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Dear Shareholders:

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

Along with the delivery of the Notice of the 120th Annual General Meeting of Shareholders, please allow me to say a few words.

The environment surrounding the SANYO DENKI Group during the fiscal year under review saw a recovery trend primarily in the manufacturing industry, due to revitalized capital investments as a result of improvements in corporate earnings. Meanwhile, the slowdown in economic activities continues due to the global shortage of electronic parts, mainly of semiconductors, and the effects of COVID-19. In such a climate, SANYO DENKI CO., LTD. (the “Company”) has been making efforts to develop a structure to ensure sustainable profits.

Under the 9th Mid-term Management Plan, which started in April 2021, the Group is aiming to build a “leading global brand” as a global company by creating new things and new ways of doing things in unprecedented ways with the theme of “Breaking the Shell.” As an initiative to achieve this end, the Group has been going forward with the improvement and expansion of our global design/development structure and sales framework. Specifically, in May 2021, we opened a new wing at our Technology Center in Ueda City, Nagano Prefecture, with the aim of strengthening business and improving design and development environments, and we aim to reduce the duration of development period by 20%. Additionally, in April 2022, we opened a technology center to engage in the design and development of cooling system products within the sales base in Taiwan. We will promptly develop products in line with customer needs, mainly for data centers and the ICT industry.

Regarding sales activities, we opened a new branch in Munich, Germany. The new branch will target a wide range of markets including automotive, electrical and electronic equipment, and heavy machinery, and engage in new business development and provide our distributors with support mainly in southern Germany and Austria.

Additionally, we endeavored to strengthen our relationships with stakeholders. Our efforts include the development and sales of “Ecoproducts,” i.e., products to reduce the environmental burden, the announcement of the “Declaration of Partnership Building” to build long-term relationships of trust with suppliers on the supply chain, and our recognition as a “2022 Certified Health & Productivity Management Outstanding Organization,” as a result of engaging in Health & Productivity Management to help employees perform to the best of their abilities.

With these kinds of initiatives, we have achieved the results for the fiscal year described below.

If approved at this General Meeting of Shareholders, dividends at the end of the fiscal year under review will be 60 yen per share, and together with the interim dividends of 55 yen per share paid in December 2021, the annual dividends will be 115 yen per share.

We look forward to your continued support.

May 30, 2022

Shigeo Yamamoto
Representative Director/Chairman of the Board & CEO

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

1. Date and Time: Wednesday, June 15, 2022 at 10:00 a.m. Japan time

2. Place: Conference Room, 11th Floor
SANYO DENKI CO., LTD.
JR Otsuka Minamiguchi Building
3-33-1, Minami-Otsuka,
Toshima-ku, Tokyo

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 120th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the Company's 120th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Determination of Compensation to Directors (Excluding Outside Directors) for the Granting of Restricted Stock
- Proposal No. 4:** Final Payment in conjunction with the Termination of the Retirement Bonus System for Directors and Audit & Supervisory Board Members

- Any updates to the Reference Documents, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements for the General Meeting of Shareholders will be promptly posted on the Company's website (<https://www.sanyodenki.co.jp>).
- Pursuant to laws and regulations and Article 16 of the Articles of Incorporation of the Company, the items below are posted on the Company's website, and are not included in this convocation notice. As a result, these items are included in documents subject to audit that were audited by the Audit & Supervisory Board in preparation of the Audit Report and the Accounting Auditor in preparation of the Independent Auditor's Report.
 - The Business Report Items related to share acquisition rights, etc., the structure and policies of the Company, and the status of its operations
 - Consolidated Financial Statements Consolidated Statements of Changes in Net Assets and notes to the consolidated financial statements
 - Non-consolidated Financial Statements Non-consolidated Statements of Changes in Net Assets and notes to the non-consolidated financial statements

Please note that measures will be implemented on the day of the Annual General Meeting of Shareholders to prevent the spread of COVID-19. These will include the more simplified reporting and the wearing of masks by the Company's officers and staff.

Shareholders are requested to attend the General Meeting of Shareholders only after confirming their own state of health, and to wear a mask if attending the venue. Shareholders are also encouraged to exercise voting rights in writing or via the Internet before the General Meeting of Shareholders, for their own safety.

Should future circumstances necessitate any significant changes to the General Meeting of Shareholders, shareholders will be notified via the website below.

<https://www.sanyodenki.co.jp>

Exercise of Voting Rights

Voting rights may be exercised via the following methods.

When exercising voting rights via the Internet

Exercise deadline: Input by Tuesday, June 14, 2022 at 5:00 p.m. Japan time

Please indicate your vote for or against the proposals on the voting rights exercise website (<https://www.e-sokai.jp>) or the voting rights exercise website for smartphone.

About exercising voting rights via Internet

Using smartphone or tablet devices

By scanning the “Login QR Code for the voting rights exercise website for smartphones” provided on the enclosed Voting Rights Exercise Form, voting rights can be exercised from the voting rights exercise website for smartphones. “Voting Rights Exercise Code” and “Password” are not required.

For matters that are unclear regarding exercising voting rights via the Internet, please contact the party below.

Shareholder registry administrator
Agency Department, JAPAN SECURITIES AGENTS, LTD.

Using personal computers and cellular phones

Voting rights can be exercised by accessing the voting rights exercise website (<https://www.e-sokai.jp>) and entering the “Voting Rights Exercise Code” and “Password” provided on the enclosed Voting Rights Exercise Form.

Dedicated web support line
0120-707-743 (Toll free within Japan)

Hours of operation
9:00 a.m. to 9:00 p.m. (Including Saturdays, Sundays, and holidays)

In using the Voting Rights Exercise Website, connection fees to service providers and telecommunication fees (telephone fees, etc.) to telecommunications operators may be required, but these fees are to be borne by the shareholder.

When exercising voting rights by writing

Exercise deadline: Arrive by Tuesday, June 14, 2022 at 5:00 p.m. Japan time

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it without postage.

How to fill out the Voting Rights Exercise Form

Please enter your vote for or against the Proposals here.

The “Login QR Code for use on the voting rights exercise website for smartphones” is provided here.

If voting for the proposal, circle the “賛” section.
If voting against the proposal, circle the “否” section.

- The “Voting Rights Exercise Code” and “Password” are provided on the reverse side of the Voting Rights Exercise Form.

When attending the meeting in person

Date of Annual General Meeting of Shareholders: Wednesday, June 15, 2022 at 10:00 a.m. Japan time

Please submit the enclosed Voting Rights Exercise Form at the reception desk

When exercising voting rights, please be aware of the following:

- If you vote both in writing on the Voting Rights Exercise Form and via Internet, the vote placed via Internet will be valid.
- In addition, if you submit your vote multiple times via the same method, the last vote will be valid.
- In the event that there is no indication of for or against, this will be considered as voting for the proposal.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

To further strengthen the corporate structure and become resilient against harsh competitive forces in the industry for orders, in consideration of future business expansion, etc., and while securing internal reserves, the Company has a fundamental policy of providing dividends proportional to business results.

Under this policy, concerning the appropriation of surplus for the fiscal year under review, the Company proposes the following.

Full-year dividends will amount to 115 yen per share, including the interim dividend of 55 yen per share.

1. Year-end dividend
60 yen per share of common stock of the Company
Total amount: 726,119,220 yen
2. Effective date of dividends
June 16, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

The system for the electronic provision of materials for the general meeting of shareholders stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, the Company will establish provisions to stipulate that the Company shall provide information contained in the reference documents for general meetings of shareholders in electronic format and that the Company may limit the scope of the matters to be included in the paper copy to be delivered to shareholders who have requested it.

Furthermore, the provision of the current Articles of Incorporation related to the internet disclosure and deemed provision of the reference materials for the general meetings of shareholders, etc. will become unnecessary, and will therefore be deleted. Supplementary provisions related to the effective date, etc. associated with these changes will also be established.

The details of the amendments are as follows.

(The amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="178 734 754 831"><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p data-bbox="178 887 783 1238"><u>Article 16 The Company may, when convening a general meeting of shareholders, deem that it has provided its shareholders with information pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p data-bbox="363 1279 608 1312"><Newly established></p> <p data-bbox="363 1727 608 1760"><Newly established></p>	<p data-bbox="1038 887 1166 920"><Deleted></p> <p data-bbox="810 1238 1278 1272">(Measures for Electronic Provision, Etc.)</p> <p data-bbox="810 1283 1385 1440"><u>Article 16 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p data-bbox="810 1447 1385 1664"><u>2. Among the matters to be provided in electronic format, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p data-bbox="810 1697 1114 1731"><u>Supplementary provisions</u></p> <p data-bbox="810 1738 1385 1955"><u>1. The amendments to Article 16 shall become effective on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter the “Effective Date”),</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="799 181 1407 439">2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain in force regarding a general meeting of shareholders to be held within six months from the Effective Date.</u></p> <p data-bbox="799 439 1407 631">3. <u>These Supplementary Provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3: Determination of Compensation to Directors (Excluding Outside Directors) for the Granting of Restricted Stock

The Company proposes the introduction of a restricted stock compensation plan (hereinafter, the “Plan”) to its Directors (excluding Outside Directors, hereinafter the “Eligible Director(s)”) to provide an incentive for the sustained improvement of corporate value, while encouraging the Eligible Directors to further share value with the shareholders, as per the following.

At the 113th Annual General Meeting of Shareholders held on June 12, 2015, it was approved that the amount of compensation, etc. of the Company’s Directors shall not exceed ¥500 million per year. At this General Meeting of Shareholders, the Company proposes to set the total amount of monetary compensation claims to be paid for the allocation of restricted stock at ¥70 million per year, which will be within the scope of the current compensation limit.

The specific timing of the payment and the allocation to each Eligible Director will be determined by the Board of Directors upon consultation with and receiving recommendations from the Compensation Committee.

Currently, there are nine Directors (of whom four are Outside Directors). The Directors excluding the Outside Directors will be eligible under the Plan.

The details of the restricted stock to be allotted to the Eligible Directors are as follows.

1. Allotment and payment of restricted stock

The Company shall pay the Eligible Directors monetary compensation claims as compensation related to the restricted stock under the Plan, and the Eligible Directors, by contributing all monetary compensation claims as property in kind to the Company, shall receive the allotment of restricted stock.

2. The number of restricted stock to be allotted to the Eligible Directors

The total number of the Company’s common stock to be issued to the Eligible Directors or disposed of shall not exceed 35,000 shares per year. However, if the Company conducts a stock split (including allotment of shares of the Company’s common stock without contribution) or a stock consolidation effective on or after the date of resolution at this General Meeting of Shareholders, the total number may be adjusted after such effective date, as necessary, to a reasonable extent.

The amount to be paid in per share of the Company’s common stock to be issued to the Eligible Directors or disposed of based on the Plan shall be determined by the Board of Directors within a range that is not particularly advantageous to the Eligible Directors, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day preceding the date of each resolution regarding the issuance terms by the Board of Directors (if there is no trading on that day, the closing price on the most recent trading day prior to that day).

3. Matters regarding the restricted stock to be allotted to the Eligible Directors

The Company shall conclude with the Eligible Directors a restricted stock allotment agreement (hereinafter, the “Allotment Agreement”) that includes the following terms and conditions (hereinafter, the common stock allotted pursuant to the Allotment Agreement shall be referred to as the “Allotted Stock”).

(1) Details of the transfer restriction

An Eligible Director shall not transfer, create a security interest on, make a living donation of or otherwise dispose of the Allotted Stock from the payment date of the Allotted Stock to the date of retirement from the position of Director, Audit & Supervisory Board Member or Operating Officers (hereinafter the “Transfer Restriction Period”).

(2) Conditions for lifting the transfer restriction

On the condition that an Eligible Director has continuously served in the position of the Company’s Director during the period up until the closing of the first Annual General Meeting of Shareholders to be held after the payment date of the Allotted Stock, the Company shall lift the transfer restriction on all of the Allotted Stock upon the expiration of the Transfer Restriction Period.

However, in the event that an Eligible Director retires for reasons deemed legitimate or dies during the Transfer Restriction Period, the Company shall adjust, as necessary, the number of the Allotted Stock for which the transfer restriction will be lifted, and the timing for lifting the restriction, to a reasonable extent.

(3) Conditions for the acquisition without compensation

The Company shall acquire the Allotted Stock, as a matter of course, without any compensation, in the event that an Eligible Director retires for reasons that are not deemed legitimate during the

Transfer Restriction Period.

Furthermore, the Company shall acquire, without any compensation, any Allotted Stock for which transfer restrictions has not been lifted as of the expiration of the Transfer Restriction Period, based on the provision of (2) above, as a matter of course.

(4) Treatment in the event of organizational restructuring, etc.

Notwithstanding the provision of (1) above, in the event that during the Transfer Restriction Period, an approval is given at the General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company in case that an approval by the General Meeting of Shareholders is not required regarding the organizational restructuring, etc.) for proposals regarding a merger agreement in which the Company becomes a non-surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc., the Company shall, by resolution of the Board of Directors of the Company, adjust, as necessary, the number of the Allotted Stock for which the transfer restriction will be lifted, and the timing for lifting the restriction, to a reasonable extent. In such cases, the Company shall acquire, without any compensation, any Allotted Stock for which the transfer restriction has not been lifted immediately after the transfer restriction was lifted, as a matter of course.

(5) Other matters

Any other matters regarding the Allotment Agreement shall be determined by the Board of Directors of the Company.

4. The reason why the allotment of restricted stock is deemed reasonable

The Company, at a meeting of the Board of Directors held on February 16, 2021, set forth the policy for determining individual compensation for Directors, a summary of which is described on page 37 of the Business Report (Japanese original). If this proposal is approved, the Company plans to revise the contents of said policy to include the Plan. Furthermore, the value of the restricted stock measured at the market price as of the time of the resolution of the Board of Directors to grant the restricted stock has been set at an amount not exceeding ¥70 million per year, while the total number of common stock that the Company will allot to the Eligible Directors is capped at 35,000 shares per year, and its dilution rate to the total number of shares issued is minimal. For the above reasons, the Company has deemed that the granting of restricted stock is reasonable.

(Reference)

If this proposal is approved, the Company also plans to introduce a plan with the same content as the above to Operating Officers of the Company.

Proposal No. 4: Final Payment in conjunction with the Termination of the Retirement Bonus System for Directors and Audit & Supervisory Board Members

The Company, at a meeting of the Board of Directors held on May 17, 2022, resolved to terminate retirement bonus system for Directors and Audit & Supervisory Board Members as of the conclusion of this General Meeting of Shareholders.

In accordance with the above, the Company proposes to make final payments of the retirement bonus to the nine Directors (of whom four are Outside Directors) and four Audit & Supervisory Board Members (of whom three are Outside Audit & Supervisory Board Members) who will remain in office, for their services until the conclusion of this General Meeting of Shareholders, within an appropriate range in line with certain standards established by the Company.

The Company requests that the specific amount, method, and other details of the payment be left to the discretion of the Board of Directors for the period in office of Directors, and to the discretion of consultation among the Audit & Supervisory Board Members for the period in office of the Audit & Supervisory Board Members. The timing of payment will be at the time of retirement of the Directors and the Audit & Supervisory Board Member.

This proposal is in line with the policy for determining executive compensation described on page 37 of this Notice (Japanese original), and by comprehensively taking into account the executive compensation system in case Proposal No. 3: “Determination of Compensation to Directors (Excluding Outside Directors) for the Granting of Restricted Stock” is approved as proposed, the final payment has been deemed reasonable.

The career summaries of the Directors and Audit & Supervisory Board Members eligible for this final payment are as follows:

Name		Career summary
Shigeo Yamamoto	Jun. 1987	Director of the Company
	Jun. 1991	Managing Director of the Company
	Jun. 1994	Representative Director, President & COO of the Company
	Jun. 2020	Representative Director, Chairman of the Board & CEO of the Company (current position)
Nobumasa Kodama	Jun. 2004	Director and Executive Operating Officer of the Company
	Apr. 2014	Director and Senior Executive Operating Officer of the Company
	Apr. 2018	Representative Director, Vice President and Operating Officer of the Company
	Jun. 2020	Representative Director, President & COO of the Company (current position)
Chihiro Nakayama	Jun. 2019	Director and Executive Operating Officer of the Company
	Apr. 2020	Director and Senior Executive Operating Officer of the Company (current position)
Yoshimasa Matsumoto	Jun. 2011	Director of the Company
	Nov. 2018	Director and Executive Operating Officer of the Company (current position)
Keiichi Kitamura	Jun. 2021	Director and Executive Operating Officer of the Company (current position)
Yuichiro Miyake	Jun. 1995	Outside Audit & Supervisory Board Member of the Company
	Jun. 1999	Outside Director of the Company (current position)
Toru Suzuki	Jun. 2007	Outside Director of the Company (current position)
Hiroshi Suwa	Jun. 2015	Outside Director of the Company (current position)
Shin Kurihara	Jun. 2021	Outside Director of the Company (current position)
Hiroaki Hayashi	Jun. 2020	Audit & Supervisory Board Member of the Company (Full-time) (current position)
Fumio Amano	Jun. 2011	Outside Audit & Supervisory Board Member of the Company (Full-time) (current position)
Noriko Miyagi	Jun. 2021	Outside Audit & Supervisory Board Member of the Company
	Apr. 2022	Outside Audit & Supervisory Board Member of the Company (Full-time) (current position)
Takeshi Yamamoto	Jun. 2007	Outside Audit & Supervisory Board Member of the Company (current position)