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To Shareholders with Voting Rights:

Yuuzou Fujita
President and Representative Director
TOENEC CORPORATION
20-31, Sakae 1-chome, Naka-ku, Nagoya,
Aichi

NOTICE OF THE 105TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Please be informed that the 105th Annual General Meeting of Shareholders of TOENEC CORPORATION (the “Company”) will be held as stated below.

When convening this annual 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. (the matters for which measures for providing information in electronic format are to be taken) in electronic format and posts this information as “NOTICE OF THE 105TH ANNUAL GENERAL MEETING OF SHAREHOLDERS” on the Company’s website. Please access the Company’s website by using the internet address shown below to review the information.

The Company’s website:

https://www.toenec.co.jp/ir/stocks_info/general_meeting/index.html (in Japanese)

In addition to posting the matters subject to measures for electronic provision on the website above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the internet address shown below, enter the issue name (company name) or securities code, and click “Search,” and 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].”

TSE website (Listed Company Search):

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

If you are unable to attend the meeting, you can exercise your voting rights via the Internet, etc. or in writing. If exercising your voting rights via the Internet, etc., please access the website designated by the Company, follow the instructions on the site and cast your vote. If exercising your voting rights in writing, please review the Reference Documents for the General Meeting of Shareholders, exercise your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return the form. All votes shall be received by 5:15 p.m. on Tuesday, June 27, 2023, Japan Time.

- 1. Date and Time:** Wednesday, June 28, 2023, at 10:00 a.m. Japan Time
- 2. Place:** Central Ballroom, 2F, Courtyard by Marriott Nagoya
17-6, Sakae 1-chome, Naka-ku, Nagoya, Aichi
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 105th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements.
 2. Non-consolidated Financial Statements for the Company's 105th Fiscal Year (April 1, 2022 - March 31, 2023)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 3:** Election of 4 Directors Who Are Audit and Supervisory Committee Members

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- We have decided to hold the meeting and are taking appropriate measures to prevent COVID-19. However, all shareholders are kindly requested to consider the conditions of the outbreak and their health on the event date and exercise their voting rights in advance via the Internet, etc. or in writing.
 - Those with a fever or who appear to be particularly unwell may be refused entry to the venue.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Regarding the Company's dividend payment policy, upon comprehensive consideration of factors such as enriching internal reserves for future business expansion, the Company adopts a basic policy of returning profits to shareholders through payments of dividends with a consolidated payout ratio targeting 30%.

For the fiscal year under review, the Company incurred losses attributable to owners of parent due to recording extraordinary losses, etc. However, it will conduct the following dividend payment from the perspective of returning profits to shareholders in a stable manner. The Company will reverse part of its general reserve and transfer to retained earnings brought forward.

1. Matters concerning the year-end dividend

- (1) Type of dividend assets
Cash
- (2) Allocation of dividend assets to the shareholders and total amount of dividends
Amount per share of common stock: ¥50
Total dividends: ¥934,708,250
- (3) Effective date of dividends payment
June 29, 2023

2. Matters concerning appropriation of surplus:

- (1) Decreased surplus item and the amount thereof
General reserve ¥8,000,000,000
- (2) Increased surplus item and the amount thereof:
Retained earnings brought forward ¥8,000,000,000

Proposal 2: Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all Directors (Excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereafter in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 9 Directors, including 3 Outside Directors is proposed.

To select candidates for Director, discussions were held by a non-statutory Nominating & Compensation Committee in order to ensure fairness and transparency.

The candidates are as follows:

No.		Name	Current position in the Company
1	Reappointed	Tatsuo Ikeyama	Director, Senior Managing Executive Officer
2	Reappointed	Tsuguhisa Takimoto	Representative Director, Executive Vice President
3	Reappointed	Kouji Hirata	Director, Senior Managing Executive Officer
4	Reappointed	Yuuzou Fujita	President and Representative Director, Chief Executive Officer
5	Reappointed	Yasuhiko Horiuchi	Representative Director, Executive Vice President
6	Reappointed	Shigemitsu Yamazaki	Director, Senior Managing Executive Officer
7	Reappointed Outside Independent	Atsushi Iizuka	Director
8	Reappointed Outside Independent	Hiroyuki Ukai	Director
9	Reappointed Outside Independent	Akiko Yoshimoto	Director

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
1	Tatsuo Ikeyama (April 13, 1964) [Reappointment]	<p>April 1987 Joined the Company</p> <p>June 2013 Executive Officer and General Manager of Sales Division and Manager of Construction Group of Mie Branch</p> <p>July 2013 Executive Officer and General Manager of Air Conditioning & Plumbing Administration Division of Business Promotion Department</p> <p>July 2016 Executive Officer and General Manager of Air Conditioning & Plumbing Administration Division of Air Conditioning & Plumbing Department</p> <p>April 2018 Executive Officer and General Manager of Mie Branch</p> <p>April 2021 Senior Managing Executive Officer and Supervisory Manager of Information Systems Division and Information & Communication Administration Division</p> <p>April 2022 Senior Managing Executive Officer and Supervisory Manager of Research & Development Division, Information Systems Division and Information & Communication Administration Division</p> <p>June 2022 Director, Senior Managing Executive Officer and Supervisory Manager of Research & Development Division, Information Systems Division and Information & Communication Administration Division (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Tatsuo Ikeyama is well versed in the overall construction, having been engaged in the operations of the air conditioning and plumbing sector for many years. After serving as General Manager of the Air Conditioning & Plumbing Administration Division and General Manager of Mie Branch, at present, as Senior Managing Executive Officer in charge of research and development and information and communication sectors, he works to expand the Company's business and strengthen its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Ikeyama is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	1,913

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
2	Tsuguhisa Takimoto (December 11, 1962) [Reappointment]	<p>April 1986 Joined the Company</p> <p>June 2013 Advisor and Deputy General Manager of the Underground Cable Division of the Distribution Department</p> <p>June 2014 Executive Officer and General Manager of Shizuoka Branch</p> <p>April 2018 Executive Officer and Deputy General Manager of Tokyo Headquarters</p> <p>April 2020 Senior Managing Executive Officer and General Manager of Tokyo Headquarters of the Company</p> <p>June 2020 Director, Senior Managing Executive Officer and General Manager of Tokyo Headquarters</p> <p>April 2022 Representative Director and Executive Vice President, assisting the President in general business management, Supervisory Manager of Corporate Planning Division, Finance & Accounting Division, and Purchasing Division</p> <p>April 2023 Representative Director and Executive Vice President, assisting the President in general business management, Supervisory Manager of Secretarial Division, Personnel Division, Education & Training Center, and Purchasing Division (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Tsuguhisa Takimoto is well versed in overall underground cable construction, having been engaged in the operations of the underground cable sector for many years. He has served as General Manager of Shizuoka Branch and as General Manager of Tokyo Headquarters and has actively worked to enhance management efficiency and increase orders. At present, as a Representative Director, he assertively promotes various policies based on the medium-term management plan while assisting the President in general business management, in addition to appropriately supervising decisions on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Takimoto is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	2,506

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
3	Kouji Hirata (January 18, 1959) [Reappointment]	<p>April 1981 Joined the Company</p> <p>July 2010 General Manager of Sales Division of Gifu Branch</p> <p>June 2012 Executive Officer and General Manager of Engineering Administration Division of Business Promotion Department</p> <p>July 2013 Advisor and Deputy General Manager of Electric Construction Administration Division of Business Promotion Department</p> <p>June 2014 Managing Executive Officer, General Manager of Electric Construction Administration Division of Business Promotion Department</p> <p>April 2017 Senior Managing Executive Officer, Supervisory Manager of Overseas Division and General Manager of Business Promotion Department</p> <p>June 2017 Director, Senior Managing Executive Officer, Supervisory Manager of Overseas Division and General Manager of Business Promotion Department</p> <p>April 2018 Director, Senior Managing Executive Officer, Supervisory Manager of International Division and General Manager of Business Promotion Department (current position) (The Overseas Division was reorganized as the International Division in April 2018.)</p> <p>[Reasons for nomination as candidate for Director] For many years, Mr. Kouji Hirata has engaged in the operations of the indoor electric construction sector, one of the main sectors of the Company. At present, he has supervised the indoor electric construction sector and grappled with enhancing sales capacity and augmenting the construction structure as General Manager of the Business Promotion Department, and he grapples with various initiatives aimed at acquiring stable orders from overseas projects as Supervisory Manager of the International Division in his efforts to expand the Company's business and strengthen its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Hirata is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	3,708

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
4	Yuuzou Fujita (April 19, 1959) [Reappointment]	<p>June 2008 Energy Business Division, Chubu Electric Power Co., Inc., seconded to C Energy Co., Inc. President and Representative Director, C Energy Co., Inc.</p> <p>July 2011 General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc.</p> <p>July 2012 General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc. (concurrently served as General Manager of Planning Group from May 2013 to June 2013)</p> <p>July 2014 Executive Officer and General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc.</p> <p>July 2015 Managing Executive Officer and General Manager of Nagoya Branch, Chubu Electric Power Co., Inc.</p> <p>April 2018 Senior Managing Executive Officer and General Manager of Tokyo Headquarters of the Company</p> <p>June 2018 Director, Senior Managing Executive Officer and General Manager of Tokyo Headquarters</p> <p>April 2020 Representative Director and Executive Vice President, assisting the President in general business management, Supervisory Manager of Secretarial Division, Research & Development Division, and Information & Communication Administration Division</p> <p>April 2021 President and Representative Director, Chief Executive Officer (current position)</p> <p>[Reasons for nomination as candidate for Director] As General Manager of Tokyo Headquarters, Mr. Yuuzou Fujita worked to increase orders in the Kanto district by enhancing the sales capacity, augmenting the construction structure, and securing new sources of revenue. At present, as President and Representative Director, he has led the Company and the Group, assertively promoted various policies based on the medium-term management plan, and made efforts to expand the Company's business and strengthen its business foundation, in addition to appropriately supervising decisions on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Fujita is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	4,140

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
5	Yasuhiko Horiuchi (December 18, 1957) [Reappointment]	<p>April 1981 Joined the Company</p> <p>June 2010 Director and General Manager of the Underground Cable Division of the Distribution Department</p> <p>June 2011 Executive Officer and General Manager of the Underground Cable Division of the Distribution Department</p> <p>June 2012 Executive Officer and General Manager of Shizuoka Branch</p> <p>June 2014 Managing Executive Officer, Deputy General Manager of Business Promotion Department and Assistant Supervisory Manager of Overseas Division</p> <p>June 2016 Director, Senior Managing Executive Officer, Deputy General Manager of Business Promotion Department and Assistant Supervisory Manager of Overseas Division</p> <p>July 2016 Director, Senior Managing Executive Officer, General Manager of Air Conditioning & Plumbing Department</p> <p>April 2019 Director, Senior Managing Executive Officer, Supervisory Manager of Energy Business Division, and General Manager of Air Conditioning & Plumbing Department</p> <p>April 2020 Representative Director and Executive Vice President, assisting the President in general business management, Supervisory Manager of Energy Business Division, and General Manager of Air Conditioning & Plumbing Department (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Yasuhiko Horiuchi has grappled with enhancing the sales capacity and augmenting the construction structure, supervising the air conditioning and plumbing sector as General Manager of the Air Conditioning & Plumbing Department, in addition to working to increase orders in the Kanto district and increase orders from the manufacturing industry by building a structure to maximize synergies with a subsidiary (Asahi Synchrotech Co., Ltd.) in his efforts to expand the Company's business and strengthen its business foundation. Also, as a Representative Director, he assertively promotes various policies based on the medium-term management plan while assisting the President in general business management, in addition to appropriately supervising decisions on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Horiuchi is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	3,526

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
6	Shigemitsu Yamazaki (March 25, 1965) [Reappointment]	<p>April 1987 Joined the Company</p> <p>June 2015 Advisor and Deputy General Manager of Corporate Planning Office</p> <p>July 2016 Executive Officer, Deputy General Manager of Corporate Planning Division and Manager of Corporate Management Group</p> <p>April 2017 Executive Officer, General Manager of Electric Construction Administration Division of Business Promotion Department</p> <p>April 2021 Executive Officer and General Manager of Personnel Division</p> <p>April 2022 Senior Managing Executive Officer and General Manager of Tokyo Headquarters</p> <p>June 2022 Director, Senior Managing Executive Officer and General Manager of Tokyo Headquarters (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Shigemitsu Yamazaki is well versed in the overall construction, having been engaged in the operations of the indoor electric construction sector for many years. He has served as Deputy General Manager of Corporate Planning Division and General Manager of Personnel Division, and at present as General Manager of Tokyo Headquarters, he works to increase orders in the Kanto district and makes efforts to expand the Company's business and strengthen its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Yamazaki is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	2,900

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
7	<p>Atsushi Iizuka (May 12, 1959) [Reappointment] [Outside] [Independent]</p>	<p>July 2001 Director of General Planning Bureau and General Affairs Bureau, Mie Prefectural Government</p> <p>July 2006 Director for the Agricultural and Forestry Budget, Budget Bureau, Ministry of Finance</p> <p>July 2009 Director, Planning and Administration Division, Financial Bureau, Ministry of Finance</p> <p>December 2012 Deputy Director-General, Japan Economic Bureau, Cabinet Secretariat</p> <p>July 2014 Deputy Director-General, Financial Bureau, Ministry of Finance</p> <p>July 2015 Director-General, Tokai Local Finance Branch Bureau, Ministry of Finance</p> <p>July 2016 First Deputy Commissioner, National Tax Agency</p> <p>July 2017 Director-General, Customs and Tariff Bureau, Ministry of Finance (Retired from Ministry of Finance in July 2018)</p> <p>November 2018 Advisor, Sompo Holdings, Inc.</p> <p>January 2019 Chairman, Sompo Japan Nipponkoa Research Institute Inc. (Retired in June 2020)</p> <p>June 2020 Outside Director of the Company (part-time) (current position) Senior Managing Executive Officer, JAPAN POST HOLDINGS Co., Ltd.</p> <p>June 2021 Representative Executive Officer, Executive Vice President, JAPAN POST HOLDINGS Co., Ltd. (current position)</p> <p>[Significant concurrent position] Representative Executive Officer, Executive Vice President, JAPAN POST HOLDINGS Co., Ltd.</p> <p>[Reasons for nomination as candidate for Outside Director and overview of expected role] Mr. Atsushi Iizuka possesses abundant experience and broad knowledge gained from his diverse background, such as his long career as an administrative official, and he provides guidance and advice to the Company's management from an objective and neutral standpoint while carrying out highly effective supervision of the Company's management as a member of the non-statutory Nominating & Compensation Committee and the Parent-Subsidiary Transaction Deliberation Committee. Based on these experiences and knowledge, the Company expects that Mr. Iizuka will continue to appropriately carry out supervisory duties as an Outside Director.</p> <p>[Matters regarding independence] Mr. Iizuka is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that he is reappointed as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Term of Office as an Outside Director] 3 years at the conclusion of this General Meeting of Shareholders</p>	605

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
8	Hiroyuki Ukai (March 5, 1954) [Reappointment] [Outside] [Independent]	<p>April 2005 Professor, Graduate School of Engineering, Nagoya Institute of Technology</p> <p>April 2007 Concurrently served as Dean of Department of Computer Engineering, Graduate School of Engineering, Nagoya Institute of Technology</p> <p>April 2009 Concurrently served as Dean of Department of Scientific and Engineering Simulation, Graduate School of Engineering, Nagoya Institute of Technology</p> <p>April 2010 Vice-President of Nagoya Institute of Technology and Professor of Graduate School of Engineering, Nagoya Institute of Technology</p> <p>April 2011 Concurrently served as Center Director of Center for Research and Education of Next Generation Vehicle, Nagoya Institute of Technology</p> <p>April 2013 Concurrently served as Center Director of Education Center for International Students, Nagoya Institute of Technology</p> <p>April 2014 President, Nagoya Institute of Technology</p> <p>April 2020 Vice-President and Professor of Faculty of business administration of Aichi Toho University, -Toho Gakuen Administration Officer, Toho Gakuen (current position)</p> <p>April 2021 President, Aichi Toho University (current position)</p> <p>June 2021 Auditor, ASTI CORPORATION (current position)</p> <p>June 2022 Outside Director of the Company (part-time) (current position)</p> <p>[Significant concurrent position]</p> <p>Administration Officer, Toho Gakuen President, Aichi Toho University, Toho Gakuen Auditor, ASTI CORPORATION</p> <p>[Reasons for nomination as candidate for Outside Director and overview of expected role] Mr. Hiroyuki Ukai possesses abundant experience and broad knowledge gained from his diverse background and long career in school administration and professional expertise as a doctor of engineering. Based on these experiences and knowledge, Mr. Ukai provides guidance and advice to the Company's management from an objective and neutral standpoint while carrying out highly effective supervision of the Company's management as a member of the non-statutory Nominating & Compensation Committee and the Parent-Subsidiary Transaction Deliberation Committee.</p> <p>Based on these experiences and knowledge, the Company expects that Mr. Ukai will continue to appropriately carry out supervisory duties as an Outside Director.</p> <p>[Matters regarding independence] Mr. Ukai is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that he is reappointed as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Term of Office as an Outside Director] 1 year at the conclusion of this General Meeting of Shareholders</p>	126

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
9	Akiko Yoshimoto (February 4, 1963) [Reappointment] [Outside] [Independent]	<p>April 1985 Joined Ministry of Labor (currently Ministry of Health, Labour and Welfare)</p> <p>July 2013 Vice-Governor, Aichi Prefecture</p> <p>July 2015 Assistant Minister (in charge of Worker's Compensation), Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p>October 2015 Assistant Minister (in charge of Equal Employment, Child and Family, and policy on the Declining Birthrate), Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p>July 2017 Deputy Director-General of Secretariat (in charge of adjustment, planning and public relations), Central Labour Relations Commission, Ministry of Health, Labour and Welfare</p> <p>July 2018 Director-General of Human Resources Development, Ministry of Health, Labour and Welfare</p> <p>July 2019 Director-General of Secretariat of Central Labour Relations Commission, Ministry of Health, Labour and Welfare (retired from the ministry in October 2021)</p> <p>February 2022 Senior Advisor, Boston Consulting Group (current position)</p> <p>June 2022 Outside Director of the Company (part-time) (current position)</p> <p>[Significant concurrent position] Senior Advisor, Boston Consulting Group [Reasons for nomination as candidate for Outside Director and overview of expected role] Ms. Akiko Yoshimoto possesses abundant experience and broad knowledge gained from her diverse background, such as her long career as an administrative official in the labor field, and provides guidance and advice to the Company's management from an objective and neutral standpoint while carrying out highly effective supervision of the Company's management as a member of the Parent-Subsidiary Transaction Deliberation Committee. Based on these experiences and knowledge, the Company expects that Ms. Yoshimoto will continue to appropriately carry out supervisory duties as an Outside Director. [Matters regarding independence] Ms. Yoshimoto is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that she is reappointed as Director, it is expected that she will continue to be an Independent Officer. [Terms of Office as an Outside Director] 1 year at the conclusion of this General Meeting of Shareholders</p>	0

(Notes)

1. There are no special interests between each candidate and the Company.
2. The aforementioned numbers of shares held include the number of shares actually held under the Toenec Corporation and Office Shareholding Clubs names.
3. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company that covers damages that may arise due to insured Directors assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. If the candidates are appointed as Directors, each of them will be insured under the insurance contract, which is to be renewed during their terms of office.
4. Mr. Atsushi Iizuka, Mr. Hiroyuki Ukai, and Ms. Akiko Yoshimoto are candidates for Non-executive Directors. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company entered into agreements with Mr. Iizuka, Mr. Ukai, and Ms. Yoshimoto to limit their liability for damages. The limit of liability under the agreements shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If Mr. Iizuka, Mr. Ukai, and Ms. Yoshimoto are reelected as proposed, the Company intends to extend said agreements with them.
5. Mr. Atsushi Iizuka is expected to assume the position of Director of JAPAN POST HOLDINGS Co., Ltd. at the 18th Annual General Meeting of Shareholders of that company scheduled on June 21, 2023.
6. Ms. Akiko Yoshimoto is expected to assume the position of outside Audit & Supervisory Board Member of TAKARA HOLDINGS INC. at the 112th Annual General Meeting of Shareholders of that company scheduled on June 29, 2023.

Proposal 3: Election of 4 Directors Who Are Audit and Supervisory Committee Members

The terms of office of all Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 4 Directors, including 3 Outside Directors, is proposed.

To select candidates for Director who is an Audit and Supervisory Committee Member, discussions were held by a non-statutory Nominating & Compensation Committee in order to ensure fairness and transparency.

In addition, the consent of the Audit & Supervisory Committee has been obtained for this proposal.

Candidates for the role of Director who is an Audit and Supervisory Committee Member are as follows:

No.		Name	Current position in the Company
1	Reappointment	Masahiko Kimura	Director, Audit and Supervisory Committee Member (full-time)
2	Reappointment Outside Independent	Mitsuaki Shibata	Outside Director, Audit and Supervisory Committee Member (part-time)
3	Reappointment Outside Independent	Katsuhiko Sugita	Outside Director, Audit and Supervisory Committee Member (part-time)
4	New Candidate Outside	Shuichi Terada	—

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
1	Masahiko Kimura (December 21, 1959) [Reappointment]	<p>April 1982 Joined the Company</p> <p>July 2008 Deputy General Manager of Finance & Accounting Division and Manager of Accounting Section 1</p> <p>June 2011 Executive Officer and General Manager of Secretarial Office</p> <p>June 2014 Executive Officer and General Manager of Finance & Accounting Division</p> <p>April 2018 Executive Officer and General Manager of Nagano Branch</p> <p>April 2021 Advisor to Auditors Room (full-time)</p> <p>June 2021 Director, Audit and Supervisory Committee Member (full-time) (current position)</p> <p>[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member]</p> <p>For many years, Mr. Masahiko Kimura has engaged in the operations of the finance and accounting sector and has considerable knowledge of accounting in general. As General Manager of Nagano Branch, he assertively worked to implement community-based sales and improve management efficiency and has abundant experience and considerable knowledge.</p> <p>Based on these experiences and results, the Company has judged that Mr. Kimura is suited to be a Director who is an Audit and Supervisory Committee Member to strengthen the supervision of the Company's business execution by appropriately conducting audits and supervision from an objective and neutral standpoint and expects that he will continue to execute his duties appropriately as a Director who is an Audit and Supervisory Committee Member.</p>	2,858

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
2	<p>Mitsuaki Shibata (January 26, 1953) [Reappointment] [Outside] [Independent]</p>	<p>April 1976 Joined Audit Corporation Ito Office (merged with ChuoAoyama Audit Corporation in January, 2001)</p> <p>March 1981 Registered as Certified Public Accountant</p> <p>May 2003 Representative Partner, ChuoAoyama Audit Corporation (dissolved after changing its name to Misuzu Audit Corporation in September 2006)</p> <p>August 2007 Representative Partner, KPMG AZSA LLC</p> <p>July 2013 Auditor, KPMG AZSA LLC</p> <p>June 2015 Retired KPMG AZSA LLC</p> <p>July 2015 Established Shibata Mitsuaki CPA Office President of Shibata Mitsuaki CPA Office (current position)</p> <p>June 2019 Outside Auditor of the Company</p> <p>June 2021 Outside Director, Audit and Supervisory Committee Member (part-time) (current position)</p> <p>[Significant concurrent position] Principal, Mitsuaki Shibata Accounting Office</p> <p>[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member and overview of expected role] Mr. Mitsuaki Shibata has advanced knowledge and abundant experience in finance and corporate accounting, which he has cultivated as a certified public accountant for many years. Based on these experiences and knowledge, the Company expects that Mr. Shibata will appropriately carry out duties as an Outside Director who is an Audit and Supervisory Committee Member and provide guidance and advice to the Company's management from an objective and neutral standpoint while carrying out highly effective supervision of the Company's management as a member of the Parent-Subsidiary Transaction Deliberation Committee. Mr. Shibata has never been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an Outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p> <p>[Matters regarding independence] Mr. Shibata is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that he is reappointed as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Terms of Office as an Outside Director] 2 years at the conclusion of this General Meeting of Shareholders</p>	182

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
3	Katsuhiko Sugita (April 12, 1954) [Reappointment] [Outside] [Independent]	<p>April 1984 Registered as an attorney at law Joined Ishihara Law Office</p> <p>April 2004 Vice President, Ishihara Law Office (current position)</p> <p>April 2008 Member of Judging Committee to Evaluate Property Tax, etc. in Tsushima City (current position)</p> <p>April 2009 Mediator at Nagoya Summary Court (current position)</p> <p>September 2012 Outside Corporate Auditor, Toyoshima & Co., Ltd. (current position)</p> <p>April 2014 Member of Judging Committee of Information Disclosure in Aisai City</p> <p>September 2014 Chairman of Judging Committee of Information Disclosure in Aisai City (current position)</p> <p>June 2015 Outside Auditor of the Company</p> <p>June 2016 Chairman of the Administrative Complaint Review Board in Aisai City (current position)</p> <p>June 2021 Outside Director, Audit and Supervisory Committee Member of the Company (part-time) (current position)</p> <p>[Significant concurrent position] Attorney at law, Vice President, Ishihara Law Office</p> <p>[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member and overview of expected role] Mr. Katsuhiko Sugita has advanced knowledge and abundant experience in corporate law, which he has cultivated as an attorney at law for many years. Based on these experiences and knowledge, the Company expects that Mr. Sugita will appropriately carry out duties as an Outside Director who is an Audit and Supervisory Committee Member and provide guidance and advice to the Company's management from an objective and neutral standpoint while carrying out highly effective supervision of the Company's management as a member of the non-statutory Nominating & Compensation Committee and the Parent-Subsidiary Transaction Deliberation Committee.</p> <p>Mr. Sugita has never been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an Outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p> <p>[Matters regarding independence] Mr. Sugita is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that he is reappointed as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Terms of Office as an Outside Director] 2 years at the conclusion of this General Meeting of Shareholders</p>	182

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
4	Shuichi Terada (April 27, 1958) [New Candidate] [Outside]	<p>July 2007 Deputy General Manager, Tokyo Branch, Chubu Electric Power Co., Inc.</p> <p>July 2009 General Manager, Legal Affairs Department, Chubu Electric Power Co., Inc.</p> <p>July 2012 Executive Officer, General Manager, Legal Affairs Department, Chubu Electric Power Co., Inc.</p> <p>April 2017 Director, chubuseiki Co., Ltd.</p> <p>June 2019 Corporate Auditor, Chubu Electric Power Co., Inc. (current position)</p> <p>April 2020 Corporate Auditor, Chubu Electric Power Grid Co., Inc. (current position)</p> <p>[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member and overview of expected role] For many years, Mr. Shuichi Terada has engaged in the operations of the legal affairs sector of a listed company and has considerable knowledge of corporate law. He also has abundant experience and considerable knowledge about corporate audits as he has worked as a full-time Corporate Auditor of a listed company. Based on these experiences and knowledge, the Company expects that Mr. Terada will appropriately carry out duties as an Outside Director who is an Audit and Supervisory Committee Member and provide guidance and advice to the Company's management from an objective and neutral standpoint.</p>	0

(Notes)

1. There are no special interests between each candidate and the Company.
2. The aforementioned numbers of shares held include the number of shares actually held under the Toenec Corporation and Office Shareholding Clubs names.
3. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company that covers damages that may arise due to insured Directors assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. If the candidates are appointed as Directors who are Audit and Supervisory Committee Members, each of them will be insured under the insurance contract, which is to be renewed during their terms of office.
4. Mr. Masahiko Kimura, Mr. Mitsuaki Shibata, and Mr. Katsuhiko Sugita are candidates for Non-executive Directors. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company entered into agreements with Mr. Kimura, Mr. Shibata, and Mr. Sugita to limit their liability for damages. The limit of liability under the agreements shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If Mr. Kimura, Mr. Shibata, and Mr. Sugita are reelected as proposed, the Company intends to extend said agreements with them. Additionally, if Mr. Shuichi Terada is elected as proposed, the Company intends to enter into a similar agreement to limit his liability for damages.
5. Chubu Electric Power Co., Inc., for which Mr. Shuichi Terada serves as Corporate Auditor, received a surcharge payment order under the Antimonopoly Act on March 30, 2023, with respect to the supply of special high-voltage and high-voltage electric power in the Chubu district, etc.
In addition, Chubu Electric Power Grid Co., Inc., for which Mr. Terada serves as Corporate Auditor, received a business improvement recommendation from the Electricity and Gas Market Surveillance Commission on April 17, 2023, regarding the leakage of customer information managed by its transportation business system to Chubu Electric Power Miraiz Company, Incorporated. On the same day, Chubu Electric Power Grid received guidance from the Agency for Natural Resources and Energy regarding the fact that it had not properly managed the IDs, etc. assigned to it for viewing the Renewable Energy Business Management System of the Ministry of Economy, Trade and Industry, which were accessible to employees of Chubu Electric Power Miraiz Company, Incorporated.
At the respective meetings of the Board of Directors and Board of Corporate Auditors, Mr. Terada fulfills his responsibilities by confirming and auditing the status of the development and operations of internal control systems and making proposals from the perspective of group governance, as well as by confirming the details of efforts to further ensure compliance and providing advice, etc. as appropriate.

<Reference> Skill Matrix of Candidates for Directors

The Board of Directors shall be composed of Directors who have a wealth of experience and a wide range of insight gained through their diverse backgrounds that enable them to fulfill their roles and responsibilities of “setting the direction for corporate strategy, etc.,” “creating an environment that supports appropriate risk taking by senior management,” and “providing highly effective supervision from an independent and objective standpoint” and achieve sustainable growth and enhance corporate value over the medium to long term.

Name	Independent Outside	Main areas of expertise expected to be demonstrated						
		Corporate Management	Business Promotion/Marketing	Technology/Quality/DX	Finance & Accounting	Legal Affairs/Risk Management	Internationality	ESG (Environment/Society/Governance)
Yuuzou Fujita		○	○	○		○		○
Tsuguhisa Takimoto		○			○	○	○	○
Yasuhiko Horiuchi		○	○	○			○	○
Atsushi Iizuka	●	○			○	○		
Hiroyuki Ukai	●	○		○				○
Akiko Yoshimoto	●	○				○		○
Kouji Hirata		○	○	○			○	
Tatsuo Ikeyama		○	○	○				○
Shigemitsu Yamazaki		○	○	○				○
Shuichi Terada		○				○		
Katsuhiko Sugita	●				○	○		
Mitsuaki Shibata	●				○	○		
Masahiko Kimura					○	○		

* The above chart is not an exhaustive list of each person’s areas of expertise and experience.