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(Securities code: 6653)

March 13, 2023

(Start date of electronic provision measures: March 7, 2023)

To Shareholders with Voting Rights:

Hidetoshi Soeda
President and Representative Director
Seiko Electric Co., Ltd.
7-25 Toko 2-chome, Hakata-ku,
Fukuoka City, Japan

NOTICE OF THE 119th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We would also like to express our sympathies for all those who have suffered from COVID-19, their families, and related people. We sincerely hope that they will return to a peaceful life as soon as possible.

We hereby inform you that the 119th Annual General Meeting of Shareholders of Seiko Electric Co., Ltd. (the “Company”) (the “Meeting”) will be held as described below.

In order to prevent the spread of the COVID-19 infections, we ask you to exercise your voting rights in advance in writing or via the Internet and refrain from attending the Meeting in person if possible.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. (Japan time), on Tuesday, March 28, 2023. For details on how to exercise your voting rights, please see the “Guidance for Exercising Voting Rights” (Japanese version only).

- 1. Date and Time:** Wednesday, March 29, 2023, at 10:00 a.m. Japan time
(The reception desk will open at 9:00 a.m.)
- 2. Place:** Conference Room, Main Building 5F, Head Office, the Company
7-25 Toko 2-chome, Hakata-ku, Fukuoka City, Japan
(Please refer to the venue map at the end of the documents (Japanese version only).)
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Consolidated Financial Statements for the Company’s 119th Fiscal Year (January 1, 2022 - December 31, 2022) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 119th Fiscal Year (January 1, 2022 - December 31, 2022)
 - Proposals to be resolved:**
 - Proposal 1:** Election of Ten (10) Directors
 - Proposal 2:** Election of One (1) Auditor

- If there is any revision to matters to be provided electronically, details of the revision will be posted on the websites of the Company and the TSE.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Ten (10) Directors

The terms of office of all nine (9) current Directors will expire at the conclusion of the Meeting. With the aim of growing the business of the Group now and in the future, the Company proposes that the number of Directors be increased by one (1) and that ten (10) Directors be elected (including four (4) Outside Directors).


The candidates for Directors have been nominated at the Board of Directors meeting after deliberation at the Nomination & Compensation Advisory Committee, which consists of five (5) members, including three (3) independent Outside Directors.

The candidates for Directors are as follows.



No.	Name	Current positions and responsibilities at the Company and significant concurrent positions	Attendance at the Board of Directors meetings
1	Naonori Tsuchiya Male [Reappointment]	Chairman and Representative Director Chairman of the Nomination & Compensation Advisory Committee	100.0% 12/12
2	Hidetoshi Soeda Male [Reappointment]	President and Representative Director Member of the Nomination & Compensation Advisory Committee (Outside Director serving as Audit and Supervisory Committee Member of Kyudenko Corporation)	100.0% 12/12
3	Tsutomu Tanaka Male [Reappointment]	Director; Chief Operating Officer; General Manager of Corporate Planning and Development Division; Officer of CSR and Internal Control and Compliance	100.0% 12/12
4	Yoshiaki Honda Male [Reappointment]	Director; Chief Operating Officer; General Manager of Business Operation Overall Division; Koga Factory Manager; Environmental Management Officer	100.0% 12/12
5	Katsutoshi Arie Male [New appointment]	Chief Operating Officer; Division Chief of IT System Solutions Business Unit (President of Seiko IT Solution Co., Ltd.)	-
6	Mitsuru Yamaguchi Male [New appointment]	Executive Officer; Deputy Division Chief of IT System Solutions Business Unit; Department Manager of Human Resources Development Department	-
7	Hiroshi Wani Male [New appointment] [Outside]	- (Executive Vice President and Representative Director of Kyushu Electric Power Transmission and Distribution Co., Inc.)	-
8	Shigeyuki Takasaki Male [Reappointment] [Outside] [Independent]	Outside Director Member of the Nomination & Compensation Advisory Committee (Corporate Advisor of Nishi - Nippon Railroad Co., Ltd.)	91.7% 11/12



No.	Name	Current positions and responsibilities at the Company and significant concurrent positions	Attendance at the Board of Directors meetings
9	Kozo Ishida Male [Reappointment] [Outside] [Independent]	Outside Director Member of the Nomination & Compensation Advisory Committee (Corporate Fellow of HORIBA, Ltd.) (External Director of ULVAC, Inc.)	100.0% 12/12
10	Reiko Aoki Female [Reappointment] [Outside] [Independent]	Outside Director Member of the Nomination & Compensation Advisory Committee (CEO of DLC·GB Consulting Co., Ltd.)	100.0% 12/12


Note: Please refer to pages 15 to 19 for “Skill matrix of Directors and Auditors under the new management structure,” “Policies and procedures for nominating candidates for Directors and Auditors,” and “Criteria for determining independence of outside officers.”


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 <p>Naonori Tsuchiya (May 5, 1945) Male [Reappointment]</p>	<p>April 1969 Joined Hitachi, Ltd. August 1981 Joined the Company December 1985 Director; Deputy Factory Manager March 1987 Director; General Manager of Sales Division November 1994 Director; Factory Manager June 1995 Managing Director; Factory Manager June 1997 President and Representative Director June 2005 Chairman and Representative Director March 2008 Chief Corporate Adviser March 2013 Chairman and Representative Director (to present)</p>	262,719 shares
<p>[Reason for nomination as candidate for Director] Mr. Naonori Tsuchiya has been involved in the core of the business of the Company for many years. He also has a wide range of knowledge and insight acquired through interactions with people outside the Company in related industries and the business circle. In addition, since 2013, he has played an appropriate role as Representative Director, making decisions on important management matters, supervising business execution, etc. In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director.</p>			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p data-bbox="220 891 422 1070">Hidetoshi Soeda (March 20, 1955) Male [Reappointment]</p>	<p data-bbox="475 273 1264 1258"> April 1978 Joined the Company January 2008 Executive Officer President of Seiko Social Infrastructure System Company March 2010 Senior Executive Officer of the Company President of Seiko Social Infrastructure System Company March 2011 Senior Executive Officer; General Manager of Tokyo Office of the Company President of Seiko Social Infrastructure System Company March 2012 Director; Senior Executive Officer; General Manager of Tokyo Office of the Company President of Seiko Social Infrastructure System Company March 2013 Director; Senior Executive Officer; General Manager of Sales Operation and Management Division; General Manager of Tokyo Office of the Company March 2015 Director; Chief Operating Officer; General Manager of Sales Operation and Management Division; General Manager of Tokyo Office March 2018 President and Representative Director; General Manager of Sales Operation and Management Division March 2019 President and Representative Director (to present) June 2021 Outside Audit and Supervisory Board Member of Kyudenko Corporation June 2022 Outside Director serving as Audit and Supervisory Committee Member (to present) [Significant concurrent positions] Outside Director serving as Audit and Supervisory Committee Member of Kyudenko Corporation </p>	42,967 shares
<p data-bbox="194 1397 1465 1646"> [Reason for nomination as candidate for Director] Mr. Hidetoshi Soeda was appointed as Executive Officer in 2008, and has a wealth of experience cultivated primarily through execution of business in the fields of sales and overseas business, as well as a high level of insight into social and economic trends, among other matters. In addition, since 2018, he has played an appropriate role as Representative Director, making decisions on important management matters, supervising business execution, etc. In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director. </p>			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 <p>Tsutomu Tanaka (October 25, 1961) Male [Reappointment]</p>	<p>April 1985 Joined the Company</p> <p>March 2010 Executive Officer; Deputy General Manager of Corporate Planning and Development Division; Department Manager of Financial Management Department</p> <p>May 2010 Executive Officer; General Manager of Corporate Planning and Development Division</p> <p>March 2012 Director; Senior Executive Officer; General Manager of Corporate Planning and Development Division</p> <p>March 2019 Director; Chief Operating Officer; General Manager of Corporate Planning and Development Division (to present)</p> <p>[Currently serving as:] Officer of CSR and Internal Control and Compliance</p>	33,886 shares
<p>[Reason for nomination as candidate for Director] Mr. Tsutomu Tanaka was appointed as Executive Officer in 2010, and has a wealth of experience cultivated primarily through execution of business in the fields of accounting, finance, CSR, internal control, and compliance, as well as a prominent level of insight into social and economic trends, among other matters. In addition, he has been involved in the management of the Company since assuming the office of Director in 2012. In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director.</p>			
4	 <p>Yoshiaki Honda (August 17, 1959) Male [Reappointment]</p>	<p>April 1982 Joined the Company</p> <p>April 2013 Executive Officer; Division Chief of Environmental Energy and Control Systems Business Unit</p> <p>March 2018 Director; Senior Executive Officer; Deputy General Manager of Business Operation Overall Division; Division Chief of Environmental Energy and Control Systems Business Unit</p> <p>March 2019 Director; Chief Operating Officer; General Manager of Business Operation Overall Division; Koga Factory Manager; Division Chief of Environmental Energy and Control Systems Business Unit</p> <p>March 2022 Director; Chief Operating Officer; General Manager of Business Operation Overall Division; Koga Factory Manager (to present)</p> <p>[Currently serving as:] Environmental Management Officer</p>	22,386 shares
<p>[Reason for nomination as candidate for Director] Mr. Yoshiaki Honda was appointed as Executive Officer in 2013, and has a wealth of experience cultivated primarily through execution of business in the fields of social infrastructural and environmental system business, as well as a prominent level of insight into social and economic trends, among other matters. In addition, he has been involved in the management of the Company since assuming the office of Director in 2018. In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has nominated him again as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 <p>Katsutoshi Arie (March 20, 1963) Male</p> <p>[New appointment]</p>	<p>April 1985 Joined the Company</p> <p>March 2005 Director; Department Manager of Solutions Services Department of Seiko IT Solution Co., Ltd.</p> <p>January 2006 Executive Officer; Division Manager of IT Solution Division of the Company</p> <p>January 2006 President of Seiko IT Solution Co., Ltd. (to present)</p> <p>March 2010 Director; Senior Executive Officer; Division Manager of IT Solution Division of the Company</p> <p>April 2013 Director; Senior Executive Officer; Division Chief of IT System Solutions Business Unit</p> <p>March 2019 Chief Operating Officer; Division Chief of IT System Solutions Business Unit (to present)</p> <p>[Significant concurrent positions] President of Seiko IT Solution Co., Ltd.</p>	34,966 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Katsutoshi Arie was appointed as Executive Officer in 2006, and has a wealth of experience cultivated primarily through execution of business in the field of information technology, as well as a prominent level of insight into social and economic trends, among other matters.</p> <p>In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has newly nominated him as a candidate for Director.</p>			
6	 <p>Mitsuru Yamaguchi (December 20, 1962) Male</p> <p>[New appointment]</p>	<p>April 1985 Joined the Company</p> <p>October 2002 Department Manager of Solutions Business Department, Information System Division</p> <p>March 2005 Director (to present); Department Manager of Solutions Business Department of Seiko IT Solution Co., Ltd.</p> <p>January 2010 Director; Supervisor of Tokyo Area; Supervisor of Sales Business Unit</p> <p>February 2016 Director; Supervisor of Services Business Unit</p> <p>June 2017 President and Representative Director of Seiko IT Solution Philippines Inc.</p> <p>March 2019 Executive Officer of the Company President and Representative Director of Seiko IT Solution Philippines Inc.</p> <p>March 2020 Executive Officer; Department Manager of Human Resources Development Department of the Company President and Representative Director of Seiko IT Solution Philippines Inc.</p> <p>February 2021 Director of Seiko IT Solution Philippines Inc. (to present)</p> <p>March 2021 Executive Officer; Deputy Division Chief of IT System Solutions Business Unit; Department Manager of Human Resources Development Department of the Company (to present)</p>	15,116 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Mitsuru Yamaguchi was appointed as Executive Officer in 2019, and has a wealth of experience cultivated primarily through development of overseas business in the field of information technology and execution of business in the field of human resource development, as well as a prominent level of insight into social and economic trends, among other matters.</p> <p>In light of the above background and as a result of comprehensive consideration of his experience, knowledge, and insight, the Company has newly nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	 <p>Hiroshi Wani (May 10, 1960) Male</p> <p>[New appointment] [Outside]</p> <p>[Years served as Outside Director] -</p>	<p>April 1986 Joined Kyushu Electric Power Co., Inc.</p> <p>July 2003 Assigned to Corporate Planning Office; Seconded to the Federation of Electric Power Companies of Japan</p> <p>July 2006 Head of Power Market System Group, Power System Operation Department of Kyushu Electric Power Co., Inc.</p> <p>July 2007 Head of Wide Area Management Group, Power System Operation Department</p> <p>July 2008 Head of Power Supply Planning Group, Power System Operation Department</p> <p>July 2011 Deputy General Manager of Transmission and System Operation Division; Head of Power Supply Planning Group</p> <p>July 2013 Deputy General Manager of Transmission and System Operation Division; Head of Plan Management Group</p> <p>July 2015 General Manager of Miyazaki Power Center</p> <p>April 2017 General Manager of Transmission and System Operation Division (System Operation); Head of Operation Group (January 2018 to June 2018), Transmission and Distribution Company</p> <p>April 2020 Executive Officer; General Manager of Oita Branch Office</p> <p>June 2022 Executive Vice President and Representative Director; General Manager of Power System Technology Division of Kyushu Electric Power Transmission and Distribution Co., Inc. (to present)</p> <p>[Significant concurrent positions] Executive Vice President and Representative Director of Kyushu Electric Power Transmission and Distribution Co., Inc.</p>	0 shares
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles] Mr. Hiroshi Wani has a prominent level of expertise based on his wealth of practical experience cultivated primarily through execution of business in the power transmission and other divisions at Kyushu Electric Power Co., Inc. and Kyushu Electric Power Transmission and Distribution Co., Inc. In addition, he possesses an excellent character and exceptional insight. The Company expects him to contribute to strengthening the supervisory function of business execution and provide advice and recommendations from a broad management perspective. The Company has thus nominated him as a new candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	 <p>Shigeyuki Takasaki (January 7, 1955) Male</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Years served as Outside Director] 2 years</p>	<p>April 1980 Joined Nishi-Nippon Railroad Co., Ltd.</p> <p>July 2005 General Manager of Planning Department</p> <p>July 2006 General Manager of Corporate Planning Department, Corporate Planning Division</p> <p>June 2008 Director of the Board and Executive Officer; General Manager of Corporate Planning Division</p> <p>June 2011 Director of the Board and Managing Executive Officer; Director of Urban Development Business Division</p> <p>June 2014 Director of the Board and Senior Managing Executive Officer; Director of Housing Business Division</p> <p>June 2015 Director of the Board and Senior Managing Executive Officer; Director of Hotel Business Division</p> <p>June 2017 CEO and Senior Managing Executive Officer; Director of Town Development Promotion Division</p> <p>April 2019 CEO and Senior Managing Executive Officer; Director of Urban Development Business Division</p> <p>April 2020 Director of the Board</p> <p>April 2020 President of School Foundation Nishitetsu Gakuen</p> <p>June 2020 Corporate Advisor of Nishi-Nippon Railroad Co., Ltd. (to present)</p> <p>March 2021 Outside Director of the Company (to present)</p> <p>[Significant concurrent positions] Corporate Advisor of Nishi-Nippon Railroad Co., Ltd.</p>	0 shares
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles] Mr. Shigeyuki Takasaki has been involved in the management of Nishi-Nippon Railroad Co., Ltd. for many years, and has a wealth of experience and a wide range of knowledge and insight regarding corporate planning and business strategy. In addition, the Company expects him to play an appropriate role in matters, such as supervising the management team through his involvement in their nomination and compensation as a member of the Nomination & Compensation Advisory Committee, a voluntary committee. The Company has thus nominated him again as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	 <p>Kozo Ishida (November 4, 1944) Male</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Years served as Outside Director] 6 years</p>	<p>March 1970 Joined HORIBA, Ltd.</p> <p>June 1982 General Manager of Product Department I, Development and Sales Division</p> <p>March 1985 Director and President of HORIBA Europe GmbH (Germany)</p> <p>June 1988 Director of HORIBA, Ltd.</p> <p>June 1991 Managing Director</p> <p>June 1996 Senior Managing Director</p> <p>July 2001 Director and President (CEO) of HORIBA SAS (currently HORIBA ABX SAS) (France)</p> <p>June 2002 Executive Vice President of HORIBA, Ltd.</p> <p>June 2005 Executive Vice President and Representative Director</p> <p>March 2014 Executive Vice Chairman</p> <p>March 2016 Senior Advisor</p> <p>September 2016 External Director of ULVAC, Inc. (to present)</p> <p>November 2016 Corporate Adviser of the Company</p> <p>March 2017 Outside Director (to present)</p> <p>April 2018 Fellow of HORIBA, Ltd.</p> <p>April 2021 Corporate Fellow (to present)</p> <p>[Significant concurrent positions] Corporate Fellow of HORIBA, Ltd. External Director of ULVAC, Inc.</p>	0 shares
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles] Mr. Kozo Ishida has overseas business experience and technical knowledge cultivated through business experience at HORIBA, Ltd. In addition, the Company expects him to play an appropriate role in matters, such as supervising the management team through his involvement in their nomination and compensation as a member of the Nomination & Compensation Advisory Committee, which is a voluntary committee. The Company has thus nominated him again as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
10	 <p>Reiko Aoki (March 20, 1959) Female</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Years served as Outside Director] 2 years</p>	<p>April 1984 Joined Fukuoka Prefectural Government</p> <p>April 1990 Advisor for Exchange with China of Fukuoka Prefecture</p> <p>January 1999 President of Beijing Great Wall Circle Vision Theater (Japan-China joint venture)</p> <p>April 2004 CEO of DLC Japan China Business Consulting Co., Ltd. (currently DLC·GB Consulting Co., Ltd.) (to present)</p> <p>April 2004 Adjunct Lecturer of Faculty of Economics, Fukuoka University</p> <p>April 2007 Lecturer of Waseda University China School</p> <p>July 2008 Head of Fukuoka International Student Support Center</p> <p>May 2016 Representative Director and Chairman of Jindesign Co., Ltd. (to present)</p> <p>March 2021 Outside Director of the Company (to present)</p> <p>[Significant concurrent positions] CEO of DLC·GB Consulting Co., Ltd.</p>	0 shares
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles] Ms. Reiko Aoki has experience and knowledge cultivated by working as a consultant at a consulting firm operating primarily in China for many years. In addition, the Company expects her to play an appropriate role in matters, such as providing advice and recommendations from the perspective of diversity and supervising the management team through her involvement in their nomination and compensation as a member of the Nomination & Compensation Advisory Committee, which is a voluntary committee. The Company has thus nominated her again as a candidate for Outside Director.</p>			

- Notes:
1. Mr. Hiroshi Wani is Executive Vice President and Representative Director of Kyushu Electric Power Transmission and Distribution Co., Inc., with which the Company makes business transactions of selling products (related to power equipment). In addition, in the past ten years, he executed business at Kyushu Electric Power Co., Inc., which is a specified associated service provider (major business partner) of the Company. His positions and responsibilities were as described on page 8.
 2. There are no special interests between any of the other candidates for Directors and the Company.
 3. Messrs. Hiroshi Wani, Shigeyuki Takasaki, and Kozo Ishida and Ms. Reiko Aoki are candidates for Outside Directors.
 4. The Company has concluded agreements with Outside Directors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of their liability for damages under the agreements is the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed, the Company plans to continue the same agreements with Messrs. Shigeyuki Takasaki and Kozo Ishida and Ms. Reiko Aoki and conclude the same agreement with Mr. Hiroshi Wani.
 5. In order to ensure the independence of Outside Directors, in addition to the standards stipulated by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, the Company has established its own criteria for determining independence of Outside Directors (as described on page 18). Messrs. Shigeyuki Takasaki and Kozo Ishida and Ms. Reiko Aoki meet these criteria, and the Company has registered them with each of the stock exchanges as independent officers.
 6. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. If this proposal is approved, and the candidates assume the office of Director, they will become the insureds under the said insurance agreement. The Company plans to renew the said insurance agreement during their terms of office.

Proposal 2: Election of One (1) Auditor

Auditor Mr. Teruo Shiotsuki will resign at the conclusion of the Meeting. Accordingly, the Company proposes that one Auditor be elected as his substitute.

The candidate for Auditor has been nominated at the Board of Directors meeting after deliberation at the Nomination & Compensation Advisory Committee, which consists of five (5) members, including three (3) independent Outside Directors, and after consent was obtained from the Board of Auditors.

The candidate for Auditor is as follows.

Name (Date of birth) (Gender)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
 <p>Katsunori Takada (April 6, 1957) Male [New appointment] [Outside] [Independent] [Years served as Outside Auditor] -</p>	<p>April 1980 Joined Kyushu Denki Koji Corporation (currently Kyudenko Corporation)</p> <p>July 1998 Manager of Administration Section, General Affairs Department, Tokyo Branch Office</p> <p>July 2000 Manager of Accounting Section, Accounting Department</p> <p>July 2003 General Manager of Accounting Department</p> <p>April 2005 General Manager of General Affairs Department, Fukuoka Branch Office</p> <p>April 2007 Deputy General Manager of Fukuoka Branch Office; General Manager of General Affairs Department, Fukuoka Branch Office</p> <p>March 2009 Head of Business Audit Office, Office of President</p> <p>April 2011 Head of Office of President</p> <p>April 2012 Director; Head of Office of President</p> <p>April 2013 Director; General Manager of Accounting Department</p> <p>April 2015 Executive Officer; General Manager of Accounting Department</p> <p>April 2017 Senior Executive Officer; General Manager of Finance Department</p> <p>April 2020 Assigned to Personnel Affairs Department; seconded to Kyushudenko Home, Co., Ltd. (currently Kyu-Denko Home, Inc.); Representative Director and President (to present)</p>	<p>0 shares</p>
<p>[Reason for nomination as candidate for Outside Auditor] Mr. Katsunori Takada has served as general manager of accounting department, etc. of Kyudenko Corporation, and has sufficient knowledge on and insight into finance and accounting. The Company hopes that he will leverage his wealth of experience and wide range of knowledge and insight cultivated through serving as executive officer at Kyudenko Corporation and representative director and president at Kyu-Denko Home, Inc. in management of the Company in general. The Company also hopes that he will contribute to improving the objectiveness of the management monitoring function and strengthening the supervisory function. The Company has thus nominated him as a new candidate for Outside Auditor.</p>		

- Notes:
1. There are no special interests between Mr. Katsunori Takada and the Company.
 2. Mr. Katsunori Takada is a candidate for Outside Auditor.
 3. The Company has concluded agreements with Outside Auditors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of their liability for damages under the agreements is the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed, the Company plans to conclude the same agreement with Mr. Katsunori Takada.
 4. In order to ensure the independence of Outside Auditors, in addition to the standards stipulated by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, the Company has established its own criteria for determining independence of Outside Auditors (as described on page 18). Mr. Katsunori Takada meets these criteria, and the Company plans to register him with each of the stock exchanges as an independent officer.
 5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. If this proposal is approved, and Mr. Katsunori Takada assumes the office of Auditor, he will become the insured under the said insurance agreement. The Company plans to renew the said insurance agreement during his term of office.

(Reference)

1. Skill matrix of Directors and Auditors under the new management structure

The Board of Directors of the Company has identified important skills for company management as follows and expects Directors and Auditors to fully demonstrate their abilities.

First, skills of “corporate management,” “finance/accounting,” “legal/risk management,” “technology/manufacture/R&D,” “sales/marketing,” and “personnel affairs/HR development” are the basis for each and every judgment in company management.

Furthermore, in order to steadily solve social issues through the use of digital technologies and promote sustainability management according to the Mid-term Management Plan (SEIKO IC2026), skills of “global” and “innovation” are also required.

If each proposal is approved at the Meeting, the skill matrix of Directors and Auditors under the new management structure will be as shown on the next page.

■ Evaluation of effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors through questionnaire surveys with all Directors and Auditors, including Outside Directors and Outside Auditors, and reports the aggregated and analyzed results to the Board of Directors.

In evaluating the effectiveness, the Company uses the skill matrix presented on the next page.

In fiscal 2022, the evaluation was performed in November and December and reported to the Board of Directors in December. The Board of Directors has concluded that it is appropriately performing its functions in general, such as collecting information, discussing from a multi-faceted perspective, making decisions on important matters, and monitoring business execution, and that the effectiveness of the Board of Directors is being ensured.

The Company will continue to make further improvements and work to increase the effectiveness of the Board of Directors.

Name	Gender	Positions and responsibilities at the Company (Planned)	Areas of expertise particularly expected of the Directors and Auditors							
			Corporate management	Finance /Accounting	Legal /Risk management	Technology/ Manufacture /R&D	Sales /Marketing	Personnel affairs/HR development	Global	Innovation
Naonori Tsuchiya	Male	Chairman and Representative Director Chairman of the Nomination & Compensation Advisory Committee	●			●	●		●	●
Hidetoshi Soeda	Male	President and Representative Director Member of the Nomination & Compensation Advisory Committee	●			●	●		●	●
Tsutomu Tanaka	Male	Director; Chief Operating Officer; General Manager of Corporate Planning and Development Division; Officer of CSR and Internal Control and Compliance		●	●				●	
Yoshiaki Honda	Male	Director; Chief Operating Officer; General Manager of Business Operation Overall Division; Koga Factory Manager; Environmental Management Officer				●				●
Katsutoshi Arie	Male	Director; Chief Operating Officer; Division Chief of IT System Solutions Business Unit	●			●	●		●	●
Mitsuru Yamaguchi	Male	Director; Chief Operating Officer; General Manager of Sales Operation and Management Division; General Manager of Tokyo Office	●			●	●	●	●	●
Hiroshi Wani	Male	Outside Director	●			●	●		●	●
Shigeyuki Takasaki	Male	Independent Outside Director Member of the Nomination & Compensation Advisory Committee	●			●	●		●	●
Kozo Ishida	Male	Independent Outside Director Member of the Nomination & Compensation Advisory Committee	●			●	●		●	●
Reiko Aoki	Female	Independent Outside Director Member of the Nomination & Compensation Advisory Committee	●				●	●	●	
Hiroshi Niiri	Male	Auditor (Full-time)	●	●	●				●	
Katsunori Takada	Male	Independent Outside Auditor (Full-time)	●	●	●					
Makoto Kondo	Male	Independent Outside Auditor			●				●	

(Note) This matrix does not present all skills possessed by Directors and Auditors.

2. Policies and procedures for nominating candidates for Directors and Auditors

In order to ensure the objectivity and transparency of the functions of the Board of Directors and to further strengthen the corporate governance system, the Company has established a Nomination & Compensation Advisory Committee, which consists of five members, including three independent Outside Directors.

In nominating candidates for Directors and Auditors, taking into consideration the following selection criteria and the concepts regarding the composition of the Board of Directors and the Board of Auditors, the Board of Directors meeting makes decisions, after deliberation at the Nomination & Compensation Advisory Committee and obtaining consent from the Board of Auditors with regard to candidates for Auditors.

<Criteria for selecting candidates for Directors and Auditors>

- Candidates for Directors (excluding candidates for Outside Directors) and candidates for Auditors (excluding candidates for Outside Auditors) shall have a wealth of experience as corporate managers, a prominent level of insight into social and economic trends, among other matters, and diverse perspectives.
- Candidates for Outside Directors shall be able to provide advice on management of a company in general based on a broad range of knowledge and insight, and a wide variety of experience.
- Candidates for Outside Auditors shall have a broad range of knowledge and insight and be able to monitor the management of a company in general and provide effective advice.

<Concepts regarding the composition of the Board of Directors>

- In order to ensure the balance and diversity of knowledge, experience, and abilities of the Board of Directors as a whole, the Board of Directors shall be composed of Outside Directors and Internal Directors. As for the size of the Board of Directors, the number of its members shall be such that its functions can be performed most effectively and efficiently.
- More than one independent Outside Directors shall be appointed.

<Concepts regarding the composition of the Board of Auditors>

- The Board of Auditors shall consist of four or fewer members with appropriate experience and abilities as well as the necessary knowledge of finance, accounting, and legal affairs. In particular, at least one person shall have sufficient knowledge on and insight into finance and accounting.

3. Criteria for determining independence of outside officers

The Company determines that an Outside Director or an Outside Auditor (“Outside Officer”) is independent unless he/she falls under any of the following items.

The Outside Officer himself/herself, or his/her spouse or relative within the second degree of kinship is:

- (1) A person who currently executes business of the Company or its group company or a person who executed business of the Company or its group company during a period of ten years prior to his/her appointment
- (2) A person who executes business of a corporation, etc. which is a business partner of the Company and which made a payment to the Company in any of the three most recently ended fiscal years of the Company of an amount exceeding 3% of the consolidated net sales of the Company for the relevant fiscal year or a person who executes business of a financial institution which is essential for the Company’s fund raising and on which the Company is dependent to the extent that it has no alternative
- (3) A person who executes business of a corporation, etc. of which the Company is a business partner and which received a payment from the Company in any of the three most recently ended fiscal years of the Company of an amount exceeding 5% of the consolidated net sales of the corporation for its respective most recently ended fiscal year
- (4) A person who received compensation exceeding ¥10 million directly from the Company as a legal, accounting, or tax expert or consultant (excluding compensation received for serving as an officer of the Company) in any of the three most recently ended fiscal years of the Company (If the person who received the compensation is an organization, a person who belongs to the organization)
- (5) A person who belongs to an organization, etc. which received donations or subsidies of an amount exceeding ¥10 million per year from the Company in any of the three most recently ended fiscal years of the Company
- (6) A person who executes business of a corporation, etc. which is a shareholder of the Company who practically holds shares representing 10% or more of the Company’s voting rights or a person who executed business of a corporation, etc. which is a shareholder of the Company who practically holds shares representing 10% or more of the Company’s voting rights during a period of ten years prior to his/her appointment