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Securities code: 6525

June 6, 2024

(Electronic provision measures commencement date: June 5, 2024)

To Shareholders with Voting Rights:

Fumiyuki Kanai
Representative Director
KOKUSAI ELECTRIC CORPORATION
3-4 Kandakaji-cho, Chiyoda-ku, Tokyo,
Japan

**NOTICE OF
THE 9th ANNUAL SHAREHOLDERS MEETING**

We hereby inform you that the Annual Shareholders Meeting of KOKUSAI ELECTRIC CORPORATION (the “Company”) for the 9th fiscal year (April 1, 2023 to March 31, 2024) will be held as follows.

The Company has taken measures for providing information in electronic format (the “electronic provision measures”) in accordance with the provisions of Article 325-3 (1) of the Companies Act and Article 17 of the articles of incorporation of the Company. The information contained in Reference Documents for the Shareholders Meeting, etc. (the “electronic provision measures matters”) has been posted on the Company’s website. Please access the following Company’s website to review the information.

The Company’s website (in Japanese): <https://www.kokusai-electric.com/ir/meeting>

The electronic provision measures matters are also posted on the Tokyo Stock Exchange (TSE) website. Please access the TSE’s website below, enter the Company’s name in “Issue name (company name)” field or the Company’s securities code of “6525” in the “Code” field to perform a search. Select “Basic information” and then “Documents for public inspection/PR information” to review “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting.”

TSE’s website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do>

If you are unable to attend the meeting, you can exercise your voting rights by electromagnetic means (via the Internet, etc.) or in writing. In doing so, please review the accompanying Reference Documents for the Shareholders Meeting and submit your votes by 5:30 p.m. on Wednesday, June 26, 2024 (Japanese Standard Time/JST). This Annual Shareholders Meeting will also be live-streamed online; for more information, please refer to page 6 of the Japanese version of the Notice of the 9th Annual Shareholders Meeting. When exercising your voting rights by electromagnetic means (via the Internet, etc.), please refer to “Instructions for Exercising Your Voting Rights by Electromagnetic Means (via the Internet, etc.)” on page 5. Please note that speaking, asking questions, or voting will not be possible via the live stream on the day of the meeting.

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. (JST)
(Reception is scheduled to open at 9:30 a.m.)
- 2. Place:** BELLESALLE Akihabara B1 Hall (Venue 1) and 1F Hall (Venue 2)
Sumitomo Fudosan Akihabara building, 3-12-8 Sotokanda, Chiyoda-ku,
Tokyo, Japan
- * Please note that you will be asked to enter Venue 2 if Venue 1 becomes full. Although Venue 2 is a room for those who can attend the meeting through video conferencing, you may still ask questions and exercise your voting rights there.

3. Meeting Agenda:

Matters to be reported: The Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements for the 9th Fiscal Year (April 1, 2023 to March 31, 2024), and results of audits by the Independent Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements

Proposals to be resolved:

Proposal 1: Election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal 2: Election of one (1) Director who is an Audit and Supervisory Committee Member

Proposal 3: Partial revision of performance-based stock remuneration plan for Directors

- ◎ Pursuant to provisions of the Companies Act, the Company has mailed the documents which contain the electronic provision measures matters in paper format to shareholders who have requested the delivery of the documents by March 31, 2024.
 - ◎ If any revisions to the electronic provision measures matters arise, a notice to that effect will be posted on the Company's website and TSE's website above.
 - ◎ Pursuant to laws and regulations and the articles of incorporation of the Company, the documents in paper format mailed to shareholders who have requested their delivery do not include the following items:
 - Business Report
 - Matters Regarding Share Acquisition Rights
 - Matters Regarding the Accounting Auditor
 - Matters Regarding Establishment of a System to Ensure the Appropriateness of Business Activities
 - Consolidated Financial Statements
 - Consolidated Statement of Changes in Equity
 - Notes to Consolidated Financial Statements
 - Non-consolidated Financial Statements
 - Non-consolidated Statement of Changes in Equity
 - Notes to Non-consolidated Financial Statements
- The Audit and Supervisory Committee and the Independent Auditor have audited the documents subject to audit, including the above matters.
- ◎ If any material changes to this Annual Shareholders Meeting arise, a notice to that effect will be posted on the Company's website above.
 - ◎ The results of this Annual Shareholders Meeting will be posted on the Company's website above.

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- The Company will provide a voluntary service of sending a printed copy of the electronic provision measures matters to shareholders who have not requested the delivery of the documents. If you wish to receive a printed copy, access the following website to submit an application within the application period. Please note that the service is available only for this Annual Shareholders Meeting.

Application website:	https://d.srdb.jp/6525/2406/
Application period:	Wednesday, June 5, 2024 at 12:00 a.m. to Friday, June 21, 2024 at 11:59 p.m. (JST)
Login ID:	“Shareholder Code” (half-width 8-digit number) shown on your Voting Form
Password:	

- If you wish to continue to receive a printed copy of the electronic provision measures matters, please contact the securities company where you have a securities account or the shareholder registry administrator (Securities Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation, 0120-696-505) and complete the necessary procedures to request the delivery of the document. Shareholders who have already requested the delivery of the documents do not need to make the same request again this time.

< Instructions for Exercising Your Voting Rights >

Voting in Advance

Voting by mail (in writing)

Please indicate your approval or disapproval of each proposal in the enclosed Voting Form and return it to the Company by mail. The form must arrive no later than 5:30 p.m., Wednesday, June 26, 2024 (JST).

Voting via the Internet

Please follow the “Instructions for Exercising Your Voting Rights by Electromagnetic Means (via the Internet, etc.)” on the next page to indicate your approval or disapproval of each proposal. Votes must be completed by 5:30 p.m., Wednesday, June 26, 2024 (JST).

- * If you do not indicate your approval or disapproval for any proposal in writing (on the Voting Form), your vote shall be assumed to have approved all the proposals.
- * If you submit your vote multiple times by electromagnetic means (via the Internet, etc.), only the last vote shall be deemed valid.
- * If you exercise your voting rights both by electromagnetic means (via the Internet, etc.) and in writing (on the Voting Form), only the later arrival of the vote shall be deemed valid. If both votes arrive on the same day, the only vote exercised by electromagnetic means (via Internet, etc.) shall be deemed valid.

Voting by attendance at this Annual Shareholders Meeting

Please fill out the enclosed Voting Form and submit it to the reception desk on the day of the meeting.

Date and time of the Annual Shareholders Meeting: Thursday, June 27, 2024 at 10:00 a.m. (JST)

- * Please note that a proxy or an accompanying person, or any other individual who brings the Voting Form at the meeting is not entitled to attend the meeting unless he/she is a shareholder entitled to exercise his/her voting rights.
- * In accordance with Article 19-1 of the articles of incorporation of the Company, you are allowed to delegate one (1) shareholder entitled to voting rights as your proxy if you choose to exercise your voting right by proxy. In this case, a document evidencing his/her power of attorney (with the signature or seal of the shareholder delegating the authority) needs to be submitted at the reception desk on the day of the meeting.
- * Kindly be advised that there will be no souvenirs or a social gathering provided at the meeting.

< Instructions for Exercising Your Voting Rights by Electromagnetic Means (via the Internet, etc.) >

Voting by Scanning the QR Code

You can access the website for exercising your voting rights without entering your login ID and tentative password shown on the Voting Form.

1. Scan the QR Code provided on the Voting Form.
* QR Code is a registered trademark of DENSO WAVE INCORPORATED.
2. Follow the instructions on the screen to indicate your approval or disapproval for each proposal.

Voting by Logging in the Website

Website for exercising your voting rights: <https://evote.tr.mufg.jp/>

1. Access the above website and click “Next.”
2. Enter the login ID and tentative password shown on the Voting Form and click “Log in.”
3. Follow the instructions on the screen to indicate your approval or disapproval for each proposal.

If you have any questions about exercising your voting rights via the Internet, such as how to use a PC or smartphone to vote, please contact the following help desk.

Help Desk, Securities Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation

Phone number: 0120-173-027 (toll-free within Japan)

Business hours: 9:00 a.m. to 9:00 p.m.

* Institutional investors may use the “Electronic Voting Rights Exercise Platform” operated by ICJ, Inc. to exercise the voting rights by electromagnetic means.

Reference Documents for the Shareholders Meeting

Proposal 1: Election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all Directors (excluding Directors who are Audit and Supervisory Committee Members) who were elected at the 8th Annual Shareholders Meeting will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the Company proposes election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members) based on the deliberation by the Nomination and Compensation Committee, where the Chairperson and the majority of the members are independent Outside Directors.

The Audit and Supervisory Committee examined this proposal after deliberation by the Nomination and Compensation Committee and determined that all candidates for Director are qualified to serve as Director.

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

No.	Attributes	Name	Current positions at the Company	Attendance at the Board of Directors meetings
1	[Reappointment]	Fumiyuki Kanai	Representative Director, President and Chief Executive Officer	20/20
2	[Reappointment]	Unryu Ogawa	Director, Executive Fellow	20/20
3	[New Appointment]	Hidehiro Yanagawa	Executive Vice President and Executive Officer	–
4	[New Appointment]	Kazunori Tsukada	Executive Vice President and Executive Officer	–
5	[Reappointment]	Masaki Nakamura	Director	20/20
6	[Reappointment] [Outside] [Independent]	Noriko Sakai	Director (Outside)	20/20
7	[Reappointment] [Outside] [Independent]	Masaaki Tsuruta	Director (Outside)	20/20
8	[New Appointment] [Outside] [Independent]	Chizu Sekine	–	–

Note: The name recorded in the family register of Ms. Noriko Sakai is Ms. Noriko Matsumoto.

[New Appointment] Director candidate for new appointment

[Outside] Outside Director candidate

[Reappointment] Director candidate for reappointment

[Independent] Independent Director candidate

No.	Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	<p>Fumiyuki Kanai (September 2, 1956)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 100% (20/20)</p> <p>[Years of service as a Director (at the conclusion of this meeting)] 6 years</p>	<p>April 1981 Joined Hitachi, Ltd.</p> <p>October 2001 General Manager of Production Technology Department, Mass Production Process Technology Headquarters, Semiconductor Group, Hitachi, Ltd.</p> <p>April 2003 General Manager in charge of Process Development Department, Wafer Process Technology Division, Naka site, Renesas Technology Corp. (now Renesas Electronics Corporation)</p> <p>April 2009 Joined Hitachi Kokusai Electric Inc.</p> <p>June 2009 General Manager of Batch Processing System Design Department, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>October 2009 Deputy General Manager of Toyama Works and General Manager of Batch Processing System Design Department, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2010 Corporate Officer and Deputy General Manager of Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2011 Corporate Officer and General Manager of Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2012 Executive Officer, Deputy General Manager of Semiconductor Process Engineering Division and General Manager of Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2016 Senior Vice President and Executive Officer, General Manager of Semiconductor Process Engineering Division and General Manager of Toyama Technology & Manufacturing Center, Hitachi Kokusai Electric Inc.</p> <p>April 2016 Board Director, Chairperson & CEO, Kokusai Semiconductor Equipment Corporation</p> <p>April 2017 Senior Vice President and Executive Officer and General Manager of Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>June 2018 Representative Director, President and Chief Executive Officer, the Company (succeeded the Thin Film Process Solutions business of Hitachi Kokusai Electric Inc. through a company split) (current position)</p> <p>[Significant concurrent positions] None</p>	1,228 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Fumiyuki Kanai, having engaged in business operations in the semiconductor industry for many years, possesses deep and wide-ranging knowledge of technology as well as expertise and experience in the global market. Serving as the Representative Director, he has a full understanding of the Company's management conditions. The Company has nominated him as a candidate because it believes he can be expected to continue contributing to the Company's management activities.</p>			

No.	Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	<p data-bbox="231 920 432 987">Unryu Ogawa (March 16, 1960)</p> <p data-bbox="231 1032 424 1061">[Reappointment]</p> <p data-bbox="188 1106 475 1196">[Attendance at the Board of Directors meetings] 100% (20/20)</p> <p data-bbox="188 1240 485 1368">[Years of service as a Director (at the conclusion of this meeting)] 2 years</p>	<p data-bbox="496 271 1225 300">October 1982 Joined Dalian CRT Company in Dalian, China</p> <p data-bbox="496 315 1203 371">October 1992 Visiting Researcher, Faculty of Engineering, Tohoku University</p> <p data-bbox="496 383 1230 439">April 1997 Joined Kokusai Electric Co., Ltd. (now Hitachi Kokusai Electric Inc.)</p> <p data-bbox="496 450 1267 595">April 2004 General Manager of Advance Process Development Department, Semiconductor Device System Research Institute, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p data-bbox="496 607 1214 730">April 2010 General Manager of Single Wafer Processing System Design Department, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p data-bbox="496 741 1246 887">April 2011 Deputy General Manager of Toyama Works and General Manager of Single Wafer Processing System Design Department, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p data-bbox="496 898 1267 1021">April 2015 Corporate Officer and Vice President of Mass Production Engineering Division, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p data-bbox="496 1032 1267 1111">April 2016 Executive Officer and Deputy General Manager of Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p data-bbox="496 1122 1246 1312">April 2017 Executive Officer, Deputy General Manager of Semiconductor Process Engineering Division, General Manager of Toyama Technology & Manufacturing Center, and General Manager of China Business Strategy Office, Hitachi Kokusai Electric Inc.</p> <p data-bbox="496 1323 1267 1570">April 2018 Executive Officer, Deputy General Manager of Semiconductor Process Engineering Division, Vice President of Strategic Business Development Unit, and General Manager of China Business Strategy Office, Hitachi Kokusai Electric Inc. Representative Director, Hitachi Kokusai Electric (Shanghai) Co., Ltd. (now KE Semiconductor Equipment (Shanghai) Co., Ltd.)</p> <p data-bbox="496 1581 1267 1760">June 2018 Senior Vice President and Executive Officer, Vice President of Strategic Business Development Unit, and General Manager of China Business Strategy Office, the Company (succeeded the Thin Film Process Solutions business of Hitachi Kokusai Electric Inc. through a company split)</p> <p data-bbox="496 1771 1267 1917">October 2019 Senior Vice President and Executive Officer and General Manager of China Business Strategy Office (Responsible for Technology Development and Strategic Business Development), the Company</p> <p data-bbox="496 1928 1238 2018">April 2021 Executive Vice President and Executive Officer (Responsible for Technology Development and Product Development), the Company</p>	745 shares

	<p>April 2022 Executive Vice President and Executive Officer (Responsible for Supervising Technology and Technical Support Center), the Company</p> <p>June 2022 Director, Executive Vice President and Executive Officer (Responsible for Supervising Technology and Technical Support Center), the Company</p> <p>April 2024 Director, Executive Fellow, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>None</p>	
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Unryu Ogawa, having engaged in technology development and business operations in the semiconductor industry for many years, possesses deep and wide-ranging knowledge of technology as well as expertise and experience in the global market. Serving as an executive Director, he has a track record of leading the Company's technology development. Since April 2024, he has served as an Executive Fellow, advising the Company's management team and maintaining relationships with customers with superior world-class expertise and skills. The Company has nominated him as a candidate because it believes he can be expected to contribute to the Company's management activities.</p>		

No.	Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	<p>Hidehiro Yanagawa (March 2, 1965)</p> <p>[New appointment]</p> <p>[Attendance at the Board of Directors meetings] –</p> <p>[Years of service as a Director (at the conclusion of this meeting)] –</p>	<p>April 1988 Joined Kokusai Electric Co., Ltd. (now Hitachi Kokusai Electric Inc.)</p> <p>April 2008 General Manager of Vertical Diffusion System Design Department, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2009 Senior Chief Engineer of Batch Processing Design Department, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2011 General Manager of Vertical Diffusion System Design Department, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2013 General Manager of Quality Assurance Department, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2015 Senior General Advisor, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc. (on secondment to Kook Je Electric Korea Co., Ltd.)</p> <p>April 2017 Corporate Officer, Vice President of Volume Manufacturing Design Division, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2018 Executive Officer, Vice President of Volume Manufacturing & Engineering Unit, Vice President of Volume Manufacturing Design Division, General Manager of Toyama Technology & Manufacturing Center, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>June 2018 Corporate Vice President and Executive Officer, Vice President of Volume Manufacturing & Engineering Unit, Vice President of Volume Manufacturing Design Division, General Manager of Toyama Technology & Manufacturing Center, the Company (succeeded the Thin Film Process Solutions business of Hitachi Kokusai Electric Inc. through a company split)</p> <p>October 2019 Corporate Vice President and Executive Officer, Vice President of Volume Manufacturing Design Division, General Manager of Toyama Technology & Manufacturing Center, the Company</p> <p>April 2020 Corporate Vice President and Executive Officer, General Manager of Toyama Technology & Manufacturing Center (Responsible for Product Development and Production & Quality Assurance), the Company</p> <p>April 2021 Senior Vice President and Executive Officer, Vice President of Business Strategy Unit (Responsible for Business Strategy, Marketing Strategy, Sales, Services, and IT), the Company</p> <p>April 2021 Representative Director, Kokusai Electric Asia Pacific Co., Ltd.</p> <p>April 2022 Senior Vice President and Executive Officer (Responsible for Business Strategy, Marketing Strategy, Public Relations & IR, Sales and DX & IT), the Company</p>	624 shares

		April 2022 Board Director, Chairman & CEO, Kokusai Semiconductor Equipment Corporation	
		April 2023 Executive Vice President and Executive Officer (Responsible for Business Development, Sales Management, DX & IT and Information Security), the Company (current position)	
		[Significant concurrent positions] None	
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hidehiro Yanagawa, having engaged in product development and business operations in the semiconductor industry for many years, possesses a wide-ranging knowledge of technology as well as expertise and experience in the global market. Serving as an Executive Officer, he has a track record of leading the Company's product development and production. Most recently, he has been supervising business strategy, sales, business development, and DX & IT. The Company has nominated him as a candidate because it believes he can be expected to contribute to a wide range of the Company's management activities.</p>			

No.	Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	<p>Kazunori Tsukada (December 6, 1965)</p> <p>[New appointment]</p> <p>[Attendance at the Board of Directors meetings] –</p> <p>[Years of service as a Director (at the conclusion of this meeting)] –</p>	<p>April 1988 Joined Kokusai Electric Co., Ltd. (now Hitachi Kokusai Electric Inc.)</p> <p>April 2007 General Manager of Asia Sales Department, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2013 Deputy General Manager of Sales Division, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2014 Vice President of Sales Division, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc.</p> <p>April 2014 Representative Director, Hitachi Kokusai Electric (Shanghai) Co., Ltd. (now KE Semiconductor Equipment (Shanghai) Co., Ltd.)</p> <p>June 2018 Corporate Officer, Vice President of Sales Division, the Company (succeeded the Thin Film Process Solutions business of Hitachi Kokusai Electric Inc. through a company split)</p> <p>April 2019 Executive Officer, Vice President of Sales Division, the Company</p> <p>April 2020 Executive Officer (Responsible for Sales and IT), the Company</p> <p>April 2021 Executive Officer (Responsible for China Business Strategy), the Company</p> <p>April 2021 Chairman & President, KE Semiconductor Equipment (Shanghai) Co., Ltd.</p> <p>April 2022 Senior Vice President and Executive Officer (Responsible for China Business Strategy), the Company</p> <p>May 2022 Representative Director, KE Semiconductor Equipment (Shanghai) Co., Ltd.</p> <p>April 2023 Senior Vice President and Executive Officer (Responsible for Corporate Planning, Public Relations & IR, Sustainability and China Business Strategy), the Company</p> <p>April 2024 Executive Vice President and Executive Officer (Responsible for Corporate Planning, Export Control, Legal, Intellectual Property, Public Relations & IR and Sustainability), the Company (current position)</p> <p>[Significant concurrent positions] None</p>	624 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Kazunori Tsukada, having engaged in sales and business operations in the semiconductor industry for many years, possesses extensive knowledge and a wealth of experience in the global market. Serving as an Executive Officer, he has a track record of leading the Company's sales division. Most recently, he has been supervising China business strategy, corporate planning, public relations & IR, and sustainability. Since April 2024, he has also been responsible for legal, intellectual property and export control. The Company has nominated him as a candidate because it believes he can be expected to contribute to a wide range of the Company's management activities.</p>			

No.	Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	<p>Masaki Nakamura (January 6, 1986)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 100% (20/20)</p> <p>[Years of service as a Director (at the conclusion of this meeting)] 6 years and 6 months</p>	<p>April 2010 Joined McKinsey & Company</p> <p>February 2014 Joined KKR Capstone Japan Limited</p> <p>April 2016 Transferred to KKR Japan</p> <p>February 2017 Person Acting in the Capacity of Executive Member, HKE Holdings G.K. (now the Company)</p> <p>December 2017 Director, HKE Holdings Co., Ltd. (now the Company) (current position)</p> <p>June 2018 Outside Director, Hitachi Kokusai Electric Inc.</p> <p>April 2019 Transferred to Kohlberg Kravis Roberts & Co. L.P.</p> <p>October 2020 Outside Director, EchoNous, Inc.</p> <p>January 2021 Transferred to KKR Japan Director (current position)</p> <p>February 2023 Director, KBP Co., Ltd. (current position)</p> <p>January 2024 Managing Director, KKR Japan (current position)</p> <p>[Significant concurrent positions] Managing Director, KKR Japan</p>	0 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Masaki Nakamura has engaged in management of the Company since its founding as a Person Acting in the Capacity of Executive Member and Director. He was appointed as a Director in December 2017, for he has worked on investment projects and alliance businesses in multiple business domains, and is contributing to expansion of the Company's business domains. The Company has nominated him as a candidate because it believes he can be expected to keep contributing to expansion of the Company's business domains.</p>			

No.	Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	<p>Noriko Sakai (June 2, 1969)</p> <p>[Reappointment]</p> <p>[Outside]</p> <p>[Independent]</p> <p>[Attendance at the Board of Directors meetings] 100% (20/20)</p> <p>[Years of service as an Outside Director (at the conclusion of this meeting)] 3 years and 3 months</p>	<p>April 1997 Registered as an attorney</p> <p>April 1997 Joined Nagashima & Ohno (now Nagashima Ohno & Tsunematsu)</p> <p>January 2003 Working at New York Office, Paul, Hastings, Janofsky & Walker LLP (now Paul Hastings LLP)</p> <p>June 2003 Admitted to the bar in the State of California</p> <p>September 2003 Working at Taiyo Law Office (now Paul Hastings LLP, foreign law joint enterprise)</p> <p>December 2005 O'Melveny & Myers LLP, foreign law joint enterprise</p> <p>February 2008 Partner, O'Melveny & Myers LLP, foreign law joint enterprise</p> <p>January 2011 Partner, TMI Associates</p> <p>January 2013 Jointly founded Marunouchi International Law Office</p> <p>January 2017 Partner, Hirakawa International Law Office (current position)</p> <p>March 2021 Outside Director, the Company (current position)</p> <p>[Significant concurrent positions] Partner, Hirakawa International Law Office</p>	243 shares
<p>[Reasons for nomination as a candidate for Outside Director and an outline of expected roles]</p> <p>Ms. Noriko Sakai was appointed as an Outside Director in March 2021, for she has extensive expertise and experience as well as a high level of insight in legal affairs and compliance as an attorney, although she has never been directly involved in corporate management except as an outside officer. She has contributed to improving the Company's management strategies, and the Company has nominated her as a candidate because it believes she can be expected to continue contributing on the corporate governance front.</p> <p>[Independence]</p> <p>There are no personal, capital, or transactional relationships, or other interests between Ms. Noriko Sakai and the Company, and Ms. Sakai meets the independence criteria of Tokyo Stock Exchange, Inc. The Company believes there is no risk of conflicts of interest with general shareholders.</p>			

No.	Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
7	<p>Masaaki Tsuruta (December 20, 1956)</p> <p>[Reappointment]</p> <p>[Outside]</p> <p>[Independent]</p> <p>[Attendance at the Board of Directors meetings] 100% (20/20)</p> <p>[Years of service as an Outside Director (at the conclusion of this meeting)] 3 years</p>	<p>April 1979 Joined Sony Corporation</p> <p>April 1998 General Manager, Sony Corporation</p> <p>April 2000 Senior General Manager, Sony Corporation</p> <p>April 2001 Deputy President, Sony Corporation</p> <p>July 2004 Corporate Executive, Sony Corporation</p> <p>April 2010 EVP & CTO, Sony Computer Entertainment Inc.</p> <p>January 2013 Representative Director, Samsung Japan Corporation</p> <p>June 2013 Director, TOMEN DEVICES CORPORATION</p> <p>January 2018 Advisor, Samsung Japan Corporation</p> <p>January 2019 Representative Director and President, Future Domain Co., Ltd. (current position)</p> <p>June 2021 Outside Director, the Company (current position)</p> <p>[Significant concurrent positions] Representative Director and President, Future Domain Co., Ltd.</p>	243 shares
	<p>[Reasons for nomination as a candidate for Outside Director and an outline of expected roles] Mr. Masaaki Tsuruta, having engaged in business operations in the semiconductor industry for many years, possesses a high level of expertise and experience. In addition, he has corporate management experience as a president of a Japanese subsidiary of a foreign company. For these reasons, he was appointed as an Outside Director in June 2021, with the expectation that he will contribute to improving the Company's management strategies. He has contributed to improving the Company's management strategies, and the Company has nominated him as a candidate because it believes he can be expected to continue contributing on this front.</p> <p>[Independence] There are no personal, capital, or transactional relationships, or other interests between Mr. Masaaki Tsuruta and the Company, and Mr. Tsuruta meets the independence criteria of Tokyo Stock Exchange, Inc. The Company believes there is no risk of conflicts of interest with general shareholders.</p>		

No.	Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
8	<p>Chizu Sekine (August 11, 1963)</p> <p>[New appointment]</p> <p>[Outside]</p> <p>[Independent]</p> <p>[Attendance at the Board of Directors meetings] —</p> <p>[Years of service as a Director (at the conclusion of this meeting)] —</p>	<p>April 1989 Joined Sumitomo Chemical Co., Ltd.</p> <p>April 2013 Associate Officer, Senior Associate Researcher, Advanced Materials Development Laboratory, Sumitomo Chemical Co., Ltd.</p> <p>April 2019 Executive Vice President, Sumika Technical Information Service, Inc.</p> <p>June 2020 Representative Director & President, Sumika Technical Information Service, Inc. (current position)</p> <p>[Significant concurrent positions] Representative Director & President, Sumika Technical Information Service, Inc.</p>	0 shares
<p>[Reasons for nomination as a candidate for Outside Director] Ms. Chizu Sekine has been engaged in research and development of molecular design, synthetic materials, and OLED displays in the field of electronic chemistry for many years. She has also been involved in OLED-related business and international standardization efforts for printed electronics, and has a high level of knowledge and experience in the related areas. Most recently, she has been managing a company specializing in research concerning technology, patents, and chemical safety and providing technology information services. The Company has nominated her as a candidate because it believes she can be expected to contribute to the Company with her expertise, which not only encompasses expanding business and technological capabilities, but also extends to strengthening the Company's management structure.</p> <p>[Independence] There are no personal, capital, or transactional relationships, or other interests between Ms. Chizu Sekine and the Company, and Ms. Chizu Sekine meets the independence criteria of the Company. The Company believes there is no risk of conflicts of interest with general shareholders.</p>			

- Notes: 1. There are no special interests between any of the candidates and the Company.
2. The Company has concluded a directors and officers liability insurance agreement stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, naming Directors of the Company as the insured. The directors and officers liability insurance agreement covers damages (legal compensation for damages, litigation expenses, etc.) that may be incurred in case any of the Directors who are insured receives a claim for damages arising from acts (including omission) in the course of their duties at the Company, and the insurance premium is fully paid for by the Company. However, there are certain exemptions, such as no coverage for damages arising from willful neglect of duties, acts of unlawfully receiving private gains or benefits, and criminal acts. If the above candidates are elected Directors and assume office, they will be insured under this directors and officers liability insurance agreement, and the agreement is scheduled to be renewed under the same terms during their term of office.
 3. Pursuant to Article 427, paragraph (1) of the Companies Act, the Company has concluded agreements with Mr. Unryu Ogawa and Mr. Masaki Nakamura, who are currently non-executive Directors of the Company, as well as Ms. Noriko Sakai and Mr. Masaaki Tsuruta, who are currently Outside Directors of the Company, to limit their liability for damages stipulated in Article 423, paragraph (1) of the Companies Act to the amount stipulated by laws and regulations. If they are reappointed, the Company plans to maintain the liability limitation agreements with them. If Ms. Chizu Sekine is appointed, the Company also plans to conclude the same liability limitation agreements with her.
 4. The Company has notified Tokyo Stock Exchange Co., Ltd. of the appointment of Ms. Noriko Sakai and Mr. Masaaki Tsuruta as Independent Directors as stipulated by the Exchange. If they are reappointed, they will continue to assume their role as Independent Directors. If the appointment of Ms. Chizu Sekine is approved, the Company plans to designate her as an Independent Director and notify the Exchange to that effect.
 5. The number of shares held by the candidates indicated above represents the actual number of shares held, including the shareholding in the name of the Officers' Shareholding Association of the Company. (The numbers are rounded down to the nearest whole share.)
 6. The above information of career summary, current positions and responsibilities at the Company, and significant concurrent positions of the candidates are as of the time of sending this notice.

Proposal 2: Election of one (1) Director who is an Audit and Supervisory Committee Member

Mr. Toshiyuki Uchino, who was one of Directors who are Audit and Supervisory Committee Members elected at the 8th Annual Shareholders Meeting, will resign at the conclusion of this Annual Shareholders Meeting. Accordingly, the Company proposes election of one (1) Director as his substitute, who will be an Audit and Supervisory Committee Member, based on the deliberation by the Nomination and Compensation Committee.

In accordance with the articles of incorporation of the Company, the term of office of the Director who is an Audit and Supervisory Committee Member elected at this Annual Shareholders Meeting as a substitute for the predecessor who will resign before the expiration of his term shall be the remaining term of office of the predecessor.

The Audit and Supervisory Committee has consented to this proposal. The Audit and Supervisory Committee examined this proposal after deliberation by the Nomination and Compensation Committee and determined that the candidate for Director is qualified to serve as Director.

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

Attributes	Name	Current position at the Company	Attendance at the Board of Directors meetings
[New appointment]	Yuji Kamiya	Director	20/20

[New appointment] Director candidate for new appointment

Name (Date of birth)	Career summary, current positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
<p data-bbox="161 824 408 891">Yuji Kamiya (September 12, 1957)</p> <p data-bbox="161 931 395 965">[New appointment]</p> <p data-bbox="161 1003 395 1126">[Attendance at the Board of Directors meetings] 100% (20/20)</p> <p data-bbox="161 1173 408 1335">[Years of service as a Director (at the conclusion of this meeting)] 6 years</p>	<p data-bbox="440 275 863 309">April 1981 Joined Hitachi, Ltd.</p> <p data-bbox="440 315 1225 439">June 2007 General Manager of Industrial Systems Accounting Department, Finance Division, Power & Industrial Systems Business Administration Division, Hitachi, Ltd.</p> <p data-bbox="440 445 1155 501">April 2009 Vice President of Finance Division, Industrial Systems Group, Hitachi, Ltd.</p> <p data-bbox="440 508 1238 631">April 2011 Vice President of Finance Division, the Rail Systems Company, and Vice President of Finance Division, the Industrial & Social Infrastructure Systems Company, Hitachi, Ltd.</p> <p data-bbox="440 638 1166 728">April 2012 Deputy General Manager of Omika Works, Information & Control Systems Division, the Infrastructure Systems Company, Hitachi, Ltd.</p> <p data-bbox="440 734 1203 824">April 2013 Vice President of Infrastructure Solutions Finance Division, the Infrastructure Systems Company, Hitachi, Ltd.</p> <p data-bbox="440 831 1214 920">April 2014 Joined Hitachi Kokusai Electric Inc. Corporate Officer and Vice President of Finance & Accounting Division</p> <p data-bbox="440 927 1214 985">June 2015 Executive Officer and Vice President of Finance & Accounting Division, Hitachi Kokusai Electric Inc.</p> <p data-bbox="440 992 1203 1144">June 2018 Director, Executive Vice President and Executive Officer, and Vice President of Administration Division, the Company (succeeded the Thin Film Process Solutions business of Hitachi Kokusai Electric Inc. through a company split)</p> <p data-bbox="440 1151 1249 1335">April 2021 Director, Executive Vice President and Executive Officer (Responsible for Corporate Management (Export Control, Legal Affairs, Intellectual Property, Finance & Accounting, Human Resources & Corporate Administration), Ethics & Compliance, and Information Security), the Company</p> <p data-bbox="440 1341 1235 1525">April 2022 Director, Executive Vice President and Executive Officer (Responsible for Finance & Accounting, Export Control, Legal Affairs, Intellectual Property, Human Resources & Corporate Administration, Ethics & Compliance, and Information Security), the Company</p> <p data-bbox="440 1532 1225 1715">April 2023 Director, Executive Vice President and Executive Officer (Responsible for Finance & Accounting, Export Control, Legal Affairs, Intellectual Property, Human Resources & Corporate Administration, and Ethics & Compliance), the Company (current position)</p> <p data-bbox="440 1722 1086 1756">April 2024 Director, the Company (current position)</p> <p data-bbox="440 1778 820 1812">[Significant concurrent positions]</p> <p data-bbox="440 1818 501 1852">None</p>	<p data-bbox="1305 1061 1433 1095">745 shares</p>
<p data-bbox="161 1899 756 1933">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="161 1939 1437 1995">Mr. Yuji Kamiya has a high level of expertise in finance, accounting, and tax affairs. Serving as an executive Director responsible for corporate management including legal affairs and human resources in addition to finance</p>		

departments, he has a full understanding of the Company's management conditions. The Company has nominated him as a candidate because it believes he can be expected to contribute to the Company's management activities.

- Notes:
1. There are no special interests between the candidate and the Company.
 2. The Company has concluded a directors and officers liability insurance agreement stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, naming Directors of the Company as the insured. The directors and officers liability insurance agreement covers damages (legal compensation for damages, litigation expenses, etc.) that may be incurred in case any of the Directors who are insured receives a claim for damages arising from acts (including omission) in the course of their duties at the Company, and the insurance premium is fully paid for by the Company. However, there are certain exemptions, such as no coverage for damages arising from willful neglect of duties, acts of unlawfully receiving private gains or benefits, and criminal acts. If the above candidate is elected Director and assumes office, he will be insured under this directors and officers liability insurance agreement, and the agreement is scheduled to be renewed under the same terms during his term of office.
 3. Pursuant to Article 427, paragraph (1) of the Companies Act, the Company has concluded agreements with Mr. Yuji Kamiya, who is currently a non-executive Director of the Company, to limit his liability for damages stipulated in Article 423, paragraph (1) of the Companies Act to the amount stipulated by laws and regulations. If he is appointed as Director who is an Audit and Supervisory Committee Member, the Company plans to maintain the liability limitation agreements with him.
 4. The above information of career summary, current positions and responsibilities at the Company, and significant concurrent positions of the candidate is as of the time of sending this notice.
 5. Mr. Yuji Kamiya is currently a Director of the Company. His attendance at the Board of Directors meetings and years of service as a Director shown above are for his role as Director who is not an Audit and Supervisory Committee Member.

Proposal 3: Partial revision of performance-based stock remuneration plan for Directors

The amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) was set at 1,000 million yen or less per year (including base salary of 200 million yen or less for Outside Directors), which was approved at the 7th Annual Shareholders Meeting held on June 28, 2022.

In addition, separately from the above remuneration limit, the Company obtained approval at the 7th Annual Shareholders Meeting held on June 28, 2022 to introduce a stock-based remuneration plan as a medium- to long-term performance-linked incentive for Directors who concurrently serve as executive officers (excluding Directors who are Audit and Supervisory Committee Members. Hereinafter referred to as “Executive Officers and Concurrent Directors”) (hereinafter referred to as the “Plan”) with the structure provided below:

- (i) The Company grants the Company’s common shares and money to Executive Officers and Concurrent Directors under a performance share unit (“PSU”) plan, which is subject to the achievement of the Company’s medium- to long-term performance targets as well as continued service for a certain period of time, and a restricted stock unit (“RSU”) plan, which is subject to continued service for a certain period of time.
 - (ii) The total amount of monetary remuneration claims and monetary remuneration to be paid to Executive Officers and Concurrent Directors as medium- to long-term incentive shall be within the amount obtained by multiplying the price of the Company’s common shares at the time of share delivery (the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors pertaining to the issuance or disposal (if no transaction is made on such business day, the closing price on the closest preceding trading day)), and the number of shares (up to 450,000 shares (Note)) for each applicable period (the initial applicable period shall be three fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025, and from the fiscal year following the fiscal year ended March 31, 2023 onward, the Plan may be carried out to the extent approved at the 7th Annual Shareholders Meeting held on June 28, 2022, with the three consecutive fiscal years from the new fiscal year as a new applicable period. The same applies hereinafter.).
 - (iii) The total number of the Company’s common shares to be delivered to Executive Officers and Concurrent Directors shall not exceed 270,000 shares (Note) during each applicable period.
- (Note) However, if the total number of outstanding shares of the Company increases or decreases due to a consolidation or split of shares (including gratis allotment of shares), the maximum number of shares shall be adjusted accordingly.

The roles and responsibilities of non-executive Directors have increased as economic climate and business environment change. To secure and retain talents who are essential to the sustainable growth of the Company, the Company proposes to extend the eligibility for the Plan from Executive Officers and Concurrent Directors to Directors who do not concurrently serve as Executive Officers (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), without changing the maximum amount of remuneration set forth in (ii) and (iii) above. The purpose of this proposal is to provide incentives to Directors who do not concurrently serve as Executive Officers (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) to continuously improve the Company’s corporate value and further share value with shareholders. For Directors who do not concurrently serve as Executive Officers (excluding Outside Directors and Directors who are Audit and

Supervisory Committee Members), only the RSU plan will be applied as medium- to long-term performance-based incentive and the PSU plan will not be applied.

The Company's Board of Directors has established the "Policy for determining the details of individual directors' remuneration, etc." for Directors excluding Directors who are Audit and Supervisory Committee Members. If this proposal is approved as proposed and become effective, the Company plans to amend this policy at the Company's Board of Directors meeting to be held after the conclusion of this Annual Shareholders Meeting to ensure its consistency with the approved content. The policy for determining the details of remuneration, etc. of individual directors who do not concurrently serve as Executive Officers (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) will be amended as follows.

[Policy for determining the details of remuneration, etc. of individual directors who do not concurrently serve as executive officers (excluding outside directors and directors who are Audit and Supervisory Committee Members)]

The Company determines the standard annual salary according to the level of responsibilities and other factors for Directors who do not concurrently serve as Executive Officers (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) based on its management indicators outlined in its business policies with an aim to achieve a globally competitive, performance-based remuneration system, thereby attracting and retaining key talents both internally and externally. Specifically, the Company intends to offer the remuneration package consisting of (i) a base salary as fixed remuneration (monetary remuneration) and (ii) an incentive pay (limited to RSU) as a medium- to long-term performance-based remuneration (stock-based remuneration), which is linked to the Company's business performance and corporate value. The Company believes this remuneration structure can incentivize Directors who do not concurrently serve as executive officers (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) to further enhance corporate value over medium to long term.

This proposal, as described above, is intended to extend the scope of the Plan without changing the maximum remuneration amount set forth in (ii) and (iii) above. In addition, this proposal has been decided by the Board of Directors based on a report from the Nominating and Compensation Committee after its deliberations, in consideration of various factors including the extent of the Group's social role and responsibilities, the trends of companies in the semiconductor manufacturing equipment industry and others competing in business and for human resources, and changes in the management structure and environment, including the progress of globalization. The content of this proposal is also consistent with the policy amended as above. Thus, the Company considers this proposal is reasonable.

The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) now stands at seven (7) (of which four (4) Directors will be eligible for the Plan if this proposal is approved as proposed). If Proposal 1 is approved as proposed, Directors (excluding Directors who are Audit and Supervisory Committee Members) will be eight (8) (of which five (5) Directors will be eligible for the Plan if this proposal is approved as proposed).

Overview of the Plan

(1) Classification of the Plan

The Plan consists of the following two plans.

1) The PSU Plan

The PSU Plan is a stock-based remuneration plan that grants the Company's common shares and money to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) (Hereinafter referred to as "Eligible Directors") (limited to Executive Officers and Concurrent Directors. The same shall apply hereinafter in Section (1) Item 1), Section (2) Item 1), and Section (3) Item 1)) in accordance with the achievement rate of numerical targets for the Company's performance predetermined by the Board of Directors of the Company for the relevant performance evaluation period. During the first fiscal year of the three consecutive fiscal years as determined by the Board of Directors (the initial applicable period is scheduled to be three fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025, and from the fiscal year following the fiscal year ended March 31, 2023 onward, the PSU Plan may be carried out to the extent approved at the 7th Annual Shareholders Meeting held on June 28, 2022, with the three consecutive fiscal years from the new fiscal year as a new applicable period. Such three consecutive fiscal years shall hereinafter be referred to as the "Performance Evaluation Period"), PSUs in the number determined by the Board of Directors of the Company will be allocated to Eligible Directors. All units will vest at the end of the Performance Evaluation Period, subject to continued service during the period (excluding the period prior to the assumption of office as Director). Accordingly, shares underlying the PSUs and cash will be paid after the end of the Performance Evaluation Period.

2) RSU Plan

The RSU Plan is a stock-based remuneration plan that grants the Company's common shares and money as predetermined by the Board of Directors to Eligible Directors. In three consecutive fiscal years beginning with the fiscal year in which RSUs are allocated, RSUs in the number determined by the Board of Directors will be allocated to Eligible Directors each year. One-third of the units will vest at the end of each fiscal year, subject to continued service during the period (excluding the period prior to the assumption of office as Director). Accordingly, shares underlying the RSUs and cash will be paid after the end of each such fiscal year.

(2) Structure of the Plan

1) PSU Plan

- (i) The Company's Board of Directors shall determine the base amount in accordance with the level of responsibilities of each Eligible Director and the number of units to be allocated to them (hereinafter referred to as the "Target Number of Units Delivered" in Section (2) Item 1) and Section (3) Item 1)) and accordingly allocate units annually to each Eligible Director (hereinafter referred to as the "Target Units Delivered" in Section (2) Item 1) and Section (3) Item 1)).
- (ii) The Company's Board of Directors shall determine, among other things, each numerical target for the Company's performance and the calculation method for the evaluation coefficient in accordance with the target achievement rate used for the PSU Plan, as well as the formulas necessary for specifically calculating the number of the Company's common shares to be delivered and monetary amount to be paid to Executive Officers and Concurrent Directors.
- (iii) The Target Units Delivered to each Eligible Director will vest in full at the end of the three consecutive fiscal years beginning with the fiscal year in which such units are allocated ("Performance Evaluation Period"), subject to continued service during the period (excluding the period prior to the assumption of office as Director).
- (iv) After the end of the Performance Evaluation Period, the Company shall decide the number of the Company's common shares to be delivered and monetary amount to be paid to Eligible Directors. Specifically, the number of units held by each Eligible Director is determined by multiplying the number of the vested Target Units Delivered by an evaluation coefficient (within the range from 0% to 200%) according to the achievement rate of each numerical target for the Company's performance determined by the Board of Directors.
- (v) The Company pays, to each Eligible Director, monetary remuneration claims to be used as contribution in kind corresponding to the number of the Company's common shares to be delivered to each Eligible Director determined in (iv) above, and each Eligible Director receives an allotment of the Company's common shares by providing the full amount of the monetary remuneration claims to the Company by the method of the contribution in kind. The amount to be paid in for the Company's common shares shall be determined by the Company's Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors pertaining to the issuance or disposal (if no transaction is made on such business day, the closing price on the closest preceding trading day. However, if the Company's common shares are not listed on the Tokyo Stock Exchange, it shall be the fair value of the Company's common shares as reasonably calculated by the Company at the time the units vest. Hereinafter referred to as the "Share Price at the time of delivery") within a range that is not especially advantageous to the Eligible Directors subscribing to the Company's common shares.
- (vi) In order to secure tax payment funds arising from the delivery of the Company's common shares as described in (v) above, the Company will pay to each Eligible Director the monetary amount determined in (iv) above, in addition to the monetary remuneration claims described above.

2) RSU Plan

- (i) The Company's Board of Directors shall determine the base amount in accordance with the level of responsibilities of each Eligible Director and the number of units to be allocated to them (hereinafter referred to as the "Target Number of Units Delivered" in Section (2) Item 2) and Section (3) Item 2)) and accordingly allocate units annually to each Eligible Director (hereinafter referred to as the "Target Units Delivered" in Section (2) Item 2) and Section (3) Item 2)).

- (ii) The Target Units Delivered to each Eligible Director will vest in one-third increments at the end of each of the three consecutive fiscal years beginning with the fiscal year in which such units are allocated, subject to continued service during such period (excluding the period prior to the assumption of office as Director).
- (iii) After the end of each such fiscal year, the Company shall decide the number of the Company's common shares to be delivered and monetary amount to be paid to each Eligible Director based on the number of vested Target Units Delivered.
- (iv) The Company pays, to each Eligible Director, monetary remuneration claims to be used as contribution in kind corresponding to the number of the Company's common shares to be delivered to each Eligible Director determined in (iii) above, each Eligible Director receives an allotment of the Company's common shares by providing the full amount of the monetary remuneration claims to the Company by the method of the contribution in kind. The amount to be paid in for the Company's common shares shall be determined by the Company's Board of Directors based on the Share Price at the time of delivery within a range that is not especially advantageous to the Eligible Directors subscribing to the Company's common shares.
- (v) In order to secure tax payment funds arising from the delivery of the Company's common shares as described in (iv) above, the Company will pay to each Eligible Director the monetary amount determined in (iii) above, in addition to the monetary remuneration claims described above.

(3) The method for calculating the number of the Company's common shares to be delivered and the monetary amount to be paid to each Eligible Director under the Plan

The Company shall calculate the number of the Company's common shares to be delivered and the monetary amount to be paid to each Eligible Director based on the following procedure.

1) PSU Plan

(i) In the first fiscal year of the three consecutive fiscal years determined by the Company's Board of Directors, the Company shall allocate to each Eligible Director Target Units Delivered in the number obtained by dividing the base amount (Note 1) by the share price at the time of unit allocation (Note 2) (any fraction less than one unit shall be rounded down).

(ii) After the three consecutive fiscal years beginning with the fiscal year in which Target Units Delivered are allocated ("Performance Evaluation Period"), the number of units held by each Eligible Director will be determined by multiplying the number of Target Units Delivered that have vested among the units allocated to each Eligible Director as stated in (i) above by an evaluation coefficient (within the range from 0% to 200%) according to the achievement rate of each numerical target for the Company's performance determined by the Board of Directors.

(iii) Each vested unit held by each Eligible Director as stated in (ii) above shall be equivalent to one common share of the Company. 60% of the vested units will be delivered in the form of the Company's common shares (any fraction of less than one share shall be rounded down) and the remaining 40% will be paid in monetary terms based on the Share Price at the time of delivery (any fraction of less than one yen shall be rounded down). The formulas for calculating the number of the Company's common shares to be delivered and the monetary amount to be paid to each Eligible Director are as follows.

(a) Number of the Company's common shares to be delivered

Target Number of Units Delivered x evaluation coefficient x 60%

(b) Monetary amount to be paid

(Target Number of Units Delivered x evaluation coefficient - the Company's common shares to be delivered) x Share Price at the time of delivery

(Notes) 1. The base amount shall be determined by the Company's Board of Directors in accordance with the level of responsibilities of each Eligible Director.

2. The share price at the time of unit allocation shall be the average closing price of the Company's common shares for one month period immediately preceding the date of resolution by the Company's Board of Directors regarding the number of units to be allocated. However, if the Company's common shares are not listed on the Tokyo Stock Exchange, it shall be the fair value of the Company's common shares as reasonably calculated by the Company at the time the number of units to be allocated is determined.

2) RSU Plan

(i) In each fiscal year, the Company allocates to each Eligible Director Target Units Delivered in the number obtained by dividing the base amount (Note 3) by the share price at the time of unit allocation (Note 4). (Any fraction of less than one unit shall be rounded down.)

(ii) Each vested unit, among the units allocated to each Eligible Director as stated in (i) above, shall be equivalent to one common share of the Company. (The number of vested units each year is equivalent to one-third of the Target Number of Units Delivered.) After the end of each of the three consecutive fiscal years beginning with the fiscal year in which Target Units Delivered are allocated, 60% of the

vested units will be delivered in the form of the Company's common shares (any fraction of less than one share shall be rounded down) and the remaining 40% will be paid in monetary terms based on the Share Price at the time of delivery (any fraction of less than one yen shall be rounded down). The formulas for calculating the number of the Company's common shares to be delivered and the monetary amount to be paid to each Eligible Director are as follows.

(a) Number of the Company's common shares to be delivered each fiscal year

(Target Number of Units Delivered x 1/3) x 60%

(b) Monetary amount to be paid each fiscal year

(Target Number of Units Delivered x 1/3 - the Company's common shares to be delivered) x Share Price at the time of delivery

- (Notes)
3. The base amount shall be determined by the Company's Board of Directors in accordance with the level of responsibilities associated with the position of each Eligible Director.
 4. The share price at the time of unit allocation shall be the average closing price of the Company's common shares for one month period immediately preceding the date of resolution by the Company's Board of Directors regarding the number of units to be allocated. However, if the Company's common shares are not listed on the Tokyo Stock Exchange, it shall be the fair value of the Company's common shares as reasonably calculated by the Company at the time the number of units to be allocated is determined.

(4) Requirements for granting the Company's common shares and money to Eligible Directors

Under the Plan, the Company grants the Company's common shares and money to each Eligible Director (limited to Executive Officers and Concurrent Directors. The same shall apply hereinafter for the PSU plan) if the following requirements are met. The Company's common shares shall be delivered by means of the issuance of new shares or the disposal of treasury shares by the Company. Eligible Director subscribing to the Company's common shares and the offering related to such issuance of shares or the disposal of treasury shares shall be determined at a meeting of the Board of Directors of the Company after the applicable units vest in accordance with the requirements set forth in (i) through (iii) below and the calculation method set forth in (3) above.

- (i) The Eligible Director has served the position of an Officer, etc. (Directors, executive officers, Corporate Officers, and other positions recognized as Officers under the internal rules of the Company are collectively referred to as "Officers, etc."; the same shall apply hereinafter) or an employee of the Company or its subsidiaries throughout the three consecutive fiscal years beginning with the fiscal year in which Target Units Delivered are allocated or, in the case of the RSU Plan, in each of the three fiscal years (excluding the period prior to the assumption of office as Director).
- (ii) There were no illegal acts, etc. determined by the Company's Board of Directors.
- (iii) Other requirements necessary to achieve the purpose of the Plan as determined by the Company's Board of Directors are satisfied.

(Note) Notwithstanding (i) above, in the event that an Eligible Director loses his/her position as an Officer, etc. or employee of the Company or its subsidiary during the applicable period (hereinafter referred to as "resignation or retirement"), only in the event of resignation or retirement for reasons predetermined by the Board of Directors of the Company, he/she shall be granted the Company common shares or cash, or both, through a reasonable method determined by the Board of Directors of the Company for each such event.

In the event of certain events as determined by the Board of Directors of the Company, such as illegal or fraudulent acts or material revisions to financial statements, the Company will not, in

whole or in part, deliver the Company's common shares or cash under the Plan to such Eligible Director, or may demand the return of such shares or cash.

[Reference] Skill Matrix – Planned after this Annual Shareholders Meeting

Name	Enhancement of corporate Value					Company's sustainable growth				Business Promotion			
	Corporate management	Finance/accounting	Internal control/corporate governance	Legal affairs/risk management	Human resources	Knowledge of the semiconductor industry	R&D/design	Global	Business strategy	Service strategy	Production/quality assurance/supply chain management	Sales	DX/IT
Directors	Fumiyuki Kanai	●		●		●	●	●	●	●	●		
	Unryu Ogawa	●		●			●	●					
	Hidehiro Yanagawa	●					●	●	●	●	●	●	●
	Kazunori Tsukada	●		●	●		●		●	●		●	●
	Masaki Nakamura	●	●	●			●						
	Noriko Sakai Outside Independent Female			●	●			●					
	Masaaki Tsuruta Outside Independent	●		●			●	●	●				
	Chizu Sekine Outside Independent Female	●	●	●				●	●	●			
	Yuji Kamiya	●	●	●	●	●	●		●				
Directors (Audit and Supervisory Members)	Hitoshi Kumagai Outside Independent	●	●	●				●					
	Hirohito Nakada Outside Independent			●	●		●						

*The above table does not list all of the expertise and experience of the director nominees and directors.