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Securities code: 6755
May 27, 2022

To Our Shareholders:

Etsuro Saito
President & Representative Director, CEO
Fujitsu General Limited
3-3-17, Suenaga, Takatsu-ku, Kawasaki, Japan

CONVOCATION NOTICE OF THE 103RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

Please refer to the below for information about the upcoming the 103rd Ordinary General Meeting of Shareholders (the “Meeting”) of Fujitsu General Limited (the “Company”).

To prevent the risk of contracting or spreading COVID-19, we recommend that you exercise your voting rights in advance by writing or via the Internet.

Please review the attached “Reference Materials for the General Meeting of Shareholders” and exercise your voting rights no later than 5:00 p.m., Wednesday, June 15, 2022 (Japan Standard Time), in accordance with the guidance on the following pages.

Thank you very much for your cooperation.

- 1. Date and Time:** Thursday, June 16, 2022 at 10:00 a.m. (Japan Standard Time)
- 2. Place:** 3-3-17, Suenaga, Takatsu-ku, Kawasaki, Japan
Hall, second floor, “Innovation & Communication Center (ICC)”,
the Company headquarters
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and the Consolidated Financial Statements for the 103rd Fiscal Year (April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. The Non-consolidated Financial Statements for the 103rd Fiscal Year (April 1, 2021 to March 31, 2022)

Matters to be resolved:

- First proposal:** Appropriation of Retained Earnings
- Second proposal:** Partial Amendments to the Articles of Incorporation
- Third proposal:** Election of Eleven (11) Directors
- Fourth proposal:** Election of One (1) Substitute Audit & Supervisory Board Member
- Fifth proposal:** Bonus Payments for Directors
- Sixth proposal:** Revision of a Restricted Share-based Remuneration Program to Directors (Excluding External Directors)

4. Guidance for Exercising Voting Rights:

- 1) Exercise of voting rights in writing
Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and send it to the Company to arrive no later than 5:00 p.m., Wednesday, June 15, 2022 (Japan Standard Time).
- 2) Exercise of voting rights via the Internet
Please read the “Guidance for the Exercise of Voting Rights via the Internet” (on page 3) and exercise your voting rights no later than 5:00 p.m., Wednesday, June 15, 2022 (Japan Standard Time).
- 3) If your voting rights are exercised both in writing and via the Internet, we will consider the exercise via the Internet to be valid. In the event that your voting rights are exercised more than once via the Internet, we will consider the last vote to be valid.

5. Disclosure via the Internet:

- 1) In the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Accounting Auditor and Audit & Supervisory Board Members, “Consolidated Statement of Changes in Net Assets” and “Notes to the Consolidated Financial Statements” and “Non-consolidated Statement of Changes in Net Assets” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.fujitsu-general.com/jp/>) in accordance with the laws and regulations and the Company’s Articles of Incorporation, and are not provided in the “Business Report for the 103rd Fiscal Year.”
- 2) Any amendments to the Reference Materials for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements will be posted on the Company’s website (<https://www.fujitsu-general.com/jp/>).

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- When attending the Meeting, you will be kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the venue for organizational reasons.
 - The Meeting will be carried out in business casual (“Cool Biz”) and wearing a facial mask on the day. Your kind understanding is appreciated.

< Special Notice to Shareholders >

- To prevent the risk of contracting or spreading COVID-19, we recommend that you exercise your voting rights in advance by writing or via the Internet instead of attending the meeting in person.
- If you choose to attend the meeting, please check the news updates on the spread of the COVID-19 outbreak in the area and take precautionary measures such as wearing a facial mask when leaving home on the morning of the meeting. And please note that we will be taking your temperature when you arrive.
- An attending shareholder who looks sick at the entrance to the meeting venue may be stopped and asked to refrain from entering.
- We appreciate your cooperation in helping us run the meeting smoothly and efficiently.
- We will notify the Company’s website (<https://www.fujitsu-general.com/jp/>) of any major changes we may need to make to the conducting of the meeting.

Guidance for the Exercise of Voting Rights via the Internet

If you wish to exercise your voting rights via the Internet, we would like you to confirm the followings.

1. Website for Exercising Voting Rights

You can exercise your voting rights via the Internet by accessing and using the Company's designated website or using a smartphone by scanning "QR code for the Voting Rights Exercise Website for Smartphones" listed on the Voting Rights Exercise Form.

<Website for exercising voting rights> <https://www.web54.net>

2. Method of the Exercise of Voting Rights

(1) For shareholders using a personal computer

After accessing the above website, please enter the "Voting Rights Exercise Code" and "Password" specified in the enclosed Voting Rights Exercise Form. Then indicate your approval or disapproval of each of the proposals by following the instructions displayed on the screen.

(2) For shareholders using a smartphone

By using your smartphone to scan the "QR code for the Voting Rights Exercise Website for Smartphones" in the enclosed voting form, you can exercise your voting rights via the website without entering your "Voting Rights Exercise Code" and "Password". If you wish to change your vote after casting, please scan the QR code again. You will be required to enter the "Voting Rights Exercise Code" and "Password" displayed on the Voting Rights Exercise Form.

3. Handling of the Exercise of Voting Rights

- (1) The deadline for voting is 5:00 p.m., Wednesday, June 15, 2022 (Japan Standard Time). An early exercise of your vote would be very much appreciated.
- (2) If your voting rights are exercised both in writing and via the Internet, we will consider the exercise via the Internet to be valid. In the event that your voting rights are exercised more than once via the Internet, we will consider the last vote to be valid.
- (3) Any fees to Internet service providers and telecommunication carriers (such as access fees, etc.) for the usage of the website for exercising voting rights shall be borne by the shareholders.
- (4) In some network environments (a personal computer or smartphone, etc.), you may not be able to exercise voting rights.

4. Handling of Password and Voting Rights Exercise Code

- (1) Password is important information to verify whether the person exercising voting rights is a legitimate shareholder. Please maintain the password as strictly confidential in the same manner as a seal or a personal identification number.
- (2) In case you commit more errors than a certain number of tries to input your password, you will not be allowed to use the password. If you would like your password to be reissued, please follow the instruction on the screen for the necessary procedures.
- (3) Voting Rights Exercise Code indicated on the Voting Rights Exercise Form is valid only for this Meeting.

5. In Case You Need Instructions to Operate Your Personal Computer, etc.

- (1) In case you need instructions on how to operate your personal computer, etc., in order to exercise your voting rights, please call the following number:

A dedicated number of Stock Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited
Telephone: 0120 (652) 031 (Business hours: 9:00 a.m. to 9:00 p.m.; toll-free within Japan only)

(2) If you have any other inquiries, please use the following contacts:

a. Shareholders with an account at a securities company

For a shareholder who has an account at a securities company, please contact the securities company that handles your transactions.

b. Shareholders who do not have an account at a securities company (shareholders with a special account)

Stock Transfer Agency Business Planning Dept, Sumitomo Mitsui Trust Bank, Limited.

Telephone: 0120 (782) 031 (Business hours: 9:00 a.m. to 5:00 p.m. excluding Saturdays, Sundays, and public holidays; toll-free within Japan only)

6. Exercise of Voting Rights via the Electronic Voting Rights Exercise platform (for institutional investors)

Institutional investors may use the electronic voting rights exercise platform operated by ICJ, Inc. to electronically exercise the voting rights for the Meeting.

Reference Materials for the General Meeting of Shareholders

Proposals and Reference Information

First proposal: Appropriation of Retained Earnings

As for the Appropriation of Retained Earnings, it is proposed as follows.

Matters relating to year-end dividends

For the fiscal year under review, although the Company reported a year-on-year decline in profit, the Company has made steady progress in normalizing our supply chain and strengthening to respond to cost increases and has maintained our financial soundness; a year-end dividend of ¥16 is proposed under the Company's basic policy on profit distribution to provide a stable and continual return of profit. Including the interim dividend (¥16 per share), the annual dividend is ¥32, an increase of ¥2 per share from the previous fiscal year.

- 1) Type of dividends
Cash
- 2) Dividend amount to be allocated
Per share of common stock: ¥16
Total dividends: ¥1,674,732,000
- 3) Effective date of dividends from retained earnings
June 17, 2022

Second proposal: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amendment provision, as stipulated in the proviso of Article 1 of the Supplementary Provisions of the “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019), will come into force on September 1, 2022, to prepare for the introduction of the system for electronic provision of materials for General Meeting of Shareholders, the Company proposes partial amendments to its Articles of Incorporations as follows:

- (1) After the amendments, Article 17, paragraph (1) shall provide that information of the reference documents concerning the General Meeting of Shareholders and others be provided electronically;
- (2) After the amendments, Article 17, paragraph (2) shall establish a provision to limit the scope of the matters to be included in documents that are to be delivered to shareholders who request the delivery of hard copies;
- (3) Since an article regarding “Disclosure via the Internet of reference documents for the General Meeting of Shareholders, etc. and deemed provision thereof” (Article 17 of the current Articles of Incorporation) will become unnecessary; it is to be deleted;
- (4) In conjunction with the new establishment and deletion as above, a proviso regarding the effective date, etc., shall be established.

2. Details of amendments

Details of the amendments mentioned above are as follows:

(Underline indicates amendments)	
Current Articles	Proposed Amendments
Chapter 3 General Meeting of Shareholders	Chapter 3 General Meeting of Shareholders
<u>(Disclosure via the Internet of reference documents for the General Meeting of Shareholders, etc. and deemed provision thereof)</u>	(Deleted)
Article 17 <u>By disclosing information relating to all matters that shall be described or stated in any referenced document for the General Meeting of Shareholders, business report, financial statement, and consolidated financial statement upon convening a General Meeting of Shareholders by a method utilizing the Internet in accordance as provided for in the Ordinance of the Ministry of Justice of Japan, the Company may be deemed to have provided such information to the shareholders.</u>	(Electronic provision, etc.) <u>Article 17 (1) The Company shall electronically provide information on the reference documents concerning the General Meeting of Shareholders and others in convening General Meetings of Shareholders.</u>
(Newly added)	<u>(2) Among the matters to be provided electronically, the Company may choose to omit all or some of the matters stipulated by the ordinances of the Ministry of Justice in documents to be delivered to shareholders who request the delivery of hard copies by the base date voting rights.</u>

Current Articles	Proposed Amendments
(Newly added)	<p data-bbox="805 273 1082 297"><u>(Supplementary Provisions)</u></p> <p data-bbox="922 327 1366 685">(1) <u>The deletion of the Article 17 of the Articles of Incorporation (Disclosure via the Internet of reference documents for the General Meeting of Shareholders, etc. and deemed provision thereof) and the new establishment of Article 17 (Electronic provision, etc.) shall come into effect on the date on which the amendment provision as stipulated in Article 1, provision, of the Supplementary Provisions of the “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019)(the “Effective Date”).</u></p> <p data-bbox="922 714 1366 904">(2) <u>Notwithstanding the provision in the preceding paragraph, Article 17 of the Articles of Incorporation, before the amendment, shall remain in force with respect to a General Meeting of Shareholders, the date of which is within six (6) months of the Effective Date.</u></p> <p data-bbox="922 934 1366 1102">(3) <u>This supplementary provision shall be deleted later on the two dates: six (6) months from the Effective Date or three (3) months from the date of a General Meeting of Shareholders in the preceding paragraph.</u></p>

Third proposal: Election of Eleven (11) Directors

The term of office of all eleven (11) Directors will expire at the close of this Meeting. Accordingly, it is hereby proposed that eleven (11) Directors be elected.

The candidates for Directors are as follows.

The nomination of candidates for Director is deliberated and decided by the Board of Directors after deliberation carried out in meetings of the Nominating Committee, a majority of whose members are Independent External Directors and reporting to the Board of Directors.

The candidates for Internal Director are people who not only understand and embody the Group's corporate mission and philosophy but also possess good personality and insight and have the capacity to use their expertise and execute their duties from a company-wide perspective. The candidates for External Director are people who carry out supervisory functions of management while also providing advice for the Company's business activities based on their extensive experiences and high level of insight from an independent external standpoint.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Etsuro Saito (April 2, 1954)	<p>April 1977 Joined the Company</p> <p>December 2008 General Manager, VRF/ATW Sales & Marketing Division</p> <p>April 2009 Corporate Vice President</p> <p>April 2011 Corporate Senior Vice President</p> <p>April 2015 Corporate Senior Executive Vice President</p> <p>June 2015 President & Representative Director</p> <p>December 2020 President & Representative Director CSO (Chief Sustainability Officer)</p> <p>April 2022 President & Representative Director, CEO (Chief Executive Officer), and CSO (to present)</p>	19,899 shares
2	Hiroshi Niwayama (February 22, 1955)	<p>April 1977 Joined the Company</p> <p>October 2001 General Manager, Finance Division and General Manager, Accounting Division</p> <p>June 2004 Director</p> <p>April 2006 Director & Corporate Vice President</p> <p>April 2007 Director & Corporate Senior Vice President</p> <p>April 2010 Director & Corporate First Senior Vice President</p> <p>April 2011 Director & Corporate Executive Vice President</p> <p>April 2015 Director & Corporate Senior Executive Vice President</p> <p>June 2018 Vice President & Representative Director, in charge of Corporate Functions (to present)</p>	31,381 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Hisashi Sakamaki (March 6, 1940) [External/Independent]	<p>January 1967 Joined Canon Camera Co., Inc. (currently Canon Inc.)</p> <p>January 1987 General Manager, Systems Operations, Canon Inc.</p> <p>March 1989 Director, Canon Inc.</p> <p>March 1996 Managing Director, Canon Inc.</p> <p>March 1999 President & CEO, Canon Electronics Inc.</p> <p>May 2010 External Director, Ryohin Keikaku Co., Ltd.</p> <p>June 2015 Director, the Company (to present)</p> <p>June 2016 External Director, Yaoko Co., Ltd.</p> <p>March 2021 Chairman & CEO, Canon Electronics Inc. (to present)</p> <p><Significant concurrent positions> Chairman & CEO, Canon Electronics Inc.</p>	0 shares
4	Fumiaki Terasaka (April 12, 1949) [External/Independent]	<p>April 1972 Joined Sapporo Breweries Limited (currently Sapporo Holdings Limited)</p> <p>October 2002 Director, Kyushu Sales & Marketing Division, Sapporo Breweries Limited</p> <p>March 2004 Operating Officer, Sapporo Breweries Limited (newly established company)</p> <p>September 2004 Director and Managing Officer, Sapporo Breweries Limited</p> <p>March 2005 Director and Executive Managing Officer, Sapporo Breweries Limited</p> <p>March 2009 Executive Managing Officer, Sapporo Breweries Limited</p> <p>March 2010 President and Representative Director, Sapporo Breweries Limited Member of the Board, Managing Director and Group Operating Officer, Sapporo Holdings Limited</p> <p>March 2013 Senior Advisor, Sapporo Breweries Limited</p> <p>March 2014 Advisor, Sapporo Breweries Limited</p> <p>November 2015 External Audit & Supervisory Board Member, DAISYO CORPORATION (to present)</p> <p>June 2017 Director, the Company (to present)</p> <p>June 2017 External Director, Citizen Watch Co., Ltd. (to present)</p> <p><Significant concurrent positions> External Director, Citizen Watch Co., Ltd. External Audit & Supervisory Board Member, DAISYO CORPORATION</p>	2,000 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Mieko Kuwayama (March 30, 1948) [External/Independent]	<p>April 1970 Joined Shiseido Company, Limited</p> <p>April 2004 General Manager, CSR Department, Shiseido Company, Limited</p> <p>April 2008 Part-time Lecturer, Faculty of Economics, Komazawa University</p> <p>April 2009 Senior Researcher, Business Ethics Research Center</p> <p>June 2012 Specially Appointed Professor, Graduate School of Law, Hitotsubashi University</p> <p>April 2015 Visiting Researcher, Research Center for CFO Education, Hitotsubashi University (to present)</p> <p>April 2015 Visiting Researcher, Mission Management Research Institute, Meiji University</p> <p>June 2017 Director, the Company (to present)</p> <p>April 2018 Chief Researcher, Business Ethics Research Center (to present)</p> <p>June 2018 External Director, HAZAMA ANDO CORPORATION (to present)</p> <p><Significant concurrent positions></p> <p>Visiting Researcher, Research Center for CFO Education, Hitotsubashi University</p> <p>Chief Researcher, Business Ethics Research Center</p> <p>External Director, HAZAMA ANDO CORPORATION</p>	1,300 shares
6	Osami Maehara (May 25, 1955) [External/Independent]	<p>April 1978 Joined the Company</p> <p>August 1983 Joined Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.)</p> <p>June 2006 General Manager, Corporate Planning Division, Hitachi Koki Co., Ltd.</p> <p>June 2008 Director, Hitachi Koki Co., Ltd.</p> <p>June 2012 Managing Director, Hitachi Koki Co., Ltd.</p> <p>June 2013 Senior Managing Director, Hitachi Koki Co., Ltd.</p> <p>June 2014 President & Representative Director, Hitachi Koki Co., Ltd.</p> <p>April 2019 Chairman, Koki Holdings Co., Ltd.</p> <p>August 2020 External Director, Audit & Supervisory Committee Member, UMC Electronics Co., Ltd.</p> <p>June 2021 Director, the Company (to present)</p> <p><Significant concurrent positions></p> <p>External Director, Audit & Supervisory Committee Member, UMC Electronics Co., Ltd.</p>	400 shares
7	Hirohisa Yamaguchi (October 9, 1960) [External]	<p>April 1983 Joined Fujitsu Limited</p> <p>April 2015 Head of Innovation Business Unit, Fujitsu Limited</p> <p>April 2016 Corporate Vice President, Fujitsu Limited</p> <p>April 2018 Corporate Senior Vice President, Fujitsu Limited</p> <p>June 2019 Director, the Company (to present)</p> <p>April 2022 Corporate Executive Officer, EVP, Fujitsu Limited (to present)</p> <p><Significant concurrent positions></p> <p>Corporate Executive Officer, EVP, Fujitsu Limited</p>	0 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	Tsunenao Kosuda (March 5, 1955)	<p>April 1978 Joined the Company</p> <p>June 2002 General Manager, Sales Planning Department, Domestic Whole Sales Promotion Division</p> <p>June 2005 Director</p> <p>April 2006 Director & Corporate Vice President</p> <p>June 2006 Corporate Vice President</p> <p>April 2009 Corporate Senior Vice President</p> <p>June 2010 Director & Corporate Senior Vice President</p> <p>April 2011 Director & Corporate First Senior Vice President</p> <p>April 2013 Director & Corporate Executive Vice President</p> <p>April 2018 Director & Corporate Senior Executive Vice President, in charge of Domestic Sales and Marketing (to present)</p>	25,802 shares
9	Tadashi Hasegawa (September 29, 1964)	<p>April 1988 Joined Fujikoki Corporation</p> <p>May 1997 Joined the Company</p> <p>April 2014 Director & Senior Vice General Manager, Fujitsu General Central Air-conditioner (Wuxi) Co., Ltd.</p> <p>April 2015 Corporate Vice President, the Company</p> <p>April 2017 Corporate Senior Vice President</p> <p>June 2018 Director & Corporate Senior Vice President</p> <p>April 2019 Director & Corporate First Senior Vice President</p> <p>April 2020 Director & Corporate Executive Vice President</p> <p>April 2022 Director & Corporate Executive Vice President, in charge of Air Conditioner and Quality Assurance, President, Office of Air Conditioner Business, General Manager, Air Conditioner Products Planning Division, President, Fujitsu General (Thailand) Co., Ltd. , and President & Representative Director, AERO SHIELD Co., Ltd. (to present)</p>	5,106 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
10	HiroYuki Yokoyama (October 14, 1962)	<p>April 1986 Joined the Company</p> <p>October 2007 General Manager, Global Demand Chain Management Division, Office of Global Demand Chain Management</p> <p>April 2009 Corporate Vice President</p> <p>April 2014 Corporate Senior Vice President</p> <p>June 2017 Director & Corporate Senior Vice President</p> <p>April 2019 Director & Corporate First Senior Vice President</p> <p>April 2022 Director & Corporate Executive Vice President, in charge of Global Demand Chain Management, President, Office of International Sales and Marketing, General Manager, Global Marketing Division, Chairman & CEO, Fujitsu General America, Inc., President, Fujitsu General Central Air-conditioner (Wuxi) Co., Ltd., and President, Fujitsu General (Taiwan) Co., Ltd. (to present)</p>	9,821 shares
11	Masaki Sugiyama (January 10, 1959)	<p>April 1981 Joined the Company</p> <p>April 2011 General Manager, Information & Communication Networking System Division</p> <p>April 2016 Corporate Vice President,</p> <p>June 2016 Director & Corporate Vice President</p> <p>April 2018 Director & Corporate Senior Vice President</p> <p>April 2019 Director & Corporate First Senior Vice President</p> <p>May 2019 Director & Corporate First Senior Vice President, in charge of Information & Communication System, President, Office of Information & Communication System, and President & Representative Director, Fujitsu General OS Technology Limited (to present)</p>	5,821 shares

- (Notes) 1. Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama, Mr. Osami Maehara, and Mr. Hirohisa Yamaguchi are candidates for External Directors.
2. The Company has designated Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama, and Mr. Osami Maehara as Independent Directors prescribed by the Tokyo Stock Exchange, and their names have been notified to the said stock exchange as Independent Directors of the Company. Although Mr. Osami Maehara has worked for the Company in the past, 38 years have passed since his retirement. Accordingly, the Company judges that the foregoing will not affect Mr. Maehara's independence as an Independent External Director.
3. Fujitsu Limited, where Mr. Hirohisa Yamaguchi serves as a Corporate Executive Officer, EVP is the Company's largest shareholder, and the Company is an affiliate of Fujitsu Limited accounted for under the equity method. The Company and Fujitsu Limited have transaction relationships such as contract manufacturing and sales of information and communication devices.
4. Mr. Hisashi Sakamaki serves as Chairman & CEO of Canon Electronics Inc. and has extensive experience and insight in corporate management, as well as technology, production, purchasing, etc., related to electronic devices. Based on this experience and insight, he provides appropriate advice and opinions from an external perspective and appropriately carries out supervisory functions of management, including a role as a member of the voluntary Nominating Committee and Compensation Committee. Accordingly, he is proposed again as a candidate for External Director.

5. Mr. Fumiaki Terasaka has served as President & Representative Director of Sapporo Breweries Limited and has extensive experience and insight in corporate management, as well as sales, marketing, and personnel development. Based on this experience and insight, he provides appropriate advice and opinions from an external perspective and appropriately carries out supervisory functions of management, including a role as the chairman of the voluntary Nominating Committee and Compensation Committee. Accordingly, he is proposed again as a candidate for External Director.
6. Ms. Mieko Kuwayama has gained extensive business experiences, such as by serving as General Manager of the CSR Department at Shiseido Company, Limited, as well as insight as a researcher in specialized fields such as CSR, business ethics, and diversity management at universities. Based on this experience and insight, she provides appropriate advice and opinions from an external perspective and appropriately carries out supervisory functions of management, including a role as a member of the voluntary Nominating Committee and Compensation Committee. Accordingly, she is proposed again as a candidate for External Director.
7. Mr. Osami Maehara has served as President & Representative Director of Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.) and has extensive experience and insight in corporate management, as well as business expansion through M&A and overseas work as President of a sales subsidiary. Based on this experience and insight, he provides appropriate advice and opinions from an external perspective and appropriately carries out supervisory functions of management, including a role as a member of the voluntary Nominating Committee and Compensation Committee. Accordingly, he is proposed again as a candidate for External Director.
8. Mr. Hirohisa Yamaguchi serves as a Corporate Executive Officer, EVP of Fujitsu Limited, and has extensive experience in business utilizing ICT and insight into advanced digital technology. Based on this experience and insight, he provides appropriate advice and opinions from an external perspective and appropriately carries out supervisory functions of management. Accordingly, he is proposed again as a candidate for External Director.
9. Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama, Mr. Osami Maehara, and Mr. Hirohisa Yamaguchi are currently External Directors of the Company. At the close of this Meeting, Mr. Hisashi Sakamaki will have served as External Directors for seven (7) years, Mr. Fumiaki Terasaka and Ms. Mieko Kuwayama for five (5) years, and Mr. Osami Maehara for one (1) year, and Mr. Hirohisa Yamaguchi for three (3) years, respectively.
10. Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama, Mr. Osami Maehara, and Mr. Hirohisa Yamaguchi are currently External Directors of the Company. The Company has concluded an agreement with them to limit their liability amount to the minimum liability limit amount as provided for by Article 425, Paragraph 1 of the Japanese Companies Act. Should the re-election of Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama, Mr. Osami Maehara, and Mr. Hirohisa Yamaguchi be approved, the Company plans to continue said limited liability agreement with each of them.
11. The Company has concluded a directors and officers liability insurance (D&O insurance) agreement with an insurance company as provided for by Article 430-3, Paragraph 1 of the Japanese Companies Act. The insurance agreement covers damages that may arise when the insured, including Directors of the Company, assume liability for the execution of their duties or are subject to a claim for the pursuit of said liability (However, the insurance agreement does not cover damages arising from actions taken by the insured with the knowledge that they were in violation of laws and regulations). If any candidates are appointed as Directors and assume the office, the Company plans to insure them under the insurance agreement. At the time of the next renewal of the insurance agreement, the Company plans to renew it with the same content.
12. There are no special interests between any of the candidates and the Company.

(Reference) Area of expertise the Company expects from directors and Audit & Supervisory Board Members in particular (plan after the conclusion of the General Meeting of Shareholders)

The Company places “Sustainable Management,” which pursues the practice of corporate philosophy and business growth strategies, at the foundation of all business activities and has set “Harmonious coexistence with our planet,” “Social contribution,” and “Care for employees” as key initiatives. Below is the important area for the Company to promote “Sustainable Management” and its specific measures in the Medium-term Management Plan.

In addition, the “Management of the Company’s business” in the following areas expects to monitor and supervise the execution of business operations in line with the “Sustainable Management” and raise issues from a long-term perspective.

In addition, for the below area, the Company has decided by resolution of the Board of Directors in accordance with the content of the resolution of the Nominating Committee, a majority of whose members are Independent External Directors.

	Name	Attributes	Area of expertise the Company expects from candidates in particular								
			Management of the Company's business	Corporate management	International business, Overseas operation / Globalization	Manufacturing, Technology / R&D	Sales, Marketing	ICT, DX	Finance, Accounting, M&A	Compliance, Risk management	Personnel development, Organizational invigorator, Diversity
Directors	Etsuro Saito		○	○	○		○		○	○	○
	Hiroshi Niwayama		○	○	○			○	○	○	
	Hisashi Sakamaki	【External】 【Independent】	○	○	○	○		○		○	○
	Fumiaki Terasaka	【External】 【Independent】	○	○			○			○	○
	Mieko Kuwayama	【External】 【Independent】	○			○	○			○	○
	Osami Maehara	【External】 【Independent】	○	○	○		○		○	○	
	Hirohisa Yamaguchi	【External】	○	○			○	○			
	Tsunenao Kosuda		○	○			○				○
	Tadashi Hasegawa		○		○	○		○			○
	Hiroyuki Yokoyama		○		○		○	○	○		
	Masaki Sugiyama		○			○	○	○			
Audit & Supervisory Board Members	Akira Inoue	【External】 【Independent】			○				○	○	
	Yoshinobu Miyajima				○				○	○	
	Youichi Hirose	【External】						○	○	○	

* It is listed ○ in the area the Company expects, particularly in light of each individual's experience and current role. It is not indicative of all the insight and experience possessed by each individual.

Fourth proposal: Election of One (1) Substitute Audit & Supervisory Board Member

The effective tenure of substitute Audit & Supervisory Board Member Mr. Yasuo Nishimura, who was elected at the 102nd Ordinary General Meeting of Shareholders held on June 17, 2021, will expire at the start of this Meeting. In this regard, in order to prepare for a case in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, it is hereby proposed that one (1) substitute Audit & Supervisory Board Member be elected in advance.

The candidate for substitute Audit & Supervisory Board Member is as follows.

The Audit & Supervisory Board consented to the proposal of this resolution.

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
Yasuo Nishimura (August 29, 1952)	April 1985 Registered to Dai-ichi Tokyo Bar Association Joined Sengoku Law Office June 2000 Audit & Supervisory Board Member, JOHNAN ACADEMIC PREPARATORY INSTITUTE, INC. August 2001 Established Akasaka City Law Office, Partner June 2015 External Director (the Member of Audit & Supervisory Committee), JOHNAN ACADEMIC PREPARATORY INSTITUTE, INC. (to present) August 2018 Established Nishimura Machida Law Office, Partner (to present) <Significant concurrent positions> Partner of Nishimura Machida Law Office External Director (the Member of Audit & Supervisory Committee), JOHNAN ACADEMIC PREPARATORY INSTITUTE, INC.	0 shares

- (Notes)
1. Mr. Yasuo Nishimura is a candidate for substitute External Audit & Supervisory Board Member.
 2. Mr. Yasuo Nishimura satisfies the requirements for an Independent Officer as prescribed by the Tokyo Stock Exchange. If he assumes office as an External Auditor, the Company intends to notify him as an Independent Officer.
 3. Mr. Yasuo Nishimura has extensive experience and a high level of insight in the field of corporate law as an attorney and an officer at another company. Accordingly, the Company considers that he is capable of appropriately and effectively auditing and supervising the business execution of the Company and proposes him as a candidate for substitute Audit & Supervisory Board Member.
 4. If Mr. Yasuo Nishimura is appointed as an Audit & Supervisory Board Member, the Company will conclude an agreement with him to limit his liability amount to the minimum liability amount as provided for by Article 425, Paragraph 1 of the Japanese Companies Act.
 5. There are no special interests between Mr. Yasuo Nishimura and the Company.

Fifth proposal: Bonus Payments for Directors

It is proposed that bonuses of ¥55,589 thousand in total be paid to six (6) Executive Directors who were in service as of the end of the fiscal year under review, in view of the operating results of this fiscal year and other circumstances.

In addition, it is proposed that specific monetary amounts provided to each Director be determined by the Board of Directors.

The Company has decided on a policy regarding remuneration for Directors, etc., by resolution of the Board of Directors in accordance with the content of the resolution of the Compensation Committee, a majority of whose members are Independent External Directors. The bonus payments corresponding to this proposal are consistent with this policy and have been deemed appropriate.

Sixth proposal: Revision of a Restricted Share-based Remuneration Program to Directors (Excluding External Directors)

The amount of remuneration for the Company's Directors was approved at the 98th Ordinary General Meeting of Shareholders held on June 20, 2017, to be ¥600 million or less per year (of which ¥50 million or less per year for External Directors; the amount does not include employee salaries of Directors who concurrently serve as employees). In addition, at the 101st Ordinary General Meeting of Shareholders held on June 17, 2020, it was approved that, separately from the amount of remuneration stated above, the total amount of monetary compensation receivables to be provided to the Company's Directors (excluding External Directors; the "Eligible Directors") as remuneration for granting shares with restriction on transfer shall be within ¥100 million per year (the amount does not include employee salaries of Directors who concurrently serve as employees), and that the total number of shares of the Company's common stock to be issued or disposed of by the Company shall not exceed 70,000 shares per year.

The Company proposes to partly revise a restricted share-based remuneration program (the "Program") as part of the revision to its remuneration for Directors.

Specifically, in addition to the existing "Type of continuous service," in which a certain period of continuous service at the Company is a condition for the removal of transfer restrictions, the Company will introduce a new "Type of indicator requirements for Sustainable Management" of restricted stock compensation. The purpose is to make achieving Sustainable Management of the Company a responsibility of the directors and to practice and promote it, the achievement of indicator requirements of Sustainable Management set in advance by the Board of Directors of the Company shall be a condition for the removal of the transfer restrictions.

Based on this proposal, the total amount of monetary compensation receivables to be provided to the Eligible Directors for granting shares with restriction on transfer shall be within ¥100 million per year (the amount does not include employee salaries of Directors who concurrently serve as employees), and the total number of shares of the Company's common stock to be issued or disposed of thereby shall not exceed 70,000 shares per year (provided, however, that if the Company performs a split of the Company's common stock (including allotment of the Company's common stock without contribution), a consolidation thereof, with the effective date on and after the date of approval and adoption of this proposal, or if any other event that requires adjustment of the total number of shares of the Company's common stock to be issued or disposed of as restricted shares occur, the relevant total number shall be adjusted to the reasonable extent as necessary).

Regarding the total amount of monetary compensation and the total number of shares, they were approved at the 101st Ordinary General Meeting of Shareholders held on June 17, 2020, and the sum of "Type of continuous service" and "Type of indicator requirements for Sustainable Management" shall not be exceeded.

The amount to be paid per share shall be determined for such issuance or disposal by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous to the Eligible Directors who subscribe such common stock.

For such issuance or disposal of the Company's common stock thereby, an agreement on allotment of shares with transfer restrictions that includes the following provisions (the "Allotment Agreement") shall be entered into between the Company and each Eligible Director.

In addition, in this proposal, the maximum amount of remuneration, the total number of shares of the Company's common stock to be issued or disposed of, and other conditions for granting restricted shares of the Company's common stock with restrictions on transfer to Eligible Directors under this proposal shall be determined and are considered reasonable taking into consideration the purposes above, the business conditions of the Company, the Company's policies concerning decisions on details of remuneration, etc. for individual Directors, and other various circumstances. The specific timing for providing thereof and the allocation to each Eligible Director shall be determined by the Board of Directors.

The number of Directors is currently eleven (11) (including five (5) External Directors). Subject to the approval and adoption of the third proposal, "Election of Eleven (11) Directors", as initially proposed, the number of Directors will not be changed.

[Summary of the Allotment Agreement]

(1) Restriction Period

The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of shares of the Company's common stock allotted under the Allotment Agreement (the "Allotted Shares") for a period in accordance with the said agreement (the "Transfer Restrictions").

The "Type of continuous service" is specified in advance by the Board of Directors of the Company between three (3) and thirty (30) years from the date allotment by the Allotment Agreement, and the "Type of indicator requirements for Sustainable Management" is specified in advance by the Board of Directors of the

Company between three (3) and five (5) years from the date of allotment by the Allotment Agreement (the “Restriction Period”).

(2) Procedures for retirement from the position

If an Eligible Director retires from the position of the Company’s directors and employees defined in advance by the Board of Directors of the Company before the Restriction Period expires, the Company shall automatically acquire the Allotted Shares without contribution, unless the reason for their retirement from office is the expiration of the term of their office, death or any other justifiable reason.

(3) Lifting of the Transfer Restrictions

a. Type of continuous service

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained in the position defined in the Period in advance by the Board of Directors of the Company throughout the Period (the “Service Period”). However, if the Eligible Director retires from the position of the Company’s directors and employees defined in advance by the Board of Directors of the Company before the expiration of the Service Period due to the expiration of the term of their office as provided for in (2) above, death or any other justifiable reason, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed. Furthermore, pursuant to the provisions above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

b. Type of indicator requirements for Sustainable Management

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained in the position of the Company’s directors and employees defined in advance by the Board of Directors of the Company throughout the Service Period and achieved the predetermined indicator requirements for Sustainable Management by the Board of Directors (provided, however, if the Eligible Director retires from the position of the Company’s directors and employees defined in advance by the Board of Directors of the Company after the expiration of the Service Period, the later of the time immediately following the time of such resignation or the arrival of the day following the day on which it is confirmed that the indicator requirements for Sustainable Management set in advance by the Board of Directors of the Company has been achieved). Furthermore, according to the provisions above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(4) Procedures in case of organizational restructuring, etc.

Notwithstanding the provision of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other reorganization, etc. are approved at the Company’s General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company’s General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(5) Other matters

Other matters with regard to the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Reference)

Subject to the approval and adoption of the sixth proposal as initially proposed, the Company plans to apply the Program similar to the one above for Executive Officers of the Company who do not concurrently serve as Directors.