

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

<Code Number 6794>
June 5, 2023

To Our Shareholders with Voting Rights

Atsushi Narikawa, CEO
Foster Electric Company, Limited
1-1-109, Tsutsujigaoka, Akishima City, Tokyo

NOTICE OF THE 89TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 89th Ordinary General Meeting of Shareholders of Foster Electric Company, Limited (the “Company”), to be held as follows.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following websites. Please access either of the following websites by using the internet addresses shown below to review the information.

[The Company’s website]

https://www.foster.co.jp/investors/shareholder_info/meeting.html (in Japanese)

[Tokyo Stock Exchange’s website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “Foster Electric” in “Issue name (company name)” or the Company’s securities code “6794” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

[The website for informational materials for the General Meeting of Shareholders]

<https://d.sokai.jp/6794/teiji/> (in Japanese)

You can exercise your voting rights by using the Internet or in writing; so please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the “Guidance on Exercising Voting Rights” (in Japanese only), by no later than the closing time of our daily business hours (5:15 p.m.) on Monday, June 26, 2023 (Japan Time).

1. Date and Time: Tuesday, June 27, 2023 at 10:00 a.m. (Japan Time)

2. Place: Main Hall (1st Floor), Foster Electric Company, Limited, 1-1-109, Tsutsujigaoka, Akishima City, Tokyo

3. Agenda of the Meeting

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the 89th Fiscal Year (from April 1, 2022 to March 31, 2023) and results of audit on the Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors.
2. Standalone Financial Statements for the 89th Fiscal Year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

Proposal 1:	Dividends of Surplus
Proposal 2:	Amendment to the Articles of Incorporation
Proposal 3:	Election of Eight (8) Directors
Proposal 4:	Election of One (1) Corporate Auditor
Proposal 5:	Election of the Financial Auditor

4. Others

- (1) If you attend the meeting, please show the Exercise Voting Rights Form at the reception of the meeting upon arrival.
- (2) If you exercise your voting rights by proxy, you may nominate one (1) shareholder with a voting right as a proxy to attend the meeting, provided that a document verifying the proxy right of the person representing you must be submitted.
- (3) We send out documents that include matters for which measures for providing information in electronic format are to be taken to shareholders who have made a request for delivery of paper-based documents; however, such documents do not include the following matters as provided for by the provisions of laws and regulations and Article 15, paragraph (2) of the Articles of Incorporation of the Company:
 - “Structure and Policy of the Company” in the Business Report
 - “Notes to the Consolidated Financial Statements”
 - “Notes to the Standalone Financial Statements”

The Business Report, the Consolidated Financial Statements and the Standalone Financial Statements in the documents are part of the Business Report and the Consolidated and Standalone Financial Statements that were audited by the Financial Auditor and Corporate Auditors of the Company when preparing the Financial Auditor’s Report and the Corporate Auditors’ Report.
- (4) If you exercised your voting rights in duplicate through the Internet and in writing, the vote by the Internet will be validated. If you exercised your voting rights multiple times, the vote you exercised last will be validated.
- (5) Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
- (6) On the day of the meeting, our executives and employees will be dressed casually (“Cool Biz”).
- (7) If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s aforementioned website, the TSE website (Listed Company Search) and the website for informational materials for the General Meeting of Shareholders.
- (8) An English translation of the Notice of the 89th Ordinary General Meeting of Shareholders is posted on the corporate website (<https://www.foster-electric.com/investors/meeting/index.html>).

About the platform for exercising voting rights electronically

In addition to the voting methods of in writing and through the Internet as described above, institutional investors may exercise their voting rights electronically by using the platform operated by ICJ, Inc.

Guidance on Livestreaming

Livestreaming of the General Meeting of Shareholders

Livestreaming will be available, enabling you to watch the meeting without traveling to the venue.

The camera will be set at the back of the venue to avoid showing the faces of shareholders, but some shareholders' faces may inevitably be shown. In addition, please be advised that the voices of shareholders who ask questions or make comments in the meeting will be broadcast live.

The livestream is scheduled to start at 10:00 a.m. on Tuesday, June 27, 2023 (Japan Time), and continue to be on until the meeting ends.

Please use the following website to watch the meeting:

URL <https://www.virtual-sr.jp/users/foster2023/login.aspx>

Password: ellipsis

To watch the livestream, you will **need your shareholder number, etc.** in addition to the URL and password above. Your shareholder number is printed on the Exercise Voting Rights Form.

Notes

- The livestream audio will be provided only in Japanese.
- Depending on your equipment and network environment, it may not be possible to access the livestream.
- Telecommunication charges for accessing the Company's website and the livestream are paid by shareholders themselves.
- To watch the livestream comfortably on smartphones or tablets, use of Wi-Fi is recommended.

If any change in the meeting plans arises, we will inform you via the corporate website (URL: <https://www.foster.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Dividends of Surplus

The Company regards the enhancement of corporate value as a major management issue and maintains a basic policy of comprehensively improving shareholders' interest by distributing profits that are commensurate with the Company's business results and enhancing internal reserves from a long-term viewpoint.

We propose a year-end dividend of ¥10 per share for the fiscal year under review, while comprehensively considering our business results for the year as well as the tough management environment, etc. Accordingly, since the Company paid an interim dividend of ¥10 per share, the annual total of dividend for the fiscal year under review will be ¥20 per share.

Matters related to year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the total amount

¥10 per share of common stock of the Company Total amount: ¥223,501,760

(3) Effective date of dividends of surplus

June 28, 2023

Proposal No. 2: Amendment to the Articles of Incorporation

1. Reason for amendment

To ensure flexibility in the operation of general meetings of shareholders and meetings of the Board of Directors, the convener and chairperson of such meetings stipulated in Articles 14 and 22 of the current Articles of Incorporation shall be changed to a Director designated by the Board of Directors in advance, respectively.

2. Details of amendment

Details of the amendment are as follows:









(Underlined parts represent amendments.)

Current	Proposed amendment
<p>(Convener and Chairperson of General Meetings of Shareholders) Article 14</p> <p>A general meeting of shareholders shall be convened and presided over by <u>the President</u>. If <u>the President</u> is unable to act, another Director shall take his or her place in the order predetermined by the Board of Directors.</p>	<p>(Convener and Chairperson of General Meetings of Shareholders) Article 14</p> <p>A general meeting of shareholders shall be convened and presided over by <u>a Director predetermined by the Board of Directors</u>. If <u>such Director</u> is unable to act, another Director shall take his or her place in the order predetermined by the Board of Directors.</p>
<p>(Convener and Chairperson of Meetings of the Board of Directors) Article 22</p> <p>A meeting of the Board of Directors shall be convened and presided over by <u>the President</u> unless otherwise provided by laws and regulations. If <u>the President</u> is unable to act, another Director shall take his or her place in the order predetermined by the Board of Directors.</p>	<p>(Convener and Chairperson of Meetings of the Board of Directors) Article 22</p> <p>A meeting of the Board of Directors shall be convened and presided over by <u>a Director predetermined by the Board of Directors</u> unless otherwise provided by laws and regulations. If <u>such Director</u> is unable to act, another Director shall take his or her place in the order predetermined by the Board of Directors.</p>

Proposal No. 3: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. We therefore propose that eight (8) Directors be elected.

The candidates for Director are as follows:

No.	Name	Gender	Attribute	Attendance rate at meetings of the Board of Directors	Number of years in office
1	 Atsushi Narikawa	[Male]	[Reelection]	100% (12 out of 12 times)	8 years
2	 Lu San Tie	[Male]	[Reelection]	100% (12 out of 12 times)	16 years
3	 Kazuhiro Kishi	[Male]	[Reelection]	100% (12 out of 12 times)	14 years
4	 Hiroki Miura	[Male]	[Reelection]	100% (12 out of 12 times)	2 years
5	 Akihito Mochizuki	[Male]	[New election]	–	–
6	 Minoru Matsumoto	[Male]	[Reelection] [Outside] [Independent]	100% (12 out of 12 times)	8 years
7	 Yasuhiro Goto	[Male]	[Reelection] [Outside] [Independent]	100% (12 out of 12 times)	3 years
8	 Kaoru Chujo	[Female]	[Reelection] [Outside] [Independent]	100% (12 out of 12 times)	2 years

New election: Candidate for new Director

Reelection: Candidate for Director to be reelected


Outside: Candidate for Outside Director


Independent: Independent Director as required by stock exchanges and other institutions


Directors Skill Matrix


To establish an effective corporate governance system for sustainable growth, the Company nominates Directors with wide ranging business experience and diverse expertise and knowledge. The experience, expertise, and planned committee appointments of the Company's Directors are presented below.


Name	Corporate management	International experience/ Global business	Sales/Marketing	Manufacturing (Production/Quality)	Technology/Development	Finance	Legal/Risk management	Sustainability including environment	Industry knowledge	Nominating Advisory Committee	Remuneration Advisory Committee
Atsushi Narikawa	●	●	●			●	●	●	●	●	●
Lu San Tie	●	●		●					●		
Kazuhiro Kishi	●	●	●						●	●	●
Hiroki Miura	●	●		●	●				●		
Akihito Mochizuki	●	●	●			●	●	●			
Minoru Matsumoto		●				●				● (Chair)	● (Chair)
Yasuhiro Goto		●		●					●	●	●
Kaoru Chujo	●	●			●			●		●	●


No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
1	 <p data-bbox="384 779 560 835">Atsushi Narikawa (May 13, 1959)</p> <p data-bbox="411 860 533 887">[Reelection]</p> <p data-bbox="437 911 507 940">[Male]</p> <p data-bbox="344 969 600 1081">■ Attendance rate at meetings of the Board of Directors 100% (12 out of 12 times)</p>	<p data-bbox="628 286 1217 342">Apr. 1982 Joined The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p data-bbox="628 349 1203 405">Nov. 1997 Assistant General Manager, Kudan Branch, The Fuji Bank</p> <p data-bbox="628 412 1190 490">Apr. 2002 Deputy Manager, Americas Non-Japanese Sales Division No. 2, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 497 1195 553">Mar. 2003 Deputy Manager, Americas Products Sales Department, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 560 1209 638">Apr. 2004 Deputy Manager, Americas Business Administration Division, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 645 1182 701">Mar. 2006 General Manager, Seoul Branch, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 707 1214 786">Apr. 2009 Executive Officer, General Manager of Corporate Banking Division No. 13, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 792 1145 848">Apr. 2010 Managing Executive Officer, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 855 1161 911">July 2010 Chief Officer for the European Region, Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 918 1195 974">July 2013 Managing Executive Officer, Head of the European Region Unit, Mizuho Bank, Ltd.</p> <p data-bbox="628 981 1023 1014">May 2015 Advisor of the Company</p> <p data-bbox="628 1021 1198 1077">June 2015 Senior Managing Director and Assistant to the President of the Company</p> <p data-bbox="628 1084 1214 1140">Jan. 2017 General Manager, Global Corporate Support Division of the Company</p> <p data-bbox="628 1146 1209 1202">June 2020 President and Representative Director, COO of the Company</p> <p data-bbox="628 1209 1209 1265">June 2022 President and Representative Director, CEO of the Company (to the present)</p>	35,500
<p data-bbox="325 1299 799 1326">Reason for election of the candidate for Director</p> <p data-bbox="325 1328 1401 1541">Mr. Atsushi Narikawa, as President and Representative Director, CEO (Chief Executive Officer), has demonstrated leadership in general management of the Company and is committed to the improvement of corporate value based on the experience he garnered while he was with financial institutions and from a global perspective. As CEO, he also has contributed to the improvement of the functioning of the Board of Directors through his diligent efforts for advancing ESG management and strengthening the corporate governance system. For these reasons, we judge that Mr. Atsushi Narikawa is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Atsushi Narikawa continue to serve as Director.</p>			


No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
2	 <p data-bbox="352 779 588 837">Lu San Tie (December 23, 1956)</p> <p data-bbox="411 864 529 893">[Reelection]</p> <p data-bbox="437 920 504 949">[Male]</p> <p data-bbox="347 976 600 1088">■ Attendance rate at meetings of the Board of Directors 100% (12 out of 12 times)</p>	<p data-bbox="628 286 1224 1234"> July 1997 Joined the Company June 2001 Director, Foster Electric Co., (Hong Kong) Ltd. June 2004 Vice President, Foster Electric Co., (Hong Kong) Ltd. Feb. 2006 Executive Officer of the Company Apr. 2006 President, Foster Electric Co., (Hong Kong) Ltd. June 2007 Director of the Company July 2009 General Manager in charge of Manufacturing of the Company Feb. 2010 President, Foster Electric Co., (Heyuan) Ltd. Apr. 2011 General Manager, Production of the Company Apr. 2012 General Manager, Manufacturing Division, Manager, Manufacturing Strategy Department of the Company and Chairman, Foster Electric Co., (Hong Kong) Ltd. Apr. 2014 General Manager, Southeast Asia Production of the Company, President, Foster Electric Co., (Hong Kong) Ltd. and Chairman, Foster Electric Co., (Heyuan) Ltd. Apr. 2016 Managing Director of the Company June 2018 Senior Managing Director of the Company (to the present) Oct. 2018 General Manager in charge of Manufacturing of the Company, and Managing Director, Foster Electric (Singapore) Pte. Ltd. Apr. 2022 China CEO and Managing Director, Foster Electric (Singapore) Pte. Ltd. (to the present) </p> <p data-bbox="628 1240 1224 1294">(Significant positions concurrently held) Managing Director, Foster Electric (Singapore) Pte. Ltd.</p>	3,300
Reason for election of the candidate for Director Mr. Lu San Tie has served as the person responsible for the major manufacturing sites, and the supervisor for the Group's manufacturing system for many years, and has contributed to the improvement of corporate value. He has also contributed to the improvement of the functioning of the Board of Directors through his extensive experience and knowledge in relation to manufacturing. For these reasons, we judge that Mr. Lu San Tie is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Lu San Tie continue to serve as Director.			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
3	 <p data-bbox="391 752 550 808">Kazuhiro Kishi (March 7, 1964)</p> <p data-bbox="411 835 529 864">[Reelection]</p> <p data-bbox="437 891 504 920">[Male]</p> <p data-bbox="347 947 600 1059">■ Attendance rate at meetings of the Board of Directors 100% (12 out of 12 times)</p>	<p data-bbox="630 286 735 315">Mar. 1986</p> <p data-bbox="783 286 983 315">Joined the Company</p> <p data-bbox="630 324 735 353">Oct. 2002</p> <p data-bbox="783 324 1166 380">Deputy Manager, Sales Department, IT Equipment Division of the Company</p> <p data-bbox="630 389 735 418">Apr. 2003</p> <p data-bbox="783 389 1198 445">Manager, Sales Department, IT Equipment Division of the Company</p> <p data-bbox="630 454 735 483">Apr. 2004</p> <p data-bbox="783 454 1174 510">Manager, Sales Department No. 2, Sales Division of the Company</p> <p data-bbox="630 519 735 548">Feb. 2006</p> <p data-bbox="783 519 1214 575">Executive Officer, Deputy General Manager, HP Division of the Company</p> <p data-bbox="630 584 735 613">Feb. 2007</p> <p data-bbox="783 584 1161 640">Deputy General Manager, HP Business Division of the Company</p> <p data-bbox="630 649 735 678">Dec. 2008</p> <p data-bbox="783 649 1174 705">Deputy General Manager, Mobile Audio Business Division of the Company</p> <p data-bbox="630 714 735 743">June 2009</p> <p data-bbox="783 714 1023 743">Director of the Company</p> <p data-bbox="630 752 735 781">June 2010</p> <p data-bbox="783 752 1166 808">Acting General Manager, Mobile Audio Business Division of the Company</p> <p data-bbox="630 817 735 846">Apr. 2011</p> <p data-bbox="783 817 1166 873">General Manager, Sales Division of the Company</p> <p data-bbox="630 882 735 911">Apr. 2013</p> <p data-bbox="783 882 1206 938">General Manager, MA Business Division of the Company</p> <p data-bbox="630 947 735 976">June 2014</p> <p data-bbox="783 947 1198 1003">Managing Director of the Company (to the present)</p> <p data-bbox="630 1012 735 1041">Apr. 2017</p> <p data-bbox="783 1012 1222 1081">General Manager, New Business Development Division and General Manager, Sales of the Company</p> <p data-bbox="630 1090 735 1120">Aug. 2019</p> <p data-bbox="783 1090 1174 1146">General Manager, Sales Division and General Manager, Sales of the Company</p> <p data-bbox="630 1155 735 1184">Apr. 2020</p> <p data-bbox="783 1155 1190 1234">General Manager, Sales Division, Head of Sales & Marketing, and in charge of the Americas of the Company (to the present)</p>	9,300
<p data-bbox="325 1243 799 1272">Reason for election of the candidate for Director</p> <p data-bbox="325 1272 1394 1489">Mr. Kazuhiro Kishi has served as the person responsible for sales for many years, leading the Group's sales operations and promoting partner strategies. Striving to build and develop new businesses, in such ways as building the foundations of the current mobile audio business by cultivating large customers over his eight years working in the United States, he has contributed to the improvement of corporate value. He has also contributed to the improvement of the functioning of the Board of Directors with his extensive experience and knowledge in relation primarily to sales. For these reasons, we judge that he is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Kazuhiro Kishi continue to serve as Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
4	 <p>Hiroki Miura (March 17, 1963)</p> <p>[Reelection]</p> <p>[Male]</p> <p>■ Attendance rate at meetings of the Board of Directors 100% (12 out of 12 times)</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2003 Deputy Manager, Engineering Department, CAR Equipment Division of the Company</p> <p>Feb. 2006 Manager, Engineering Department No. 2, SP Division of the Company</p> <p>May 2008 Director, Foster Electric Co., (Hong Kong) Ltd.</p> <p>July 2010 Deputy General Manager, Mobile Audio Business Division of the Company</p> <p>Apr. 2011 Deputy General Manager, Engineering Division of the Company</p> <p>Jan. 2013 Deputy Manager, Quality Assurance Center and Manager, MA Quality Assurance Department of the Company</p> <p>Oct. 2013 General Director, Foster Electric (Vietnam) Co., Ltd.</p> <p>Nov. 2014 Chairman and General Director, Foster Electric (Vietnam) Co., Ltd.</p> <p>June 2018 Deputy General Manager, SP Business Division of the Company / Meister</p> <p>Oct. 2018 Deputy General Manager, SP Business Division and General Manager, Engineering of the Company</p> <p>Apr. 2019 Executive Officer, Deputy General Manager, SP Business Division, and General Manager, Engineering of the Company / Fellow</p> <p>Aug. 2019 General Manager, Engineering Division and Head of Engineering of the Company / Fellow (to the present)</p> <p>June 2021 Director of the Company (to the present)</p>	8,300
<p>Reason for election of the candidate for Director</p> <p>Mr. Hiroki Miura has involved in engineering departments for many years and has served as the supervisor for the Group's engineering and development system, and has contributed to the improvement of corporate value. In addition, with his extensive overseas experience in the U.S., China and Vietnam and knowledge, we can expect him to contribute to the improvement of the functioning of the Board of Directors. For these reasons, we judge that Mr. Hiroki Miura is suitable for achieving sustainable growth and improvement of corporate value of the Company and request his election as Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
5	 <p data-bbox="373 943 568 999">Akihito Mochizuki (February 19, 1966)</p> <p data-bbox="400 1025 541 1055">[New election]</p> <p data-bbox="437 1081 504 1111">[Male]</p> <p data-bbox="352 1137 592 1218">■ Attendance rate at meetings of the Board of Directors —</p>	<p data-bbox="628 286 1145 342">Apr. 1988 Joined The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p data-bbox="628 349 1203 405">Mar. 2003 Assistant General Manager, Kanda Branch, Mizuho Bank, Ltd.</p> <p data-bbox="628 412 1145 468">Jan. 2006 Deputy Manager, Corporate Planning Division, Mizuho Bank, Ltd.</p> <p data-bbox="628 474 1174 530">Oct. 2010 General Manager, Kofu Branch, Mizuho Bank, Ltd.</p> <p data-bbox="628 537 1219 618">Apr. 2013 General Manager, e-Business Sales Division, Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd.</p> <p data-bbox="628 624 1187 705">Nov. 2013 General Manager, Compliance Promotion Division No. 1, Mizuho Financial Group, Inc. and Mizuho Bank, Ltd.</p> <p data-bbox="628 712 1206 792">Apr. 2015 General Manager, Planning Administration Division, Mizuho Financial Group, Inc. and Mizuho Bank, Ltd.</p> <p data-bbox="628 799 1219 880">Apr. 2017 Executive Officer, General Manager, Planning Administration Division, Mizuho Financial Group, Inc. and Mizuho Bank, Ltd.</p> <p data-bbox="628 887 1219 1012">Apr. 2018 Managing Executive Officer, Mizuho Financial Group, Inc. and Mizuho Bank, Ltd. / Chairman of the Planning Committee, Japanese Bankers Association</p> <p data-bbox="628 1019 1190 1122">Apr. 2019 Managing Executive Officer, Mizuho Financial Group, Inc., Mizuho Bank, Ltd., and Mizuho Trust & Banking Co., Ltd. / Head of Internal Audit Group</p> <p data-bbox="628 1128 1214 1158">Apr. 2020 Senior General Manager, Mizuho Bank, Ltd.</p> <p data-bbox="628 1164 1145 1220">June 2020 Audit & Supervisory Board Member, Mizuho Research Institute Ltd.</p> <p data-bbox="628 1227 1209 1256">Apr. 2021 Senior General Manager, Mizuho Bank, Ltd</p> <p data-bbox="628 1263 1023 1292">May 2021 Advisor of the Company</p> <p data-bbox="628 1299 1219 1355">July 2021 Senior Executive Officer of the Company (to the present)</p> <p data-bbox="628 1361 1214 1417">July 2021 General Manager, Global Corporate Support Division of the Company</p> <p data-bbox="628 1424 1214 1505">Oct. 2021 General Manager, Global Corporate Support Division, and General Manager, Corporate Management Division of the Company</p> <p data-bbox="628 1512 1190 1592">Apr. 2022 CFO, General Manager, Global Corporate Support Division of the Company (to the present)</p>	2,400
<p data-bbox="325 1630 794 1637">Reason for election of the candidate for Director</p> <p data-bbox="325 1644 1401 1839">Mr. Akihito Mochizuki, as CFO (Chief Financial Officer), is committed to the improvement of corporate value such as pursuing the sophistication of corporate divisions based on the experience he garnered while he was with financial institutions. As CFO, he also has contributed to the enhancement of the corporate governance system in addition to the abstraction and handling of management issues from a financial point of view, and we judge that he will contribute to the improvement of the functioning of the Board of Directors. For these reasons, we judge that Mr. Akihito Mochizuki is suitable for achieving sustainable growth and improvement of corporate value of the Company and request his election as Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
6	 <p>Minoru Matsumoto (February 16, 1957)</p> <p>[Reelection] [Outside] [Independent]</p> <p>[Male]</p> <p>■ Attendance rate at meetings of the Board of Directors 100% (12 out of 12 times)</p>	<p>Oct. 1983 Joined Tohmatsu Aoki Audit Firm (currently Deloitte Touche Tohmatsu LLC)</p> <p>Mar. 1987 Registered as Certified Public Accountant</p> <p>Sept. 2012 Resigned from Deloitte Touche Tohmatsu LLC</p> <p>Oct. 2013 Set up Minoru Matsumoto CPA Office (to the present)</p> <p>June 2014 Outside Corporate Auditor, Sanshin Electronics Co., Ltd.</p> <p>Feb. 2015 Outside Corporate Auditor, JASTEC Co., Ltd.</p> <p>June 2015 Outside Director of the Company (to the present)</p> <p>Feb. 2016 Outside Director (Audit and Supervisory Committee Member), JASTEC Co., Ltd. (to the present)</p> <p>Mar. 2021 Outside Audit & Supervisory Board Member, Toyo Ink SC Holdings Co., Ltd.</p> <p>Mar. 2022 Outside Director (Audit & Supervisory Committee Member), Toyo Ink SC Holdings Co., Ltd. (to the present)</p> <p>Oct. 2022 Representative Partner of Terada Accounting Tax Corporation (to the present)</p> <p>(Significant positions concurrently held) Head, Minoru Matsumoto CPA Office Representative Partner of Terada Accounting Tax Corporation Outside Director (Audit and Supervisory Committee Member), JASTEC Co., Ltd. Outside Director (Audit & Supervisory Committee Member), Toyo Ink SC Holdings Co., Ltd.</p>	0
<p>Reason for election of the candidate for Outside Director and roles expected to play</p> <p>Mr. Minoru Matsumoto draws on the professional knowledge and expertise he has garnered throughout his many years of experience as an accounting auditor at listed companies and as a certified public accountant to contribute to improving the oversight of management and checking function in the Board of Directors. For these reasons, we judge that he is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Minoru Matsumoto continue to serve as Outside Director. We also expect him, when appointed as Outside Director, to provide oversight and recommendations on business execution by the Company drawing on his expertise as stated above, while serving to maintain and enhance the proper governance of the Company as a chair of the Nominating Advisory Committee and the Remuneration Advisory Committee. Mr. Minoru Matsumoto does not have previous experience in corporate management other than as Outside Director/Outside Corporate Auditor; however, we judge that he can perform his duties appropriately as Outside Director based on the above reasons and request that Mr. Minoru Matsumoto continue to serve as Outside Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
7	 <p data-bbox="363 701 577 752">Yasuhiro Goto (September 18, 1958)</p> <p data-bbox="400 786 541 864">[Reelection] [Outside] [Independent]</p> <p data-bbox="437 898 504 920">[Male]</p> <p data-bbox="344 954 596 1059">■ Attendance rate at meetings of the Board of Directors 100% (12 out of 12 times)</p>	<p data-bbox="632 286 1219 1070"> Apr. 1984 Joined Nikkei Inc. Sept. 1988 Assigned to Bahrain Bureau, Nikkei Inc. Jan. 1990 Assigned to London (Europe Headquarter), Nikkei Inc. Sept. 1992 Industrial Department, Tokyo Head Office, Nikkei Inc. Sept. 1997 Assigned to Beijing (Chinese Headquarter), Nikkei Inc. Sept. 2000 Senior Staff Writer, Industrial Department, Tokyo Head Office, Nikkei Inc. Mar. 2002 Editorial Writer and newscaster on Nikkei CNBC, Nikkei Inc. Mar. 2008 Head of Editorial Office in Asia, Nikkei Inc. Apr. 2010 Senior Staff Writer, Nikkei Inc. Mar. 2016 Resigned from Nikkei Inc. Apr. 2016 Professor, Faculty of Urban Innovation, Asia University (to the present) June 2017 Outside Corporate Auditor of the Company June 2020 Outside Director of the Company (to the present) June 2021 Outside Director of The San-in Godo Bank, Ltd. (to the present) Dec. 2021 Advisor, Hazama Ando Corporation (to the present) </p> <p data-bbox="632 1081 1171 1189"> (Significant positions concurrently held) Professor, Faculty of Urban Innovation, Asia University Outside Director of The San-in Godo Bank, Ltd. Advisor, Hazama Ando Corporation </p>	500
Reason for election of the candidate for Outside Director and roles expected to play Mr. Yasuhiro Goto has profound knowledge of Asian economics and industrial theory as a former editorial writer and senior staff writer at Nikkei Inc. and as a current university professor, and has garnered expert knowledge throughout his many years of experience. Based on these, he has contributed to improving the oversight of management and checking function in the Board of Directors. For these reasons, we judge that he is suitable for achieving sustainable growth and improvement of corporate value of the Company and request that Mr. Yasuhiro Goto continue to serve as Outside Director. We also expect him, when appointed as Outside Director, to provide oversight and recommendations on business execution by the Company drawing on his expertise as stated above, while serving to maintain and enhance the proper governance of the Company as a member of the Nominating Advisory Committee and the Remuneration Advisory Committee. Mr. Yasuhiro Goto does not have experience of directly engaging in corporate management, but we judge that he can perform his duties appropriately as Outside Director based on the above reasons and request that Mr. Yasuhiro Goto continue to serve as Outside Director.			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
8	 <p>Kaoru Chujo (November 15, 1960)</p> <p>[Reelection] [Outside] [Independent]</p> <p>[Female]</p> <p>■ Attendance rate at meetings of the Board of Directors 100% (12 out of 12 times)</p>	<p>Apr. 1983 Joined Fujitsu Limited</p> <p>Mar. 2000 IP Networking Research Senior Researcher, Fujitsu Laboratories of America, Inc.</p> <p>Dec. 2009 General Manager, Advanced Technologies Division, Mobile Phone Business Unit of Fujitsu Limited</p> <p>June 2013 General Manager, Advanced Technologies Division, Ubiquitous Business Strategy Unit of Fujitsu Limited.</p> <p>Feb. 2016 General Manager, Ubiquitous IoT Business Unit of Fujitsu Limited</p> <p>Apr. 2017 General Manager, AI Service Business Unit of Fujitsu Limited</p> <p>July 2019 Executive Director in charge of AI alliance, Software Business Unit of Fujitsu Limited</p> <p>Dec. 2020 Founded SoW Insight, Inc., President and CEO (to the present)</p> <p>June 2021 Outside Director, ITOCHU-SHOKUHIN Co., Ltd. (to the present)</p> <p>June 2021 Outside Director of the Company (to the present)</p> <p>Apr. 2022 Outside Director, Mitsubishi UBE Cement Corporation (to the present)</p> <p>(Significant positions concurrently held) President and CEO, SoW Insight, Inc. Outside Director, ITOCHU-SHOKUHIN Co., Ltd. Outside Director, Mitsubishi UBE Cement Corporation</p>	0
<p>Reason for election of the candidate for Outside Director and roles expected to play Ms. Kaoru Chujo facilitated DX as General Manager of the AI Business Unit at her previous company, and she has profound knowledge in areas the Company should strengthen going forward, such as the DE&I consulting that she provides at her current company, contributing to improving the oversight of management and checking function in the Board of Directors. For these reasons, we believe that Ms. Kaoru Chujo is suitable for achieving sustainable growth and improvement of corporate value of the Company and request Ms. Kaoru Chujo continue to serve as Outside Director. We also expect her, when appointed as Outside Director, to provide oversight and recommendations on business execution by the Company drawing on her expertise as stated above, while serving to maintain and enhance the proper governance of the Company as a member of the Nominating Advisory Committee and the Remuneration Advisory Committee. For these reasons, we judge that Ms. Kaoru Chujo will perform her duties appropriately as Outside Director and request her reelection.</p>			

- Notes:
1. No conflict of interest exists between the Company and the above candidates for Director.
 2. Mr. Minoru Matsumoto, Mr. Yasuhiro Goto, and Ms. Kaoru Chujo are candidates for Outside Director.
 3. Mr. Minoru Matsumoto, Mr. Yasuhiro Goto, and Ms. Kaoru Chujo will have served as Outside Director for eight (8) years, three (3) years, and two (2) years respectively, at the conclusion of this General Meeting of Shareholders. Mr. Yasuhiro Goto had served as Outside Corporate Auditor of the Company for three (3) years prior to assuming the position of Outside Director.
 4. **Liability Limitation Agreement**
The Company has concluded an agreement with Mr. Minoru Matsumoto, Mr. Yasuhiro Goto, and Ms. Kaoru Chujo to limit their liability as stipulated in Article 423, paragraph (1) of the Companies Act, in accordance with Article 427, paragraph (1) of the Act and the provisions of the Company's Articles of Incorporation. The Company will renew the agreement with them upon approval of their election.
The amount of damages under the agreement will be limited within an amount prescribed by laws and regulations.
 5. The Company has entered into an indemnity agreement as stipulated in Article 430-2, paragraph (1) of the Companies Act, with Mr. Atsushi Narikawa, Mr. Lu San Tie, Mr. Kazuhiro Kishi, Mr. Hiroki Miura, Mr. Minoru Matsumoto, Mr. Yasuhiro Goto, and Ms. Kaoru Chujo, respectively. The indemnity agreement provides that expenses as set forth in item 1 and losses as set forth in item 2 of Article 430-2, paragraph (1) shall be compensated by the Company to the extent provided by laws and regulations. The Company will renew the agreement with them upon approval of their election. The Company also intends to enter into a similar indemnity agreement with Mr. Akihito Mochizuki, upon approval of his election.


6. The Company has purchased a liability insurance policy for directors and officers (D&O insurance) as set forth in Article 430-3, paragraph (1) of the Companies Act, which covers all the directors as the insured parties. Subject to approval of this Proposal as originally proposed and when the candidates assume the position of Director, each of them will become an insured party covered by this policy. With this insurance policy, potential losses resulting from directors, the insured, being held responsible for the execution of their duties or from claims/charges brought against them for such responsibility shall be covered. However, certain cases are excused from the coverage such as losses resulting from acts while the violation of laws is recognized. The premiums for the policy including riders are fully borne by the Company, with no substantial insurance cost to be borne by the insured. The policy will be renewed on July 1, 2023, during their term of office.
7. The Company has designated Mr. Minoru Matsumoto, Mr. Yasuhiro Goto, and Ms. Kaoru Chujo as Independent Directors who will not have any conflicts of interest with the general shareholders as stipulated by provisions of the Tokyo Stock Exchange. If their reelection is approved, the Company will continue to designate them as Independent Directors.
8. The Company's Criteria for Determining Independence
The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

Proposal No. 4: Election of One (1) Corporate Auditor

Corporate Auditor Tsutomu Inokuma will resign at the conclusion of this meeting. We therefore propose that one (1) Corporate Auditor be elected.

The Board of Corporate Auditors has previously given its approval for this proposition.

The candidate for Corporate Auditor is as follows:

Name (date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of Company's shares held
 <p>Tatsuhito Tanaka (February 5, 1964)</p> <p>[New election]</p> <p>[Male]</p> <p>■ Attendance rate at meetings of the Board of Directors —</p> <p>■ Attendance rate at meetings of the Board of Corporate Auditors —</p>	<p>Oct. 1991 Joined Price Waterhouse Aoyama Auditing Corporation</p> <p>Oct. 1998 Assigned to PricewaterhouseCoopers Ho Chi Minh Office</p> <p>July 2000 Assigned to PricewaterhouseCoopers Bangkok Office</p> <p>July 2002 Assigned to PricewaterhouseCoopers Beijing Office</p> <p>Nov. 2003 Returned to PricewaterhouseCoopers ChuoAoyama Auditing Corporation (Audit Department No. 1)</p> <p>Apr. 2005 Joined SoftBank Corp. (Internal Audit Office)</p> <p>Apr. 2007 Joined PricewaterhouseCoopers Aarata Auditing Corporation (Internal Control Advisory Department)</p> <p>Oct. 2011 Set up Tatsuhito Tanaka CPA Office (to the present)</p> <p>Oct. 2011 Joined the Company</p> <p>Apr. 2014 Executive Officer, General Manager, Administration Division of the Company</p> <p>Jan. 2017 Executive Officer, General Manager, Corporate Management Division of the Company</p> <p>June 2018 Senior Executive Officer, General Manager, Corporate Management Division of the Company</p> <p>Oct. 2021 Senior Executive Officer of the Company, and Advisor of Foster Electric (U.S.A), Inc.</p> <p>Apr. 2023 Senior Executive Officer of the Company (to the present)</p> <p>(Significant positions concurrently held) President, Tatsuhito Tanaka CPA Office</p>	<p>1,400</p>
<p>Reason for election of the candidate for Corporate Auditor</p> <p>Mr. Tatsuhito Tanaka, as a certified public accountant, has a wealth of experience and substantial expertise. He has contributed to the enhancement of corporate divisions and internal audit systems. We judge that he will contribute to a more effective auditing function from a global perspective in the enhancement of our audit system, and request that he be elected as Corporate Auditor.</p>		

Notes: 1. No conflict of interest exists between the Company and the above candidate for Corporate Auditor.

2. Liability Limitation Agreement

Upon approval of the election of the above candidate for Corporate Auditor, the Company intends to enter into an agreement with him to limit his liability as stipulated in Article 423, paragraph (1) of the Companies Act, in accordance with Article 427, paragraph (1) of the Act and the provisions of the Company's Articles of Incorporation.

The amount of damages under the agreement will be limited within an amount prescribed by laws and regulations.

3. The Company intends to enter into an indemnity agreement as stipulated in Article 430-2, paragraph (1) of the Companies Act with the above candidate for Corporate Auditor, upon approval of his election. The indemnity agreement provides that expenses as set forth in item 1 and losses as set forth in item 2 of Article 430-2, paragraph (1) shall be compensated by the Company to the extent provided by laws and regulations.

4. The Company has purchased a liability insurance policy for directors and officers (D&O insurance) as set forth in Article 430-3, paragraph (1) of the Companies Act, which covers the directors, corporate auditors and executive officers as the insured parties. Subject to approval of this Proposal as originally proposed and when the above candidate for Corporate Auditor assumes the position of Corporate Auditor, he will become an insured party covered by this policy. With this insurance policy, potential losses resulting from the insured being held responsible for the execution of their duties or from claims/charges brought against them for such responsibility shall be covered. However, certain

cases are excused from the coverage such as losses resulting from acts while the violation of laws is recognized. The premiums for the policy including riders are fully borne by the Company, with no substantial insurance cost to be borne by the insured. The policy will be renewed on July 1, 2023, during his term of office.

<<Reference 1>> Nominating Advisory Committee

The Company established the Nominating Advisory Committee chaired by an Outside Director as an advisory organ of the Board of Directors.

Regarding the nomination of Directors, Corporate Auditors, and Executive Officers, the committee contributes to ensuring the appropriateness of such elections and transparency of the decision-making process by recommending candidates after deliberating on the expectations. The committee also deliberates on the independence of Outside Directors/Outside Corporate Auditors.

The candidates for Proposal No. 3 and Proposal No. 4 have passed through the deliberation process of the same Committee.

<<Reference 2>> Independence Criteria for Outside Directors/Outside Corporate Auditors

The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

Proposal No. 5: Election of the Financial Auditor

The terms of office of the Company's Financial Auditor Deloitte Touche Tohmatsu LLC will expire at the conclusion of this Ordinary General Meeting of Shareholders. We, therefore, ask for the election of the new Financial Auditor.

This proposition is based on the decision of the Board of Corporate Auditors.

Taking into account the number of years for which the current Financial Auditor has continued audits, the Board of Corporate Auditors chose BDO Sanyu & Co. as the candidate for Financial Auditor because it expected BDO Sanyu & Co. would audit the Company's accounts from a new perspective if hired, and judged that as a result of making a comprehensive review of expertise, independence, quality control system, global auditing network, and level of audit fees, BDO Sanyu & Co. suitably qualifies as a Financial Auditor.

The candidate for Financial Auditor is as follows:

(As of March 31, 2023)

Name	BDO Sanyu & Co.		
Office	(Principal office) STEC Bldg., 15th Floor 1-24-1 Nishi-shinjuku Shinjuku-ku Tokyo (Other offices) Sapporo Odori Nishi 4 Bldg. 3rd Floor 4-6-1 Odorinishi, Chuo-ku, Sapporo Horiuchi Bldg., 4th Floor 3-25-9, Meiki, Nakamura-Ku, Nagoya Aqua Dojima NBF Tower 14th Floor 1-4-16 Dojimahama Kita-ku Osaka Tenjin-Mitsui Bldg., 8th Floor 2-14-13 Tenjin Chuo-ku Fukuoka		
History	Oct. 1986:	Established Sanyu & Co.	
	July 1987:	Established Osaka Office	
	Dec. 1990:	Established Fukuoka Office	
	Apr. 1996:	Changed its name to BDO Sanyu & Co.	
	July 1996:	Established Nagoya Office	
	July 2015:	Established Sapporo Office	
Alliance with overseas office	Jan. 1 1996:	Business alliance with BDO Binder BV (currently BDO International Limited)	
Overview	Personnel composition	Partners	40
	Staff		276
	(certified public accountants)		(124)
	(other auditing staff, etc.)		(115)
	(other staff)		(37)
	Total		316
	Engaged companies		221

(REFERENCE)

Financial Highlights

(Year ended March 31)

		March 2019	March 2020	March 2021	March 2022	March 2023
1. Consolidated financial highlights						
Net sales	(Millions of yen)	140,303	107,298	85,220	91,106	121,338
Ordinary income	(Millions of yen)	4,318	2,599	219	(7,473)	2,327
Net income attributable to owners of the parent	(Millions of yen)	(2,026)	1,565	(3,363)	(7,017)	848
Comprehensive income	(Millions of yen)	(1,558)	457	(1,729)	(3,868)	5,013
Net assets	(Millions of yen)	59,294	58,995	55,993	51,632	56,515
Total assets	(Millions of yen)	91,271	80,825	77,233	86,148	92,871
Net assets per share	(Yen)	2,404.10	2,369.46	2,276.20	2,125.72	2,302.49
Net income per share	(Yen)	(83.21)	69.15	(148.47)	(315.53)	38.23
Diluted net income per share	(Yen)	–	–	–	–	–
Equity ratio	(%)	59.5	66.5	65.6	54.7	55.0
Return on equity	(%)	(3.5)	2.9	(6.4)	(14.4)	1.7
Cash flows from operating activities	(Millions of yen)	17,961	11,092	739	(12,767)	354
Cash flows from investing activities	(Millions of yen)	(3,425)	516	(1,960)	(3,071)	(1,321)
Cash flows from financing activities	(Millions of yen)	(2,937)	(8,823)	(2,624)	6,771	1,776
Cash and cash equivalents, end of year	(Millions of yen)	21,524	23,930	20,373	12,089	13,646
2. Standalone financial highlights						
Net sales	(Millions of yen)	90,345	59,284	38,035	42,817	51,576
Ordinary income	(Millions of yen)	1,427	(2,053)	(325)	(1,909)	(904)
Net income	(Millions of yen)	772	338	(3,392)	(2,211)	(1,016)
Common stock	(Millions of yen)	6,770	6,770	6,770	6,770	6,770
Total number of shares outstanding	(Thousands of shares)	26,000	26,000	25,000	25,000	25,000
Net assets	(Millions of yen)	25,808	25,050	20,688	18,136	17,003
Total assets	(Millions of yen)	52,411	42,093	38,832	38,973	42,500
Net assets per share	(Yen)	1,141.61	1,103.85	929.93	817.44	766.22
Annual dividends per share [Interim dividends per share]	(Yen)	20.00 [10.00]	35.00 [20.00]	15.00 [10.00]	10.00 [10.00]	20.00 [10.00]
Net income per share	(Yen)	31.72	14.95	(149.72)	(99.44)	(45.81)
Equity ratio	(%)	49.2	59.5	53.3	46.5	40.0
Return on equity	(%)	3.0	1.3	(14.8)	(11.4)	(5.8)
Payout ratio	(%)	63.1	234.1	–	–	–

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

Consolidated Balance Sheet

(as of March 31, 2023)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	73,893	Current liabilities	34,799
Cash and deposits	13,646	Notes and accounts payable—trade	9,380
Notes and accounts receivable—trade	24,988	Short-term bank loans	17,156
Electronically recorded monetary claims-operating	482	Current portion of long-term debt	300
Finished goods	20,037	Accounts payable—other	2,909
Raw materials	8,195	Income taxes payable	839
Work in process	1,492	Accrued expenses	2,274
Supplies	137	Reserve for bonuses	432
Accounts receivable—other	813	Other	1,506
Advance payments to suppliers	3,096	Long-term liabilities	1,556
Other	1,173	Deferred tax liabilities	564
Allowance for doubtful accounts	(169)	Liability for employees' retirement benefits	81
Non-current assets	18,977	Liability for director's retirement benefits	24
Property, plant and equipment	15,030	Provisions for stock benefit program	188
Buildings and structures	6,718	Asset retirement obligations	264
Machinery and equipment	4,122	Other	433
Furniture and fixtures	1,764		
Land	1,575	Total liabilities	36,356
Construction in progress	848		
Intangible assets	214	Net assets	
Software	81	Shareholders' equity	44,045
Other	132	Common stock	6,770
Investments and other assets	3,732	Capital surplus	6,896
Investment securities	1,446	Retained earnings	34,531
Long-term prepaid expenses	82	Treasury stock	(4,152)
Asset for employees' retirement benefits	1,313	Accumulated other comprehensive income	7,050
Deferred tax assets	669	Unrealized gain on available-for-sale securities	385
Other	221	Foreign currency translation adjustment	6,687
		Remeasurements of defined benefit plans	(22)
		Non-controlling interests	5,419
		Total net assets	56,515
Total assets	92,871	Total liabilities and net assets	92,871

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Consolidated Statement of Income

(from April 1, 2022 to March 31, 2023)

(Millions of yen)

Account item	Amount	
Net sales		121,338
Cost of sales		105,182
Gross profit		16,155
Selling, general and administrative expenses		13,709
Operating income		2,445
Non-operating income:		
Interest income	116	
Dividend income	64	
Foreign currency exchange gain	211	
Subsidy income	75	
Miscellaneous income	327	794
Non-operating expenses:		
Interest expenses	511	
Loss on retirement of non-current assets	143	
Miscellaneous loss	257	912
Ordinary income		2,327
Extraordinary income:		
Gain on sales of property, plant and equipment	71	71
Extraordinary losses:		
Loss on impairment of long-lived assets	67	
Special retirement expenses	253	321
Income before income taxes		2,078
Income taxes—current	887	
Income taxes—deferred	(40)	846
Net income		1,231
Net income attributable to non-controlling interests		382
Net income attributable to owners of the parent		848

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000, with the exception of operating income.

Consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2022	6,770	6,896	33,906	(4,163)	43,409
Changes during the fiscal year					
Cash dividends paid			(223)		(223)
Net income attributable to owners of the parent			848		848
Disposal of treasury stock				10	10
Net change in items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	-	-	624	10	635
Balance, March 31, 2023	6,770	6,896	34,531	(4,152)	44,045

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2022	323	3,617	(187)	3,753	4,469	51,632
Changes during the fiscal year						
Cash dividends paid						(223)
Net income attributable to owners of the parent						848
Disposal of treasury stock						10
Net change in items other than shareholders' equity during the fiscal year	61	3,070	165	3,297	950	4,247
Total changes during the fiscal year	61	3,070	165	3,297	950	4,882
Balance, March 31, 2023	385	6,687	(22)	7,050	5,419	56,515

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Balance Sheet

(as of March 31, 2023)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	25,461	Current liabilities	23,548
Cash and deposits	1,908	Account payable—trade	10,227
Notes receivable—trade	3	Short-term bank loans	10,974
Electronically recorded monetary claims—operating	358	Current portion of long-term debt	300
Account receivable—trade	16,685	Accounts payable—other	1,297
Finished goods	5,041	Income taxes payable	57
Raw materials and supplies	201	Accrued expenses	188
Advance payments to suppliers	96	Reserve for bonuses	397
Prepaid expenses	20	Other	104
Short-term loans receivable	948	Long-term liabilities	1,948
Accounts receivable—other	175	Provisions for stock benefit program	188
Other	21	Deferred tax liabilities	443
Non-current assets	17,038	Asset retirement obligations	264
Property, plant and equipment	1,942	Provision for loss on guarantees	1,042
Buildings	1,688	Other	9
Structures	1	Total liabilities	25,497
Machinery	19	Net assets	
Furniture and fixtures	72	Shareholders' equity	16,595
Land	123	Common stock	6,770
Construction in progress	37	Capital surplus	6,896
Intangible assets	10	Capital reserve	6,896
Software	9	Retained earnings	7,080
Other	1	Legal reserve	373
Investments and other assets	15,085	Other retained earnings	6,707
Investment securities	1,426	General reserve	4,700
Stocks of subsidiaries and affiliates	11,450	Retained earnings brought forward	2,007
Long-term loans receivable	3,104	Treasury stock	(4,152)
Prepaid pension cost	735	Valuation and translation adjustments	408
Other	80	Net unrealized gain on securities	408
Allowance for doubtful accounts	(1,710)	Total net assets	17,003
Total assets	42,500	Total liabilities and net assets	42,500

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Statement of Income

(from April 1, 2022 to March 31, 2023)

(Millions of yen)

Account item	Amount	
Net sales		51,576
Cost of sales		49,264
Gross profit		2,312
Selling, general and administrative expenses		3,988
Operating loss		(1,676)
Non-operating income:		
Interest and dividend income	1,194	
Foreign currency exchange gain	23	
Reversal of provision for loss on guarantees	569	
Miscellaneous income	73	1,861
Non-operating expenses:		
Interest expenses	303	
Provision of allowance for doubtful accounts	764	
Miscellaneous loss	21	1,089
Ordinary loss		(904)
Extraordinary losses:		
Loss on impairment of long-lived assets	67	67
Loss before income taxes		(971)
Income taxes—current	11	
Income taxes—deferred	33	44
Net loss		(1,016)

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Statement of Changes in Shareholders' Equity

(from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserve	Total capital surplus
Balance, April 1, 2022	6,770	6,896	6,896
Changes during the fiscal year			
Cash dividends paid			
Net loss			
Disposal of treasury stock			
Net change in items other than shareholders' equity during the fiscal year			
Net change in the year	-	-	-
Balance, March 31, 2023	6,770	6,896	6,896

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Legal reserve	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
Balance, April 1, 2022	373	4,700	3,247	8,320	(4,163)	17,824
Changes during the fiscal year						
Cash dividends paid			(223)	(223)		(223)
Net loss			(1,016)	(1,016)		(1,016)
Disposal of treasury stock					10	10
Net change in items other than shareholders' equity during the fiscal year						
Net change in the year	-	-	(1,239)	(1,239)	10	(1,229)
Balance, March 31, 2023	373	4,700	2,007	7,080	(4,152)	16,595

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on securities	Total valuation and translation adjustments	
Balance, April 1, 2022	311	311	18,136
Changes during the fiscal year			
Cash dividends paid			(223)
Net loss			(1,016)
Disposal of treasury stock			10
Net change in items other than shareholders' equity during the fiscal year	96	96	96
Net change in the year	96	96	(1,132)
Balance, March 31, 2023	408	408	17,003

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.