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(Stock Exchange Code 3132)
June 3, 2022

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 7TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to notify you that the 7th Annual General Meeting of Shareholders of MACNICA FUJI ELECTRONICS HOLDINGS, INC. (the “Company”) will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights either in writing or via the Internet. Please review the “Reference Documents for the General Meeting of Shareholders” described hereinafter, and exercise your voting rights no later than 5:00 p.m. on Wednesday, June 22, 2022, Japan time.

1. Date and Time: Thursday, June 23, 2022 at 10:00 a.m. Japan time

2. Place: Nocturne, 3rd floor, Shin Yokohama Prince Hotel
3-4, Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa, Japan
(The place of the meeting is different from the previous year.)

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the Company’s 7th Fiscal Year (April 1, 2021 - March 31, 2022), and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 7th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to Articles of Incorporation
Proposal 3: Election of One (1) Director

- ◎ The reception will open at 9:00 a.m. Please note that we will have no waiting room; this is a preventive measure against the spread of COVID-19 infection.
- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the meeting venue.
- ◎ On the day of the meeting, staff will be wearing light attire (“Cool Biz”). We appreciate your understanding, and also encourage shareholders to attend in light attire.
- ◎ Regarding Disclosure of “Notes” on the Internet
Among the documents to be provided with this Notice of Convocation, “Matters Related to the Company's Share Options, etc.” and “System to Ensure Adequacy of Business and the Operational Status” of the Business Report, “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements, and “Non-consolidated Statements of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.macfehd.co.jp/ir/ja/Top.html>) in accordance with the stipulations of applicable laws and regulations and Article 16 of the Company’s Articles of Incorporation, and are not included in the attached documents.
Furthermore, the attached documents to be posted on the above website have been audited by the Audit & Supervisory Board and the Accounting Auditor in preparing the audit report, as part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements.
Subsequent amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, if any, will be posted on the above website.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

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

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

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount
60 yen per share of common stock
Total dividends of 3,732,946,800 yen
Furthermore, as 40 yen per share has been paid as interim dividends in December 2021, annual dividends will be 100 yen per share for the fiscal year under review.
- (3) Effective date of distribution of surplus
June 24, 2022

Proposal 2: Partial Amendments to Articles of Incorporation

1. Reasons for the Proposal

(1) Change in the trade name

The purpose of the proposed Article 1 is to change the trade name with an aim to create a unified brand for the Group.

(2) Introduction of the system for electronic provision of materials for general meetings of shareholders

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 take effect on September 1, 2022. Accordingly, the Company proposes to make the following amendments to the Articles of Incorporation to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders.

(i) The proposed Article 16 provides that information contained in the reference documents for general meetings of shareholders, etc. shall be provided electronically, and establishes a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.

(ii) The Company proposes to delete the current Article 16 of the Articles of Incorporation, “Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.,” as the provision will be no longer necessary and will therefore be deleted.

(iii) In line with the above establishment and deletion of the provisions, the Company proposes to establish supplementary provisions on the effective date and other relevant matters.

2. Details of Amendments

The details of the amendments are as follows.

(Amended sections are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Trade name) Article 1 1. The name of the Company shall be <u>MACNICA FUJI ELECTRONICS HOLDINGS Kabushiki Kaisha</u> , and shall be rendered in English as <u>MACNICA FUJI ELECTRONICS HOLDINGS, INC.</u>	(Trade name) Article 1 1. The name of the Company shall be <u>MACNICA HOLDINGS Kabushiki Kaisha</u> , and shall be rendered in English as <u>MACNICA HOLDINGS, INC.</u>
<u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 16</u> 1. <u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders 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</u>	<Deleted>

Proposal 3: Election of One (1) Director

The terms of office of Mr. Toyokazu Terada, the Company's Outside Director, will expire at the conclusion of the Annual General Meeting of Shareholders. Accordingly, election of one (1) Outside Director is proposed to continuously enhance the management structure and governance function of the Company.

The candidate for Director is as follows:

Name	Current positions at the Company
Shinichiro Omori	[New appointment] [Outside Director] [Independent Director]

Policy and process to elect candidates for Directors

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

Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
Shinichiro Omori (February 6, 1956) [New appointment] [Outside] [Independent]	April 1978 Joined Hitachi, Ltd. April 2016 Senior Vice President and Executive Officer (retired in March 2019) June 2017 Outside Director, Hitachi Capital Corporation (currently Mitsubishi HC Capital Inc.) June 2017 Director, Hitachi Chemical Co., Ltd. (currently Showa Denko Materials Co., Ltd.) June 2019 Chairperson of the Board, Hitachi Metals, Ltd. April 2020 Board Director, Chairperson, Hitachi Metals, Ltd. (retired in June 2020) July 2020 Chairman of the Board, Hitachi High-Tech Corporation (retired in March 2021) March 2022 Outside Director of the Board, KOKUYO Co., Ltd. (to present) [Significant concurrent positions] Outside Director of the Board, KOKUYO Co., Ltd.	0

[Reason for nomination as candidate for Outside Director]

Mr. Shinichiro Omori has a wealth of knowledge and extensive experience in management, having served as executive officer and chairperson of the board at global business corporations.

The Company nominates him as candidate for Outside Director, expecting that he will contribute to the Group mainly by supervising and providing advice, from independent and objective standpoint, on initiatives to reinforce global management, IT strategy, digital transformation management and governance structures.

(Notes)

1. Mr. Shinichiro Omori is candidate for Outside Director. The Company intends to designate Mr. Shinichiro Omori as Independent Directors as prescribed by the Tokyo Stock Exchange and submit a notification of the designation to the same Exchange.
2. The Company intends to conclude a liability limitation agreement with Mr. Shinichiro Omori pursuant to Article 28 of the Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, when election of Mr. Omori is approved. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by laws and regulations.
3. When the election of Mr. Shinichiro Omori is approved, the Company intends to conclude an indemnification agreement to the effect that the Company will compensate Mr. Omori for the expenses stipulated in Item 1 of Article 430-2, Paragraph 1 of the Companies Act and the losses stipulated in Item 2 of the same Paragraph to the extent provided for by relevant laws and regulations.
4. The Company shall conclude a directors and officers liability insurance agreement with an insurance company. The

insurance covers economic damages to be incurred by the insureds due to claims for damages in pursuit of their liability resulting from the performance of their duties as Director. However, measures are in place to ensure the proper execution of duties by the Directors, by excluding coverage for damage caused by criminal acts such as bribery or by the insureds themselves who intentionally committed an illegal act. The candidate will be included as the insured under this insurance agreement.

5. At Hitachi Chemical Co., Ltd. (currently Showa Denko Materials Co., Ltd.) in which Mr. Shinichiro Omori served as Director until June 2018, inappropriate testing, etc. of some products was revealed in June 2018. The company established a special investigative committee comprised of external experts and other relevant parties, and conducted investigations to determine the root causes and recurrence prevention measures, etc. While Mr. Omori was not aware of the fact until it was revealed, he had regularly made recommendations, as appropriate, on the importance of legal compliance and strict adherence to laws and regulations. Hitachi Metals, Ltd., in which Mr. Omori served as Board Director, Chairperson until June 2020, announced in April 2020, that it discovered conduct including inappropriate descriptions of numerical values of test results in the inspection reports submitted to customers of some products manufactured by the company and its subsidiaries. While Mr. Omori was not aware of the fact until the discovery of the said fact, he had regularly made recommendations, as appropriate, on the importance of legal compliance and strict adherence to laws and regulations. After the discovery of the said fact, Mr. Omori made recommendations on investigation into the facts, identification of root cause, and prevention of recurrence.

(Reference)

■Criteria for ensuring independence of Outside Directors of the Company

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

While the Group has business transactions with Hitachi, Ltd., Hitachi Metals, Ltd. and Hitachi High-Tech Corporation, in which Mr. Shinichiro Omori, candidate for Outside Director as proposed in Proposal 3, had served, the amounts of respective transactions were less than 1% of the consolidated net sales of the Company. Therefore, the Company believes Mr. Shinichiro Omori meets the independence criteria of the Company.

The Board of Directors of the Company judges an Outsider Director or Outside Audit & Supervisory Board Member to be adequately independent of the Company when the individual is considered to meet the criteria set forth below, in addition to the criteria for independence of officers as prescribed in the regulations of the Tokyo Stock Exchange (the Company herein includes its Group companies).

1. The person does not fall under any of the following at present or in the past one year:

- (1) an executive (Note 2) of a major shareholder (Note 1) of the Company
- (2) an executive of a major business partner (Note 3) of the Company or an executive of a firm for whom the Company is a major business partner
- (3) an executive of a supplier (including those headquartered overseas and overseas subsidiaries) of the Company with whom the Company has an agency agreement, etc.
- (4) an executive of a major lender (Note 4) of the Company
- (5) an executive of an accounting auditor who performs statutory audits of the Company, or a person who is in charge of audit of the Company
- (6) a consultant, accounting professional, or legal professional (an executive of such corporation or an organization if applicable) who receives a large amount (Note 5) of money or other benefit from the Company aside from the officer's remuneration
- (7) a director (limited to a person who executes business) or an executive of an organization (e.g. public interest incorporated foundation, public interest incorporated association, non-profit corporation) that receives donations or subsidies in excess of 10 million yen from the Company or its subsidiaries

2. The person's close relative (Note 6) falls under none of 1 (1) to (7) at present or in the past one year

3. The person must not be an executive, auditor or accounting advisor of a company, or parent company or subsidiary of such company that accepts a director (either full-time or part-time) from the Company or its subsidiaries

4. The Company may, even if a person to whom any of (1) to (7) above applies, appoint the person as its Outside Director or Outside Audit & Supervisory Board Member, on condition that the Company externally explains the reason it believes the person to be appropriate as Outside Director or Outside Audit & Supervisory Board Member of the Company

5. The person has no risk of having constant, substantial conflict of interests with general shareholders of the Company due to circumstances other than the reasons considered in 1 (1) to (7) above.

(Notes)

1. A major shareholder refers to a shareholder directly or indirectly holding 10% or more of total voting rights at the end of a fiscal year.

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

■ Skills matrix of Directors and Audit & Supervisory Board Members to be elected

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

Name	Position (Outside)	Since	Skills required to fulfill the functions of the board (including expertise, experience, competencies)									
			Corporate Management	Global	Sales & Marketing	Business Investment & M&A	DX, Solution Development	Industry Knowledge & Expertise	Finance & Investment	Risk & Legal & Compliance	ESG	HR & Organization/ HR Development & Labor
Kiyoshi Nakashima	Director (Non-executive)	2015	●	●	●	●	—	●	●	—	—	●
Kazumasa Hara	Representative Director	2019	●	—	●	●	●	●	—	—	●	—
Akinobu Miyoshi	Representative Director	2019	●	●	●	—	●	●	—	—	—	—
Fumihiko Arai	Director	2015	●	—	●	—	—	●	—	—	—	—
Shigeyuki Sano	Director	2015	—	—	●	—	—	●	●	●	●	●
Takemasa Sato	Director	2019	●	—	●	—	—	●	—	—	—	—
Seu, David Daekyung	Director	2015	—	●	—	●	—	●	●	—	—	—
Eiichi Nishizawa	Director (Non-executive)	2015	—	—	—	●	—	●	●	●	●	●
Hitoshi Kinoshita	Outside Director	2018	●	—	●	—	●	●	—	—	●	—
Tsunesaburo Sugaya	Outside Director	2019	●	●	—	●	—	●	●	—	●	—
Makiko Noda	Outside Director	2019	●	—	●	—	—	—	—	—	●	—
Shinichiro Omori	Outside Director	2022	●	●	—	●	●	●	—	●	●	—
Shinichi Onodera	Standing Audit & Supervisory Board Member	2020	●	●	●	●	—	●	●	—	—	—
Yoshiaki Asahi	Outside Supervisory Board Member	2015	—	—	—	—	—	—	●	●	●	—
Fujiaki Mimura	Outside Supervisory Board Member	2015	—	—	—	—	—	—	—	●	●	●

End