This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 7723
June 8, 2026
(Electronic provision measures commencement date: June 1, 2026)

To Shareholders with Voting Rights:

Kenji Kunishima
President Representative Director
President Executive Officer
Aichi Tokei Denki Co., Ltd.
1-2-70 Chitose, Atsuta-ku, Nagoya,
Aichi, Japan

CONVOCATION NOTICE OF THE 103rd ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We hereby inform you that the 103rd Annual General Meeting of Shareholders of Aichi Tokei Denki Co., Ltd. (the "Company") will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken electronic provisioning measures for information that constitutes the contents of the Reference Documents for the General Meeting of Shareholders (Electronic Provision Measures Matters). Electronic Provision Measures Matters are posted on the Company's website as "Convocation Notice of the 103rd Annual General Meeting of Shareholders" and "Other Electronic Provision Measures Matters for the 103rd Annual General Meeting of Shareholders (Matters Omitted in the Document for Delivery)" (in Japanese only).

The Company's website: https://www.aichitokei.co.jp/ir/library/soukai/

Electronic Provision Measures Matters are posted on the website of Tokyo Stock Exchange (TSE), aside from the Company's website. If you confirm Electronic Provision Measures Matters on TSE website, please access the TSE website (Listed Company Search) described below, enter "Aichi Tokei Denki" in the field of "issue name (company name)," or the Company's securities code "7723" in the field of "Code" to search, and select "Basic information" and "Documents for public inspection/PR information" in this order, and confirm "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" provided under "Filed information available for public inspection."

Tokyo Stock Exchange website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

You may either attend the meeting in person or, if not, exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders provided below and exercise your voting rights by no later than 5:15 p.m. on Tuesday, June 23, 2026, Japan time.

1. **Date and Time:** Wednesday, June 24, 2026 at 10:00 a.m. Japan time
2. **Place:** Nagoya Chamber of Commerce & Industry
(Third floor, Meeting Room 5)
2-10-19 Sakae, Naka-ku, Nagoya, Aichi, Japan
3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report and Consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2025 - March 31, 2026) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2025 - March 31, 2026)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of Seven (7) Directors
Proposal 3: Payment of Bonuses to Directors

◎When you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue.
◎Any revisions to the Electronic Provision Measures Matters or paper-based documents that state Electronic Provision Measures Matters will be posted on each of the websites mentioned earlier.
◎The Reference Documents for the General Meeting of Shareholders have been sent to shareholders, regardless of whether there was a request for the delivery of paper-based documents.
◎Pursuant to the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation, the following items are not included in the paper-based documents delivered to shareholders who have requested delivery of the paper-based documents.
1) "System to Ensure That Directors Execute Their Duties in Compliance With Laws and Regulations and the Articles of Incorporation, and Other Systems to Ensure Appropriate Business Operations" in the Business Report
2) "Overview of the State of Operation of the System to Ensure Appropriate Business Operations" in the Business Report
3) "Basic Policy on Control of the Company" in the Business Report
4) "Consolidated Statement of Changes in Equity" in the Consolidated Financial Statements
5) "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
6) "Statement of Changes in Equity" in the Non-consolidated Financial Statements
7) "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Therefore, the paper-based documents are a part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their respective audit reports.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

With regard to the appropriation of surplus, the Company proposes the following.

1. Matters Concerning Year-End Dividends

   With regard to the year-end dividend for the 103rd fiscal year, the Company proposes the following, placing a high priority on maintaining stable dividends to shareholders and taking into account profit distribution commensurate with business performance of the fiscal year under review.

   If this proposal is approved, combined with an interim dividend of 45 yen per share, the annual dividend will amount to 113 yen per share, which is an increase of 38 yen per share from the previous fiscal year.

   (1) Type of dividend property
   The Company proposes to distribute cash dividends.

   (2) Matters concerning allotment of dividend assets and the total amount thereof
   The Company proposes the payment of an ordinary dividend of 68 yen per share.
   The total amount of dividends to be paid will be 1,043,232,404 yen.

   (3) Effective date of dividends of surplus
   June 25, 2026

2. Other Matters Concerning Appropriation of Surplus

   The Company proposes to appropriate internal reserves as follows in order to strengthen our management base for future proactive business development.

   (1) Items of surplus to be increased and the amount thereof
   General reserve: 2,000,000,000 yen

   (2) Items of surplus to be decreased and the amount thereof
   Retained earnings brought forward: 2,000,000,000 yen

Proposal 2: Election of Seven (7) Directors

As the terms of office of all seven (7) Directors, including three (3) Outside Directors, will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of seven (7) Directors including three (3) Outside Directors.

The candidates for Director are as follows.

No.	Name	Positions and responsibilities at the Company (Significant concurrent positions)	Attributes	Attendance at the Board of Directors meetings (for the 103rd fiscal year)
1	Toshiyuki Hoshika	Representative Director, Chairman	Reappointment	13/13 (100%)
2	Kenji Kunishima	President and Representative Director, President Executive Officer	Reappointment	13/13 (100%)
3	Yutaka Yoshida	Director, Managing Executive Officer, in charge of Technology	Reappointment	13/13 (100%)
4	Kazuhisa Mori	Director, Managing Executive Officer, General Manager of Sales Headquarters	Reappointment	13/13 (100%)
5	Chie Okada	Director (Significant concurrent positions) Partner, Kakura Law Office Outside Director (Audit and Supervisory Committee Member), AMG HOLDINGS CO., LTD.	Reappointment Outside Independent	13/13 (100%)
6	Masatsugu Kasano	Director (Significant concurrent positions) Advisor, OKAYA & CO., LTD.	Reappointment Outside Independent	13/13 (100%)
7	Asako Itakura	Director (Significant concurrent positions) Office Itakura Asako (a Specified Labor and Social Security Attorney and Small and Medium Enterprise Management Consultant firm) Employer Committee Member of Aichi Prefectural Labor Relations Commission Outside Director (Audit Committee Member) of Aichi Financial Group, Inc. Advisor to NagoyaTV Enterprise Co., Ltd.	Reappointment Outside Independent	13/13 (100%)

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
1	Toshiyuki Hoshika (November 25, 1955) [Reappointment] Attendance at the Board of Directors meetings: 13/13 (100%)	April 1978 Joined the Company April 2006 Head of Nagoya Branch Office June 2008 Executive Officer and Head of Osaka Branch Office April 2011 Executive Officer and General Manager of Public SS Sales Department, Sales Management Headquarters June 2014 Senior Executive Officer, Deputy General Manager of Production Management Headquarters, and General Manager of Gas Equipment Manufacturing Division April 2015 Senior Executive Officer, Deputy General Manager of Production Department, and General Manager of Gas Equipment Manufacturing Division June 2015 Director, Senior Executive Officer, General Manager of Production Department, and General Manager of Gas Equipment Manufacturing Division June 2016 Director, Managing Executive Officer in charge of Production, and General Manager of Production Department June 2017 President and Representative Director, President Executive Officer April 2022 Representative Director, Chairman (to present) Reason for appointment as a candidate for Director Mr. Toshiyuki Hoshika has been promoting the Company's corporate governance by being in charge of management of the Group as President and Representative Director, President Executive Officer from June 2017, and chairing the Board of Directors since April 2022 as Representative Director, Chairman. The Company proposes his reelection as director due to his abundant business experience and knowledge across all aspects of management.	53,800

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
2	Kenji Kunishima (September 22, 1963) [Reappointment] Attendance at the Board of Directors meetings: 13/13 (100%)	April 1986 Joined the Company June 2007 General Manager of Public Relations Secretary Office April 2008 General Manager of Secretary Office and Deputy General Manager of General Affairs Department June 2009 General Manager of General Affairs & Human Resources Department, Administration Management Headquarters April 2010 Head of Nagoya Branch Office, Sales Management Headquarters April 2012 Deputy Head of Tokyo Branch Office, Sales Management Headquarters June 2013 Executive Officer and Head of Tokyo Branch Office, Sales Management Headquarters June 2017 Executive Officer, Head of Okazaki Plant, and General Manager of Gas Equipment Manufacturing Division, Production Department April 2019 Senior Executive Officer, Head of Okazaki Plant, and General Manager of Gas Equipment Manufacturing Division, Production Department April 2020 Senior Executive Officer and General Manager of Production Department June 2020 Director, Senior Executive Officer, and General Manager of Production Department April 2021 Director, Managing Executive Officer, and General Manager of Production Headquarters April 2022 President and Representative Director, President Executive Officer (to present) Reason for appointment as a candidate for Director Mr. Kenji Kunishima has been in charge of management of the Group as President and Representative Director, President Executive Officer since April 2022 and has been leading the business by striving for business expansion based on the promotion of key initiatives laid out under the Medium-term Management Plan 2026. The Company proposes his reelection as director due to his abundant business experience and knowledge across all aspects of management.	26,900

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
3	Yutaka Yoshida (October 29, 1958) [Reappointment] Attendance at the Board of Directors meetings: 13/13 (100%)	January 1987 Joined the Company April 2009 General Manager of Sales Development Department, Sales Management Headquarters April 2012 Deputy General Manager of R&D Headquarters June 2013 Executive Officer and Deputy General Manager of R&D Headquarters October 2013 Executive Officer and General Manager of Quality Assurance Department April 2014 Executive Officer and General Manager of International Sales Department, Sales Management Headquarters April 2015 Executive Officer and General Manager of International Sales Division, Sales Department June 2017 Director, Senior Executive Officer, and General Manager of R&D Headquarters April 2022 Director, Senior Executive Officer, in charge of Technology April 2023 Director, Managing Executive Officer, in charge of Technology April 2025 Director, Managing Executive Officer, in charge of Technology, and General Manager of R&D Headquarters April 2026 Director, Managing Executive Officer, in charge of Technology (to present) Reason for appointment as a candidate for Director Mr. Yutaka Yoshida possesses rich experience related particularly to development and quality departments, and has been involved in the management of the Company as a Director since June 2017. The Company believes that his knowledge and experience is essential for raising the Group's corporate value, and proposes his reelection as Director.	20,400

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
4	Kazuhisa Mori (May 30, 1963) [Reappointment] Attendance at the Board of Directors meetings: 13/13 (100%)	April 1986 Joined the Company April 2009 General Manager of Technology Development Office, Sales Development Department, Sales Management Headquarters October 2010 General Manager of Technology Development Department, R&D Headquarters April 2014 Deputy General Manager of R&D Headquarters April 2015 General Manager of R&D Headquarters June 2015 Executive Officer and General Manager of R&D Headquarters June 2017 Executive Officer and General Manager of International Sales Division, Sales Department April 2020 Senior Executive Officer and General Manager of International Sales Division, Sales Department April 2022 Senior Executive Officer and General Manager of R&D Headquarters June 2023 Director, Senior Executive Officer, and General Manager of R&D Headquarters April 2025 Director, Senior Executive Officer, and General Manager of Sales Headquarters April 2026 Director, Managing Executive Officer, and General Manager of Sales Headquarters (to present) Reason for appointment as a candidate for Director Mr. Kazuhisa Mori has been engaged mainly in operations related to development, and has contributed as General Manager of International Sales Division toward the Company's development in overseas markets in its endeavor for global business expansion. The Company believes that his knowledge and experience is essential for raising the Group's corporate value, and proposes his reelection as Director.	8,100

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary and positions and responsibilities at the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Chie Okada
(October 3, 1970)

[Reappointment]
[Outside]
[Independent]

Attendance at the Board of Directors meetings: 13/13 (100%)</td><td>April 1998 Registered as an attorney
Joined Tsunehiko Nakane & Associates
October 2003 Partner, Kakura Law Office (to present)
October 2006 Civil Mediator, Nagoya Summary Court (Part-time Justice)
October 2015 Member, Dispute Adjustment Committee, Aichi Labor Bureau
September 2020 Auditor, National University Corporation Aichi University of Education
June 2022 Director, the Company (to present)
June 2023 Outside Director (Audit and Supervisory Committee Member), AMG HOLDINGS CO., LTD. (to present)
[Significant concurrent positions]
Partner, Kakura Law Office
Outside Director (Audit and Supervisory Committee Member), AMG HOLDINGS CO., LTD.</td><td rowspan="2">-</td></tr>
<tr><td>Reason for appointment as a candidate for Outside Director and summary of expected roles to be fulfilled in the event of election as Outside Director
Ms. Chie Okada works actively as an attorney and has extensive experience and wide-ranging insight on governance, particularly from a legal perspective. The Company expects her to incorporate such experience and insight in its management and to enhance the monitoring and supervisory functions of its management from an independent standpoint, and therefore proposes her reelection as Outside Director.</td></tr>
</table>

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
6	Masatsugu Kasano (November 7, 1960) [Reappointment] [Outside] [Independent] Attendance at the Board of Directors meetings: 13/13 (100%)	April 1984 Joined OKAYA & CO., LTD. March 2008 Deputy General Manager, Toyota Branch Office, Nagoya Head Office of OKAYA & CO., LTD. March 2011 Senior General Manager, Toyota Division, Nagoya Head Office and Deputy General Manager, Toyota Branch Office of OKAYA & CO., LTD. March 2015 Senior General Manager, Corporate Planning & Coordination Division and Senior General Manager, Toyota Division, Nagoya Head Office of OKAYA & CO., LTD. May 2016 General Manager, Kariya Branch Office, Toyota Division, Nagoya Head Office of OKAYA & CO., LTD. May 2018 Member of the Board, Deputy General Manager of Nagoya Head Office and General Manager, Kariya Branch Office, Toyota Division of OKAYA & CO., LTD. May 2021 Member of the Board in charge of New Technology Promotion of OKAYA & CO., LTD. March 2022 Member of the Board in charge of New Technology Promotion and General Manager, Kariya Branch Office, Toyota Division of OKAYA & CO., LTD. May 2022 Member of the Board in charge of New Technology Promotion of OKAYA & CO., LTD. June 2023 Director, the Company (to present) May 2026 Advisor, OKAYA & CO., LTD. (to present) [Significant concurrent positions] Advisor, OKAYA & CO., LTD. Reason for appointment as a candidate for Outside Director and summary of expected roles to be fulfilled in the event of election as Outside Director Mr. Masatsugu Kasano has broad insight cultivated in metal and machinery trading companies. The Company expects him to incorporate such experience and insight in its management and to enhance the monitoring and supervisory functions of its management from an independent standpoint, and therefore proposes his reelection as Outside Director.	-

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
7	Asako Itakura (January 21, 1961) [Reappointment] [Outside] [Independent] Attendance at the Board of Directors meetings: 13/13 (100%)	April 1983 Joined Nagoya Broadcasting Network February 2004 Executive Officer and Station Manager of Nagoya Broadcasting Network In charge of systems and ERP October 2005 Executive Officer and Station Manager of Nagoya Broadcasting Network General Manager of Compliance Office June 2008 Assistant to President's Office of Nagoya Broadcasting Network Senior Managing Director of NagoyaTV Enterprise Co., Ltd. June 2011 Deputy Director of Sales Department of NagoyaTV Enterprise Co., Ltd. (Station Manager) March 2013 Deputy Director of Corporate Strategy Office of NagoyaTV Enterprise Co., Ltd. (Station Manager) June 2016 Senior Managing Director of NagoyaTV Enterprise Co., Ltd. Human Resources Department of Nagoya Broadcasting Network (concurrent) July 2019 Managing Director of NagoyaTV Enterprise Co., Ltd. July 2021 Advisor to NagoyaTV Enterprise Co., Ltd. (to present) February 2022 Established Office Itakura Asako (a Specified Labor and Social Security Attorney and Small and Medium Enterprise Management Consultant firm) (to present) June 2023 Outside Director (Audit Committee Member) of Aichi Financial Group, Inc. (to present) June 2024 Director, the Company (to present) [Significant concurrent positions] Office Itakura Asako (a Specified Labor and Social Security Attorney and Small and Medium Enterprise Management Consultant firm) Employer Committee Member of Aichi Prefectural Labor Relations Commission Outside Director (Audit Committee Member) of Aichi Financial Group, Inc. Advisor to NagoyaTV Enterprise Co., Ltd. Reason for appointment as a candidate for Outside Director and summary of expected roles to be fulfilled in the event of election as Outside Director Ms. Asako Itakura has held successive key management positions for many years and has extensive experience and wide-ranging insight on human resources. The Company expects her to incorporate such experience and insight in its management and to enhance the monitoring and supervisory functions of its management from an independent standpoint, and therefore proposes her reelection as Outside Director.	-

Notes: 1. The Company engages in transactions with OKAYA & CO., LTD., where Mr. Masatsugu Kasano is Advisor, for the purchase of materials and goods and sales of products, etc., but the amount of said transactions in the fiscal year under review accounts for less than 1% of consolidated net sales of the Company and that of the said company. There is no other special interest between any of the candidates and the Company.

2. Ms. Chie Okada, Mr. Masatsugu Kasano, and Ms. Asako Itakura are candidates for Outside Director.

3. Ms. Chie Okada will have served as Outside Director for four (4) years at the conclusion of this General Meeting of Shareholders. Mr. Masatsugu Kasano will have served as Outside Director for three (3) years at the conclusion of this General Meeting of Shareholders. Ms. Asako Itakura will have served as Outside Director for two (2) years at the conclusion of this General Meeting of Shareholders.

4. The Company has registered Ms. Chie Okada, Mr. Masatsugu Kasano and Ms. Asako Itakura with the Tokyo Stock Exchange and the Nagoya Stock Exchange as independent directors pursuant to the provisions of both exchanges. In the event that the candidates are reelected, the Company will continue to register them as independent directors with the exchanges.

5. The Company has entered into a liability limitation agreement with Ms. Chie Okada, Mr. Masatsugu Kasano and Ms. Asako Itakura to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act to the maximum amount provided for in laws and regulations. In the event that they are reelected, the Company will continue this agreement with them.

6. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers legal damages and legal costs incurred by the insured due to claims for damages arising from acts (including omissions of acts) committed by the insured in his or her capacity as a Director or Officer of the Company. Each of the candidates is included as an insured person under such insurance contract as a Director or Executive Officer of the Company, and if their reappointment is approved, they will continue to be included as an insured person under the insurance contract. The Company will renew the insurance contract during their terms of office of the Director under this proposal with the same terms and conditions.

7. Ms. Chie Okada’s name in the family registry is Chie Kakura.

(Reference) Composition of the Board of Directors and Audit & Supervisory Board in the event that Proposals 2 is approved.

Based on the career and skills of each Director and Audit & Supervisory Board Member, items that are particularly expected are marked with ●.

Name	Position and responsibilities	Corporate management & Governance	Finance & Accounting	Sales & Marketing	Global experience	Development & Quality	IT & DX	Legal affairs & Risk management	Sustainability
Toshiyuki Hoshika	Representative Director, Chairman	●				●		●	
Kenji Kunishima	President and Representative Director, President Executive Officer	●	●						●
Yutaka Yoshida	Director, Managing Executive Officer, in charge of Technology			●		●	●		
Kazuhisa Mori	Director, Managing Executive Officer, General Manager of Sales Headquarters			●	●	●			
Chie Okada	Director (Outside)	●						●	●
Masatsugu Kasano	Director (Outside)			●	●		●		
Asako Itakura	Director (Outside)	●						●	●
Youichi Orikasa	Standing Audit & Supervisory Board Member (Outside)		●		●			●	
Masanori Watanabe	Standing Audit & Supervisory Board Member					●	●		●
Hiroaki Kato	Audit & Supervisory Board Member (Outside)	●	●					●	

*The table shown above does not represent all knowledge that each Director and Audit & Supervisory Board Member has.

Reasons for the selection of skills
Skills required of each Director and Audit & Supervisory Board Member are as follows.

Items	Reasons for selection
Corporate management & Governance	Ability to supervise the appropriateness of the business execution and the governance structure in order to understand the present status and make management decisions towards achieving the Company's vision.
Finance & Accounting	Ability to supervise appropriate resource allocations from a financial standpoint in order to enhance corporate value from a long-term perspective.
Sales & Marketing	Ability to determine potential business growth and future market trends from a broad perspective in order to achieve management plans.
Global experience	Ability to drive management by understanding values, business environments and geopolitical risks in each region to accelerate global expansion.
Development & Quality	Ability to develop technology and manufacturing strategies enabling technical innovation in order to create new value and markets.
IT & DX	Ability to develop strategies by incorporating digital technologies with the Company's businesses to expand IoT business and promote DX.
Legal affairs & Risk management	Ability to supervise the appropriateness of risk management, including compliance, by understanding increasingly complex and diverse risks.
Sustainability	Ability to resolve environment-related issues and promote human capital management from both social and corporate perspectives in order to balance a sustainable society with the Company's sustainable growth.

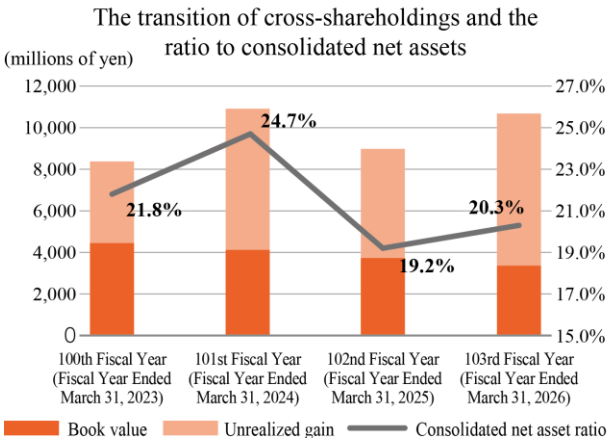
(Reference) Cross-shareholdings

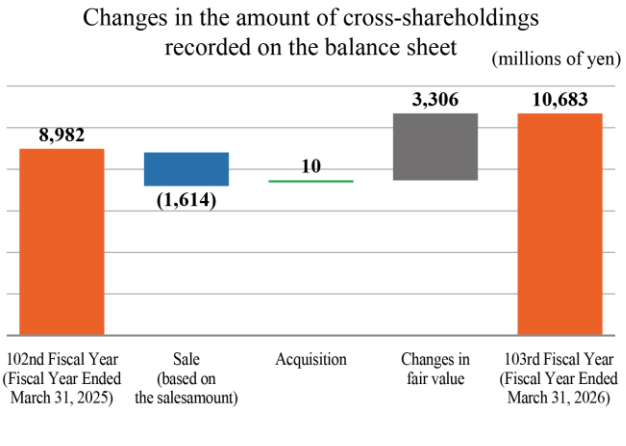
The Company's policy is to hold cross-shareholdings that will contribute to enhancing the Company's corporate value for stakeholders including shareholders, and to sell cross-shareholdings where there is no rational reason for continuing to hold them based on the criteria for reviewing cross-shareholdings.

In the 103rd fiscal year, the Company continued to proceed with the sale of cross-shareholdings. However, as the fair value of cross-shareholdings held by the Company increased significantly, the ratio of the amount of cross-shareholdings recorded on the balance sheet to the consolidated net assets came to 20.3%.

The transition of cross-shareholdings

		The 100th fiscal year (Fiscal year ended March 31, 2023)	The 101st fiscal year (Fiscal year ended March 31, 2024)	The 102nd fiscal year (Fiscal year ended March 31, 2025)	The 103rd fiscal year (Fiscal year ended March 31, 2026)
Number of issues (stocks)	Listed shares	40	40	36	33
	Unlisted shares	40	40	40	37
	Deemed shares held	2	1	-	-
	Total	82	81	76	70
Amount recorded on the balance sheet (Millions of yen)	Listed shares	6,263	8,780	8,489	10,197
	Unlisted shares	489	490	492	486
	Deemed shares held	1,625	1,644	-	-
	Total	8,378	10,915	8,982	10,683
Consolidated net asset ratio		21.8%	24.7%	19.2%	20.3%





Proposal 3: Payment of Bonuses to Directors

The Company proposes to pay a total of 51,000,000 yen as bonuses to four (4) Directors (excluding Outside Directors) as of the end of the fiscal year under review, taking into account factors including past payments and the business performance of the fiscal year under review.

As described in the Business Report, the Company's Board of Directors has defined a basic policy regarding details of compensation, etc. for individual Directors. This proposal has been deemed to be appropriate as it is necessary and reasonable to grant individual compensation, etc. to each Director in accordance with such policy, after seeking and receiving advice from the Nomination and Compensation Advisory Committee. In addition, the amount of compensation for Directors will not include the employee's salary for Directors who concurrently serve as employees, as has been the case to date.