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Securities Code: 6804

June 4, 2024

(Start date of measures for electronic provision: June 3, 2024)

To Those Shareholders with Voting Rights

Kenji Furuhashi
President and Representative Director
Hosiden Corporation
4-33, Kitakyuhoji 1-Chome, Yao City,
Osaka

NOTICE OF THE 74TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

- You are cordially invited to attend the 74th Ordinary General Meeting of Shareholders of Hosiden Corporation (the “Company”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by paper ballot or via the internet, etc. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m., Tuesday, June 25, 2024.

1. **Date and Time:** Wednesday, June 26, 2024 at 9:00 a.m. (Reception starting from 8:00 a.m.)
2. **Place:** Meeting room of Hosiden Corporation
4-33, Kitakyuhoji 1-Chome, Yao City, Osaka, Japan
3. **Agenda of the Meeting:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the 74th Fiscal Term (from April 1, 2023 to March 31, 2024), and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 74th Fiscal Term (from April 1, 2023 to March 31, 2024)
 - Matters to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Election of One Director
 - Proposal No. 3:** Election of Two Statutory Auditors
 - Proposal No. 4:** Election of Two Substitutes for Statutory Auditors
 - Proposal No. 5:** Payment of Bonuses to Directors

In convening this General Meeting of Shareholders, the Company takes measures for electronic provision, and has posted the matters subject to measures for electronic provision on the following website.

The Company’s website: <https://www.hosiden.com/en>

Please access the above website, and select “Investor Relations” from the menu to view the information.

In addition to the above website, the information is also posted on the Tokyo Stock Exchange (TSE) website. Therefore, please access the TSE website (Listed Company Search) shown below, enter “Hosiden” in “Issue name (company name)” or the Company’s securities code “6804” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information” to view the information.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

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- For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
 - Any and all corrections that occurred with regard to the matters subject to measures for electronic provision will be posted on the respective websites where these matters are posted.
 - If you do not indicate your approval or disapproval on the Proposals on the Voting Rights Exercise Form, it shall be deemed as an intention of approval.
 - Of the matters subject to measures for electronic provision, the following matters are not included in the paper-based documents to be delivered to shareholders who requested the delivery of such documents, pursuant to the provisions of laws and regulations and the Articles of Incorporation of the Company. The Statutory Auditors and the Accounting Auditor have audited documents to be audited, including the following matters.
 - Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements, which are part of the Consolidated Financial Statements
 - Non-Consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements, which are part of the Non-consolidated Financial Statements

(REFERENCE)

Financial Highlights
(Year ended March 31)

		March 2020	March 2021	March 2022	March 2023	March 2024
1. Consolidated financial highlights						
Net sales	(Millions of yen)	211,912	233,934	207,608	277,244	218,910
Ordinary income (loss)	(Millions of yen)	11,353	13,401	15,786	18,984	18,160
Net income (loss)	(Millions of yen)	9,433	10,338	11,901	12,637	11,632
Comprehensive income	(Millions of yen)	8,178	11,932	13,469	14,477	14,702
Net assets	(Millions of yen)	100,767	109,250	119,533	126,753	134,870
Total assets	(Millions of yen)	150,161	161,894	171,525	179,993	175,008
Net assets per share	(Yen)	1,723.79	1,935.14	2,175.11	2,379.08	2,609.20
Net income (loss) per share	(Yen)	161.37	178.70	211.57	232.88	224.23
Diluted net income per share	(Yen)	150.38	166.28	196.32	214.93	205.62
Equity ratio	(%)	67.1	67.5	69.7	70.4	77.1
Return on equity	(%)	9.7	9.8	10.4	10.3	8.9
Cash flows from operating activities	(Millions of yen)	2,122	12,590	(1,230)	20,765	26,931
Cash flows from investing activities	(Millions of yen)	(4,775)	(2,360)	(3,059)	(9,852)	(8,345)
Cash flows from financing activities	(Millions of yen)	(2,147)	(3,860)	(3,748)	(7,437)	(7,940)
Cash and cash equivalents at year-end	(Millions of yen)	62,649	69,522	62,479	66,017	76,662
2. Non-Consolidated financial highlights						
Net sales	(Millions of yen)	167,075	197,085	161,003	224,764	163,689
Ordinary income (loss)	(Millions of yen)	5,701	8,381	11,424	15,380	12,664
Net income (loss)	(Millions of yen)	4,566	9,206	14,064	9,442	7,625
Common stock	(Millions of yen)	13,660	13,660	13,660	13,660	13,660
Total number of shares issued	(Thousand shares)	67,710	67,710	64,710	63,010	61,410
Net assets	(Millions of yen)	71,484	78,137	88,939	91,010	93,169
Total assets	(Millions of yen)	121,913	131,109	133,435	138,156	131,502
Net assets per share	(Yen)	1,222.87	1,384.03	1,618.40	1,708.21	1,802.46
Annual dividends per share [Interim dividends per share]	(Yen)	25 [10]	25 [10]	65 [10]	71 [23]	68 [24]
Net income (loss) per share	(Yen)	78.12	159.13	250.01	174.01	147.01
Diluted net income per share	(Yen)	72.68	148.05	232.03	160.53	134.71
Equity ratio	(%)	58.6	59.6	66.7	65.9	70.9
Return on equity	(%)	6.5	12.3	16.8	10.5	8.3
Payout ratio	(%)	32.0	15.5	25.5	40.5	46.1

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

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

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

Consolidated Balance Sheet
(As of March 31, 2024)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	145,925	Current liabilities	35,042
Cash and deposits	72,287	Notes payable and accounts payable—trade	14,673
Notes receivable—trade	1,644	Short-term borrowings	1,050
Accounts receivable—trade	21,110	Current portion of bonds with share acquisition rights	10,008
Short-term investment securities	14,624	Accrued income taxes	3,253
Merchandise and finished goods	9,214	Provision for directors' bonuses	140
Work in process	3,730	Other	5,916
Raw materials and supplies	19,638	Long-term liabilities	5,094
Operating accounts receivable	1,188	Deferred tax liabilities	2,167
Other	2,503	Net defined benefit liability	2,307
Allowance for doubtful accounts	(15)	Other	620
Fixed assets	29,082		
Tangible fixed assets	16,641	Total Liabilities	40,137
Buildings and Structures	6,944		
Machinery and vehicles	4,373	Net assets	
Land	3,031	Owners' equity	128,417
Construction in progress	311	Capital	13,660
Other	1,979	Additional paid-in capital	19,596
Intangible fixed assets	405	Retained earnings	106,744
Software and other	405	Treasury stock	(11,584)
Investments and other assets	12,035	Accumulated other comprehensive income	6,453
Investment securities	7,057	Unrealized gains on available-for-sale securities	3,500
Net defined benefit asset	35	Exchange adjustment account	2,272
Deferred tax assets	674	Re-measurements of defined benefit plans	680
Other	4,554		
Allowance for doubtful accounts	(286)	Total Net Assets	134,870
Total Assets	175,008	Total Liabilities and Net Assets	175,008

Consolidated Statement of Income
(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
Net sales		218,910
Cost of sales		196,164
Gross profit		22,745
Selling, general and administrative expenses		9,820
Operating income		12,925
Non-operating income		
Interest and dividends income	950	
Exchange gain	4,214	
Other	129	5,294
Non-operating expenses		
Interest expenses	41	
Other	16	58
Ordinary income		18,160
Extraordinary income		
Profit on sales of fixed assets	14	14
Extraordinary losses		
Loss on disposal and sales of fixed assets	33	
Impairment loss	931	
Other	0	965
Income before income taxes		17,210
Income taxes—current	5,181	
Income taxes—deferred	396	5,578
Net income		11,632
Profit attributable to non-controlling interests		-
Profit attributable to owners of parent		11,632

Non-Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	106,499	Current liabilities	30,777
Cash and deposits	39,850	Notes payable—trade	1,164
Notes receivable—trade	1,643	Accounts payable—trade	9,732
Accounts receivable—trade	19,129	Short-term borrowings	1,050
Short-term investment securities	14,624	Current portion of bonds with share acquisition rights	10,008
Merchandise and finished goods	970	Accounts payable—other	546
Work in process	2,262	Accrued expenses	906
Raw materials and supplies	10,012	Income taxes payable	1,603
Short-term loans receivable from subsidiaries and associates	4,972	Deposits received	5,308
Operating accounts receivable	14,062	Provision for directors' bonuses	30
Accounts receivable—other	542	Other	426
Other	271	Long-term liabilities	7,555
Allowance for doubtful accounts	(1,841)	Reserve for retirement benefits	1,647
Fixed assets	25,003	Reserve for loss on business of subsidiaries and affiliates	4,502
Tangible fixed assets	7,873	Deferred tax liabilities	1,126
Buildings	2,737	Other	278
Structures	123	Total Liabilities	38,332
Machinery and equipment	1,564	Net assets	
Vehicles and transportation equipment	0	Owners' equity	89,669
Tools, furniture and fixtures	584	Capital	13,660
Molds	100	Additional paid-in capital	19,596
Land	2,666	Capital reserve	19,596
Construction in progress	95	Retained earnings	67,996
Intangible fixed assets	180	Legal reserve	1,049
Software	161	Other retained earnings	66,947
Other	18	Reserve for dividends	200
Investments and other assets	16,949	Reserve for advanced depreciation of fixed assets	522
Investment securities	7,057	Reserve for open innovation promotion tax system	17
Stocks of subsidiaries and affiliates	3,352	General reserve	26,350
Investments in equity of subsidiaries and affiliates	2,622	Retained earnings brought forward	39,857
Long-term loans receivable from subsidiaries and affiliates	281	Treasury stock	(11,584)
Other	4,172	Valuation and translation adjustments	3,500
Allowance for doubtful accounts	(537)	Unrealized gains on available-for-sale securities	3,500
Total Assets	131,502	Total Net Assets	93,169
		Total Liabilities and Net Assets	131,502

Non-Consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
Net sales		163,689
Cost of sales		151,284
Gross profit		12,405
Selling, general and administrative expenses		4,850
Operating income		7,554
Non-operating income		
Interest and dividends income	1,085	
Exchange gain	3,868	
Other	203	5,158
Non-operating expenses		
Interest expenses	6	
Rent expenses	29	
Other	12	48
Ordinary income		12,664
Extraordinary income		
Profit on sales of fixed assets	4	
Reversal of allowance for doubtful accounts for subsidiaries and associates	71	
Reversal of reserve for loss on guarantees of subsidiaries and affiliates	618	
Other	58	752
Extraordinary losses		
Loss on disposal and sales of fixed assets	9	
Impairment loss	349	
Provision of allowance for doubtful accounts for subsidiaries and associates	946	
Provision for loss on business of subsidiaries and associates	929	
Other	0	2,235
Income before income taxes		11,181
Income taxes—current	3,378	
Income taxes—deferred	177	3,555
Net income		7,625

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

Hosiden Corporation embraces providing returns to shareholders as one of our important corporate policies. Meanwhile, in order to increase the corporate value, research and development as well as investment in production equipment, etc. are necessary to cope with rapid technological innovation. To that end, the Company is working to increase business profits and reinforce its financial position by securing internal reserves from a long-term perspective. The Company aims to pay out dividends on an ongoing basis, assuming a stable business environment, and target a payout ratio of about 30% based on consolidated financial results.

Under this policy, the Company proposes the year-end dividend and other appropriation of surplus for the fiscal year as follows.

1. Types of dividend properties
Cash
2. Matters related to distribution of dividend properties and the amount
Shares of common stock of the Company: ¥44 per share
Aggregate amount: ¥2,274,384,728
The annual dividend for the term, along with the interim dividend of ¥24 per share, will be ¥68 per share.
3. Effective date of the dividend of surplus
June 27, 2024

Proposal No. 2: Election of One Director

In order to strengthen supervision of the execution of duties by Directors and enhance corporate governance, the election of one Outside Director is proposed. The elected Director's term of office will be the period until the expiration of the term of office of other current Directors, pursuant to the provisions of the Articles of Incorporation of the Company.

The candidate for Director is as follows:

Name (Date of Birth)	Career summary, positions and responsibilities in the Company and important concurrent position	Number of shares of the Company held
<p style="text-align: center;">*</p> <p style="text-align: center;">Yukari Konishi January 4, 1959 (Female)</p>	<p>April 1982 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Holdings Corporation)</p> <p>April 2005 Director, Matsushita Electric Industrial Co., Ltd.</p> <p>September 2006 Member of Administrative Council, Kyoto University</p> <p>August 2007 Member of Public Interest Corporation Commission, Osaka</p> <p>April 2012 Senior Advisor, General Manager, Corporate Communications Division, Panasonic Corporation</p> <p>September 2015 Secretary General, Kansai Branch and JEITA Professional Researcher (Public Relations), Japan Electronics and Information Technology Industries Association (JEITA)</p> <p>February 2019 Secretary General, The Graduate School of Project Design (Professional Graduate School), Osaka</p> <p>January 2021 Advisor, KIYOH CO., LTD.</p> <p>February 2021 Senior Advisor, Japan Electronics and Information Technology Industries Association (JEITA) (to the present)</p> <p>June 2023 Outside Auditor, AIPHONE CO., LTD. (to the present)</p> <p>August 2023 Member of Osaka City Citizen Activity Promotion Project Steering Committee (to the present)</p> <p>[Important concurrent positions]</p> <ul style="list-style-type: none"> • Senior Advisor, Japan Electronics and Information Technology Industries Association (JEITA) • Outside Auditor, AIPHONE CO., LTD. • Member of Osaka City Citizen Activity Promotion Project Steering Committee 	0 shares
<p>[Reasons for nomination as a candidate and overview of expected roles]</p> <p>Ms. Konishi has expertise and experience in the electronic components industry to which the Company belongs. She also has experience as an outside auditor at another company. Based on such expertise and experience, the Company believes that she will reinforce the Company's corporate governance by appropriately supervising the execution of business operations as an Outside Director of the Company, and hereby proposes that she be elected as an Outside Director.</p>		

Notes: 1. * indicates the candidate for new appointment.

2. No conflict of interest exists between the Company and the above candidate for Director.

3. The matters concerning the candidate for Outside Director are described as follows:

- (1) Ms. Yukari Konishi is a candidate for Outside Director. If her election is approved, the Company will designate her as an independent officer since she satisfies the requirements for independent officers as stipulated by Tokyo Stock Exchange, Inc.
- (2) Although Ms. Yukari Konishi has not directly participated in business management other than participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that she will be able to fully perform her duties as an Outside Director for the above reasons.
- (3) Ms. Yukari Konishi was an executing person (employee) of Panasonic Holdings Corporation, which is one of the Company's business partners. However, as the amount of transactions with said

company represents less than 1% of the Company's consolidated net sales, we think the Company's decision-making will not be influenced by said company. Therefore, we have judged that Ms. Konishi will be able to fully perform her duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.

- (4) If the election of Ms. Yukari Konishi is approved, pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with Ms. Yukari Konishi to limit her liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations.
- (5) The Company has entered into directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers any damages that may result from the claim for damages arising from directors' and officers' acts in performing their duties, as well as litigation costs in relation to such claims. The candidate for Director will be included as the insured under the insurance policy. The Company will continue to enter into the insurance policy with the same content at the next renewal.

Proposal No. 3: Election of Two Statutory Auditors

The term of office of Mr. Shinji Hombo and Mr. Takayuki Tanemura as Statutory Auditors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of two Statutory Auditors is proposed.

The Board of Statutory Auditors has previously given its approval to this proposal.

The candidates for Statutory Auditors are as follows.

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position	Number of shares of the Company held	
1	Shinji Hombo January 29, 1948 (Male)	April 1972 April 2000 June 2005 April 2015 April 2016 June 2021	Joined Hosiden Corporation General Manager, President Office Director In charge of President Office In charge of General Affairs Department, Personnel Department and Finance Department Statutory Auditor (to the present)	72,867 shares
		<p>[Reasons for nomination as a candidate]</p> <p>Mr. Hombo has long engaged in administrative divisions since joining the Company, and has considerable knowledge concerning finance and accounting, as well as knowledge and experience cultivated as a director. He also has been performing activities and expressing views appropriately as a Statutory Auditor since his election as a Statutory Auditor in June 2021. The Company believes that he will continue to be able to fully perform his duties as a Statutory Auditor by utilizing his extensive knowledge and experience, and hereby proposes that he be elected as a Statutory Auditor.</p>		
2	Takayuki Tanemura January 8, 1959 (Male)	April 1981 May 2004 April 2010 August 2010 April 2011 June 2011 April 2016 June 2017 June 2021	Joined The Dai-Ichi Kangyo Bank, Ltd. (current Mizuho Bank, Ltd.) Credit Officer, Loan Department, Mizuho Bank, Ltd. Seconded to Total Insurance Service Limited Transferred to Total Insurance Service Limited, Managing Executive Officer and General Manager, Corporate Planning Department Senior Managing Executive Officer, Total Insurance Service Limited Statutory Auditor, Hosiden Corporation (to the present) Full-time Corporate Auditor, Fujitsu Total Insurance Service Limited Full-time Corporate Auditor, Seiwa Building Co., Ltd. Advisor, Seiwa Building Co., Ltd.	1,200 shares
		<p>[Reasons for nomination as a candidate]</p> <p>Mr. Tanemura has long engaged in financial institutions. The Company believes that he will be able to draw on his extensive experience to objectively monitor the execution of duties by Directors. He also has been performing activities and expressing views appropriately as an Outside Statutory Auditor since his election as an Outside Statutory Auditor in June 2011. The Company believes that he will continue to be able to objectively monitor the execution of duties by Directors as an Outside Statutory Auditor, and hereby proposes that he be elected as an Outside Statutory Auditor.</p>		

Notes: 1. No conflict of interest exists between the Company and the above candidates for Statutory Auditors.

2. The matters concerning the candidate for Outside Statutory Auditor are described as follows:

- (1) Mr. Takayuki Tanemura is a candidate for Outside Statutory Auditor. If his election is approved, the Company will designate him as an independent officer since he satisfies the requirements for independent officers as stipulated by Tokyo Stock Exchange, Inc.
- (2) Mr. Takayuki Tanemura was a person performing an executive role (employee) of Mizuho Bank, Ltd. (“the Bank”), the Company’s major business partner, in the past, but he is not in a position to

be influenced by the Bank's intentions. The Company also deals with several financial institutions in addition to the Bank, and therefore does not have a special business relationship only with the Bank. Moreover, as the borrowing from the Bank represents less than 1% of the Group's total assets, we think the Company's decision-making will not be influenced by the Bank. Therefore, we have judged that Mr. Tanemura will be able to fully perform his duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.

- (3) Mr. Takayuki Tanemura will have been in office as an Outside Statutory Auditor of the Company for 13 years as of the conclusion of this General Meeting of Shareholders.
- (4) Pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Takayuki Tanemura to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations. If his reelection is approved, the Company will continue said agreement for the limitation of liability with him.
- (5) The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers any damages that may result from the claim for damages arising from directors' and officers' acts in performing their duties, as well as litigation costs in relation to such claims. The candidates for Statutory Auditors will be included as the insured under the insurance policy. The Company will continue to enter into the insurance policy with the same content at the next renewal.

Proposal No. 4: Election of Two Substitutes for Statutory Auditors

The effect of electing Mr. Kazunori Nishimura and Mr. Masashi Mori, who were elected as substitutes for Statutory Auditors at the 73rd Ordinary General Meeting of Shareholders, held on June 29, 2023, shall expire at the beginning of this General Meeting of Shareholders. In the case of a vacancy of Statutory Auditors, as stipulated by laws and regulations, we hereby propose that Mr. Kazunori Nishimura be elected as a substitute for Statutory Auditor Shinji Hombo and that Mr. Masashi Mori be elected as a substitute for Outside Statutory Auditor Takayuki Tanemura, subject to approval of Proposal No. 3, and Outside Statutory Auditor Masakatsu Maruyama.

The Board of Statutory Auditors has previously given its approval to this proposal.

The candidates for substitutes for Statutory Auditors are as follows:

Candidate No.	Name (Date of Birth)	Career summary and positions in the Company and important concurrent position		Number of shares of the Company held
1	Kazunori Nishimura November 3, 1958 (Male)	April 1981	Joined Hosiden Corporation	4,200 shares
		April 2017	General Manager, General Affairs Department	
		April 2024	General Manager, General Affairs Department and General Manager, Personnel Department (to the present)	
[Reasons for nomination as a candidate] Mr. Nishimura has mainly engaged in administrative divisions since joining the Company. The Company believes that he will be able to fully perform his duties as a Statutory Auditor by utilizing his extensive experience cultivated over many years at the Company, and hereby proposes that he be elected as a substitute for Statutory Auditor.				
2	Masashi Mori March 4, 1956 (Male)	April 1974	Joined Osaka Regional Taxation Bureau	0 shares
		July 2008	District Director, Shingu District Tax Office	
		July 2011	District Director, Itami District Tax Office	
		July 2014	District Director, Joto District Tax Office	
		August 2016	Established Masashi Mori Certified Tax Accountant Office (to the present)	
[Important concurrent position] • Director, Masashi Mori Certified Tax Accountant Office				
[Reasons for nomination as a candidate] Mr. Mori has considerable knowledge concerning finance and accounting due to his expertise as a certified tax accountant, as well as experience in serving in various positions including the head of taxation bureaus. The Company believes that Mr. Mori will be able to draw on his extensive knowledge and experience to objectively monitor the execution of duties by Directors as an Outside Statutory Auditor, and hereby proposes that he be elected as a substitute for Statutory Auditor.				

Notes: 1. No conflict of interest exists between the Company and the above candidates for substitutes for Statutory Auditors.

2. The matters concerning the candidates for substitutes for Outside Statutory Auditors are described as follows:

- (1) Mr. Masashi Mori is a candidate for a substitute for Outside Statutory Auditor. If he is appointed as an Outside Statutory Auditor, Mr. Mori will be notified to Tokyo Stock Exchange, Inc. as an independent officer, since he satisfies the requirements for independent officers as stipulated by the said exchange.
- (2) Although Mr. Masashi Mori has not directly participated in business management other than participation as an Outside Director or an Outside Statutory Auditor, the Company has judged that he will be able to fully perform his duties as an Outside Statutory Auditor for the above reasons.
- (3) In the event the election of Mr. Masashi Mori as a substitute for Statutory Auditor is approved and he assumes office as an Outside Statutory Auditor in the case of a vacancy of Statutory Auditors as stipulated by laws and regulations, the Company, pursuant to the provisions of its Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, will enter into an agreement with Mr. Masashi Mori to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount specified in laws and regulations.

- (4) The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers any damages that may result from the claim for damages arising from directors' and officers' acts in performing their duties, as well as litigation costs in relation to such claims. The candidates for Statutory Auditors will be included as the insured under the insurance policy. The Company will continue to enter into the insurance policy with the same content at the next renewal.

Proposal No. 5: Payment of Bonuses to Directors

In consideration of factors such as the business results of the fiscal year, the Company requests approval for payment of ¥30 million as bonuses to Directors for the two Directors in office, excluding Outside Directors, as of the end of the fiscal year.

Bonuses to be paid to Directors are not performance-linked compensation that are calculated based on the performance indicators. However, the Company resolved as a policy at the Board of Directors held on November 29, 2023 to resolve the aggregate amount at the General Meeting of Shareholders by comprehensively considering the business results for the fiscal year and the actual past payment amount, as well as situation of peer companies in the same industry. This proposal is in accordance with such policy, and the Company judges it to be appropriate.

[Reference] Skills matrix of Directors and Statutory Auditors if Proposal No. 2 and Proposal No. 3 are approved as originally proposed

In order to achieve medium- to long-term management strategy, expected areas of expertise are defined as (1) Corporate management/Management strategy, (2) Technology/R&D, (3) Sales/Marketing, (4) Manufacturing, (5) Internationalism, (6) Finance/Accounting, and (7) Legal affairs/Risk management. Each Director is appropriately placed for each area as shown below.

Name		Areas of expertise					
		Corporate management /Management strategy	Technology/R&D	Sales/Marketing	Manufacturing	Internationalism	Finance/Accounting
Directors	Kenji Furuhashi	•	•	•	•	•	
	Shigemi Dochi			•		•	
	Hiroshi Horie Outside/Independent	•				•	•
	Susumu Maruno Outside/Independent		•			•	•
	Yukari Konishi Outside/Independent					•	•
Statutory Auditors	Shinji Hombo					•	•
	Takayuki Tanemura Outside/Independent					•	•
	Masakatsu Maruyama Outside/Independent		•			•	•

Note: The above table does not reflect all of the experience and expertise possessed by each Director/Audit & Supervisory Board Member, but only presents those experience and expertise to be particularly expected to provide and considered to be important to achieve medium- to long-term management strategy.