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Securities Code: 6924

June 8, 2022

To Our Shareholders:

1-1-7, Higashi-Nihonbashi, Chuo-ku, Tokyo
IWASAKI ELECTRIC CO., LTD.
Yoshitake Ito,
President and Chief Executive Officer

Notice of the 107th Ordinary General Meeting of Shareholders

The Company would hereby like to inform you that the Company's 107th Ordinary General Meeting of Shareholders will be held as described below.

Instead of attending the meeting on the date, you may exercise your voting rights by any of the methods listed below. We kindly request that you read the following Reference Document for the Ordinary General Meeting of Shareholders and exercise your rights.

［Voting by mail (in writing)］

Indicate "Yes (for)" or "No (against)" for each agenda item on the voting form enclosed herewith and return it no later than 5:20 p.m., Monday, June 27, 2022.

［Voting via the Internet］

Go to the voting website designated by the Company (https://soukai.mizuho-tb.co.jp/) and enter "Yes (for)" or "No (against)" for each agenda item by following on-screen instructions, no later than 5:20 p.m., Monday, June 27, 2022.
To exercise your rights via the Internet, please review P.5 "How to Exercise Voting Rights by Internet or Other Means."

Sincerely yours,

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1. Date: 10 a.m., June 28, 2022 (Tuesday)

2. Venue: 2nd Floor, The Green Hall, SUNRISE Bldg.
11-12, Nihonbashi-Tomizawacho, Chuo-ku, Tokyo

3. Purposes:

Items to be reported:

1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit & Supervisory Board for the 107th business period (April 1, 2021 to March 31, 2022)
2. The non-consolidated financial statements for the 107th business period (April 1, 2021 to March 31, 2022)

Items to be resolved:

Company Proposals (Proposal Nos. 1 to 5)

Agenda No. 1: Appropriation of Retained Earnings

Agenda No. 2: Partial Amendments to the Articles of Incorporation

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

Agenda No. 4: Election of One (1) Audit & Supervisory Board Member

Agenda No. 5: Election of Accounting Auditor

Shareholder Proposals (Proposal Nos. 6 to 9)

Agenda No. 6: Appropriation of Surplus

Agenda No. 7: Amendment to the Articles of Incorporation Concerning Cross-Shareholdings

Agenda No. 8: Dismissal of Two (2) Audit & Supervisory Board Members

Agenda No. 9: Dismissal of One (1) Substitute Audit & Supervisory Board Member

The points of the Shareholder Proposals (Proposal Nos. 6 to 9) are as described in the "Reference Document for the Ordinary General Meeting of Shareholders" (pp. 18–28) listed below.

4. How to exercise voting rights:

(1) If a voting right is exercised both by mail (in writing) and via the Internet, only the vote exercised via the Internet shall be considered valid.

(2) If a voting right is exercised a number of times on the Internet, the final vote shall be considered valid.

5. Disclosure by the Internet:

Of the documents to be provided with this notice, the following matters are not provided in the documents with this notice because they have been posted on the Company's website (https://www.iwasaki.co.jp/), pursuant to the provisions of applicable laws and regulations and Article 14 of the Articles of Incorporation.

(1) "System to ensure the proper execution of business and operations" in the business report
(2) "Basic policy on controlling the company" in the business report
(3) "Notes to consolidated financial statements" in the consolidated financial statements
(4) "Notes to non-consolidated financial statements" in the non-consolidated financial statements

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(1) and (2) are included in the business report, which was audited by the Audit & Supervisory Board Members for preparing the Audit Report.
(3) and (4) are included in the consolidated financial statements and non-consolidated financial statements, which were audited by the Accounting Auditor and the Audit & Supervisory Board Members for preparing the Audit Report.

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◎ When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue.
If there are any revisions to the Reference Document for the Ordinary General Meeting of Shareholders, the business report, and/or the non-consolidated and the consolidated financial statements, such revisions will be listed on the Company's website (URL: https://www.iwasaki.co.jp/).

◎ We will adjust the temperature of air-conditioning at the venue of the meeting to save energy, while wearing light clothing (Cool Biz, a campaign of the Japanese government). Shareholders are kindly asked to be lightly dressed as well.

◎ Please understand that the Company decided to abolish the practice of presenting a gift to attendants of the Ordinary General Meeting of Shareholders.

◎ When you attend the meeting on the day, from the viewpoint of preventing the spread of the disease (COVID-19) caused by the new coronavirus, please bring and wear a mask. We will conduct a body temperature check at the entrance area, and may refuse entry to the venue to persons in ill health.

◎ On the day at the venue, the staff of the Ordinary General Meeting of Shareholders will undergo a health checkup including a body temperature check, and wear a mask to perform their duties.

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Reference Document for the Ordinary General Meeting of Shareholders

Company Proposals (Proposal Nos. 1 to 5)

Agenda No. 1: Appropriation of Retained Earnings

The Company aims for the continuous and stable payment of dividends as the basic principle. Hence, we determine dividends by considering earnings and the business conditions of the fiscal year under review, while taking into account the internal reserves needed in preparation for business development in the future. As a specific indicator, the Company will aim for a consolidated dividend payout ratio of 30% or higher, focus on returning profits to its shareholders more than ever, and pay continuous and stable dividends in accordance with earnings.

We propose the year-end dividend for the fiscal year under review as follows.

In addition, since there is a separate proposal concerning dividends of surplus submitted by a shareholder listed below, we propose the following date as the starting date of dividend payments to conduct the administration of dividend payments smoothly.

Year-end Dividend

1) Type of dividend assets

   Cash payment

2) Allocation of dividends and total amount of dividends

   Common shares of the Company 130 yen per common share

   Total amount of dividends 964,153,320 yen

3) Effective date on which dividends are disbursed from retained earnings

   June 28, 2022

4) Starting date of dividend payments

   July 19, 2022

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Agenda No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal
   (1) Since the revised provisions in the proviso to Article 1 of the Supplementary Provisions to the Act for Partial Amendment of the Companies Act (Act No. 70 of 2019) are to take effect on September 1, 2022, we will amend our Articles of Incorporation as follows in order to prepare for the introduction of a system to provide informational materials for general meetings of shareholders in electronic format.
      - Article 14, Paragraph 1 of the proposed amendment stipulates to take measures for providing information on the content of Reference Document for the Ordinary General Meeting of Shareholders, etc. in electronic format.
      - Article 14, Paragraph 2 of the proposed amendment is to establish provisions for limiting the scope of items to be listed in documents to be delivered to shareholders who have requested the delivery of documents.
      - The provisions for Internet disclosure and deemed provision of the Reference Document for the Ordinary General Meeting of Shareholders, etc. (Article 14 of the current Articles of Incorporation) shall be deleted, as they will be no longer necessary.
      - Due to the establishments and deletion listed above, Supplementary Provisions for the effective date, etc. shall be established.
   (2) In order to enhance and strengthen the audit system, the number of Audit & Supervisory Board Members provided for in Article 31 of the current Articles of Incorporation shall be increased by one, to change from within four to within five.
2. Details of the amendments
   Details of the amendments are as follows:

(Amendments are underlined)

Current Articles of Incorporation	Proposed amendment
Chapter 3 General Meeting of Shareholders (Internet Disclosure of Reference Document for the Ordinary General Meeting of Shareholders, Etc.) Article 14 The Company may deem disclosure using the Internet for information concerning the items to be listed or presented in the Reference Document for the Ordinary General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements to be provision to shareholders in accordance with the provisions of the Ministry of Justice Order.	Chapter 3 General Meeting of Shareholders <Deleted>

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Current Articles of Incorporation	Proposed amendment
<Newly established>	(Measures for Provision in Electronic Format, Etc.) Article 14 When convening general meetings of shareholders, the Company shall take measures for providing information on the content of Reference Document for the Ordinary General Meeting of Shareholders, etc. in electronic format. 2. Of the items for provision in electronic format, the Company may choose not to include all or part of those provided for in the Ministry of Justice Order in the documents to be delivered to shareholders who requested the delivery of such documents by the record date.
Chapter 5Audit & Supervisory Board Members and Audit & Supervisory Board	Chapter 5 Audit & Supervisory Board Members and Audit & Supervisory Board
(Number of Audit & Supervisory Board Members) Article 31 The number of Audit & Supervisory Board Members of the Company shall not exceed four.	(Number of Audit & Supervisory Board Members) Article 31 The number of Audit & Supervisory Board Members of the Company shall not exceed five.
<Newly established>	(Supplementary Provisions) 1. The amendments to Article 14 of the Articles of Incorporation shall be effective on September 1, 2022 hereinafter referred to as the "Effective Date"), which is the effective date of revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions to the Act for Partial Amendment of the Companies Act (Act No. 70 of 2019). 2. Regardless of the provision in the preceding paragraph, Article 14 of the Articles of Incorporation (Internet Disclosure of Reference Document for the Ordinary General Meeting of Shareholders, Etc.) shall remain effective for general meetings of shareholders to be held within six months of the Effective Date. 3. These Supplementary Provisions shall be deleted after the elapse of six (6) months from the Effective Date or three (3) months from the general meeting of shareholders in the preceding paragraph, whichever is later.

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

The terms of all eight (8) Directors will expire at the close of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of eight (8) Directors, three of whom are Outside Directors.

The candidates for Directors are as follows.

Candidate No.	Category	Name	Current position	Attendance at Board of Directors meetings for the 107th business period
1	(Reappointment)	Yoshitake Ito	President and Chief Executive Officer	100.0% (13/13 meetings)
2	(Reappointment)	Masanori Kato	Director, Senior Executive Officer, General Manager of Intellectual Property & Legal Division	100.0% (13/13 meetings)
3	(Reappointment)	Sumio Uehara	Director, Senior Executive Officer, General Manager of Applied Optics and Environment Business Unit	100.0% (13/13 meetings)
4	(Reappointment)	Seiji Aoyama	Director, Senior Executive Officer, General Manager of Lighting Business Promotion Division	100.0% (13/13 meetings)
5	(Reappointment) (Outside) (Independent)	Kenji Oya	Outside Director	100.0% (13/13 meetings)
6	(Reappointment) (Outside) (Independent)	Tsuneo Tanai	Outside Director	100.0% (13/13 meetings)
7	(Reappointment) (Outside) (Independent)	Junko Sunaga	Outside Director	100.0% (10/10 meetings)
8	(New appointment)	Kenji Ikeda	Senior Executive Officer, General Manager of Corporate Planning Division	-

Notes: Since Ms. Junko Sunaga was elected and appointed at the 106th Ordinary General Meeting of Shareholders, the number of the Board of Directors meetings after the appointment is listed.

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<table>
<tr><td>Candidate No. 1</td><td colspan="2">Brief profile, position and responsibility at the Company (significant concurrent positions outside the Company)</td></tr>
<tr><td rowspan="2">Yoshitake Ito

Reappointment</td><td>April 1983
April 2006

July 2007

June 2012

October 2012

April 2013

April 2015

June 2015

April 2016
April 2019

July 2020</td><td>Joined the Company
General Manager of Sales Management Department, Domestic Sales Business Division
General Manager of Corporate Planning Department, Administration Division
Executive Officer and General Manager of Administration Division
Executive Officer and General Manager of Administration Division and General Affairs Division
Executive Officer and General Manager of Applied Optics Business Division
Senior Executive Officer and General Manager of Applied Optics Business Division
Director, Senior Executive Officer, and General Manager of Applied Optics Business Division
President and Chief Executive Officer
President and Chief Executive Officer and General Manager of Lighting Business Unit
President and Chief Executive Officer (current position)</td></tr>
<tr><td>Date of birth
May 11, 1958
Number of the Company’s shares owned
13,500
Attendance at Board of Directors meetings
13 times out of 13 meetings (100.0%)</td><td colspan="2">Reason for selecting him as a candidate for Director
He assumed the position of President and Chief Executive Officer in April 2016, after working in the Sales Division, the management divisions including the Corporate Planning Division and the Applied Optics Business Division. We have judged that, by utilizing his experience and knowledge, he would be capable of contributing to management of the Company.</td></tr>
</table>

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<table>
<tr><td>Candidate No. 2</td><td colspan="2">Brief profile, position and responsibility at the Company (significant concurrent positions outside the Company)</td></tr>
<tr><td rowspan="2">Masanori Kato

Reappointment</td><td>April 1983
April 2009

June 2011

April 2012

June 2013

April 2017

April 2018

April 2019

April 2021

October 2021

April 2022

</td><td>Joined The Dai-Ichi Kangyo Bank, Ltd.
General Manager of International Credit Division of Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)
General Manager of International Sales Department of the Company
General Manager of Finance & Accounting Department
Director and General Manager of Administration Division
Director, Senior Executive Officer in charge of Corporate Management Division, Information System Division, and Finance & Accounting Division
Director, Senior Executive Officer, General Manager of Lighting Solutions Business Unit and in charge of Finance & Accounting Division
Director, Senior Executive Officer, in charge of Intellectual Property & Legal Division, Customer Support Center, and Finance & Accounting Division
Director, Senior Executive Officer, in charge of Intellectual Property & Legal Division, Customer Support Center, Public Relations Department, General Affairs Division and Investor Relations
Director, Senior Executive Officer, General Manager of Intellectual Property & Legal Division, in charge of Customer Support Center, Public Relations Department, Human Resources & General Affairs Division and Investor Relations
Director, Senior Executive Officer, General Manager of Intellectual Property & Legal Division, in charge of Customer Support Center, Public Relations Department, Global Sales & Marketing Department, Human Resources & General Affairs Division and Investor Relations (current position)</td></tr>
<tr><td>Date of birth
October 19, 1959
Number of the Company’s shares owned
5,700
Attendance at Board of Directors meetings
13 times out of 13 meetings (100.0%)</td><td colspan="2">Reason for selecting him as a candidate for Director
Since he joined the company following his career in banking, he has worked in the international business and the Finance and Corporate Management divisions. He is well versed in new channel development in private sectors including those for overseas businesses and operations of business organizations, where he is responsible for development, manufacturing and sales. Also, he served as the person in charge of the Finance Division. He has been appropriately performing his functions</td></tr>
</table>

	and duties as an officer in charge of the Intellectual Property & Legal, CS, Global Sales & Marketing, Investor Relations and Human Resources & General Affairs divisions. We have judged that, by utilizing his abundant experience and knowledge, he would be capable of continuing to make contributions to management of the Company.

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Candidate No. 3	Brief profile, position and responsibility at the Company (significant concurrent positions outside the Company)	
Sumio Uehara Reappointment	April 1983	Joined the Company
	April 2006	General Manager of Motion Picture Light Source Division, Light Source Department
	April 2010	General Manager of Production Engineering Division
	April 2012	General Manager of Motion Picture Light Source Division, Applied Optics Business Division
	April 2014	Executive Officer and Deputy General Manager of Applied Optics Business Division
	April 2016	Executive Officer and General Manager of Applied Optics and Environment Business Unit
	April 2017	Senior Executive Officer, General Manager of Saitama Plant, and General Manager of Applied Optics and Environment Business Unit
	April 2019	Senior Executive Officer and General Manager of Applied Optics and Environment Business Unit
	June 2019	Director, Senior Executive Officer and General Manager of Applied Optics and Environment Business Unit
	May 2021	Director, Senior Executive Officer, General Manager of Saitama Plant, General Manager of Applied Optics, and Environment Business Unit, and in charge of Production Engineering Division (current position)
Date of birth May 15, 1960 Number of the Company's shares owned 1,400 Attendance at Board of Directors meetings 13 times out of 13 meetings (100.0%)	Reason for selecting him as a candidate for Director He is well versed in business, with extensive business experience, including many years of service in the Applied Optics Division and Production Engineering Division and as General Manager of the manufacturing plant. We have judged that, by utilizing such experience and knowledge, he would be capable of contributing to management of the Company.	

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<table>
<tr><td>Candidate No. 4</td><td colspan="2">Brief profile, position and responsibility at the Company (significant concurrent positions outside the Company)</td></tr>
<tr><td rowspan="2">Seiji Aoyama

Reappointment</td><td>April 1991
April 2012

April 2018

April 2019

April 2020

June 2020

July 2020

April 2022

</td><td>Joined the Company
Manager of Fukuoka Sales Office, Sales & Marketing Business Unit
Executive Officer, Business Unit; Deputy General Manager of Domestic Business Unit and General Manager of Domestic Business Promotion Division
Executive Officer, Business Unit; Deputy General Manager of Lighting Business Unit and General Manager of Lighting Business Promotion Division
Senior Executive Officer, Business Unit; Deputy General Manager of Lighting Business Unit and General Manager of Lighting Business Promotion Division
Director, Senior Executive Officer, Business Unit; Deputy General Manager of Lighting Business Unit and General Manager of Lighting Business Promotion Division
Director, Senior Executive Officer, Business Unit; General Manager of Lighting Business Unit and General Manager of Lighting Business Promotion Division
Director, Senior Executive Officer, General Manager of Lighting Business Promotion Division and in charge of Energy Service Business Promotion Division (current position)</td></tr>
<tr><td>July 16, 1968
Number of the Company’s shares owned
1,600
Attendance at Board of Directors meetings
13 times out of 13 meetings (100.0%)</td><td colspan="2">Reason for selecting him as a candidate for Director
He has obtained abundant business experience through many years of engagement in the Sales Division and is well versed in business as the person in charge of the lighting business. We have judged that, by utilizing such experience and knowledge, he would be capable of contributing to management of the Company.</td></tr>
</table>

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<table>
<tr><td>Candidate No. 5</td><td colspan="2">Brief profile, position and responsibility at the Company (significant concurrent positions outside the Company)</td></tr>
<tr><td rowspan="2">Kenji Oya

Reappointment
Outside
Independent
Date of birth
November 4, 1949
Number of the Company’s shares owned
1,300
Attendance at Board of Directors meetings
13 times out of 13 meetings (100.0%)</td><td>April 1972
January 1997
June 2000
June 2004
June 2007
June 2009
June 2010
June 2014
June 2016
June 2018</td><td>Joined Nihon Denso Corporation (current DENSO CORPORATION)
General Manager of New Businesses and Sales Department
Director
Executive Director
Senior Executive Director
Executive Vice President
President and CEO of ASMO CO., LTD
Advisor
Retired as Advisor
Director of the Company (current position)</td></tr>
<tr><td colspan="2">Reason for selecting him as a candidate for Outside Director
He has experience in serving as Director of DENSO CORPORATION. We have judged that he would be capable of contributing to management of the Company by reflecting his experience as a manager and wide-range of knowledge in management of the Company from the position of an Outside Director, while strengthening corporate governance from his position which is independent of the Company. We expect that he will continue to fulfill these roles as Outside Director.</td></tr>
</table>

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<table>
<tr><td>Candidate No. 6</td><td colspan="2">Brief profile, position and responsibility at the Company (significant concurrent positions outside the Company)</td></tr>
<tr><td rowspan="2">Tsuneo Tanai

Reappointment
Outside
Independent

Date of birth
January 24, 1957
Number of the Company’s shares owned
900
Attendance at Board of Directors meetings
13 times out of 13 meetings (100.0%)</td><td>June 2004
April 2006
June 2006
April 2008
April 2009
June 2009
June 2011
June 2016
June 2016
June 2019
June 2021</td><td>Managing Director of Honda R&D Co., Ltd.
Vice President and Director of Honda of America Mfg., Inc.
Operating Officer of Honda Motor Co., Ltd.
President and Director of Honda of America Mfg., Inc.
Chief Officer, Automobile Operations of Honda Motor Co., Ltd.
Director
President and CEO, Keihin Corporation (current Hitachi Astemo, Ltd.)
Resigned as President and CEO
Company friend, Honda Motor Co., Ltd.
Director of the Company
Director of the Company, and Outside Director of METAWATER, Co., Ltd. (current position)</td></tr>
<tr><td colspan="2">(Significant concurrent positions)
Outside Director of METAWATER, Co., Ltd.</td></tr>
<tr><td colspan="3">Reason for selecting him as a candidate for Outside Director
He has experience in serving as Director of Honda Motor Co., Ltd. We have judged that he would be capable of contributing to management of the Company by reflecting his experience and abundant knowledge in business and management strategies etc. in management of the Company from the position of an Outside Director, while he is expected to provide advice on general management from his position which is independent of the Company. We expect that he will continue to fulfill these roles as Outside Director.</td></tr>
</table>

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<table>
<tr><td>Candidate No. 7</td><td colspan="2">Brief profile, position and responsibility at the Company
(significant concurrent positions outside the Company)</td></tr>
<tr><td rowspan="2">Junko Sunaga</td><td>April 1983
January 1993

April 1997

April 1998
November 2008
June 2016
April 2018

June 2021</td><td>Joined NEC Corporation
Loaned/seconded to NEC Electronics (USA)
Joined QUALCOMM Japan Inc.(current QUALCOMM Japan G.K.)
Senior Manager of Product Marketing
Senior Director
Vice President
President of QUALCOMM Japan and Representative Director and President of QUALCOMM CDMA Technologies, Y.K.
Director of the Company, President of QUALCOMM Japan G.K. and President of QUALCOMM CDMA Technologies, Y.K. (current position)</td></tr>
<tr><td>Reappointment
Outside
Independent</td><td colspan="2">(Significant concurrent positions)
President of QUALCOMM Japan G.K.
President of QUALCOMM CDMA Technologies, Y.K.</td></tr>
<tr><td>Date of birth
September 25, 1960
Number of the Company’s shares owned
0
Attendance at Board of Directors meetings
10 times out of 10 meetings (100.0%)</td><td colspan="2">Reason for selecting her as a candidate for Outside Director
Based on her global insights into business management and relevant industries, which have been developed through many years of experience in the mobile phone semiconductor business and from the viewpoint of promoting diversity, we can expect her to enhance the functions of the Board of Directors of the Company by exercising supervisory and checking functions over the Company’s general management; we believe that she will contribute to the Company’s management. We expect that she will continue to fulfill these roles as Outside Director.</td></tr>
</table>

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<table>
<tr><td>Candidate No. 8

Kenji Ikeda

New appointment</td><td>Brief profile, position and responsibility at the Company (significant concurrent positions outside the Company)
April 1991 Joined the Company
April 2018 General Manager of Corporate Planning Department
April 2020 Executive Officer and General Manager of Corporate Planning Department
October 2021 Executive Officer and General Manager of Corporate Planning Division
April 2022 Senior Executive Officer and General Manager of Corporate Planning Division (current position)</td></tr>
<tr><td>Date of birth
March 6, 1968
Number of the Company’s shares owned
400</td><td>Reason for selecting him as a candidate for Director
He has obtained abundant business experience through engagement in the Corporate Planning Division after the Sales, Lighting Business, and Product Planning Divisions, and is well versed in business as the Executive Officer in charge of the Corporate Planning Division. We have judged that, by utilizing such experience and knowledge, he would be capable of contributing to management of the Company.</td></tr>
</table>

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Notes:

1. There are no special conflicts of interests between each candidate and the Company.
2. The candidates for Directors, Mr. Kenji Oya, Mr. Tsuneo Tanai and Ms. Junko Sunaga, are candidates for Outside Directors.
3. The candidates for Directors, Mr. Kenji Oya, Mr. Tsuneo Tanai and Ms. Junko Sunaga, will have served four years, three years and one year, respectively, as Outside Director, at the close of this Ordinary General Meeting of Shareholders.
4. The Company has notified Tokyo Stock Exchange, Inc. (TSE) that Mr. Kenji Oya, Mr. Tsuneo Tanai and Ms. Junko Sunaga are independent directors in accordance with its rules.
5. The Company has concluded an agreement with Mr. Kenji Oya, Mr. Tsuneo Tanai and Ms. Junko Sunaga pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company to limit the amount of their liability to damages as provided for in Article 423, Paragraph 1 of the Companies Act. Pursuant to the agreement, the amount of liability for damages shall be the minimum amount provided for by Article 425, Paragraph 1 of the Companies Act. If the election of Mr. Kenji Oya, Mr. Tsuneo Tanai and Ms. Junko Sunaga is approved, the Company shall continue the said agreement.
6. The Company has arranged a directors and officers liability insurance contract with an insurance company to the following effect, and the plan is to renew it in July 2022. All the candidates to be reappointed and Mr. Kenji Ikeda who is a candidate for a new Director in accordance with this agenda item have already been insured and will remain covered under the contract upon approval of their election.

   〔Summary of the insurance contract〕

   (1) Percentage of insurance premiums to be borne by the insured
   Insurance premiums including those for riders are all paid by the Company, with substantially no premiums to be borne by the insured.

   (2) Insured events covered by the contract
   Any loss or damage resulting from a claim against an act of the insured in executing their duties will be covered. However, certain exemptions are provided such as an act of the insured that is carried out with knowledge that it is in violation of laws and regulations.
7. Attendance at Board of Directors meetings for the fiscal year under review is the attendance at those held during the 107th business period. Since Ms. Junko Sunaga was newly elected and appointed at the 106th Ordinary General Meeting of Shareholders, the number of the Board of Directors meetings after the appointment is listed under the attendance at the Board of Directors meetings for the fiscal year under review.

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Agenda No. 4: Election of One (1) Audit & Supervisory Board Member

In order to enhance and strengthen the audit system, the Company proposes to increase the number of Audit & Supervisory Board Members by one, subject to the approval and adoption of "Agenda No. 2 Partial Amendments to the Articles of Incorporation."
With regard to this agenda item, the consent of the Audit & Supervisory Board has been obtained. The candidate for Audit & Supervisory Board Member is as follows.

<table>
<tr><td rowspan="2">Masayuki Kobayashi</td><td colspan="2">Brief profile (significant concurrent positions outside the Company)</td></tr>
<tr><td colspan="2">April 1984 Joined TOKYU CONSTRUCTION CO., LTD.
June 2002 General Manager of Finance Department of Pacific Management Corporation
September 2005 Executive Officer
March 2008 Director and General Manager of Management Control Division
June 2010 General Manager of Compliance Department of Kenedix Inc.
March 2017 Audit & Supervisory Board Member
June 2021 Auditor of Kenedix Inc. and Audit & Supervisory Board Member of Kintetsu World Express, Inc.</td></tr>
<tr><td>New appointment
Outside
Independent</td><td colspan="2">(Significant concurrent positions)
Auditor of Kenedix Inc.
Audit & Supervisory Board Member of Kintetsu World Express, Inc.</td></tr>
<tr><td>Date of birth
August 13, 1959
Number of the Company's shares owned
0</td><td colspan="2">Reason for selecting him as a candidate for Outside Audit & Supervisory Board Member
With a wealth of knowledge and extensive experience from being engaged in a real estate investment business and a wealth of knowledge as an audit & supervisory board member of other companies, we believe that his auditing activities from a neutral and objective standpoint as Outside Audit & Supervisory Board Member will contribute to maintaining and improving the transparency of the Company's management and its auditing and supervisory functions.</td></tr>
</table>

Notes:

1. There are no special conflicts of interests between the candidate for Audit & Supervisory Board Member, Mr. Masayuki Kobayashi and the Company.
2. The candidate for Audit & Supervisory Board Member, Mr. Masayuki Kobayashi, is a candidate for an Outside Audit & Supervisory Board Member.
3. If the election of the candidate for Audit & Supervisory Board Member, Mr. Masayuki Kobayashi, is approved, the Company will conclude an agreement with him pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company to limit the amount of his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. Pursuant to the agreement, the amount of liability for damages shall be the minimum amount provided for by Article 425, Paragraph 1 of the Companies Act.
4. The Company will notify Tokyo Stock Exchange, Inc. (TSE) that Mr. Masayuki Kobayashi is an independent director in accordance with its rules.
5. The Company has arranged a directors and officers liability insurance contract with an insurance company, and the plan is to renew it in July 2022. Mr. Masayuki Kobayashi will be insured upon approval of his election. A summary of the contract is given on p. 14.

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Reference: Skills of Directors and Audit & Supervisory Board Members after This Ordinary General Meeting of Shareholders

Name	Position after this Ordinary General Meeting of Shareholders	Skill							
		Corporate management	Industry experience	Sales and marketing	Technology development Manufacturing Overseas business	Finance and accounting	Human resources and labor affairs	Corporate management	Industry experience
Yoshitake Ito	President and Chief Executive Officer	○	○	○			○	○	○
Masanori Kato	Director, Senior Executive Officer						○	○	○
Sumio Uehara	Director, Senior Executive Officer		○		○	○	○		
Seiji Aoyama	Director, Senior Executive Officer		○	○					
Kenji Ikeda	Director, Senior Executive Officer		○	○				○	
Kenji Oya	Outside Director	○		○			○		○
Tsuneo Tanai	Outside Director	○			○	○	○		
Junko Sunaga	Outside Director	○		○	○		○		
Hiroaki Kato	Full-time Audit & Supervisory Board Member		○					○	○
Haruhiko Hoshino	Full-time Audit & Supervisory Board Member		○	○			○		
Naoto Suzuki	Outside Audit & Supervisory Board Member	○		○			○	○	
Takashi Inagaki	Outside Audit & Supervisory Board Member	○		○				○	○
Masayuki Kobayashi	Outside Audit & Supervisory Board Member	○						○	○

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Agenda No. 5: Election of Accounting Auditor

At the conclusion of this meeting, the term of office of the Company's Accounting Auditor, Ernst & Young ShinNihon LLC, will expire, and it will retire from office. Therefore, the Company proposes the election of ARK LLC as a new Accounting Auditor based on the decision of the Audit & Supervisory Board. In addition, the Audit & Supervisory Board has selected ARK LLC as the candidate for Accounting Auditor because the Board has judged that the audit firm is appropriate as the Company's Accounting Auditor. This is because it is not only expected to conduct audits from a new perspective when the Company is proceeding with the Medium-term Management Plan which started from the 107th business period, but it is also judged to be equipped with a system to conduct financial audits in an appropriate manner as a result of comprehensively considering its efficiency, independence, expertise and quality management system.

The candidate for Accounting Auditor is as follows:

(as of May 1, 2022)

Name	ARK LLC		
Location of main office	1-23-3 Nishi-Shinjuku, Shinjuku-ku, Tokyo		
History	April 1975	Established Kinki Daiichi Audit Corporation Established Hijiribashi Audit Corporation	
	August 1982	Established Meiji Audit Corporation	
	March 2004	Established ARK & Co.	
	January 2016	Meiji Audit Corporation and ARK & Co. were merged into ARK Meiji Audit & Co.	
	July 2016	ARK Meiji Audit & Co. and Hijiribashi Audit Corporation were merged	
	July 2019	Changed the name to ARK LLC	
	July 2020	ARK LLC and Kinki Daiichi Audit Corporation were merged	
Overview	Share capital		50 million yen
	Composition	Representative partners	6
		Partners	31
		Certified Public Accountants	54
		Assistant CPAs	41
		U.S. CPAs	3
		IT and other professionals	3
		Audit administrative staff	13
		Other	14
		Total	165
	Client companies		105

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Shareholder Proposals (Proposal Nos. 6 to 9)

Proposals 6, 7, 8 and 9 were proposed by one shareholder.

The points and reasons for the proposals submitted are stated as the original text, including typographical and factual errors.

Agenda No. 6: Appropriation of Surplus

1. Points of the proposal

Surplus shall be appropriated as follows.

If the Company's Board of Directors proposes the appropriation of surplus at this Ordinary General Meeting of Shareholders, this proposal shall be proposed independent of and in addition to such proposal.

(a) Type of dividend assets

Cash payment

(b) Dividend per share

Amount calculated by deducting from 209 yen the dividend of surplus per common share of the Company proposed by the Company's Board of Directors at this Ordinary General Meeting of Shareholders and approved by the Meeting (209 yen if the Company's Board of Directors does not propose the appropriation of surplus at this Ordinary General Meeting of Shareholders)

(c) Allocation of dividends and total amount of dividends

Dividend per share in (b) above for each common share of the Company (total amount of dividends is the amount calculated by multiplying the dividend per share by the number of outstanding common shares (excluding treasury shares) of the Company as of March 31, 2022)

(d) Effective date on which dividends are disbursed from retained earnings

Date of this Ordinary General Meeting of Shareholders

(e) Starting date of dividend payments

Three weeks from the business day following the date of the Ordinary General Meeting of Shareholders

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2. Reasons for the proposal

The management members of the Company showed the attitude of disregarding shareholders, as they lack consideration about return of profits to shareholders by restraining the dividend yield to less than the market average, while promoting measures to handsomely pay their own remuneration. This has negatively affected the Company's stock price, which has been substantially less than one time of PBR for a long time. In order to improve such disregard of shareholders by the management, the proponent proposes to increase the dividend per share, the total amount of dividends and the dividend payout ratio.

Detailed reasons are as follows:

The Company has increased the remuneration of officers, despite paying no dividends to shareholders due to the payment of liabilities for damages arising from the infringement of patent rights. In other words, the Company recorded a loss of 2,397 million yen (a deterioration of 3,432 million yen compared with the previous year) for the fiscal year ended March 2009, of which a loss of 452 million yen was a litigation-related loss in connection with a problem where the extra-high-voltage mercury lamp manufactured and sold by the Company was allegedly infringing a patent right owned by Philips N.V.

The Company agreed to pay settlement money of $37.5 million to Philips N.V. in January 2010, and recorded settlement money for patent litigation with Philips N.V. of 4,142 million yen and a litigation-related loss of 328 million yen among others as extraordinary losses for the fiscal year ended March 2010, with the total amount of loss for the period amounting to 8,031 million yen (a deterioration of 5,633 million yen compared with the previous year). The deterioration in the financial figures caused by the payment of the settlement money to Philips N.V. inflicted a substantial impact on the Company, making it unable to pay dividends for five consecutive years from the fiscal year ended March 2009.

On the other hand, the remuneration of officers of the Company has been increasing since the fiscal year ended March 2008. Specifically, the average remuneration per person was 13,167 thousand yen in the fiscal year ended March 2008, with 12 directors at the end of the fiscal year (no Outside Director) and the total amount of remuneration was 158 million yen. Conversely, it was 26,875 thousand yen in the fiscal year ended March 2009 with eight directors (no Outside Director) and the total remuneration was 215 million yen. And it was 19,870 thousand yen in the fiscal year ended March 2010 with eight directors (no Outside Director) and the total remuneration was 159 million yen. In other words, for the fiscal year ended March 2009 when a substantial loss was recorded, while the Company did not pay dividends to shareholders, it considerably increased the total amount of remuneration for officers to 215 million yen from 158 million yen (up 36%), and the average remuneration for officers per person to 26,875 thousand yen from 13,167 thousand yen (up 204%) And for the fiscal year ended March 2021, the total amount of remuneration was 159 million yen for six directors (excluding Outside Directors) at the end of the fiscal year, with the average remuneration per person being 26,500 thousand yen. It shows the management's disregard of shareholders to have decided to increase the remuneration for officers while paying no dividends to shareholders.

Disregard of shareholders was also evident in the dividends per share, the dividend payout ratio and the total amount of dividends. As stated above, while the Company did not pay dividends to shareholders for five consecutive years after paying 5 yen per share for the fiscal year ended March 2008, and paid 40 yen per share for the recent fiscal year ended March 2021, what we should pay attention to is that the Company consolidated shares at the ratio of ten to one on October 1, 2017. Theoretically, the stock price should have become ten times higher since October 1, 2017, with the dividends per share also ten times higher; and considering this, the dividend of 40 yen per share for the fiscal year ended March 2021 was equivalent to 4 yen per share if translated into the stock value before the consolidation, indicating that the Company actually decreased the dividend by 10 yen (down 20%), rather than no increase in

dividends since the fiscal year ended March 2008. To present, the total amount of dividends has not exceeded 390 million yen for the fiscal year ended March 2008, with 306 million yen being paid for the fiscal year ended March 2021. In other words, the Company has not increased either the dividends per share nor the total amount of dividends for 13 years since the fiscal year ended March 2008.

Regarding the dividend payout ratio, while companies are said to generally decide the amount of dividends with 30–50% as the guideline, the Company decided on 11.47% for the fiscal year ended March 2020, and 14.87% for the fiscal year ended March 2021. Moreover, looking at the ratio of dividends to net assets which shows how much is distributed as dividends in relation to net assets, the Company's ratio is only 0.97% (for the fiscal year ended March 2021), while the average of all industries in the first section of the Tokyo Stock Exchange market is 2.59% and the average of the electric equipment industry is 2.69%.

Given the above, it must be said that Directors of the Company are solely concerned about increasing the remuneration for officers while lacking consideration for shareholders. It is evident that such attitude of the Company's Directors has lowered shareholder value, giving a negative impact on the stock price.

In fact, looking at the stock price for the past 15 years, while the highest was 446 yen (during the fiscal year ended March 2007), translating into 4,460 yen after the consolidation of shares, the highest price for this fiscal year was 2,400 yen, and the lowest was 1,368 yen (during the fiscal year ended March 2022). The stock has actually declined by as much as 50%, rather than having no increase for 15 years. Moreover, the Company's PBR is just over 0.5 times, which is only half of its liquidation value. Furthermore, the Company has introduced a performance-linked share-based remuneration system for the remuneration of its officers since August 2016, based on which Directors (excluding Outside Directors) shall receive the Company shares or cash equivalent to shares through a trust at the time of retirement, according to the number of points granted in each fiscal year. In other words, Directors of the Company will also receive handsome remuneration at the time of their retirement. According to the explanation by the Company, this system "aims to clarify the linkage between Directors' remuneration as officers and the stock value and to enhance their motivation to contribute to the improvement of medium- to long-term earnings and increase in corporate value," although there has been in fact no measure taken to increase the Company's shareholder value, and the Company's payout ratio and ratio of dividends to net assets have remained low since August 2016. It is clear that Directors' attention has not been directed toward shareholders even after the introduction of the performance-linked share-based remuneration system. In the end, this system can be presumed to be one to handsomely pay remuneration to Directors, with the increase in corporate value as a purpose in name only.

The disregard of shareholders was also clearly shown in the Medium-term Management Plan [fiscal year ended March 2022 to fiscal year ending March 2026] (released on November 1, 2021). The Plan has numerical targets for the [fiscal year ending March 2026 (plan), in units of a million yen] with [net sales of 65,000, operating profit of 5,200, operating profit margin of 8.0% and return on equity of 8.0%]. It is said that "while the actual cost of capital differs between companies, the first step in receiving recognition from global investors is for a company to commit to achieving a "minimum" ROE of 8%, while continually seeking to generate an ROE higher than 8%." (Report of the Ito Review, Ministry of Economy and Trade and Industry 2014). Moreover, there is no part in the Plan that refers to an improvement of the dividend payout ratio and the return of profit to shareholders, nor a message to shareholders. Such targets are effective for formally creating track records as Directors but cannot be welcomed by shareholders.

Accordingly, the proponent requests the Company to pay dividends at a payout ratio of 70% (expected to be 209 yen per share for the fiscal year under review) or a ratio of dividends to net assets of 4% (expected to be 173 yen per share for the fiscal year under review), whichever is higher, during the five years of the Medium-term Management Plan (fiscal year ended

March 2022 to fiscal year ending March 2026). This proposal is not intended to pursue short-term profit by requesting excessive dividends to the Company. It is for the return of profit to its shareholders within the profit for the fiscal year under review (profit per share of the Company for the fiscal year ended March 2022 is 292 yen). If the Company insists it does not lack consideration for shareholders, it is well within an acceptable range.

3. Opinion of the Company's Board of Directors on Agenda No. 6

THE BOARD OF DIRECTORS IS OPPOSED TO THE PROPOSAL.

In the "Basic Policy on the Dividend Policy and Revision of Dividend Forecast" disclosed on May 12, 2022, the Company announced its policy of recognizing the return of profit to shareholders as an important issue, and said it would pay dividends with a target consolidated dividend payout ratio of no less than 30% according to earnings on a continual and stable basis, in order to enhance the return of profit to shareholders, while striving to stabilize investment for medium- to long-term growth and the financial base. Based on this policy, the Company plans to pay a year-end dividend of 130 yen per common share for the fiscal year ended March 2022, with an expected consolidated dividend payout ratio of 41.5% for the fiscal year.

Moreover, the Company made a share repurchase of about 500 million yen during the fiscal year ended March 2022, with the total payout ratio for the fiscal year ended March 2022, including the share repurchase, expected to be 63.0%.

In the "Medium-term Management Plan" (plan period: fiscal year ended March 2022 to fiscal year ending March 2026) published in November 2021, the Company announced its basic policy of "Growth strategy and structural reform for the second foundation," aiming to be an advanced company that would support social and industrial infrastructure by combining optical device engineering and new technologies.

Since the Group ended production of the mercury lamp which had been supporting its sales and profit in December 2020, we consider it necessary to continue and develop the Group by promoting initiatives for new businesses and structural reforms of the Group. In this way, it can develop a new base for the Company's profit generating systems in order to grasp changes in the external environment, expand its business fields and realize new value for society during the period until the fiscal year ending March 2026.

With more uncertainties over the Company's business environment expected, including the prolonged spread of COVID-19, higher prices of resources, a global shortage of semiconductors and foreign exchange fluctuations, we believe it will contribute to the continuation and development of the Group to secure internal reserves at appropriate levels and use them flexibly in order to implement the above initiatives for new businesses and structural reforms. Specifically, while maintaining necessary liquidity as working capital, we have decided on structural reforms, development of the technical base, initiatives for the environment, and investments in them (5 billion yen in total, consisting of 1 billion yen for investment in DX/IT human resource development, 3 billion yen for research and development and M&A investment, and 1 billion yen for environment-related investment) listed in the Medium-term Management Plan as priority measures during the Plan period. And we consider it essential to steadily implement the above priority investments in order to contribute to the medium- to long-term growth of the Company and continuously return profits to shareholders.

Accordingly, we judge that the proposal which requests a dividend of 70% of profit to be not consistent with the Company's basic policy on the return of profit to its shareholders and the measures to use essential funds for medium- to long-term growth, and it is not appropriate to dispose of surplus according to this shareholder proposal from the perspective of improving the Company's corporate value and shareholder interests. Therefore, the Board of Directors of the Company is opposed to this shareholder proposal.

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Agenda No. 7: Amendment to the Articles of Incorporation Concerning Cross-Shareholdings

1. Points of the proposal

The following chapter and provision shall be newly established in the current Articles of Incorporation.

Chapter 8 Cross-Shareholdings

(Verification on the Purpose of Cross-Shareholdings and Disclosure of Its Results)

Article 46 Regarding the shares owned by the Company for the purpose of maintaining and strengthening business relationship (hereinafter referred to as "Shares as Cross-Holdings"), the Company shall inform the issuing company of Shares as Cross-Holdings of its wish to sell shares at least once every year, in order to verify the purpose of maintaining and strengthening a business relationship is actually fulfilled by owing Shares as Cross-Holdings.

2. For each issuing company, the Company shall disclose the content of the reply from the issuing company to the inquiry of sales to the issuing company in the preceding paragraph in a report on corporate governance that the Company submits to the Tokyo Stock Exchange.

3. The Company shall sell Shares as Cross-Holdings that it owns as of the effective date of the amendment to the Articles of Incorporation which adds this article by the end of March 2025.

2. Reasons for the proposal

The proponent believes that Shares as Cross-Holdings should not be owned at all and that ownership of Shares as Cross-Holdings and business relationships have no causal relation. Proxy advisors such as ISS and Glass Lewis have expressed a negative opinion on cross-shareholdings as it leads to lower capital efficiency, by pointing out problems concerning governance. Due to the above reasons, the proponent requests the Company to strictly verify whether the purpose of owning Shares as Cross-Holdings disclosed by the Company is actually achieved, disclose its results to shareholders, and promptly sell Shares as Cross-Holdings owned by the Company by the end of the fiscal year ending March 2025.

This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.

3. Opinion of the Company's Board of Directors on Agenda No. 7

THE BOARD OF DIRECTORS IS OPPOSED TO THE PROPOSAL.

While owning shares as cross-shareholdings if it is deemed to contribute to the improvement of corporate value of the Company in the medium- to long-term from the perspective of the importance under the business strategy, business synergies, etc., the Company makes it its policy to reduce shares which are not deemed to have the rationality for ownership. Regarding Shares as Cross-Holdings, the Board of Directors conducts verification on individual stocks by scrutinizing as to whether their purpose of ownership is appropriate and whether the benefits and risks associated with ownership correspond to their capital costs.

Specifically, we steadily reduced them, from 37 stocks owned as of the end of March 2015 before the implementation of the Corporate Governance Code to 17 stocks at the end of March 2021.

Five stocks among the 17 stocks currently owned were partly sold during the period, and two stocks were sold during the fiscal year ended March 2022. As a result, they represented 3,283 million yen in market value and 9.82% in the ratio to net assets at the end of March 2022. It is our policy to continue to verify the effect of ownership and gradually reduce Shares as Cross-Holdings going forward.

The Board of Directors is opposed to this shareholder proposal, judging that this shareholder proposal is an issue not pertinent to the provisions of the Articles of Incorporation which are the fundamental rules of the company. And the Board believes it is not appropriate to establish such provisions as in this shareholder proposal because the reduction of Shares as Cross-Holdings is an individual issue to be discussed by the Board of Directors, considering business and transaction relationships with such companies, and as stated above, the Board has been striving to reduce them and fully verify the appropriateness of ownership.

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Agenda No. 8: Dismissal of Two (2) Audit & Supervisory Board Members

1. Points of the proposal

   Audit & Supervisory Board Members Naoto Suzuki and Takashi Inagaki shall be dismissed.

2. Reasons for the proposal

   Audit & Supervisory Board Members Naoto Suzuki (hereinafter referred to as "Mr. Suzuki") and Takashi Inagaki (hereinafter referred to as "Mr. Inagaki") are former employees of the main banks that are major shareholders of the Company. At the Company, while persons related to the Company's main banks have been maintaining the positions of Outside Audit & Supervisory Board Members for decades, it is difficult under such circumstances to maintain a "robust independence" and "appropriate judgement from an objective standpoint" as stated in the Corporate Governance Code. Detailed statements are as follows:

   The Corporate Governance Code emphasizes the independence of *kansayaku* (auditors), stating that "*Kansayaku* and the *kansayaku* board should bear in mind their fiduciary responsibilities to shareholders and make decisions from an independent and objective standpoint when executing their roles and responsibilities including the audit of the performance of directors' duties, appointment and dismissal of *kansayaku* and external auditors, and the determination of auditor remuneration. " (Principle 4.4).Also, "Given that not less than half of the *kansayaku* board must be composed of outside *kansayaku* and that at least one full-time *kansayaku* must be appointed in accordance with the Companies Act, the *kansayaku* board should, from the perspective of fully executing its roles and responsibilities, increase its effectiveness through an organizational combination of the independence of the former and the information-gathering ability of the latter." (Supplementary Principle 4.4.1) Therefore, if the independence of Outside Audit & Supervisory Board Members is considered, Mr. Suzuki is a former employee of Mizuho Bank, Ltd., having served as Managing Executive Officer of Mizuho Bank, Ltd. and Executive Vice President of Mizuho Research Institute Ltd. In addition, Mr. Inagaki is a former employee of Sumitomo Mitsui Banking Corporation, having served as Executive Officer, Deputy Head of Wholesale Banking Unit and Deputy Head of Retail Banking Unit of Sumitomo Mitsui Banking Corporation, and President and Representative Director of SMBC Servicer Co., Ltd. Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation are major banks of the Company, ranked as the fifth and seventh major shareholders with 183 thousand shares and 168 thousand shares, respectively. Moreover, the Company had outstanding loans from Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation for 1,460 million yen and 1,203 million yen, respectively, at the end of March 2021. And the Company owns shares of their parent companies: 62,145 shares of Mizuho Financial Group, Inc. and 22,300 shares of Sumitomo Mitsui Financial Group, Inc. As such, it is clear that the Company has a close relationship with Mizuho Financial Group, Inc. and Sumitomo Mitsui Financial Group, Inc. And besides Messrs. Suzuki and Inagaki, the Company has also elected successive Outside Audit & Supervisory Board Members from Mizuho Financial Group, Inc. and Sumitomo Mitsui Financial Group, Inc. Those elected as former employees of Mizuho Financial Group, Inc. are Mr. Masahiro Shimizu (June 2002 – June 2005), Mr. Ryohei Nakasu (June 2005 – June 2011), Mr. Koei Yamashiro (June 2011 – June 2015), Mr. Koichi Ikeda (June 2015 – June 2019) and Mr. Suzuki (June 2019 – June 2022, current position). Those elected as former employees of Sumitomo Mitsui Financial Group, Inc. are Mr. Hirokazu Hyodo (June 1999 – June 2013), Mr. Masayuki Yamazaki (June 2013 – June 2017), Mr. Shozo Watanabe (June 2017 – June 2021), and Mr. Takashi Inagaki (June 2021 – June 2022, current position).

   The Company's annual securities report and the report on corporate governance state that regarding the Company's Standards for the Independence of Outside Officers, "they shall not have been directors, audit & supervisory board members, executive officers or other employees of the financial institutions that are main lenders for the Company and the Group

companies in the past three fiscal years including the most recent one." And formally, Messrs. Suzuki and Inagaki do not fall under people who have been directors, audit & supervisory board members, executive officers or other employees of Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation in the past three fiscal years, and thus they meet the standards for the independence of outside audit & supervisory board members. However, the posts of the Company's Outside Audit & Supervisory Board Members have been fixed for successive former employees of Mizuho Financial Group, Inc. and Sumitomo Mitsui Financial Group, Inc., while it is clear that the Company has a strong relationship with companies related to Mizuho Financial Group, Inc. and Sumitomo Mitsui Financial Group, Inc. Under such relationship, the independence of Outside Audit & Supervisory Board Members who are former employees of such entities cannot be expected at all. Audit & Supervisory Board Members are expected to play an important role of monitoring the execution of duties by directors on behalf of shareholders, and moreover, the system of Outside Audit & Supervisory Board Members is one to have been introduced because it is necessary to have persons, among Audit & Supervisory Board Members, who can express objective opinions not influenced by directors who execute duties. The proponent considers it may invite governance failure, as it cannot be expected at all that former employees of both banks will express opinions on behalf of shareholders by maintaining "robust independence" without being influenced by directors and based on "appropriate judgement from an objective standpoint" under such relationship where it can be deemed to promise the positions of Outside Audit & Supervisory Board Members for a long period of time as stated above.

Due to the above reasons, the proponent proposes the dismissal of both Messrs. Suzuki and Inagaki. For Mr. Suzuki, the rate of affirmative votes was 70.8% at the 104th Ordinary General Meeting of Shareholders held on June 27, 2019, while for Mr. Inagaki it was 59.3% at the 106th Ordinary General Meeting of Shareholders held on June 25, 2021. Presumably, this is because many institutional institutions voted against them due to a doubt about their independence.

3. Opinion of the Company's Board of Directors on Agenda No. 8

THE BOARD OF DIRECTORS IS OPPOSED TO THE PROPOSAL.

The election of Audit & Supervisory Board Member Naoto Suzuki was approved and adopted at the 104th Ordinary General Meeting of Shareholders held on June 27, 2019, and that of Audit & Supervisory Board Member Takashi Inagaki at the 106th Ordinary General Meeting of Shareholders on June 25, 2021, and they assumed their post as Audit & Supervisory Board Member. They have attended all the meetings of the Board of Directors and Audit & Supervisory Board since assuming their post, have actively made statements with their experience and extensive knowledge as managers and business administrators to ensure the validity and appropriateness of the decision-making, and thereby have been sufficiently performing their duties.

Moreover, neither Audit & Supervisory Board Member Suzuki nor Inagaki has committed a fraudulent act while executing duties or an act in violation of laws, regulations or the Articles of Incorporation. Therefore, there is no justifiable reason or necessity to dismiss either Audit & Supervisory Board Member Suzuki or Inagaki.

Moreover, at this Ordinary General Meeting of Shareholders, we propose an increase of the number of Audit & Supervisory Board Members by one under "Agenda No. 2: Partial Amendments to the Articles of Incorporation," and conditional upon its approval, we propose Mr. Masayuki Kobayashi as candidate for a new Audit & Supervisory Board Member under "Agenda No. 4: Election of One (1) Audit & Supervisory Board Member." We will further enhance and strengthen the audit system with this measure.

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Agenda No. 9: Dismissal of One (1) Substitute Audit & Supervisory Board Member

1. Points of the proposal

   Substitute Audit & Supervisory Board Member Shozo Watanabe shall be dismissed.

2. Reasons for the proposal

   For the same reason in (3) above (Agenda No. 8), dismissal of Substitute Audit & Supervisory Board Member Shozo Watanabe is proposed.

3. Opinion of the Company's Board of Directors on Agenda No. 9

   THE BOARD OF DIRECTORS IS OPPOSED TO THE PROPOSAL.

   At this Ordinary General Meeting of Shareholders, we propose an increase of the number of Audit & Supervisory Board Members by one under "Agenda No. 2: Partial Amendments to the Articles of Incorporation," and conditional upon its approval, we propose Mr. Masayuki Kobayashi as candidate for a new Audit & Supervisory Board Member under "Agenda No. 4: Election of One (1) Audit & Supervisory Board Member."

   In addition, the effect of the election of Substitute Audit & Supervisory Board Member Shozo Watanabe will expire at this Ordinary General Meeting of Shareholders.

   Since we will have three Outside Audit & Supervisory Board Members with this, no proposal has been submitted for the election of a Substitute Audit & Supervisory Board Member.