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Stock Code: 6890

June 12, 2023

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

To our shareholders:

XianHan He
Representative Director and President
Ferrotec Holdings Corporation
2-3-4, Nihonbashi, Chuo-ku, Tokyo

Notice of the 43rd Annual General Meeting of Shareholders

We are pleased to announce the 43rd Annual General Meeting of Shareholders of Ferrotec Holdings Corporation (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.ferrotec.co.jp> (in Japanese)

(From the above website, select “IR Information,” and then “General Meeting of Shareholders” and “2023”.)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/6890/teiji/> (in Japanese)

Tokyo Stock Exchange website (TSE Listed Company Search):

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

(Access the TSE website by using the Internet address shown above, enter “Ferrotec Holdings” in “Issue name (company name)” or the Company’s securities code “6890” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Please review the Reference Documents of the General Meeting of Shareholders and exercise your voting rights.

- 1. Date and Time:** Thursday, June 29, 2023, at 10:00 a.m. (JST)
(The reception will start at 9:10 a.m.)
- 2. Place:** Main Hall, 6th Floor, Nomura Conference Plaza Nihonbashi
YUITO Nihonbashi Muromachi Nomura Building
2-4-3, Nihonbashimuromachi, Chuo-ku, Tokyo

3. Purpose of the Meeting:

Items to be reported:

1. The Business Report, the Consolidated Financial Statements for the Company's 43rd Fiscal Year (from April 1, 2022 to March 31, 2023) and the Accounting Auditor's Reports and the Audit & Supervisory Board's Audit Report on the Consolidated Financial Statements.
2. The Non-consolidated Financial Statements for the Company's 43rd Fiscal Year (from April 1, 2022 to March 31, 2023)

Items to be resolved:

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Amendment to the Articles of Incorporation
- Proposal No. 3** Election of 10 Directors
- Proposal No. 4** Election of One Audit & Supervisory Board Member

4. Matters Determined for Convocation (Information on Exercising Voting Rights)

- (1) When exercising your voting rights in writing (by postal mail), if there is no indication of approval or disapproval of the proposal on the voting form, it will be treated as if there was an indication of approval.
 - (2) If you exercise the voting rights both in writing (postal mail) and via the Internet, the contents of the voting rights exercised via the Internet shall be deemed valid.
 - (3) If you exercise your voting rights more than once via the Internet, the last vote shall be deemed effective.
- For those attending on the day, please present the voting form sent with this notice at the reception desk. We also ask that you bring this Notice of General Meeting of Shareholders for reference during the meeting.
 - If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the websites.
 - Among the matters subject to measures for electronic provision, the following matters will not be included in the paper-based documents sent to shareholders who have requested the delivery of such documents in accordance with laws, regulations and Article 15 of the Company's Articles of Incorporation.
 - i) "Main business operations, principal sales offices and factories, status of employees, status of major lenders, other important matters related to the current situation of the corporate group, status of shares, status of stock acquisition rights, status of accounting auditor, system to ensure appropriateness of operations, basic policy on control of the company, policy on determination of dividends of surplus, etc." of the Business Report
 - ii) "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
 - iii) "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements

Accordingly, the Attached Documents to this Notice of General Meeting of Shareholders are part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board in preparation for the Reports and Audit Report.

The Company's website: (<https://www.ferrotec.co.jp> (in Japanese))

Reference Documents of the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

Based on the basic policy of increasing returns to shareholders by sustainably increasing revenue, the Company's dividend policy is to make decisions in consideration of the balance between financial and investment opportunities, aiming for a dividend payout ratio of 20%. The year-end dividend for the fiscal year under review will be an ordinary dividend of ¥55 per share of common stock, taking into account the level and content of the Company's performance during the fiscal year under review, as well as financial and investment opportunities. As a result, by adding the interim dividend of ¥50 per share that has already been paid, the annual dividend for the fiscal year under review will be ¥105 per share.

Year-end dividend

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥55 (¥55 of ordinary dividend) per common share of the Company.

In this event, the total dividends will be ¥2,580,421,910.

(3) Effective date of dividends of surplus

The effective date of dividends shall be June 30, 2023.

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reasons for the Proposal

In order to further strengthen the Company’s group management structure, the maximum number of directors stipulated in Article 18 (Number of Members) of the current Articles of Incorporation will be increased by three, from nine to 12.

2. Details of the Amendment

The details of the amendment are as follows:

(Underlined parts denote amendments)

Current Articles of Incorporation	Proposed amendments
(Number of Members) Article 18 The number of directors of the Company shall number no more than <u>nine</u> .	(Number of Members) Article 18 The number of directors of the Company shall number no more than <u>twelve</u> .

Proposal No. 3 Election of 10 Directors

At the conclusion of this meeting, the terms of office of all nine Directors will expire. Therefore, in order to strengthen the management system, the Company desires to increase the number of directors by one, and proposes the election of 10 directors on the condition that the Proposal No. 2 Amendment to the Articles of Incorporation is approved as originally proposed.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Candidate attributes
1	Xian Han He	Representative Director, President, Group CEO	Reelection
2	Takeru Yamamura	Representative Director, Executive Vice President and Executive Officer for Corporate Administration and for Europe & Asia Business	Reelection
3	Miyoko Namiki	Director for Business Administration and HR Executive Officer, General Manager of Business Administration Office and General Manager of Business Administration Dept.	Reelection
4	Junichiro Oishi	Director for R&D and Manufacturing Executive Officer and General Manager of Manufacturing Office	Reelection
5	Akira Takeda	Director for Finance & Accounting, Planning Executive Officer, General Manager of Finance & Accounting Office and Treasurer	Reelection
6	Akihiro Sato	Executive Officer and General Manager of President's Office	New election
7	Eiji Miyanaga	Director for US Business Operation	Reelection
8	Tatsuo Okada	Outside Director	Reelection Outside Independent
9	Iku Shimooka	Outside Director	Reelection Outside Independent
10	Masaru Tamagawa		New election Outside Independent

Reelection: Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for outside Director

Independent: Candidate for independent officer

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	<p>XianHan He (October 14, 1957)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 19/19 (100%)</p>	<p>April 1993 Joined the Company</p> <p>June 2001 Director</p> <p>June 2004 Managing Director</p> <p>June 2011 Representative Director, Executive Vice President and Executive Officer for Business Management</p> <p>July 2020 Representative Director, President, Group CEO (current position)</p> <hr/> <p>[Significant concurrent positions outside the Company]</p> <p>Representative Director of Hangzhou Dahe Thermo-Magnetics Co., Ltd.</p> <p>Representative Director of Hangzhou Dahe New Material Technology Co., Ltd.</p> <p>Representative Director of Hangzhou Semiconductor Wafer Co., Ltd.</p> <p>Representative Director of Hangzhou Dunyuan Juxin Semiconductor Technology Co., Ltd.</p> <p>Representative Director of Shanghai Shenhe Investment Co., Ltd.</p> <p>Representative Director of Shanghai Hanhong Precision Machinery Co., Ltd.</p> <p>Representative Director of First Semiconductor Technology Holding Company Limited</p> <p>Representative Director of Ferrotec (Ningxia) Shenhe New Material Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Ningxia) Dunyuan Juxin Semiconductor Technology Co., Ltd.</p> <p>Representative Director of Shichuan Ferrotec Power Semiconductor Co., Ltd.</p> <p>Representative Director of Ferrotec (Jiangsu) Semiconductor Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Jiangsu) Quartz Technology Co., Ltd.</p> <p>Representative Director of Zhejiang Advanced Precision Machinery Co., Ltd.</p> <p>Representative Director of Ferrotec (Zhejiang) Quartz Technology Co., Ltd.</p> <p>Representative Director of Ferrotec (Anhui) Technology Development Co., Ltd.</p> <p>Representative Director of Ferrotec (Anhui) Changjiang Semiconductor Material Co., Ltd.</p> <p>Director of Ferrotec (USA) Corporation</p> <p>Representative Director of Hangzhou Bioer Technology Co., Ltd.</p> <p>Representative Director of Hangzhou Advanced Automation Technology Co., Ltd.</p>	168,663
<p>The special interest between the candidate Xian Han He and the Company is as follows:</p> <p>(i) The Company leases a company-owned property to him as employee housing. The lease fee is set based on the property's appraised amount from the seller's lease department and the opinion of a tax accounting corporation.</p> <p>(ii) He concurrently serves as Representative Director of Zhejiang Advanced Precision Machinery Co., Ltd., and the Company is engaged in purchase agency contracts and debt guarantees with Zhejiang Advanced Precision Machinery Co., Ltd.</p> <p>(iii) He concurrently serves as Representative Director of Ferrotec (Jiangsu) Quartz Technology Co., Ltd., and</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
		<p>the Company is engaged in moneylending contracts and debt guarantees with Ferrotec (Jiangsu) Quartz Technology Co., Ltd.</p> <p>(iv) He concurrently serves as Representative Director of Ferrotec (Anhui) Changjiang Semiconductor Material Co., Ltd., and the Company is engaged in purchase agency contracts with Ferrotec (Anhui) Changjiang Semiconductor Material Co., Ltd.</p> <p>(v) He concurrently serves as Representative Director of Ferrotec (Zhejiang) Quartz Technology Co., Ltd., and the Company is engaged in purchase agency contracts and debt guarantees with each of these companies.</p> <p>(vi) He concurrently serves as Representative Director of Hangzhou Bioer Technology Co., Ltd. and Hangzhou Advanced Automation Technology Co., Ltd., and the Group is engaged in trading contracts with both companies.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
2	<p>Takeru Yamamura (February 2, 1971)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 19/19 (100%)</p>	<p>April 1996 Joined the Company</p> <p>April 2004 General Manager of TE Dept., Electronic Device Business Div.</p> <p>April 2008 Assistant to the President</p> <p>June 2008 Director</p> <p>June 2008 Director for Business Improvement</p> <p>June 2009 Director and Executive Officer for Administration</p> <p>April 2011 Representative Director, Executive Vice President and Executive Officer for Administration</p> <p>June 2022 Representative Director, Executive Vice President and Executive Officer for Administration and for Europe & Asia Business (current position)</p>	55,500
		<p>[Significant concurrent positions outside the Company]</p> <p>Representative Director, Chairman of Ferrotec Material Technologies Corporation</p> <p>Director of Ferrotec (USA) Corporation</p> <p>CEO of Ferrotec Europe GmbH</p> <p>Chairman, Director of Ferrotec Nord Corporation</p> <p>Representative Director of Ferrotec Taiwan Co., Ltd.</p> <p>Director of FERROTEC CORPORATION SINGAPORE PTE LTD</p>	
There is no special interest between the candidate Takeru Yamamura and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
3	Miyoko Namiki (January 2, 1964) Reelection Attendance at Board of Directors meetings 14/14 (100%)	January 1996 Joined the Company January 2002 General Manager of Corporate Administration Dept., Corporate Administration Div. June 2011 Executive Officer, General Manager of Business Administration Dept. and Personnel Dept. April 2017 Executive Officer, General Manager of Administration Planning Office and Business Administration Dept. July 2019 Executive Officer, General Manager of Business Administration Office and General Manager of Business Administration Dept. June 2022 Director for Business Management and HR, Executive Officer, General Manager of Business Administration Office and Business Administration Dept. (current position)	18,700
		[Significant concurrent positions outside the Company] Director of Ferrotec Material Technologies Corporation Director of Hangzhou Dahe Thermo-Magnetics Co., Ltd. Director of Shanghai Hanhong Precision Machinery Co., Ltd. Director of First Semiconductor Technology Holding Company Limited Director of FERROTEC CORPORATION SINGAPORE PTE LTD	
There is no special interest between the candidate Miyoko Namiki and the Company.			
4	Junichiro Oishi (August 11, 1963) Reelection Attendance at Board of Directors meetings 14/14 (100%)	April 1988 Joined NEC Corporation January 2014 Joined Nitto Boseki Co., Ltd. April 2014 General Manager of Engineering Div. of Nitto Boseki October 2016 Joined the Company General Manager of Manufacturing Div. April 2017 Executive Officer and General Manager of Manufacturing Office June 2022 Director for R&D and Manufacturing, Executive officer and General Manager of Manufacturing Office (current position)	8,000
		[Significant concurrent positions outside the Company] Non-Executive Director of OHIZUMI MFG. CO., LTD. Representative Director and President of Toyo Knife Co., Ltd.	
There is no special interest between the candidate Junichiro Oishi and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
5	Akira Takeda (October 16, 1965) Reelection Attendance at Board of Directors meetings 14/14 (100%)	<p>April 1989 Joined Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>July 2015 Deputy General Manager of International Credit Department</p> <p>April 2019 Seconded to the Company from MUFG Bank, Ltd. General Manager of Finance & Accounting Office of the Company</p> <p>August 2019 Joined the Company General Manager of Finance & Accounting Office</p> <p>June 2020 Executive Officer, General Manager of Finance & Accounting Office and Treasurer</p> <p>June 2022 Director, Executive Officer for Finance & Accounting, Planning, General Manager of Finance, Accounting & Planning Dept. and General Manager of Finance Dept. (current position)</p>	6,100
		<p>[Significant concurrent positions outside the Company] Director of Ferrotec Material Technologies Corporation Director of Shanghai Shenhe Investment Co., Ltd.</p>	
There is no special interest between the candidate Akira Takeda and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
6	Akihiro Sato (August 4, 1967) New election	<p>April 1992 Joined The Tokai Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>April 2003 Joined Citibank N.A.</p> <p>April 2005 Joined Mitsubishi UFJ Wealth Management Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>August 2006 Joined UBS AG</p> <p>March 2012 Joined Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p> <p>December 2014 Joined Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>June 2015 Joined the Company Assistant to General Manager of Corporate Administration Div.</p> <p>June 2015 Executive Officer and General Manager of Corporate Planning Dept.</p> <p>July 2019 Executive Officer and General Manager of Investor Relations Dept.</p> <p>January 2022 Executive Officer and General Manager of President's Office (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>—</p>	3,000
There is no special interest between the candidate Akihiro Sato and the Company.			
7	Eiji Miyanaga (July 15, 1970) Reelection Attendance at Board of Directors meetings 19/19 (100%)	<p>July 2001 Joined Ferrotec (USA) Corporation</p> <p>April 2002 Director (current position)</p> <p>January 2005 President and COO</p> <p>November 2010 President and CEO</p> <p>June 2015 Director for Europe & US Business operation of the Company</p> <p>April 2017 Director for US Business operation (current position)</p> <p>July 2017 CEO of Ferrotec (USA) Corporation (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Director and CEO of Ferrotec (USA) Corporation Director of FERROTEC MANUFACTURING MALAYSIA SDN. BHD.</p>	25,000
There is no special interest between the candidate Eiji Miyanaga and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company		Number of the Company's shares owned
8	Tatsuo Okada (January 19, 1953) Reelection Outside Independent Attendance at Board of Directors meetings 19/19 (100%)	June 1982 February 1987 November 1999 April 2013 June 2021	Joined KYOCERA Corporation Joined Raykey Inc. Director of Raykey Inc. Established NPO Global Sports Alliance Standing Director of NPO Global Sports Alliance Established Sparking Life Japan Representative Director of Sparking Life Japan (current position) Outside Director of the Company (current position)	0
		[Significant concurrent positions outside the Company] Representative Director of Sparking Life Japan		
[Reasons for nomination as candidate for outside Director and overview of expected roles] Tatsuo Okada is currently an outside Director of the Company, and his tenure as outside Director will have been two years at the conclusion of this Meeting. He established an NPO which works on environment conservation through sports and he has worked on environmental issues across the world for many years, cooperating with the United Nations Environment Programme (UNEP). Thereafter, he has been engaged in activities as a social entrepreneur toward the development of a sustainable society, such as establishing an association that aims to develop and promote sport therapy programs targeting children with developmental disabilities. The Company has deemed that he will be able to greatly assist in the Company's business from a novel perspective with his abundant experience and discernment in relation with SDGs activities and ESG activities. Accordingly, the Company nominates him as a candidate for outside Director. The Company expects him to mainly make suggestions utilizing his experience in activities as a social entrepreneur and give advice regarding the Company's SDGs activities and ESG activities. Note that there is no special interest between the candidate Tatsuo Okada and the Company.				
9	Iku Shimooka (April 9, 1972) Reelection Outside Independent Attendance at Board of Directors meetings 19/19 (100%)	September 1998 December 2005 June 2017 June 2021 April 2022 July 2022	Joined Tsuchiya Tax Accountant Office Joined Grant Thornton Taiyo Tax Corporation Joined Grant Thornton Taiyo Advisors Co., Ltd. Partner, Grant Thornton Taiyo Advisors Co., Ltd. Outside Director of the Company (current position) Tax Accountant at Iku Shimooka Tax Office (current position) Director of APPEX CORPORATION (current position)	0
		[Significant concurrent positions outside the Company] Tax Accountant at Iku Shimooka Tax Office Director of APPEX CORPORATION		
[Reasons for nomination as candidate for outside Director and overview of expected roles] Iku Shimooka is currently an outside Director of the Company, and her tenure as outside Director will have been two years at the conclusion of this Meeting. She has long-term experience as an expert in accounting and tax affairs, as well as experience in management as a partner of an international accounting firm. Moreover, the Company has deemed that she will be able to greatly assist in the Company's business with her abundant experience and discernment engaging in a great number of cross-border corporate restructures between Japan and China. Accordingly, the Company nominates her as a candidate for outside Director. The Company expects her to mainly contribute to enhancement of the supervisory function in the Company's Board of Directors, as well as to give advice on listing of the Company's Chinese subsidiaries, which is one of the Company's major measures in business strategies, by utilizing her experience and discernment garnered so far. She has never been directly involved in the management of a company beyond her roles as an outside officer. However, the Company judges she will appropriately fulfill her duties as an outside Director based on the above reasons. Note that there is no special interest between the candidate Iku Shimooka and the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
10	<p>Masaru Tamagawa (June 28, 1960)</p> <p>New election Outside Independent</p>	<p>April 1983 Joined Sanbi Japan Co., Ltd.</p> <p>May 1990 Joined Sony Corporation (currently Sony Group Corporation)</p> <p>February 2004 Managing Director of Sony Gulf FZE (currently Sony MIDDLE EAST & AFRICA FZE)</p> <p>January 2007 Managing Director of SONY INDIA PRIVATE LIMITED</p> <p>June 2012 Executive Officer of Sony Corporation (currently Sony Group Corporation)</p> <p>July 2012 President of Sony Europe Limited</p> <p>April 2016 Global Sales & Marketing Officer of Sony Corporation (currently Sony Group Corporation)</p> <p>April 2016 Representative Director and Chairman of Sony Marketing</p> <p>[Significant concurrent positions outside the Company] -</p>	0
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles] Masaru Tamagawa has abundant experience and discernment as a person engaged in business execution of a business corporation, and the Company has deemed that he will be able to greatly assist in the management of the Company as outside Director from an objective standpoint independent of management, who is engaged in the execution of business. Accordingly, the Company nominates him as a candidate for outside Director. As a corporate manager of overseas business corporations, he has a wealth of management experience, and the Company expects him to contribute to the strengthening of the supervisory function of the Board of Directors and provide much advice regarding the Company's business strategy for global business development based on his experience and insight. Regarding transactions within this fiscal year between the Sony Group, where he was assigned, and the Group, net sales to the Sony Group amounted to less than 1% of the Company's consolidated net sales, and the Group's purchases from the Sony Group amounted to less than 1% of Sony's consolidated net sales. Therefore, this has no impact on his independence.</p>			

(Notes)

1. Tatsuo Okada, Iku Shimooka, and Masaru Tamagawa are candidates for outside Director. There are no special interests between them and the Company.
2. The Company has entered into Indemnity agreements with all Directors pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, under which the Company shall indemnify the costs, provided for under item (i) of the same paragraph, and the loss, provided for under item (ii) of the same paragraph. If the reelections of Xian Han He, Takeru Yamamura, Miyoko Namiki, Junichiro Oishi, Akira Takeda, Eiji Miyanaga, Tatsuo Okada and Iku Shimooka are approved, the Company plans to renew the aforementioned agreements with each of the reelected Directors. If the elections of Akihiro Sato and Masaru Tamagawa are approved, the Company plans to enter into the same Indemnity agreements with each of them.
3. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy will cover losses incurred in cases where an insured sustains a claim for damages and litigation expenses. If this proposal is approved as proposed, each candidate shall be insured under the policy and the Company plans to renew said insurance policy with the same content.
4. The Company has entered into limited liability agreements with Tatsuo Okada and Iku Shimooka pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation to limit the liability for damages as provided for in Article 423, paragraph (1) of the same act. The limitation of the liability for damages under the same agreement is the minimum liability amount set forth in Article 425, paragraph (1) of the Companies Act. If their reelections are approved, the Company plans to renew the aforementioned agreements with them. If the election of Masaru Tamagawa is approved, the Company plans to enter into the same limited liability agreement with him.
5. The Company has submitted notification to the Tokyo Stock Exchange that Tatsuo Okada and Iku Shimooka have been designated as independent officers as provided for by the aforementioned exchange. If the election of candidate Masaru Tamagawa is approved, the Company will notify the aforementioned exchange that he has been designated as an independent officer.

Proposal No. 4 Election of One Audit & Supervisory Board Member

At the conclusion of this meeting, the term of office of Audit & Supervisory Board Members Takamasa Higuchi and Masaru Yoshida will expire. Therefore, the Company proposes the election of one new Audit & Supervisory Board Member.

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

The candidate for Audit & Supervisory Board Members is as follows:

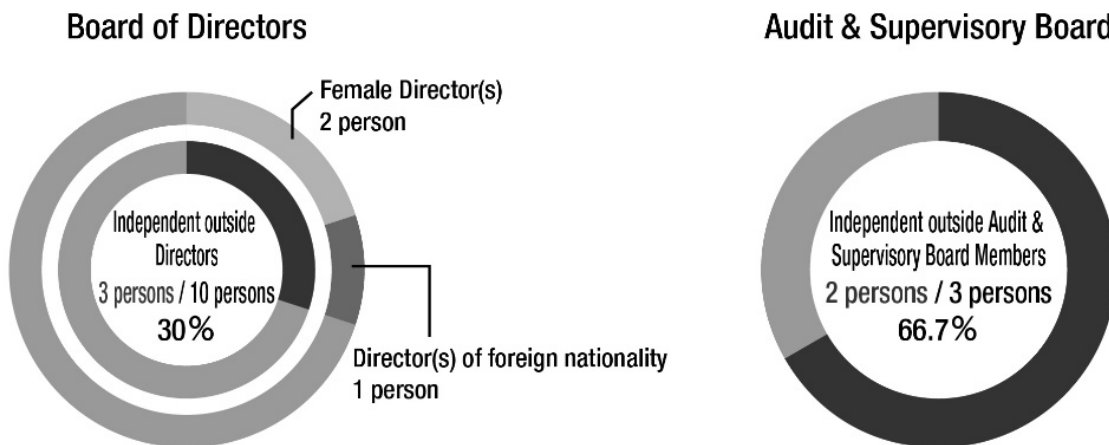
Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
<p style="text-align: center;">Hiroyuki Dairaku (June 3, 1976)</p> <p style="text-align: center;">New election Outside Independent</p>	<p>October 2000 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>September 2006 Manager of Secured Capital Japan Co., Ltd. (currently PAG Investment Management Limited)</p> <p>July 2009 Senior Manager of Ernst & Young ShinNihon LLC</p> <p>July 2012 Corporate Accounting Specialist of Financial Services Agency</p> <p>October 2014 Senior Manager of Ernst & Young ShinNihon LLC</p> <p>October 2015 Senior Vice President of Deloitte Tohmatsu Financial Advisory LLC</p> <p>April 2019 Director of PricewaterhouseCoopers Aarata LLC/PricewaterhouseCoopers Consulting LLC</p> <p>October 2021 C.P.A. and Head of Dairaku Accounting Firm (current position)</p> <p>October 2021 Representative Director of Dairaku Sogo Kaikei Co., Ltd. (current position)</p> <p>June 2022 Outside Director of welley corporation (current position)</p> <p>[Significant concurrent positions outside the Company] C.P.A. and Head of Dairaku Accounting Firm Representative Director of Dairaku Sogo Kaikei Co., Ltd. Outside Director of welley corporation</p>	0
<p>[Reasons for nomination as candidate for outside Audit & Supervisory Board Member]</p> <p>Hiroyuki Dairaku has specialized knowledge and abundant experience in corporate accounting as a certified public accountant who is an accounting expert. He also has knowledge of corporate disclosures and audit systems as a Corporate Accounting Specialist of the Financial Services Agency, as well as knowledge in advisory services related to M&As, fraud response, regulatory response, and climate change risk response. The Company has nominated him as a candidate for outside Audit & Supervisory Board Member based on the judgment that he will greatly contribute to the Company's business.</p> <p>Note that there is no special interest between the candidate Hiroyuki Dairaku and the Company.</p>		

- (Notes)
1. The candidate Hiroyuki Dairaku is a candidate for outside Audit & Supervisory Board Member. There is no special interest between him and the Company.
 2. The Company will enter into Indemnity agreements with all Audit & Supervisory Board Members pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, under which the Company shall indemnify the costs, provided for under item (i) of the same paragraph, and the loss, provided for under item (ii) of the same paragraph. If this proposal is approved as proposed, and the candidate is elected, the Company plans to enter into an indemnity agreement with Hiroyuki Dairaku.
 3. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy will cover losses incurred in cases where an insured sustains a claim for damages and litigation expenses. If this proposal is approved as proposed, the candidate shall be insured under the policy and the Company plans to renew said insurance policy with the same content.

4. The Company will enter into a limited liability agreement with the Audit & Supervisory Board Members pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation to limit the liability for damages as provided for in Article 423, paragraph (1) of the same act. If this proposal is approved as proposed, and the candidate is elected, the Company plans to enter into a limited liability agreement with Hiroyuki Dairaku.
5. If the election of candidate Hiroyuki Dairaku is approved, the Company will submit notification to the Tokyo Stock Exchange that he has been designated as an independent officer as provided for by the aforementioned exchange.

(Reference) Compositions of the Board of Directors and the Audit & Supervisory Board

If Proposal No. 3 and Proposal No. 4 are approved as proposed, the compositions of the Company's Board of Directors and Audit & Supervisory Board will be as follows:



(Reference) Skill Matrix of Directors and Audit & Supervisory Board Members (Incumbents and Candidates)
 If Proposal No. 3 and Proposal No. 4 are approved, the knowledge/experience of the Company's Directors and Audit & Supervisory Board Members will be as follows:

No.	Name of Director	Category	(i) Corporate management and sector knowledge	(ii) Manufacturing (production/quality)	(iii) Legal affairs and risk management	(iv) Technology and R&D	(v) Financial accounting and dialogue with capital markets	(vi) Sales and marketing	(vii) ESG and sustainability	(viii) Global experience
1	Xian Han He	Director	●	●			●	●		●
2	Takeru Yamamura	Director	●		●				●	●
3	Miyoko Namiki	Director	●		●					●
4	Junichiro Oishi	Director	●	●		●				
5	Akira Takeda	Director	●				●		●	●
6	Akihiro Sato	Director	●				●		●	
7	Eiji Miyanaga	Director	●					●		●
8	Tatsuo Okada	Outside Director	●					●	●	●
9	Iku Shimooka	Outside Director			●		●			●
10	Masaru Tamagawa	Outside Director	●	●				●		●
11	Hiroo Wakaki	Audit & Supervisory Board Member	●				●		●	
12	Taku Matsumoto	Outside Audit & Supervisory Board Member			●				●	●
13	Hiroyuki Dairaku	Outside Audit & Supervisory Board Member			●		●		●	
No. of applicable persons / total no. of persons			10/13	3/13	5/13	1/13	6/13	4/13	7/13	9/13
Above ratio as a percentage			76.9%	23.1%	38.5%	7.7%	46.2%	30.8%	53.8%	69.2%

Note: If multiple types of knowledge/experience are required for one item, if the person possesses any of them, they are deemed as "able to contribute" (denoted by ●).