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Securities code: 3153

June 2, 2022

To Shareholders with Voting Rights:

Akio Ota
Chairman & President / CEO
Yashima Denki Co., Ltd.
3-1-1 Shimbashi, Minato-ku,
Tokyo, Japan

Convocation Notice for the 78th Annual General Meeting of Shareholders

We hereby inform you that the 78th Annual General Meeting of Shareholders of Yashima Denki Co., Ltd. (the “Company”) will be held as described below.

- 1. Date and Time:** Thursday, June 23, 2022 at 10:00 a.m., Japan time
- 2. Venue:** Hall B, Toranomon Hills Forum, Toranomon Hills Mori Tower 4th Floor
1-23-3 Toranomon, Minato-ku Tokyo
Please note that no souvenirs will be provided to shareholders attending the Meeting.
- 3. Meeting Agenda:**
- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company’s 78th Fiscal Year (April 1, 2021–March 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the above-mentioned Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 78th Fiscal Year (April 1, 2021–March 31, 2022)
- Proposals to be resolved:**
- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Three (3) Board Directors not serving as Audit and Supervisory Committee Members
- Proposal 3:** Election of Three (3) Board Directors serving as Audit and Supervisory Committee Members
- Proposal 4:** Election of One (1) Substitute Board Director serving as an Audit and Supervisory Committee Member

4. Other Matters in Connection with this Convocation Notice

The following items of the documents to be provided in this Convocation Notice are not presented in the attached documents, as they are made available on the Company’s website (<https://www.yashimadenki.co.jp/>) pursuant to applicable laws and regulations and Article 14 of the Articles of Incorporation.

- 1) “Corporate System and Policy” in the Business Report
- 2) Consolidated Financial Statements: Capital Statement of Changes in Equity and Notes to Consolidated Financial Statements
- 3) Non-consolidated Financial Statements: Non-consolidated Statement of Changes in Equity, and Notes to Non-consolidated Financial Statements

Please note that the attached documents to this Convocation Notice form a part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee, as well as a part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor.

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- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://www.yashimadenki.co.jp/>).
- Please note that the details of the resolution of this Annual General Meeting of Shareholders are to be posted on the above Company’s website, in place of sending you the notice of resolution in writing.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) 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, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows:
 - 1) The proposed Article 14 (Measures for Electronic Provision, Etc.), Paragraph 1 shall be newly established, as we are required to establish a provision in the Articles of Incorporation prescribing that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
 - 2) The proposed Article 14 (Measures for Electronic Provision, Etc.), Paragraph 2 shall be newly established, so that, among the matters on information contained in the reference documents for the general meeting of shareholders, etc. to be provided electronically, the Company may limit the scope of matters to be included in the paper copy to be sent to shareholders who have so requested to the scope stipulated in the Ordinance of the Ministry of Justice.
 - 3) Once the system for electronic provision of materials for general meetings of shareholders is introduced, the provisions of the current Article 14 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) will become unnecessary and will therefore be deleted.
 - 4) In line with the above establishment and deletion of the provisions, a supplementary provision (Article 2) related to the effective date shall be established. This supplementary provision shall be deleted after the lapse of the period set forth below.
- (2) In line with the establishment of Article 2 of the supplementary provisions, the title changes and other necessary amendments shall be made to Article 1 of the Supplementary Provisions.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Articles 1–13 (Omitted)	Articles 1–13 (Unchanged)
<u>Article 14 Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.</u> <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 materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p><u>Article 14 Measures for Electronic Provision, Etc.</u></p> <ol style="list-style-type: none"> 1. <u>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> 2. <u>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 so requested by the record date for voting rights.</u>
<p>Articles 15–40 (Omitted)</p>	<p>Articles 15–40 (Unchanged)</p>
<p style="text-align: center;">Supplementary Provisions</p> <p>Article 1 <u>(Interim Measures)</u></p> <ol style="list-style-type: none"> 1. (Omitted) 2. (Omitted) 	<p style="text-align: center;">Supplementary Provisions</p> <p>Article 1 <u>Interim Measures Regarding Liability Exemption of Corporate Auditor</u></p> <ol style="list-style-type: none"> 1. (Unchanged) 2. (Unchanged)
<p>(Newly established)</p>	<p>Article 2 <u>Interim Measures Regarding Electronic Provision of Materials for General Meetings of Shareholders</u></p> <ol style="list-style-type: none"> 1. <u>The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation prior to the amendment by the resolution of the 78th General Meeting of Shareholders held in June 2022 and the newly establishment of the Article 14 (Measures for Electronic Provision, Etc.) after the amendment shall come into effect 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) (the “Effective Date”).</u>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="805 224 1412 459">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 14 of the Articles of Incorporation prior to the amendment shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="805 481 1412 672">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 2: Election of Three (3) Board Directors not Serving as Audit and Supervisory Committee Members

The terms of office of all five (5) Board Directors not serving as Audit and Supervisory Committee Members (the same shall apply hereinafter in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes the election of three (3) Board Directors, decreasing the number of Board Directors by two, so that the Board of Directors may primarily focus on deliberating overall management of the company and on supervising business operation, and thus our management system may become more efficient. This proposal has been reviewed by the Audit and Supervisory Committee, and no special opinions were expressed. The candidates for Board Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Akio Ota (June 20, 1948) <u>Reappointment</u>	Mar. 1971 Joined the Company Apr. 2001 Executive Officer; General Manager, Industrial Machinery Sales Division Apr. 2004 Senior Vice President & Executive Officer June 2005 Board Director Apr. 2006 Senior Executive Vice President & Board Director Apr. 2013 President & CEO Apr. 2017 Chairman & President / CEO (current position)	152,873
	<p><u>Reasons for nomination</u></p> <p>Mr. Akio Ota has been consistently involved in the sales management since joining the Company, where he has gained abundant management accomplishments and extensive personal connections. After serving in various managerial positions including General Manager of the engineering operation, he has assumed the position of President & CEO of the Company since 2013. In addition, he has concurrently served as Chairman since April 2017. We expect him to leverage his experience and accomplishments in ensuring appropriate decision-making at the Company's Board of Directors and strengthening the effectiveness of its supervisory functions. Accordingly, we propose his reappointment.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Seijin Shiraishi (February 8, 1952) <u>Reappointment</u>	Apr. 1975 Joined Hitachi, Ltd. Apr. 2003 Joined Renesas Technology Corporation May 2008 Joined Hitachi Kokusai Electric Inc. Apr. 2009 General Manager, Public Relations & Legal Center; General Manager, CSR Promotion Division; and General Manager, Secretarial Office July 2012 Joined the Company Oct. 2012 Director; General Manager, CSR Division June 2013 Board Director; General Manager, CSR Planning Division Apr. 2015 Senior Vice President & Board Director; CEO's Office Manager; and General Manager, Legal & Compliance Division Apr. 2017 Senior Executive Vice President & Board Director ; CEO's Office Manager Jan. 2018 President & CEO, Yashima Environment Engineering Co., Ltd. Apr. 2018 Board Director; Executive Vice President & Executive Officer; and CEO's Office Manager, the Company Apr. 2019 Board Director; Senior Executive Vice President & Executive Officer; and CEO's Office Manager Apr. 2021 Board Director; Senior Executive Vice President & Executive Officer (current position) Apr. 2021 Board Director, Yashima Environment Engineering Co., Ltd. (concurrent position) Apr. 2022 Board Director; Chairman Emeritus, Yashima Control Systems Co., Ltd.(concurrent position) (current osition)	69,670
<u>Reasons for nomination</u> Mr. Seijin Shiraishi has been involved in legal affairs, public relations, and other fields at Hitachi, Ltd. and other Hitachi Group companies. Since joining the Company, he has successively served as General Manager of the CSR Division and CEO's Office, and therefore is well-versed in a broad range of the headquarters function. Since April 2019, he has assisted the President of the Company in overall management as Senior Executive Vice President & Executive Officer. We expect him to leverage his abundant experience and accomplishments in ensuring appropriate decision-making of the Company's Board of Directors and strengthening the effectiveness of its supervisory functions. Accordingly, we propose his reappointment.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Tomizo Oda (May 31, 1964) <u>Reappointment</u>	<p>Apr. 1987 Joined Kokusai Electric Co., Ltd.</p> <p>Apr. 2015 Joined the Company</p> <p>June 2015 Board Director, Yashima Control Systems Co., Ltd. (concurrent position)</p> <p>June 2015 Corporate Auditor, Yashima Eco System Co., Ltd. (concurrent position)</p> <p>Apr. 2017 General Manager, Management Planning Division, the Company</p> <p>Apr. 2017 Corporate Auditor, Techno Eight Co., Ltd. (concurrent position)</p> <p>June 2017 Executive Officer; General Manager, Management Planning Division, the Company</p> <p>Apr. 2018 Vice President & Executive Officer; General Manager, Management Operations Group</p> <p>Apr. 2018 Board Director, Sanyo Plant Construction Co., Ltd. (concurrent position)</p> <p>June 2018 Board Director, Chugoku Power Systems Co., Ltd. (concurrent position)</p> <p>Nov. 2018 Corporate Auditor, Nishinohon Power Systems Co., Ltd. (concurrent position)</p> <p>Feb. 2020 Vice President & Executive Officer; General Manager, Management Operations Group; General Manager, Finance Division; and Department Manager, Sales Administration Department, the Company</p> <p>Jun. 2020 Board Director; Vice President & Executive Officer; General Manager, Management Operations Group; General Manager, Finance Division</p> <p>Apr. 2021 Board Director; Vice President & Executive Officer; General Manager, Management Operations Group (current position)</p> <p>Apr. 2022 Board Director, Yashima Environment & Information Technology Co., Ltd. (concurrent position) (current position)</p>	29,910
<p><u>Reasons for nomination</u></p> <p>Mr. Tomizo Oda has been involved in the accounting and the corporate planning functions since joining the Company to gain abundant work experience and expertise in finance and accounting, and has also served as Board Directors of our Group companies. In addition, he engages in developing and formulating the medium-term management plans as General Manager of the Management Operations Group and has become well-versed in the Group's overall management strategies. We expect him to leverage his excellent leadership in ensuring appropriate decision-making by the Company's Board of Directors and strengthening the effectiveness of its supervisory functions. Accordingly, we propose his reappointment.</p>			

- Notes:
1. There are no special interests between any of the candidates and the Company.
 2. The number of shares of the Company held by each candidate includes their ownership via the Yashima Denki Director Shareholding Association.
 3. The Company has concluded a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and other costs that may arise in the event that a claim for damages is made against any of the insureds due to their act (or omission) committed in the course of their respective duties of director. However, the Company has taken measures to ensure that integrity in the execution of duties by directors is maintained by not exempting directors from damages that may arise from either criminal acts such as bribery, legal violations, or other deliberate acts. Insurance premiums for the said contract are fully borne by the Company. If the candidates assume the positions of Director, they will be included as the insureds under this insurance policy.

Proposal 3: Election of Three (3) Board Directors Serving as Audit and Supervisory Committee Members

Upon the close of this General Meeting of Shareholders, the terms of office of all three (3) Board Directors serving as Audit and Supervisory Committee Members will expire.

Accordingly, the election of three (3) Board Directors serving as Audit and Supervisory Committee Members is proposed. The Audit and Supervisory Committee has consented to this proposal.

The candidates for Board Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Teruyuki Ishizawa (November 24, 1957) <u>Reappointment</u>	<p>Apr. 1980 Joined The Toyo Trust & Banking Co., Ltd.</p> <p>Oct. 2008 Joined the Company</p> <p>Apr. 2009 General Manager, Management Division</p> <p>June 2010 Board Director, Techno Eight Co., Ltd. (concurrent position)</p> <p>Oct. 2012 Executive Officer; General Manager, Human Resources Department, the Company</p> <p>Apr. 2014 Executive Officer; General Manager, Administration Division</p> <p>June 2015 Board Director; General Manager, Administration Operations Group</p> <p>Apr. 2018 Board Director; Vice President & Executive Officer; General Manager, Administration Operations Group; and General Manager, General Affairs Division</p> <p>Apr. 2020 Board Director; Vice President & Executive Officer in charge of Administration Operations</p> <p>Apr. 2020 Board Director, Yashima Control Systems Co., Ltd. (concurrent position)</p> <p>Apr. 2020 Board Director, Sanyo Plant Construction Co., Ltd. (concurrent position)</p> <p>June 2020 Corporate Auditor, Sanyo Plant Construction Co., Ltd. (currently Yashima Plant Construction Co., Ltd.) (concurrent position) (current position)</p> <p>June 2020 Corporate Auditor, Yashima Control Systems Co., Ltd. (concurrent position) (current position)</p> <p>June 2020 Corporate Auditor, Yashima Business Support Co., Ltd. (concurrent position) (current position)</p> <p>June 2020 Board Director (Audit and Supervisory Committee Member), the Company (current position)</p>	37,749
<u>Reasons for nomination</u>			
Mr. Teruyuki Ishizawa has been consistently involved in administration functions since joining the Company and has become well-versed in general affairs and human resources fields in particular. He has also been involved in the corporate management in his capacity as a Board Director of the Company. We expect him to leverage his abundant experience and profound insight in appropriately executing his duties as a Board Director serving as an Audit and Supervisory Committee Member. Accordingly, we propose his reappointment.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p data-bbox="212 481 430 548">Naohito Miya (January 29, 1950)</p> <p data-bbox="231 571 411 616"><u>Reappointment</u></p>	<p data-bbox="470 275 1252 817"> Apr. 1974 Joined Chuo Joint Audit Corporation Sept. 1975 Registered as Certified Public Accountant (CPA) Oct. 1993 Representative Partner, Asahi & Co. June 2008 Founded Miya Naohito CPA Firm (current position) June 2009 Outside Corporate Auditor, the Company June 2010 Outside Board Director, Tsukui Corporation Oct. 2010 Representative Partner, Futaba Audit Corporation June 2012 Outside Corporate Auditor, TESEC Corporation June 2016 Outside Board Director (Audit and Supervisory Committee Member), TSUKUI HOLDINGS CORPORATION June 2016 Outside Board Director (Audit and Supervisory Committee Member), the Company (current position) Oct. 2020 Outside Corporate Auditor, Strawberry jams (current position) Apr. 2022 Director, Incorporated Educational Institution Teisei Gakuen (current position) </p>	23,166
<p data-bbox="191 824 686 851"><u>Reasons for nomination and expected roles</u></p> <p data-bbox="191 862 1460 1086">Mr. Naohito Miya has abundant experience as a Certified Public Accountant (CPA) and as an Outside Corporate Auditor, and considerable expertise concerning finance, accounting, legal affairs, and compliance. In addition, although he has never been involved in corporate management other than in his capacity as an Outside Board Director or as an Outside Corporate Auditor, he has audited and supervised the Company's management from an objective standpoint as an Outside Board Director serving as an Audit and Supervisory Committee Member, and provided the Company with useful opinions and suggestions in the deliberation of proposals to the Board. We expect him to continue to fulfill these roles, and accordingly we propose his reappointment.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Takeshi Kurosaki (November 12, 1952) <u>Reappointment</u>	<p>Apr. 1977 Joined Japan Mining Co., Ltd.</p> <p>Apr. 2007 Executive Officer in charge of Refining Department, Japan Energy Corporation</p> <p>Apr. 2009 Senior Vice President and Executive Officer in charge of System Planning Department, Refining Department, and Environment Safety Department</p> <p>July 2010 Board Director; Senior Vice President & Board Director; General Manager, Production Engineering Division, JX Nippon Oil & Energy Corporation</p> <p>June 2012 Board Director; Senior Executive Vice President & Executive Officer, Assistant to the President (Environment and Quality Division, Production Engineering Division and Research and Development Division)</p> <p>June 2016 Board Director, JX Holdings, Inc. (concurrent position)</p> <p>Apr. 2017 Corporate Adviser, JXTG Nippon Oil & Energy Corporation</p> <p>June 2018 Outside Board Director (Audit and Supervisory Committee Member), the Company (current position)</p>	13,013
<p><u>Reasons for nomination and expected roles</u></p> <p>Mr. Takeshi Kurosaki has been involved in corporate management for many years as a Board Director of JX Nippon Oil & Energy Corporation and JX Holdings, Inc., where he gained abundant experience and profound insight. Also he has audited and supervised the Company's management from an objective standpoint as an Outside Board Director serving as an Audit and Supervisory Committee Member, and provided the Company with useful opinions and suggestions in the deliberation of proposals to the Board. Accordingly, we propose his reappointment based on the expectation that he will continue to fulfill these roles.</p>			

- Notes:
- There are no special interests between any of the candidates and the Company.
 - The number of shares of the Company held by each candidate includes their ownership via the Yashima Denki Director Shareholding Association.
 - Messrs. Naohito Miya and Takeshi Kurosaki are candidates for Outside Board Directors serving as Audit and Supervisory Committee Members.
 - The Company has notified Tokyo Stock Exchange, Inc. (TSE) of the appointments of Messrs. Naohito Miya and Takeshi Kurosaki as Independent Officers. If the election of both candidates is approved, the Company plans to reappoint them as Independent Officers.
 - The Company has, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, concluded a liability limitation contract with Messrs. Teruyuki Ishizawa, Naohito Miya, and Takeshi Kurosaki.
The outline of the said liability limitation contract is as follows:
 - If a Board Director serving as an Audit and Supervisory Committee Member is held liable for damages to the Company due to their negligence in the performance of their duties, they are held liable for the minimum liability amount prescribed by Article 425, Paragraph 1 of the Companies Act.
 - Such limitation of liability is granted only when the Board Directors serving as Audit and Supervisory Committee Members executed their duties, which have caused the liability, in good faith and without gross negligence.
 - The Company has concluded a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and other costs that may arise in the event that a claim for damages is made against any of the insureds due to their act (or omission) committed in the course of their respective duties of director.
However, the Company has taken measures to ensure that integrity in the execution of duties by directors is maintained by not exempting directors from damages that may arise from either criminal acts such as bribery, legal violations, or other deliberate acts. Insurance premiums for the said contract are fully borne by the Company. If the candidates assume the positions of Board Director, they will be included as the insureds under this insurance policy.

7. At the end of his current term (upon the close of this General Meeting of Shareholders), Mr. Naohito Miya will have served for six (6) years as an Outside Board Director serving as an Audit and Supervisory Committee Member.
8. At the end of his current term (upon the close of this General Meeting of Shareholders), Mr. Takeshi Kurosaki will have served for four (4) years as an Outside Board Director serving as an Audit and Supervisory Committee Member.

Reference

Skills and Expertise of the Board Directors

(upon approval of their election at the Annual General Meeting of Shareholders)

Name	Position in the Company	Corporate management	Finance, accounting	Legal affairs, governance, compliance	Problem-solving and proposal-based sales	Solution provision through engineering	HR, labor management, talent development	Investor relations
Akio Ota	Chairman & President / CEO	●	●	●	●	●	●	●
Seijin Shiraishi	Board Director; and Senior Executive Vice President & Executive Officer	●	●	●			●	●
Tomizo Oda	Board Director; and Vice President & Executive Officer		●					●
Teruyuki Ishizawa	Board Director (Audit and Supervisory Committee Member)		●	●			●	
Naohito Miya	Outside Board Director (Audit and Supervisory Committee Member)		●	●				
Takeshi Kurosaki	Outside Board Director (Audit and Supervisory Committee Member)	●		●		●		

Proposal 4: Election of One (1) Substitute Board Director Serving as an Audit and Supervisory Committee Member

In preparation for situations where the number of Board Directors serving as Audit and Supervisory Committee Members falls short of the number stipulated by laws and regulations, the Company proposes the election of one (1) substitute Board Director serving as an Audit and Supervisory Committee Member pursuant to the provisions of Article 329, Paragraph 3 of the Companies Act.

The Audit and Supervisory Committee has been consented to this proposal.

The candidate for substitute Board Director serving as an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions		Number of shares of the Company held
Yutaka Yamauchi (January 18, 1953)	Sept. 1978	Registered as Certified Public Accountant (CPA), Founded a CPA firm (current position)	—
	Mar. 1988	Outside Corporate Auditor, MAEKAWA MFG. CO., LTD., (current position)	
	Dec. 2004	Chief Audit Commissioner of Tsukuba City	
<p><u>Reason for nomination and expected role</u></p> <p>Mr. Yutaka Yamauchi is well-versed in accounting and finance as a Certified Public Accountant and has gained profound insight and a broad range of experience, although he has never been involved in corporate management other than in his capacity as an Outside Board Director or as an Outside Corporate Auditor. Therefore we expect him to audit and supervise the Company's management from a professional perspective and provide the Company with useful opinions and suggestions if he assumes the position of Board Director serving as an Audit and Supervisory Committee Member. Accordingly, we propose his appointment as a substitute Board Director serving as an Audit and Supervisory Committee Member.</p>			

- Notes:
1. There are no special interests between the candidate for substitute Board Director serving as an Audit and Supervisory Committee Member and the Company.
 2. Mr. Yutaka Yamauchi is a candidate for substitute Outside Board Director serving as an Audit and Supervisory Committee Member.
 3. The Company plans to conclude a liability limitation contract with Mr. Yutaka Yamauchi, if he assumes the position of Board Director serving as an Audit and Supervisory Committee Member, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.
The outline of the said liability limitation contract is as follows:
 - If a Board Director serving as an Audit and Supervisory Committee Member is held liable for damages to the Company due to their negligence in the performance of their duties, they are held liable for the minimum liability amount prescribed by Article 425, Paragraph 1 of the Companies Act.
 - Such limitation of liability is granted only when the Board Director serving as an Audit and Supervisory Committee Members executed their duties, which have caused the liability, in good faith and without gross negligence.

4. The Company has concluded a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and other costs that may arise in the event that a claim for damages is made against any of the insureds due to their act (or omission) committed in the course of their respective duties.
However, the Company has taken measures to ensure that integrity in the execution of duties by directors is maintained by not exempting directors from damages that may arise from either criminal acts such as bribery, legal violations, or other deliberate acts. Insurance premiums for the said contract are fully borne by the Company. If the candidate assumes the position of Board Director, he will be included as the insured under this insurance policy.
5. The appointment of a Substitute Board Director serving as an Audit and Supervisory Committee Member shall be effective until the conclusion of the annual general meeting of shareholders for the last business year which ends within two years after the resolution of this proposal.