	—	—	—
Yasuaki Mori	Outside Director	2024	●	●	●	●	●	●	●	—	●	Semiconductor & AI, etc.	●	—	—	—
Shinichi Onodera	Director (Audit and Supervisory Committee Member)	2024	—	●	—	●	—	●	●	—	●	Semiconductor	—	—	—	—
Kay Miwa	Outside Director (Audit and Supervisory Committee Member)	2024	—	●	—	●	—	—	●	—	●	Automobile, etc.	—	—	●	—
Yukie Sugita	Outside Director (Audit and Supervisory Committee Member)	2024	—	●	—	●	—	●	—	—	—	Accounting	—	—	—	—

**Proposal 5:** Determination of Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of remuneration for Directors was approved at the 4th Annual General Meeting of Shareholders held on June 25, 2019 to be no more than 900 million yen per annum (including no more than 100 million yen per annum for Outside Directors) and remains unchanged to date. Subject to the approval of Proposal 2 “Partial Amendments to Articles of Incorporation,” the Company shall make the transition to a Company with an Audit and Supervisory Committee.

Accordingly, considering the situation in general including economic trends, the Company proposes to abolish the current limit of remuneration for Directors and to newly set the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) at no more than 900 million yen per annum (including no more than 100 million yen per annum for Outside Directors).

The details of this proposal were determined by comprehensively taking into account factors including the scale of the Company’s business, the officers’ remuneration system and the levels of payment, and are judged to be appropriate.

The amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) shall not include the employee salaries for Directors concurrently serving as employees.

At present, there are eleven (11) Directors (including four (4) Outside Directors), but if Proposal 2 “Partial Amendments to Articles of Incorporation” and Proposal 3 “Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee members) in this proposal shall be nine (9); including four (4) Outside Directors).

This proposal shall come into effect in the event that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to Articles of Incorporation” come into effect.

**Proposal 6:** Determination of Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

Subject to the approval of Proposal 2 “Partial Amendments to Articles of Incorporation,” the Company shall make the transition to a Company with an Audit and Supervisory Committee.

Accordingly, taking into consideration the economic situation and other factors, the Company proposes that the amount of remuneration for Directors who are Audit and Supervisory Committee members be set at no more than 100 million yen per annum.

The details of this proposal were determined by comprehensively taking into account factors including the scale of the Company’s business, the officers’ remuneration system and the levels of payment, and are judged to be appropriate.

If Proposal 2 “Partial Amendments to Articles of Incorporation” and Proposal 4 “Election of Three (3) Directors Who Are Audit and Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee members in this proposal shall be three (3); including two (2) Outside Directors).

This proposal shall come into effect in the event that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to Articles of Incorporation” come into effect.

**Proposal 7:** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

The amount of remuneration for Directors was approved at the 4th Annual General Meeting of Shareholders held on June 25, 2019 to be no more than 900 million yen per annum (including no more than 100 million yen per annum for Outside Directors) and a restricted share remuneration had also been approved at the same meeting at no more than 300 million yen per annum, separately from the aforementioned remuneration amount.

Subject to the approval of Proposal 2 “Partial Amendments to Articles of Incorporation,” the Company shall make the transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes to pay remuneration for granting restricted shares to Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors; hereinafter “Eligible Directors”) separately from the remuneration framework in Proposal 5 “Determination of Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).”

The scheme is designed to provide Eligible Directors with incentives to improve the Company’s corporate value and to promote further sharing of value with shareholders.

Based on this proposal, the remuneration to be paid for granting restricted shares to Eligible Directors shall be monetary claims at no more than 300 million yen per annum in total (not including employee salaries for Directors concurrently serving as employees). At present, there are eleven (11) Directors, but if Proposal 2 “Partial Amendments to Articles of Incorporation” and Proposal 3 “Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Eligible Directors will be five (5).

Based on a resolution of the Board of Directors, Eligible Directors will pay all of the monetary claims paid by the Company under this proposal as property contributed in kind and will receive issuance or disposal of common shares of the Company. The total number of common shares to be newly issued or disposed of accordingly shall not exceed 300 thousand shares per annum (however, in the event of a share split (including a gratis allotment of our common shares) or reverse share split of the Company’s common shares effective on or after the date of the resolution of this General Meeting of Shareholders, or if other circumstances arise that necessitate an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted shares, the total number of such shares shall be adjusted to a reasonable extent).

The amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day preceding the date of each resolution of the Board of Directors (or if no transaction is executed on the same day, the closing price of the most recent trading day prior to that day) to the extent that such amount is not particularly favorable to the Eligible Directors who subscribe for such shares. Furthermore, when issuing or disposing of common shares of the Company in this way and delivering monetary claims to fund the shares as property contributed in kind, the Company shall enter into a restricted share allotment agreement (hereinafter the “Allotment Agreement”) containing the following content with Eligible Directors.

In addition, the upper limit of remuneration, the total number of common shares to be issued or disposed of, and other conditions for granting restricted shares to Eligible Directors under this proposal have been determined taking into account the above objective, the Company’s business conditions, and other various circumstances, and are therefore considered reasonable.

The shares will be managed in an exclusive account opened by Eligible Directors at Nomura Securities Co., Ltd. during the period transfer of shares is restricted so that they cannot be transferred, pledged as collateral, or otherwise be disposed of during the transfer restriction period.

If the proposals involving the scheme is approved as originally proposed at this General Meeting of Shareholders, in addition to Eligible Directors, Executive Officers and Fellows who do not concurrently serve as Directors of the Company, as well as certain employees of the Company’s subsidiaries, shall be paid restricted share remuneration similar to that paid to Eligible Directors in accordance with their duties and responsibilities by resolution of the Board of Directors, and the Company plans to issue or dispose of new shares of common shares of the Company.



[Overview of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors shall not be able to transfer, pledge as collateral, or otherwise dispose of (hereinafter the “transfer restrictions”) common shares of the Company received by allotment under the Allotment Agreement (hereinafter the “Allotted Shares”), for a period determined by the Board of Directors of the Company between three (3) and five (5) years from the day the allotment is received under the Allotment Agreement (hereinafter the “transfer restriction period”).

(2) Treatment upon resignation or retirement

If an Eligible Directors resigns or retires from the position of Director, Executive Officer not currently serving as Director, Audit & Supervisory Board Member, Fellow, other employee, or other equivalent position at the Group prior to the end of the transfer restriction period, the Company shall automatically acquire the Allotted Shares without consideration, excluding cases when the resignation or retirement is due to the end of his or her term, death, or other justifiable reason.

(3) Removal of transfer restrictions

The provisions of the above item (1) notwithstanding, the Company shall remove transfer restrictions on all Allotted Shares when the transfer restriction period ends, subject to the Eligible Director serving continuously as Director, Executive Officer not currently serving as Director, Audit & Supervisory Board Member, Fellow, other employee, or other equivalent position at the Group during the transfer restriction period. However, if the Eligible Director resigns or retires from his or her position as defined in the above item (2) before the end of the transfer restriction period owing to the end of his or her term of office, death, or other justifiable reason, as defined in the above item (2), the Company may reasonably adjust the number of Allotted Shares from which to remove transfer restrictions and the timing of the removal of transfer restrictions, as necessary. In addition, the Company shall automatically acquire all Allotted Shares whose transfer restrictions have not been removed without consideration, immediately after the removal of transfer restrictions in accordance with the above provisions.

(4) Treatment in organizational restructuring, etc.

The provisions of the above item (1) notwithstanding, if, during the transfer restriction period, a merger agreement where the Company will be the disappearing company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the General Meeting of Shareholders of the Company), the Company shall remove transfer restrictions ahead of the effective date of the organizational restructuring, etc. on a reasonably determined number of Allotted Shares, taking into consideration the period from the start date of the transfer restriction period to the approval date of the organizational restructuring, etc. In addition, in cases provided for above, the Company shall automatically acquire any Allotted Shares whose transfer restrictions have not been removed without consideration, immediately after the removal of transfer restrictions.

(5) Other matters

Other matters related to the Allotment Agreement shall be determined by the Board of Directors of the Company.

End