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Securities code: 6262
June 2, 2022

To Shareholders with Voting Rights:

Shigemi Mima
President
PEGASUS SEWING MACHINE
MFG. CO., LTD.
5-7-2, Sagisu, Fukushima-ku,
Osaka, Japan

**NOTICE OF
THE 76th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 76th Annual General Meeting of Shareholders of Pegasus Sewing Machine Mfg. Co., Ltd. (the “Company”) will be held as described below.

To prevent the spread of COVID-19 infection, shareholders are kindly requested to refrain from coming to the Annual General Meeting of Shareholders on the day of the event as much as possible, and to exercise voting rights in advance either in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders below, and exercise your voting rights in accordance with the instructions below by June 21, 2022 (Tuesday) at 5:30 p.m. (the end of business hours, Japan time).

* Please note that souvenirs will not be given to attendees.

- 1. Date and Time:** Wednesday, June 22, 2022 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)
- 2. Venue:** PEGASUS SEWING MACHINE MFG. CO., LTD. Head Office, 1st Floor,
located at 5-7-2, Sagisu, Fukushima-ku, Osaka, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Consolidated Financial Statements for the Company’s 76th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 76th Fiscal Year (April 1, 2021 - March 31, 2022)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Eight (8) Directors
 - Proposal 4:** Election of One (1) Audit & Supervisory Board Member
 - Proposal 5:** Election of Two (2) Substitute Audit & Supervisory Board Members
- 4. Matters Decided in Connection with this Convocation** If a shareholder intends to split his/her vote, such shareholder must inform the Company of his/her intention to split his/her vote and the reason therefor at least three (3) days prior to the date of the Meeting.

■ Of the documents that need to be attached to this Notice, the “Notes to Consolidated Financial

Statements,” of the Consolidated Financial Statements and the “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.pegasus.co.jp>) in accordance with provisions of laws and regulations as well as Article 14 of the Company’s Articles of Incorporation and therefore are not provided in this Notice. The Consolidated Financial Statements and the Non-consolidated Financial Statements attached to this Notice are a part of those that were audited by the Audit & Supervisory Board Members and the Accounting Auditor.

- If any revision is made to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements, the revised versions will be posted on the Company’s website (<https://www.pegasus.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The ample distribution of profits to all shareholders is one of the Company's top management priorities. While maintaining continuous and stable dividends, the Company follows a basic policy of proper appropriation of surplus in comprehensive consideration of the management environment and financial results.

In accordance with this basic policy, the Company hereby proposes an appropriation of surplus as follows.

Year-end dividend:

1. Type of dividend property
Cash
2. Matters concerning allocation and total amount of dividend property
The Company proposes to pay ¥13 per share of the Company's common stock.
In this case, the total amount of the dividends is ¥322,538,112.
3. Effective date of dividend from surplus
June 23, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

(1) Change of trade name

The Company has been engaged in the industrial sewing machine business since its founding in 1914, but also has been expanding the automotive parts business since establishing this business in January 2007.

The automotive business has grown to two consolidated subsidiaries in China and one each in Vietnam and Mexico, for a total of four consolidated subsidiaries. The Company is aiming to further develop the business as its second core business.

The Company is gaining customers and business worldwide under the PEGASUS brand, which has already penetrated the sewing industry in Japan and overseas. In order to further increase its brand penetration and credibility, the Company proposes to amend its Articles of Incorporation as necessary to change its trade name from PEGASUS SEWING MACHINE MFG. CO., LTD. to PEGAGUS CO., LTD.

In line with the above-mentioned amendments, supplementary provisions related to the effective date, etc. shall be established.

(2) Introduction of measures for electronic provision, etc.

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) will be enforced on September 1, 2022. Accordingly, the Company would like to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders and thus proposes to amend the Articles of Incorporation of the Company as follows.

- (i) The proposed Article 14, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- (ii) The purpose of the proposed Article 14, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (iii) The provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 14 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
<p>(Trade Name) Article 1 The name of the Company shall be <u>“Pegasasu Mishin Seizou Kabushiki Kaisha,”</u> and in English it shall be <u>“PEGASUS SEWING MACHINE MFG. CO., LTD.”</u></p> <p>(Internet Disclosure of Reference Materials) <u>Article 14 The Company may disclose information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, non-consolidated financial statements, consolidated financial statements, and business report through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><Newly established></p>	<p>(Trade Name) Article 1 The name of the Company shall be <u>“P E G A S U S Kabushiki Kaisha,”</u> and in English it shall be <u>“PEGASUS CO., LTD.”</u></p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;">(Measures for Electronic Provision, Etc.) <u>Article 14 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, 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 style="text-align: center;">(Supplementary Provisions) <u>Article 1 The amendments to Article 1 shall come into effect on April 1, 2023. This Article shall be deleted after April 1, 2023.</u> <u>Article 2 The deletion of Article 14 (Internet Disclosure of Reference Materials, Etc.) of the current Articles of Incorporation and the proposed</u></p>

Current Articles of Incorporation	Proposed amendments
	<p><u>Article 14 (Measures for Electronic Provision, Etc.) shall come into effect on 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) (the “Effective Date”).</u></p> <p>2. <u>Notwithstanding the provisions of the preceding paragraph, Article 14 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on or before February 28, 2023.</u></p> <p>3. <u>This Article 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 3: Election of Eight (8) Directors

The terms of office of all the nine (9) Directors will expire at the conclusion of the Meeting. The Company proposes to elect eight (8) Directors. If this proposal is approved as originally proposed, three (3) out of the eight (8) Directors of the Company will be External Directors. The candidates for Directors are as described below.

No.	Name	Current positions at the Company
1	[Reappointment] Shigemi Mima	Representative Director and President
2	[Reappointment] MH Ko	Senior Executive Director
3	[Reappointment] Junichi Nakamura	Senior Executive Director
4	[Reappointment] Yoshihide Okada	Managing Director
5	[Reappointment] Masamichi Mima	Director
6	[Reappointment] [External] [Independent] Hironao Onishi	External Director
7	[Reappointment] [External] [Independent] Norio Kotaka	External Director
8	[Reappointment] [External] [Independent] Chika Tanaka	External Director

[Policies and procedures for nominating Director candidates]

In nominating Director candidates, the Company conducts comprehensive deliberation from the perspectives of precise and prompt decision-making and placement of most appropriate human resources to most appropriate positions. The Company believes that it is necessary to nominate candidates with a focus on human resources who understand and put into practice the PEGASUS mind of the Company and will contribute to its future sustainable growth.

The “Nomination and Remuneration Committee” submits election of Directors to the Board of Directors for its approval.

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	<p>Shigemi Mima (May 4, 1968)</p> <p>[Reappointment]</p>	<p>March 1996 Joined the Company</p> <p>April 2001 President of PEGASUS SEWING MACHINES (HONG KONG) LTD.</p> <p>October 2003 General Manager of Sales Department of the Company</p> <p>June 2005 Director of the Company</p> <p>June 2008 Senior Executive Officer of the Company</p> <p>September 2010 Representative Director and President of MIMA SEIKI CO., LTD.</p> <p>June 2012 Director and Executive Officer of the Company</p> <p>August 2012 Vice Chief of Manufacturing Headquarters of the Company</p> <p>April 2015 Representative Director and President of the Company</p> <p>June 2016 Representative Director, President and Executive Officer of the Company (current position)</p> <p>July 2017 Chairman of PEGASUS VIETNAM SEWING MACHINE CO., LTD. (current position)</p> <p>October 2019 Chairman of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD. (current position)</p> <p>June 2021 Chairman of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD. (current position)</p> <p>September 2021 Representative Director and President of MIMA SEIKI CO., LTD. (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Chairman of PEGASUS VIETNAM SEWING MACHINE CO., LTD. • Chairman of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD. • Chairman of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD. • Representative Director and President of MIMA SEIKI CO., LTD. 	629,300
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shigemi Mima has successively held positions as General Manager of the Sales Department, Officer in charge of manufacture, President of a sales subsidiary, and President of manufacturing subsidiary. He has been involved in the management of the Company since assuming office as Director in 2012. He has a high level of expertise in both sales and manufacturing in the industrial sewing machine business, the core business of the Group, and has demonstrated outstanding leadership in areas such as strengthening the production system in the automotive business. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
2	<p>MH Ko (July 20, 1953) [Reappointment]</p>	<p>April 1972 Joined Asia Metal Industry Co., Ltd. April 1986 Joined the Company February 2007 President of TIANJIN PEGASUS-SHIMAMOTO AUTO PARTS CO., LTD. June 2008 Executive Officer of the Company June 2010 Senior Executive Officer of the Company June 2014 Director and Executive Officer of the Company September 2015 Chief of Die Casting Business Headquarters (currently Chief of Automotive Headquarters) of the Company (current position) June 2017 Managing Director and Executive Officer of the Company October 2019 Senior Executive Director and Executive Officer of the Company (current position) October 2019 Chairman of TIANJIN PEGASUS-SHIMAMOTO AUTO PARTS CO., LTD. (current position) October 2019 President of PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD. (current position) April 2020 Director (Chairman) of PEGASUS AUTO PARTS MONTERREY S.A. DE C.V. (current position) June 2021 President of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD. (current position)</p> <p>[Significant concurrent positions] • Chairman of TIANJIN PEGASUS-SHIMAMOTO AUTO PARTS CO., LTD. • President of PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD. • Director (Chairman) of PEGASUS AUTO PARTS MONTERREY S.A. DE C.V. • President of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD.</p>	60,900
<p>[Reason for nomination as candidate for Director] Mr. MH Ko has been engaged in operations since the initial establishment of the die casting auto parts business in 2007. He has been involved in the management of the Company since assuming office as Director in 2014. He has a high level of insight to supervise the automotive business and abundant experience suitable for executing global management. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
3	Junichi Nakamura (April 20, 1954) [Reappointment]	November 1980 Joined Lionsha Co., Ltd. October 1989 Joined the Company October 2003 President of PEGASUS SEWING MACHINES (HONG KONG) LTD. June 2008 President of PEGASUS VIETNAM SEWING MACHINE CO., LTD. June 2009 Executive Officer of the Company April 2010 General Manager of Management Planning Department of the Company November 2011 Senior Executive Officer and Vice Chief of Manufacturing Headquarters of the Company October 2013 President of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD. June 2015 Director and Executive Officer of the Company June 2017 Managing Director and Executive Officer of the Company July 2018 Chairman of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD. October 2019 Senior Executive Director and Executive Officer & Chief of Sales and R & D Headquarters of the Company (current position)	59,500
<p>[Reason for nomination as candidate for Director] Mr. Junichi Nakamura has successively held positions as President of sales and manufacturing subsidiaries and as General Manager of the Management Planning Department of the Company. He has been involved in the management of the Company since assuming office as Director in 2015. He has a high level of insight to supervise sales and research and development of the entire Group and abundant experience suitable for executing global management. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
4	<p>Yoshihide Okada (August 26, 1963)</p> <p>[Reappointment]</p>	<p>April 1986 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>February 2004 General Manager of Financial Department of the Company</p> <p>July 2005 Vice President, MP (Tianjin) Sewing Machine Co., Ltd.</p> <p>March 2006 Vice President, PEGASUS (TIANJIN) SEWING MACHINE CO., LTD.</p> <p>July 2014 Vice Chief of Administrative Headquarters & General Manager of General Affairs Department of the Company</p> <p>September 2014 Executive Officer of the Company</p> <p>July 2017 Senior Executive Officer of the Company</p> <p>July 2018 President of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD. (current position)</p> <p>June 2019 Director and Executive Officer of the Company</p> <p>June 2021 Managing Director and Executive Officer of the Company (current position)</p> <p>[Significant concurrent positions] President of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD.</p>	12,200
<p>[Reason for nomination as candidate for Director] Mr. Yoshihide Okada has successively held positions as General Manager of the Financial Department of the Company and Vice President of manufacturing subsidiaries of the Company, and has been involved in the management of the Company since assuming office as Director in 2019. As President of a manufacturing and sales subsidiary in China, he has a high level of insight to supervise all aspects of sales, manufacturing, and administration, and abundant experience suitable for executing global management. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
5	<p>Masamichi Mima (January 7, 1970)</p> <p>[Reappointment]</p>	<p>April 2000 Joined the Company</p> <p>January 2002 Tianjin Pegasus Sewing Machine Mfg. Co., Ltd.</p> <p>December 2003 PEGASUS SEWING MACHINE PTE.LTD.</p> <p>March 2006 PEGASUS (TIANJIN) SEWING MACHINE CO., LTD.</p> <p>December 2007 General Manager of Corporate Planning Department of the Company</p> <p>February 2009 General Manager of Production Administrating Department of Manufacturing Headquarters of the Company</p> <p>April 2010 President of PEGASUS VIETNAM SEWING MACHINE CO., LTD.</p> <p>April 2013 President of PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD.</p> <p>September 2015 Executive Officer & Vice Chief of Die Cast Business Headquarters (currently Automotive Headquarters)of the Company</p> <p>April 2016 President of PEGASUS AUTO PARTS MONTERREY S.A. DE C.V.</p> <p>March 2018 President of PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD. (current position)</p> <p>April 2020 Senior Executive Officer of the Company</p> <p>June 2021 Director and Executive Officer of the Company (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President of PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD. 	474,700
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Masamichi Mima has successively held positions as General Manager of Corporate Planning Department General Manager of Production Administrating Department of the Company, and President of manufacturing subsidiaries of the Company. He has been involved in the management of the Company since assuming office as Director in 2021, and has been engaged from establishment as President of automotive manufacturing subsidiaries in Vietnam and Mexico since 2013. He has a high level of insight and abundant experience suitable for executing global management. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities		Number of shares of the Company held
6	Hironao Onishi (May 10, 1945) [Reappointment] [External] [Independent]	April 1968	Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	—
		March 1997	Director of Nikken Sekkei Ltd	
6		January 2000	Managing Director of Nikken Sekkei Ltd	—
		January 2008	Representative Director and Vice President of Nikken Sekkei Ltd	
6		April 2012	Adviser to Nikken Sekkei Ltd	—
		June 2016	External Director of the Company (current position)	
[Reason for nomination as candidate for External Director and expected role] Mr. Hironao Onishi has abundant experience and profound insight as a business manager, and has been providing effective counsel and suggestions from an objective standpoint in meetings of the Board of Directors of the Company since assuming office as Director in 2016. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company has deemed that he will properly execute duties as External Director, and therefore, nominates him as a candidate for External Director. The Company expects that Mr. Hironao Onishi will leverage his abundant experience and profound insight as a business manager and provide advice and opinions from a broad managerial perspective and contribute to strengthening supervisory functions for business execution.				
7	Norio Kotaka (June 17, 1962) [Reappointment] [External] [Independent]	April 1986	Joined MITSUI & CO., LTD.	—
		January 1995	Representative Director and President of Full-Steri Corp.	
7		March 1997	Representative Director and President of Dainichi Jitsugyo Co., Ltd.	—
		August 1997	President of DAINICHI KASEI KOUGYOU Co., Ltd.	
7		June 2006	CEO of atect Corp. (current position)	—
		May 2007	Representative Director of atect Korea Corp.	
7		January 2010	CEO of atect Progressive and Innovative Manufacturing Corp. (currently atect Engineering Corp.)	—
		August 2010	Chairman of atect Shanghai Corp.	
7		November 2010	Chairman of ATECT TAIWAN CORPORATION	—
		February 2021	CEO of atect Corp.	
7		June 2021	External Director of the Company (current position)	—
[Reason for nomination as candidate for External Director and expected role] Mr. Norio Kotaka has abundant experience and profound insight in management of manufacturing business in Japan and overseas, and has been providing effective counsel and suggestions from an objective standpoint in meetings of the Board of Directors of the Company since assuming office as Director in 2021. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company has deemed that he will properly execute duties as External Director, and therefore, nominates him as a candidate for External Director. The Company expects that Mr. Norio Kotaka will leverage his experience and profound insight in management of manufacturing business in Japan and overseas and provide advice and opinions from a broad managerial perspective and contribute to strengthening supervisory functions for business execution.				

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
8	Chika Tanaka (February 27, 1971) [Reappointment] [External] [Independent]	<p>October 1999 Joined WORK COMPANY LIMITED</p> <p>November 2012 Director of WORK COMPANY LIMITED</p> <p>February 2015 Representative Director and Vice President of WORK COMPANY LIMITED</p> <p>August 2015 President/C.E.O. of WORK COMPANY LIMITED (current position)</p> <p>May 2018 Director of Patec Co., Ltd. (current position)</p> <p>June 2021 External Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President/C.E.O. of WORK COMPANY LIMITED • Director of Patec Co., Ltd. 	—
<p>[Reason for nomination as candidate for External Director and expected role]</p> <p>Ms. Chika Tanaka has abundant experience and profound insight in the management of manufacturing business domestically and overseas, and has been providing effective counsel and suggestions from an objective standpoint in meetings of the Board of Directors of the Company since assuming office as Director in 2021. In light of the aforementioned background, and in comprehensive consideration of such factors as her personality and insight, the Company has deemed that she will properly execute duties as External Director, and therefore, nominates her as a candidate for External Director.</p> <p>The Company expects that Ms. Chika Tanaka will leverage her experience and profound insight in management of manufacturing business in Japan and overseas and provide advice and opinions from a broad managerial perspective and contribute to strengthening supervisory functions for business execution.</p>			

- Notes:
1. There are no special interests between each candidate for Director and the Company.
 2. The number of shares of the Company held by each candidate for Director shown above is as of March 31, 2022.
 3. The Company has entered into an agreement with Mr. Hironao Onishi, Mr. Norio Kotaka, and Ms. Chika Tanaka which limits the liability for damage under Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damage under the agreement is the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act. If their reelection is approved as originally proposed, the Company plans to continue the above limited liability agreement with them.
 4. The Company has concluded a directors and officers liability insurance policy under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, which includes Directors as the insured. The said insurance policy covers damage arising from litigation against officers which would be borne by the insured. Each candidate for Director, if elected, will be included in the insured under the policy.
 5. Mr. Hironao Onishi, Mr. Norio Kotaka, and Ms. Chika Tanaka are External Director candidates. The Company has registered Mr. Hironao Onishi, Mr. Norio Kotaka, and Ms. Chika Tanaka as Independent Directors with the Tokyo Stock Exchange, Inc. pursuant to the relevant provisions of the Exchange, and plans to register them as Independent Directors again if their reelection is approved as originally proposed at the Meeting.
 6. At the conclusion of this Meeting, Mr. Hironao Onishi will have been in office as External Director of the Company for six (6) years.
 7. At the conclusion of this Meeting, Mr. Norio Kotaka and Ms. Chika Tanaka each will have been in office as External Director of the Company for one (1) year.

Proposal 4: Election of One (1) Audit & Supervisory Board Member

The terms of office of Audit & Supervisory Board Member Ms. Yukako Takemoto will expire at the conclusion of the Meeting. Accordingly, the Company proposes the election of one (1) Audit & Supervisory Board Member.

The Company has obtained approval for this proposal from the Audit & Supervisory Board.

The Audit & Supervisory Board Member candidate is as follows.

Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
Yukako Takemoto (May 1, 1963) [Reappointment] [External] [Independent]	April 1996 Registered as an attorney and joined the Hyogo Bar Association May 2001 President of Veritas Law Office (current position) March 2008 Earned Master of Laws (LL.M.) from Graduate School of law of Kyoto University September 2010 Chair of International Soroptimist of Itami April 2012 Vice Chair of Hyogo Bar Association April 2014 Chair of Hyogo Bar Association June 2018 External Audit & Supervisory Board Member of the Company (current position) [Significant concurrent positions] • President of Veritas Law Office	—
<p>[Reason for nomination as candidate for External Audit & Supervisory Board Member] Ms. Yukako Takemoto has abundant experience and profound insight as an attorney, and has been providing appropriate counsel and suggestions for auditing and ensuring the legality of the Company’s business execution since assuming office as an Audit & Supervisory Board Member in 2018. In light of the aforementioned background, and in comprehensive consideration of such factors as her personality and insight, the Company has deemed that she will properly execute duties as External Audit & Supervisory Board Member, and therefore, nominates her as a candidate for External Audit & Supervisory Board Member.</p>		

- Notes:
1. There are no special interests between the candidate for Audit & Supervisory Board Member and the Company.
 2. The number of shares of the Company held by the candidate for Audit & Supervisory Board Member is as of March 31, 2022.
 3. Ms. Yukako Takemoto is an External Audit & Supervisory Board Member candidate. The Company has registered her as an Independent Officer with the Tokyo Stock Exchange, Inc. pursuant to the relevant provisions of the Exchange, and plans to register her as an Independent Officer again if her reelection is approved as originally proposed at the Meeting.
 4. Ms. Yukako Takemoto has never been involved in the management of a company other than as External Audit & Supervisory Board Member, but for the reasons described above in “[Reason for nomination as candidate for External Audit & Supervisory Board Member],” the Company has deemed that she will properly execute duties as External Audit & Supervisory Board Member.
 5. The Company has entered into an agreement with Ms. Yukako Takemoto which limits the liability for damage under Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damage under the agreement is the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act. If her reelection is approved as originally proposed, the Company plans to continue the above limited liability agreement with her.

6. The Company has concluded a directors and officers liability insurance policy under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, including Audit & Supervisory Board Members as the insured. The said insurance policy covers damage arising from litigation against officers which would be borne by the insured. The Audit & Supervisory Board Member candidate, if elected, will be included in the insured under the policy.
7. At the conclusion of this Meeting, Ms. Yukako Takemoto will have been in office as External Audit & Supervisory Board Member of the Company for four (4) years.

Proposal 5: Election of Two (2) Substitute Audit & Supervisory Board Members

To prepare for the event that the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the Company proposes the election of two (2) Substitute Audit & Supervisory Members in advance.

The Company has obtained approval for this proposal from the Audit & Supervisory Board.

The Substitute Audit & Supervisory Board Member candidates are as follows.

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	Hiroyuki Okamoto (January 28, 1960)	March 1978 Joined the Company April 2006 General Manager of R&D Planning Department of the Company April 2008 General Manager of R&D Department of the Company November 2008 General Manager of Sales Engineering Department in Sales and R&D Headquarters of the Company April 2016 General Manager of Sales Department in Sales and R&D Headquarters of the Company July 2017 Executive Officer of the Company (current position) July 2017 Vice Chief of Sales and R&D Headquarters of the Company (current position) February 2022 General Manager of Sales Engineering Department in Sales and R&D Headquarters of the Company (current position)	14,400
<p>[Reason for nomination as candidate for Substitute Audit & Supervisory Board Member]</p> <p>Mr. Hiroyuki Okamoto has successively held positions such as General Manager of the R&D Department, General Manager of the Sales Engineering Department, and General Manager of the Sales Department. He has abundant experience and is well versed in the overall business. Therefore, the Company has deemed that he will properly fulfill the role as Audit & Supervisory Board Member to audit Directors' execution of duties. The Company nominates him as a candidate for Substitute Audit & Supervisory Board Member in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
2	Masao Mizobuchi (March 28, 1982) [External] [Independent]	October 2006 Registered as an attorney and joined the Osaka Bar Association	—
		October 2006 Joined the Kyoei Law Office (current position)	
		April 2015 Adjunct Lecturer of the Kwasei Gakuin University Graduate School of Law	
		April 2016 Visiting Professor of the Ritsumeikan University School of Law	
		April 2019 Specially Appointed Professor of the Osaka Metropolitan University Graduate School of Law (current position)	
		[Significant concurrent positions] • Attorney, Kyoei Law Office • Specially Appointed Professor of the Osaka Metropolitan University Graduate School of Law	
		[Reason for nomination as candidate for Substitute Audit & Supervisory Board Member] Mr. Masao Mizobuchi has abundant experience and profound insight as an attorney, and the Company believes that he will provide appropriate counsel and suggestions for auditing and ensuring the legality of the Company's business execution as an Audit & Supervisory Board Member. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company nominates him as a candidate for Substitute Audit & Supervisory Board Member.	

- Notes:
1. There are no special interests between each candidate for Substitute Audit & Supervisory Board Member and the Company.
 2. The number of shares of the Company held by the abovementioned candidates for Substitute Audit & Supervisory Board Member is as of March 31, 2022.
 3. Mr. Masao Mizobuchi is a Substitute External Audit & Supervisory Board Member candidate.
 4. Mr. Masao Mizobuchi has never been involved in the management of a company, but for the reasons described above in “[Reason for nomination as candidate for External Audit & Supervisory Board Member],” the Company has deemed that he will properly execute duties as External Audit & Supervisory Board Member.
 5. As provided by the Company's Articles of Incorporation, the Company plans to enter into an agreement with Mr. Hiroyuki Okamoto and Mr. Masao Mizobuchi which limits the liability for damage under Article 423, Paragraph 1 of the Companies Act, if their election as Audit & Supervisory Board Member and External Audit & Supervisory Board Member, respectively, is approved as originally proposed. The maximum amount of the liability for damage under the agreement is the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act.
 6. The Company has concluded a directors and officers liability insurance policy under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, including Audit & Supervisory Board Members as the insured. The said insurance policy covers damage arising from litigation against officers which would be borne by the insured. Mr. Hiroyuki Okamoto and Mr. Masao Mizobuchi will be included in the insured under the policy if they assume office as Audit & Supervisory Board Member and External Audit & Supervisory Board Member, respectively.

<Reference> The Company's Independence Criteria for External Officers

In addition to the Independence Criteria specified by the Tokyo Stock Exchange, Inc., the Company considers external officers to be independent so far as none of the following conditions apply to them:

1. An external officer who currently falls under any of the following items (1) through (8).
 - (1) A major shareholder of the Company (a shareholder who owns more than 10% of the voting rights) or a person who executes business thereof
 - (2) A business partner of the Company whose transactions with the Company in the most recent fiscal year exceed 2% of the Company's annual consolidated gross sales, or an executive thereof
 - (3) A party who is a business partner of the Company whose transactions with the Company in the most recent fiscal year exceed 2% of its annual consolidated gross sales, or an executive thereof
 - (4) A financial institution or another large creditor on which the Company relies to the extent that it is an indispensable funding source that cannot be replaced, or an executive thereof
 - (5) A certified public accountant, or a member, partner, or employee (excluding support staff) of an auditing firm who is the accounting auditor of the Company
 - (6) A person who executes the business of an organization that receives a donation or grant exceeding the larger of either 10 million yen or 30% of its average annual expenses from the Company in the most recent fiscal year
 - (7) An attorney, certified public accountant, tax accountant, or another consultant who received payment or other properties exceeding 10 million yen from the Company, excluding remuneration for officers, on average during the past three fiscal years
 - (8) A person (excluding support staff) belonging to a law office, auditing firm, tax accountant corporation, consulting firm, or another professional advisor firm that received more than 2% of its annual consolidated gross sales from the Company during the past three fiscal years
2. A person who fell under any of the items (1) through (6) above during any of the past three years

<Reference> Management Structure After Proposals No. 3 and No. 4 are Approved (Tentative)

Name	Position	External	Overseas Business (◎: Manager ○: Staff)	Manufacturing R&D	Sales/ Marketing	Legal/Human Resources/ Financial Affairs/ Accounting	IT	Expertise
Shigemi Mima	Representative Director and President		◎	○	○		○	—
MH Ko	Senior Executive Director		◎	○	○			—
Junichi Nakamura	Senior Executive Director		◎	○	○	○		—
Yoshihide Okada	Managing Director		◎		○	○		—
Masamichi Mima	Director		◎	○	○			—
Hironao Onishi	External Director	○			○	○		Finance
Norio Kotaka	External Director	○	○	○	○		○	—
Chika Tanaka	External Director	○	○	○	○			—
Taizo Yoshida	Standing Auditor		○		○	○		—
Kiyokazu Sugiyama	External Audit & Supervisory Board Member	○			○	○		Financial affairs/ accounting
Yukako Takemoto	External Audit & Supervisory Board Member	○			○	○		Law

- Notes:
1. All of the above officers have knowledge of corporate management and ESG (environment, society, governance).
 2. The Standing Auditor will be determined at a meeting of the Audit & Supervisory Board after this Meeting, and executive directors will be determined subsequently at a meeting of the Board of Directors.
 3. The above list describes not all of the knowledge possessed, but areas where officers can demonstrate greater expertise given their individual experience.