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Securities Code: 6882

June 7, 2022

To Our Shareholders:

3-1-56 Nishiawaji, Higashiyodogawa-ku, Osaka  
Sansha Electric Manufacturing Co., Ltd.  
President Hajimu Yoshimura

## Notice of the 88th Annual Meeting of Shareholders

We would like to thank you for your continued support.

You are hereby notified that the 88th Annual Meeting of Shareholders of the Company will be held as described below.

If you do not attend the meeting, please exercise your voting rights in advance via the Internet or in writing. Please refer to the following “Reference Document for the Annual Meeting of Shareholders” and exercise your voting rights no later than 5:10 p.m., on June 27 (Monday), 2021.

Sincerely yours,

### Details

1. Date and Time: Tuesday, June 28, 2021 at 10:00 a.m. (sign-in starts at 9:00 a.m.)
2. Place: 4-2-1 Miyahara Yodogawa-ku, Osaka  
Hotel Mielparque Osaka, 4th Floor, room “Soleil”  
(Please see the “Access Map” at the end of the document)
3. Agenda:  
Matters to be reported:
  1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Corporate Auditors for the 88th business period (April 1, 2021 to March 31, 2022)
  2. The non-consolidated financial statements for the 88th business period (April 1, 2021 to March 31, 2022)

Matters to be resolved:

- Proposal 1: Partial Amendment to the Articles of Incorporation  
Proposal 2: Election of Five (6) Directors

- ⊙ The following items are posted on the Company’s website (<https://www.sansha.co.jp>), in accordance with the provisions of laws and regulations of the Company’s Articles of Incorporation, and are therefore not included in the documents accompanying this Notice.
  1. “Structure and Policy of Company” in the Business Report
  2. “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
  3. “Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial StatementsAccordingly, the documents accompanying this Notice comprise part of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor when preparing their respective audit reports.
- ⊙ If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, the business report or the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company’s website. (<https://www.sansha.co.jp/>)
- ⊙ Please note that no one other than shareholders who can exercise voting rights is allowed in the venue such as a proxy who is not a shareholder or a person accompanying a shareholder.

## Reference Document for the Annual Meeting of Shareholders

### Proposal 1: Partial Amendment to the Articles of Incorporation

#### 1. Reason for the proposal

The amendment provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. Therefore, the Company proposes to amend its existing Articles of Incorporation in order to prepare for the introduction of a system to electronically provide materials for the annual meeting of shareholders as follows.

- (1) The proposed revision to Article 14, Paragraph 1 sets out the measure to electronically provide information that is contained in the reference document for the annual meeting of shareholders, etc.
- (2) The proposed revision to Article 14, Paragraph 2 sets out the provision to limit the scope of matters contained in the documents issued to shareholders who claim delivery of such documents.
- (3) Since the provision on the Internet disclosure and deemed provision of reference document for the annual meeting of shareholders, etc. (Article 14 of the existing Articles of Incorporation) will become unnecessary, it shall be deleted.
- (4) In conjunction with the establishment and deletion described above, supplementary provisions on the effective date, etc. shall be established. These supplementary provisions shall be deleted after the lapse of a predetermined period of time.

#### 2. Proposed revision

The proposed revision are as follows.

(The part underlined denotes the revision.)

The existing Articles of Incorporation	Proposed revision
<p><u>Internet Disclosure and Deemed Provision of Reference Document for the Annual Meeting of Shareholders, etc.</u>  <u>Article 14 In convening an annual meeting of shareholders, the Company may be deemed to have provided its shareholders with the information relating to the matters that should be stated or indicated in the reference document for the annual meeting of shareholders, the business report, the non-consolidated financial statements and the consolidated financial statements by disclosing such information by means of a method using the Internet as stipulated by the respective Ordinance of the Ministry of Justice.</u></p> <p style="text-align: center;">(New stipulation)</p>	<p style="text-align: center;">(Deleted)</p> <p><u>Electronic Provision Measures, etc.</u>  <u>Article 14 In convening an annual meeting of shareholders, the Company shall take measures to electronically provide information that is contained in the reference document for the annual meeting of shareholders, etc.</u>  <u>(ii) The Company may choose to not state, among the matters for which it takes the measure for electronic provision, all or part of the matters specified in the Ordinance of the Ministry of Justice in a document to be issued to a shareholder who has claimed issuance of the document by the record date of the voting rights.</u></p>

The existing Articles of Incorporation	Proposed revision
(New stipulation)	<p><u>Supplementary Provisions</u></p> <p><u>1. The deletion of pre-revised Article 18 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Document for the Annual Meeting of Shareholders, etc.) and the establishment of the revised Article 14 of the Articles of Incorporation (Electronic Provision Measure, etc.) shall go into effect on the date of enforcement of the amendment provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) ("Enforcement Date").</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, the pre-revised Article 14 of the Articles of Incorporation shall remain in effect with respect to an annual meeting of shareholders for which the date of such annual meeting of shareholders falls within six months from the Enforcement Date.</u></p> <p><u>3. These supplementary provisions shall be deleted on the day after six months have elapsed from the Enforcement Date or on the day after three months have elapsed from the date of the annual meeting of shareholders in the preceding paragraph, whichever comes later.</u></p>

### 3. Supplementary explanation

A system for providing general shareholder meeting materials in electronic format is the system enables companies to provide their shareholders with general shareholder meeting materials by means of uploading these materials onto their own website, etc., and notifying shareholders in writing of the website address, etc. Since this system is forcibly apply to listed companies, the Company will use it from next general meeting of shareholders (June 2023) and will provide shareholders with a simple convocation notice (which notifies our posting the materials on the website and the address of the website, etc.). Incidentally, this changes the general means of provision of information for shareholders from "written" to "electronic" but does not reduce the amount of information. After this system is adopted, shareholders who wish to receive the shareholder meeting materials in paper based format can take the procedure of "request for delivery of materials in paper-based format". For this procedure, please contact the securities company which you have an account, or Sumitomo Mitsui Trust Bank, Limited which is the Company's shareholder registry administrator.

Proposal 2: Election of Five (6) Directors

The term of office of all five (5) Directors will expire at the conclusion of the Annual Meeting of Shareholders. The Company requests the election of five (5) Directors and the appointment of one (1) new Director.

The candidates for Directors are determined at board meetings after receiving the report from the Nomination and Compensation Committee based on the criteria for appointment of Directors. Also, candidates for Outside Directors satisfy the “criteria for appointment of Outside Officers and for judgment of independence.”

The candidates for Directors are as follows.

Candidate No.	Name	Position and responsibility at the Company and significant concurrent positions	Attendance at board meetings
1	Hajimu Yoshimura <input type="checkbox"/> Reappointment	Representative Director, President	100% (15/15 meetings)
2	Masaki Fujiwara <input type="checkbox"/> Reappointment	Director and Senior Managing Operating Officer General Manager of Corporate Strategy	100% (15/15 meetings)
3	Hiroshi Zumoto <input type="checkbox"/> Reappointment	Director and Managing Operating Officer Chief Operating Officer of Semiconductor business Executive General Manager, Semiconductor Manufacturing Division Chairman, SANSHA ELECTRIC MFG. (SHANGHAI ) CO., LTD.	100% (11/11 meetings)
4	Hajime Katsushima <input type="checkbox"/> New appointment	Managing Operating Officer Chief Operating Officer of Power Supply System Manufacturing business Executive General Manager, Power Supply System Manufacturing Division Chairman, SANREX LIMITED Chairman, SANSHA ELECTRIC MFG. (GUANGDONG) CO., LTD.	—
5	Akira Uno <input type="checkbox"/> Reappointment <input type="checkbox"/> Independent <input type="checkbox"/> Outside Director	Outside Director Outside Director, HASHIMOTO SOGYO HOLDINGS Ltd. Fellow ,School of Business at Graduate School of Economics, Kyoto University (Doctor of Economics) Senior Executive Fellow, DMG MORI Co., LTD.	100% (15/15 meetings)
6	Koichi Ina <input type="checkbox"/> Reappointment <input type="checkbox"/> Independent <input type="checkbox"/> Outside Director	Outside Director Outside Director, KUBOTA Corporation Chairman, Central Japan Industries Association	100% (15/15 meetings)

Notes: 1. There is no special conflict of interest between any of the candidates for Director and the Company.

2. The Company entered into the Directors and Auditors liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act, in which all the Directors are the insured. If this proposal is approved as proposed and each candidate assumes the post of Director, each candidate will become the insured of the said contract. The said contract is to cover the insured Directors, etc. against damages that could arise from taking responsibilities regarding the performance of their duties or being asked for compensation regarding the pursuit of the said responsibilities. However, there are certain exemptions; for example, damages arising from an act that the insured conducts knowing it is in violation of laws and regulations are not covered. Premiums for riders of derivative actions are borne by each Director, and other premiums are borne by the Company. The renewal is scheduled in June 2022 at the full cost of the Company.

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	<div data-bbox="484 598 639 639" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointment</div> <p data-bbox="465 661 658 749">Hajimu Yoshimura (January 10, 1954; 68 years of age)</p>	<p data-bbox="703 395 1425 447">Apr. 1976    Joined Matsushita Electric Works, Ltd. (currently Panasonic Holdings Corporation)</p> <p data-bbox="703 458 1445 510">Jan. 2001    Vice President, U.S. Research Lab, Matsushita Electric Works, Ltd.</p> <p data-bbox="703 521 1412 573">Apr. 2007    Operating Officer and General Manager of Lighting Device Development Division, Matsushita Electric Works, Ltd.</p> <p data-bbox="703 584 1402 636">June 2007    President, SUNX Co., Ltd. (currently Panasonic Industrial Devices SUNX Co., Ltd.)</p> <p data-bbox="703 647 1302 672">June 2012    President, Panasonic Ecology Systems Co., Ltd.</p> <p data-bbox="703 683 1058 707">Aug. 2014    Advisor, the Company</p> <p data-bbox="703 718 1392 771">Jan. 2015    Vice President and Operating Officer in charge of overall management, the Company</p> <p data-bbox="703 782 1392 834">June 2015    Director, Vice President and Operating Officer, Planning Division, the Company</p> <p data-bbox="703 845 1445 897">June 2017    Representative Director, Vice President and Operating Officer, the Company</p> <p data-bbox="703 908 1431 932">Apr. 2018    Representative Director, President, the Company (incumbent)</p>	21,800 shares
<p data-bbox="455 971 958 996">[Reason for nomination as a candidate for Director ]</p> <p data-bbox="455 1007 1595 1201">Hajimu Yoshimura has abundant experience and extensive knowledge he has gained as a management executive in the Panasonic Group. In addition, he has served as Vice President of an overseas affiliate of the Group and thus has broad-based knowledge of global corporate management. Furthermore, after he assumed the presidency of the Company , he adopted a slogan, "Global Power Solution Partner," and has promoted a growth strategy and managerial reform to improve the corporate value. As we believe it appropriate to manage the Group under his leadership to ensure sustainable growth and further development of the Company, we nominate him as a candidate for Director.</p> <p data-bbox="455 1237 900 1262">Attendance at board meetings: 15/15 meetings</p> <p data-bbox="455 1273 1460 1297">Number of years in office of Director (at the conclusion of the Annual Meeting of Shareholders): 7 years</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
2	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> Masaki Fujiwara (December 23, 1953; 68 years of age)	Apr. 1977    Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation) Jan. 2000    Director, Administration, Malaysia Matsushita Television Co., Ltd. Nov. 2004    Director, Technology and Accounting Center, Matsushita Electric Industrial Co., Ltd. Dec. 2006    Director, Accounting Center, Panasonic AVC Networks, Matsushita Electric Industrial Co., Ltd. May 2010    President, Panasonic Insurance Service Co., Ltd. Mar. 2014    Advisor, the Company June 2014    Director, Senior Managing Operating Officer, the Company General Manager of Administration, the Company Mar. 2018    Outside Audit & Supervisory Board Member, KUBOTA Corporation Apr. 2018    Director, Senior Managing Operating Officer, the Company (incumbent) General Manager of Corporate Strategy, the Company (incumbent)	14,700 shares
<p>[Reason for nomination as a candidate for Director]  Masaki Fujiwara has abundant corporate management experience and extensive knowledge of administration he has gained as a management executive in the Panasonic Group. In addition, he has served as Director of an overseas affiliate of the Group and thus is equipped with global perspectives. Since assuming office as Director of the Company in June 2014, he supervises the administration and corporate strategy departments and properly fulfills his role. As we believe he is capable of fully leveraging his abundant experience in the Group's future business development, we nominate him as a candidate for a Director.</p> <p>Attendance at board meetings: 15/15 meetings  Number of years in office of Director (at the conclusion of the Annual Meeting of Shareholders): 8 years</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> Hiroshi Zumoto (April 18, 1959; 63 years of age)	Apr. 1982    Joined the Company May 2005    General Manager, Manufacturing Engineering Department , the Company Sep. 2011    Manager, Okayama Plant, the Company Apr. 2012    Operating Officer, the Company Executive General Manager, Semiconductor Manufacturing Division, the Company General Manager, Okayama Plant, the Company Apr. 2018    Managing Operating Officer, the Company Executive General Manager, Semiconductor Manufacturing Division, the Company Apr. 2020    Managing Operating Officer, the Company Chief Operating Officer of Semiconductor business, the Company Executive General Manager, Semiconductor Manufacturing Division, the Company May. 2020    Chairman, SANSHA ELECTRIC MFG. (SHANGHAI) CO., LTD. (CHINA) (incumbent) June. 2021    Director, Managing Operating Officer, the Company (incumbent) Chief Operating Officer of Semiconductor business, the Company (incumbent) Executive General Manager, Semiconductor Manufacturing Division, the Company(incumbent) (Significant concurrent positions) Chairman, SANSHA ELECTRIC MFG. (SHANGHAI ) CO., LTD. (CHINA)	8,400 shares
[Reason for nomination as a candidate for Director] Since joining the Company, Hiroshi Zumoto has been involved in improving productivity and strengthening the production system in all plants of the Company as a person in charge of production technology. After holding key positions in the semiconductor business from April 2012, he assumed the position of Director of the Company in June 2021. Since then, he has been playing appropriate roles, such as supervising the semiconductor business with high ability and expertise in that field and supervising the management of the Company. As we believe he is capable of fully leveraging his abundant experience in the Group's future business development, we nominate him as a candidate for Director.  Attendance at board meetings: 11/11 meetings Number of years in office of Director (at the conclusion of the Annual Meeting of Shareholders): 1 years			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
4	<div style="border: 1px solid black; display: inline-block; padding: 2px;">New appointment</div> Hajime Katsushima (January 29, 1959; 63 years of age)	Apr. 1981    Joined the Company Apr. 2009    General Manager, Research Department , the Company Apr. 2011    Operating Officer, the Company Executive General Manager, Engineering and Development Division, the Company Nov. 2016    Representative Director, President, Sansha Electric Eastern CO., LTD(currently Suwa Sansha Electric Co., Ltd) Apr. 2021    Managing Operating Officer, the Company Assistant Chief Operating Officer of Power Supply System Manufacturing business, the Company Executive General Manager, Power Supply System Manufacturing Division, the Company Chairman, SANREX LIMITED(HONG KONG) (incumbent) Chairman, SANSHA ELECTRIC MFG. (GUANGDONG) CO., LTD. (CHINA) (incumbent) Apr. 2022    Managing Operating Officer, the Company (incumbent) Chief Operating Officer of Power Supply System Manufacturing business, the Company (incumbent) Executive General Manager, Power Supply System Manufacturing Division, the Company(incumbent)  (Significant concurrent positions) Chairman, SANREX LIMITED(HONG KONG) Chairman, SANSHA ELECTRIC MFG. (GUANGDONG) CO., LTD. (CHINA)	10,700 shares
[Reason for nomination as a candidate for Director] Since joining the Company, Hajime Katsushima has been involved in product development in the new energy field as a person in charge of R&D. Since November 2016, he has been involved in the management of Group companies as the Representative Director. Currently, he is demonstrating his leadership as the Chief Operating Officer of the Company's Power Supply System business. As we believe that it is necessary to utilize his abundant experience and knowledge for the purpose of continuing to execute the growth strategy and aiming at sustainable enhancement of corporate value of the Group, we newly nominate him as a candidate for Director.			



Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 2px;">Independent</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 2px;">Outside Director</div> <p style="text-align: center;">Akira Uno (August 15, 1942; 79 years of age)</p>	<p>Apr. 1966    Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>June 1993    Director and Manager of Ningyocho Branch, The Sumitomo Bank, Limited</p> <p>Feb. 1996    Representative Executive Director, Sumitomo Credit Service Co., Ltd.</p> <p>June 2000    Representative Director and Vice President, Sumitomo Credit Service Co., Ltd.</p> <p>Apr. 2001    Representative Director and Vice President, Sumitomo Mitsui Card Company, Limited due to merger</p> <p>June 2003    Chairman and Operating Officer, SMBC Consulting Co., Ltd.</p> <p>Feb. 2006    Operating Officer, Japan Post Holdings Co., Ltd.</p> <p>Oct. 2007    Managing Officer, Japan Post Bank Co., Ltd.</p> <p>June 2009    Outside Director, HASHIMOTO SOGYO Ltd. (currently HASHIMOTO SOGYO HOLDINGS Ltd.) (incumbent)</p> <p>Aug. 2009    Special Advisor, the Company</p> <p>June 2014    Outside Director, the Company (incumbent)</p> <p>(Significant concurrent positions)</p> <p>Outside Director, HASHIMOTO SOGYO HOLDINGS Ltd</p> <p>Fellow ,School of Business at Graduate School of Economics, Kyoto University (Doctor of Economics)</p> <p>Senior Executive Fellow, DMG MORI Co., LTD.</p>	10,800 shares
5	<p>[Reason for appointment as a candidate for Outside Director] Akira Uno is the candidate for Outside Director. He has abundant experience and knowledge he has gained as a management executive of many companies. He provides recommendations and advice on the Group's growth strategy and managerial reform at its board meetings as Outside Director and the Chairman of the Nomination and Compensation Committee, and performs a decision-making function and supervisory function. As we believe he is qualified to supervise the management of the Company, we nominate him as a candidate for Outside Director.</p> <p>[Special conflict of interest, etc. between the Company and entities at which the candidate holds concurrent positions] There is no special relationship between the Company and HASHIMOTO SOGYO HOLDINGS Ltd., Kyoto University, and DMG MORI Co., LTD. at which Akira Uno holds concurrent positions.</p> <p>[Liability limitation agreement] In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement limiting liability for damages under Article 423, Paragraph 1 of the Companies Act with Akira Uno. The limit of liability for damages under the agreement is the amount specified in Article 425, Paragraph 1 of the Companies Act. The Company will continue said agreement if his reappointment is approved.</p> <p>[Notification as Independent Officer] Akira Uno had performed duties at Sumitomo Mitsui Banking Corporation (the Sumitomo Bank, Limited at the time he joined the bank), which is one of the correspondent banks of the Company, as well as affiliated companies of the bank, until February 2006. However, his transactions with the bank are based on general agreements, and it has been 16 years since he retired from the bank. Accordingly, the Company has determined that he has no potential conflict of interest with general shareholders and notified him as an Independent Officer to the Tokyo Stock Exchange. The Company will continue to appoint him as an Independent Officer if his reappointment is approved.</p> <p>Attendance at board meetings: 15/15 meetings Number of years in office of Outside Director (at the conclusion of the Annual Meeting of Shareholders): 8 years</p>		

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 2px;">Independent</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 2px;">Outside Director</div> Koichi Ina (May 6, 1948; 74 years of age)	Apr. 1973    Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) June 2002    Director, Toyota Motor Co., Ltd. June 2007    Senior Managing Director, Toyota Motor Co., Ltd. June 2009    Advisor, Toyota Motor Co., Ltd. Director and Vice President, DAIHATSU MOTOR CO., LTD. June 2010    President, DAIHATSU MOTOR CO., LTD. June 2013    Chairman, DAIHATSU MOTOR CO., LTD. June 2015    Outside Director, KUBOTA Corporation (incumbent) June 2016    Senior Adviser, DAIHATSU MOTOR CO., LTD. June 2019    Outside Director, the Company (incumbent) (Significant concurrent positions) Outside Director, KUBOTA Corporation Chairman, Central Japan Industries Association	20,900 shares
6	<p>[Reason for appointment as a candidate for Outside Director]            Koichi Ina is the candidate for Outside Director. He has abundant experience and broad knowledge he has gained as a management executive and engineer at Japan's leading auto manufacturers. He provides recommendations and advice on the Group's growth strategy and managerial reform at its board meetings as Outside Director and Member of the Nomination and Compensation Committee, and performs the decision-making function and supervisory function. As we believe he is qualified to supervise the management of the Company, we nominate him as a candidate for Outside Director.</p> <p>[Special conflict of interest, etc. between the Company and entities at which the candidate holds concurrent positions]            There is no special relationship between the Company and KUBOTA Corporation and Central Japan Industries Association at which Koichi Ina has concurrent positions.</p> <p>[Facts of wrongful execution of duties, etc. during the term of office of officers at other companies, measures for prevention and ex post facto responses, etc. during the past five years]            Koichi Ina has been serving as Outside Director of KUBOTA Corporation since his assumption in June 2015. KUBOTA announced in November 2018 an inappropriate act regarding the inspection record of expendable parts (mill roll) used in facilities to produce steel sheet, etc. He had not been aware of this fact until this issue was uncovered, and he had been making recommendations at board meetings from the perspectives of compliance. After he came to know the fact, he has been carrying out his duty such as thoroughly investigating the cause, developing preventive measures and reviewing the inspection system.</p> <p>[Liability limitation agreement]            In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement limiting liability for damages under Article 423, Paragraph 1 of the Companies Act with Koichi Ina. The limit of liability for damages under the agreement is the amount specified in Article 425, Paragraph 1 of the Companies Act. The Company will continue said agreement if his reelection is approved.</p> <p>[Notification as Independent Officer]            The Company has notified Koichi Ina as an Independent Executive Officer to the Tokyo Stock Exchange. The Company will continue to appoint him as an Independent Officer if his reappointment is approved.</p> <p>Attendance at board meetings: 15/15 meetings (After assuming the office of Director)            Number of years in office of Outside Director (at the conclusion of the Annual Meeting of Shareholders): 3 years</p>		

<Reference>

## **I. Criteria for Appointment/Dismissal of Directors and Corporate Auditors**

[Appointment Criteria]

1. Such person has an excellent personality, knowledge and management sense, and is familiar with managerial issues.
2. Such person has a superior ability to make analysis and judgment objectively from a company-wide perspective.
3. Such person can state his/her opinion positively from a company-wide perspective.
4. Such person can secure time and effort required to properly perform his/her duties and responsibilities as Director/Corporate Auditor.
5. Such person satisfies statutory eligibility requirements for Director/Corporate Auditor.
6. As for a candidate for Outside Director/Outside Corporate Auditor, such person satisfies the Company's criteria for judgment of independence.
7. The appointment of such candidate for Director maintains the diversity of experience and expertise, has the Board of Directors exercise its function most efficiently and effectively, and brings a balance so that management is supervised throughout the Company.
8. The appointment of such candidate for Corporate Auditor brings a balance among knowledge, experience and expertise.  
At least one Corporate Auditor has considerable knowledge in finance and accounting.

[Dismissal Criteria]

1. Cases where a material fact in violation of laws, regulations or the Articles of Incorporation is found.
2. Cases where a significant deviation from the appointment criteria is found.
3. Cases where the corporate value is significantly damaged by a failure to perform duties.
4. Cases where an event occurs that makes appropriate execution of duties difficult.

## **II. Criteria for Appointment of Outside Officers and for Judgment of Independence of the Company**

[Criteria for Appointment of Outside Officers]

1. Such person has an excellent personality, high ethical standards and is physically and mentally fit.
2. Such person has a high level of expertise and abundant experience in areas such as business management, corporate management, legal affairs and accounting.
3. Such person can secure sufficient time to attend board meetings, etc. and is qualified to perform his/her duties.
4. Such person satisfies statutory eligibility requirements for Outside Officer.

[Criteria for Judgment of Independence]

Outside Officers to whom none of the following conditions applies can be "Independent Officers."

1. Person who performs or has performed duties of the Group
2. Person who performs duties of a major business partner of the Group (customer or supplier whose transaction amount exceeds 1% of the annual consolidated sales in the latest business period) or its parent company or important subsidiary
3. Person who performs duties of a financial institution which is essential to the Group's funding and cannot be replaced and on which the Group relies, or other major creditor or its parent company or important subsidiary
4. Consultant, accountant, tax accountant or lawyer who earns money or other assets over 10 million yen (average of the past three years) in a year from the Group other than director's remuneration
5. Member of the audit firm which performs an accounting audit of the Group or staff who has been directly engaged in audit of the Group
6. Person who performs duties of a major shareholder, a major shareholder organization or its group whose shareholding ratio is more than 10% in the Company's latest shareholder registry
7. Person who satisfied conditions 2 through 5 above in the past three years or a partner/relative within the second degree of kinship of a person listed in 1 through 6 above

### III. Composition of Officers [Management System (Planned) after the Approval of Agenda]

Name	Independence	Knowledge and experience particularly expected by the Company					
		Corporate management and Management strategy	Overseas business experience	Business strategy	R&D and Production	Finance, accounting	Legal affairs and Compliance
Director	Hajimu Yoshimura	●	●	●	●		
	Masaki Fujiwara	●	●	●		●	
	Hiroshi Zumoto	●		●	●		
	Hajime Katsushima	●		●	●		
	Akira Uno	●	●			●	
	Koichi Ina	●	●			●	
Audit & Supervisory Board Members	Ichiro Kitano		●	●	●		
	Kazuhiro Egawa	●	●				●
	Eriko Nashioka	●	●			●	

		Reasons for selecting skills	Skill requirements
Overall management skills	Corporate management and Management strategy	Requires management experience and achievements in corporate management and the formulation and promotion of management strategies to realize the Group's growth strategy	Management experience as a representative director or officer in a company
	Overseas business experience	Requires overseas business management experience, and knowledge and experience of an overseas business environment to respond to global business development	Experience as a representative of overseas subsidiary, head of overseas business division, or executive officer
Business core skills	Business strategy	As the Company's business area is a niche and highly specialized market based on power electronics technology, this position requires a high level of knowledge in such area as well as experience in executing business strategies	Executive in charge of business division, head of division and person with equivalent experience as senior management
	R&D and Production	Requires knowledge and experience to develop safe, secure, and high-quality products and realize integrated production from design to production	Executive in charge of R&D and production division, head of division and person with equivalent experience as senior management
Functional core skills	Finance, accounting	Requires accurate financial reporting, efficient management of invested capital, and knowledge and experience to enhance shareholder returns	- Executive in charge of accounting and finance division, head of division, person with equivalent experience and person with experience in auditing firm, etc.
	Legal affairs and compliance	Requires knowledge and experience in legal affairs and compliance fields to ensure effective corporate governance and improve the effectiveness of the Board of Directors.	- Experience as executive in charge of legal affairs and compliance, head of division, and person with experience in a law firm, etc.