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Securities code: 7420

August 3, 2022

To Shareholders with Voting Rights:

Hiroyuki Satori
Representative Director,
President & CEO
SATORI ELECTRIC CO., LTD.
14-10, Shiba 1-chome, Minato-ku,
Tokyo, Japan

**NOTICE OF
THE 80TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation to all of the shareholders of SATORI ELECTRIC CO., LTD. (the “Company”) for their continued support.

We are pleased to announce that the 80th Annual General Meeting of Shareholders will be held as described below.

To prevent the COVID-19 pandemic from spreading, shareholders are requested to exercise their voting rights in writing or via the Internet, etc. and to refrain from attending the meeting in person. Please review the attached reference documents and exercise your voting rights by 5:00 p.m. on Thursday, August 18, 2022, following the instructions on pages 5 and 6 (only available in Japanese).

- 1. Date and Time:** Friday, August 19, 2022 at 10:00 a.m.
(Reception desk opens at 9:00 a.m.)
- 2. Venue:** Bayside Hotel Azur Takeshiba
14th Floor, Tenpyo
11-2, Kaigan 1-chome, Minato-ku, Tokyo
*Please note that the venue is different from that of last year.
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the Company’s 80th Fiscal Year (June 1, 2021 – May 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the Company’s 80th Fiscal Year (June 1, 2021 – May 31, 2022)

Proposals to be resolved:

- | | |
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| Proposal 1 | Partial Amendments to the Articles of Incorporation |
| Proposal 2 | Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal 3 | Election of Four Directors Who Are Audit and Supervisory Committee Members |
| Proposal 4 | Determination of the Amount and Details of Performance-linked Stock-based Remuneration, etc., for Directors |

Items Disclosed on the Internet

- In accordance with laws and regulations and Article 14 of the Company's Articles of Incorporation, the items below are posted on the Company's website at the address below, so they are not attached to this Notice.
 - (1) "Status of Accounting Auditor" and "Systems for Ensuring Appropriate Business Operations and Implementation of These Systems" of the Business Report
 - (2) "Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
 - (3) "Statement of Changes in Net Assets" and "Notes to the Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements

Accordingly, the documents attached to this Notice are part of the Business Report, which the Audit and Supervisory Committee audited to prepare its Audit Report, and part of the Consolidated Financial Statements and Non-Consolidated Financial Statements, which the Audit and Supervisory Committee and the Accounting Auditor audited.

- If any revisions are made to the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements, or the Reference Documents for the General Meeting of Shareholders attached to this Notice, the amended documents will be posted on the Company's website at the following address.

The Company's website: <https://www.satori.co.jp/english/ir.html>

Other Information on the Meeting

- To prevent the COVID-19 pandemic from spreading, shareholders are asked to refrain from attending the meeting in person.
- We plan to post a video of the General Meeting of Shareholders on our website at a later date.
- No gifts will be provided to shareholders attending the meeting.

Reference Documents for the General Meeting of Shareholders

Proposal 1 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) In order to clarify the business objectives in light of the current state of its business and respond to future development and diversification of its business, the Company proposes to add some businesses to the objectives stated in Article 2 (Objective) of the current Articles of Incorporation and amend its wording.
- (2) The amended provisions stipulated in the proviso of 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. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.
 - (i) The proposed Article 14, Paragraph 1 is to establish a provision stipulating that information contained in the reference documents for the General Meeting of Shareholders, etc., shall be provided electronically.
 - (ii) The proposed Article 14, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it to the scope stipulated by the Ordinance of the Ministry of Justice.
 - (iii) If the system for electronic provision of materials for general meetings of shareholders is introduced, the provisions of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) of the current Articles of Incorporation will become unnecessary and will therefore be deleted.
 - (iv) The proposed Article 2 of the Supplementary Provisions is to establish the effective date and transitional measures of the provisions (i) to (iii) above.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1: General provisions	Chapter 1: General provisions
Article 1. (Omitted)	Article 1. (Unchanged)
(Objective)	(Objective)
Article 2. The purpose of the Company shall be to engage in the following businesses.	Article 2. The purpose of the Company shall be to engage in the following businesses.
1. <u>Development, design, manufacture, processing, sales, import and export, and import and export of telecommunications and optical communications machinery and equipment, computers and other electronic applied machinery and equipment, electrical apparatus, equipment and cotton materials</u>	1. <u>Development, design, manufacture, processing, sales, import and export, leasing and maintenance of the following machinery, equipment, etc.</u>
	<u>(1) Telecommunications and optical communications machinery and equipment, computers and other electronic applied machinery and equipment, electrical apparatus, and equipment and cotton materials related to them</u>

Current Articles of Incorporation	Proposed Amendments
<p><u>2. Development, design, manufacture, processing, sales, import and export, and import and export of semiconductor devices, integrated circuits, and other components, materials, and other related goods used in the machinery, equipment, and devices specified in the preceding item</u></p> <p><u>3. Development, design, sale, import and export of systems and software related to items 1 and 2</u></p> <p><u>4. Maintenance in respect of the machines, appliances and equipment specified in item 1</u> (Newly established) (Newly established) (Newly established)</p> <p><u>5. Design, construction and contracting of telecommunication works</u></p> <p><u>6. Processing, sales, import and export of synthetic resins and other chemical products and metals</u> (Newly established)</p> <p><u>7. Worker dispatch services related to the businesses mentioned above</u> (Newly established)</p> <p><u>8. Any business incidental or related to the preceding items</u> Articles 3. to 5. (Omitted)</p>	<p><u>(2) Semiconductor devices, integrated circuits, and other components, materials, and other related goods used in the machinery, equipment, and devices specified in (1) above</u></p> <p><u>2. Planning, development, design, sale, import and export, leasing and maintenance of computer systems and software</u> (Deleted)</p> <p><u>3. Information communication services</u></p> <p><u>4. Information processing and information provision services</u></p> <p><u>5. Consulting on the businesses specified in the preceding items</u></p> <p><u>6. Design, construction and contracting of telecommunication works</u></p> <p><u>7. Processing, sales, import and export of synthetic resins and other chemical products and metals</u></p> <p><u>8. Trading of antiques</u></p> <p><u>9. Worker dispatch services</u></p> <p><u>10. Control and management of the business activities of companies (including foreign companies) operating the businesses related to the preceding items through the ownership of shares or equity interest in them</u></p> <p><u>11. Any business incidental or related to the preceding items</u> Articles 3. to 5. (Unchanged)</p>
<p>Chapter 3: General Meeting of Shareholders Articles 11. to 13. (Omitted) <u>(Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.)</u> <u>Article 14. The Company may, upon convocation of a general meeting of shareholders, deem that it has provided the shareholders with matters concerning matters to be stated or indicated in the reference documents for general meetings of shareholders, business reports, financial statements and consolidated financial statements by disclosing such matters through the Internet in accordance with the applicable Ordinance of the Ministry of Justice.</u> (Newly established)</p>	<p>Chapter 3: General Meeting of Shareholders Articles 11. to 13. (Unchanged)</p> <p>(Deleted)</p> <p><u>(Measures for Electronic Provision, etc.)</u> <u>Article 14. The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents</u></p>

Current Articles of Incorporation	Proposed Amendments
Articles 15. to 16. (Omitted)	<p><u>for general meetings of shareholders, etc., electronically.</u> <u>(ii) Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p>Articles 15. to 16. (Unchanged)</p>
<p>Supplementary provisions Article 1. (Omitted)</p> <p>(Newly established)</p>	<p>Supplementary provisions Article 1. (Unchanged)</p> <p><u>(Transitional Measures Concerning Measures for Electronic Provision, etc.)</u> <u>Article 2. The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) of the Articles of Incorporation and the establishment of Article 14 (Measures for Electronic Provision, etc.) of the Articles of Incorporation shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <u>(ii) Notwithstanding the provisions of the preceding paragraph, the Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) of the current Articles of Incorporation shall apply to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u> <u>(iii) The provisions of this article shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 2 Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

All five Directors (excluding Directors who are Audit and Supervisory Committee members; the same applies throughout this proposal) will complete their terms of office at the conclusion of this General Meeting of Shareholders. Increasing the number of Directors by one with a view to further strengthen the management system, the Company therefore proposes the election of six Directors.

The candidates for Director are as below.

The Audit and Supervisory Committee has reviewed this proposal and reported that it has no objections to it.

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Hiroyuki Satori [Reappointment]	Representative Director, President & CEO	12/12
2	Naoki Obara [Reappointment]	Representative Director, Senior Managing Executive Officer Head of Sales In charge of Business Planning Department	12/12
3	Hiroshi Nakamaru [Reappointment]	Director, Managing Executive Officer In charge of Overseas Business	12/12
4	Toshikage Miyazawa [Reappointment]	Director, Managing Executive Officer In charge of Industrial Solutions Business	9/10
5	Koji Suwahara [Reappointment]	Director, Managing Executive Officer In charge of Corporate Department	10/10
6	Toshimitsu Iwanami [New appointment] [Outside] [Independent]	Outside Director & Chairman of the Board Audit and Supervisory Committee Member	12/12

Notes: 1. The Company has concluded a directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. A summary of the policy is provided on page 43 in “4. Status of Officers (6) Directors and Officers Liability Insurance Contract” (only available in Japanese). If this proposal is approved as originally proposed and the candidates become Directors, they will be insured under the insurance contract.

2. In addition to the meetings of the Board of Directors stated above, there was one written resolution deemed to be a resolution by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
1	<p>Hiroyuki Satori (July 13, 1966) 56 years old</p> <p>[Reappointment]</p> <p>Years in office as Director: 20 years</p>	<p>September 1995 Joined the Company</p> <p>August 2002 Director in charge of Overseas Business</p> <p>August 2005 Director in charge of Greater China Business</p> <p>August 2007 Managing Director, Head of Asia Business</p> <p>August 2008 Director, Managing Executive Officer, Head of Overseas Business</p> <p>June 2009 Director, Managing Executive Officer, Head of Sales Promotion Business Unit in charge of Sales Promotion</p> <p>June 2011 Director, Senior Managing Executive Officer, Head of Sales in charge of Corporate Planning</p> <p>August 2011 Representative Director, Senior Managing Executive Officer, Head of Management in charge of Corporate Planning</p> <p>August 2012 Representative Director and Vice President in charge of Corporate Planning</p> <p>June 2013 Representative Director and President & COO</p> <p>June 2016 Representative Director and President & CEO</p> <p>August 2020 Representative Director, President & CEO (current position)</p> <p>[Significant concurrent positions]</p> <p>- Director, STAR ELECTRONICS CO., LTD.</p> <p>- Representative Director and Chairman, SATORI SP TECHNOLOGY CO., LTD.</p>	299,448
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Hiroyuki Satori has been involved in domestic and overseas business operations since he became a Director in 2002. He has extensive experience, including working experience at overseas business locations of the Company, and broad knowledge. Considering that he can help increase the Group's corporate value and strengthen the decision-making function of the Board of Directors, we renominate him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
2	Naoki Obara (August 29, 1952) 69 years old [Reappointment] Years in office as Director: 3 years	<p>April 1976 Joined the Company</p> <p>August 2005 Director in charge of Overseas Business</p> <p>January 2010 Managing Executive Officer in charge of Greater China Business</p> <p>August 2010 Director, Executive Officer, Head of Overseas Business in charge of Greater China Business</p> <p>August 2011 Director, Managing Executive Officer, Head of Overseas Business</p> <p>June 2013 Representative Director and President, STAR ELECTRONICS CO., LTD.</p> <p>August 2019 Director, Senior Managing Executive Officer, Head of Sales in charge of Original Products Business Unit, the Company</p> <p>August 2021 Representative Director, Senior Managing Executive Officer, Head of Sales in charge of Original Products Business Unit</p> <p>June 2022 Representative Director, Senior Managing Executive Officer, Head of Sales in charge of Business Planning Department (current position)</p> <p>[Significant concurrent position] - Representative Director and Chairman, STAR ELECTRONICS CO., LTD.</p>	31,640
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Naoki Obara has extensive experience at overseas businesses and has been serving as Representative Director of a domestic subsidiary. Considering that he can help increase the Group's corporate value and strengthen the decision-making function of the Board of Directors, we renominate him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
3	Hiroshi Nakamaru (April 18, 1960) 62 years old [Reappointment] Years in office as Director: 2 years	April 1983	Joined Hitachi, Ltd.	2,700
		April 2003	Joined Renesas Technology Corp. (currently Renesas Electronics Corporation)	
		October 2008	President, Renesas Electronics (Shanghai) Co., Ltd.	
		April 2010	Managing Director, Renesas Electronics Hong Kong Limited	
		February 2013	President, Renesas Electronics (Shanghai) Co., Ltd. President, Renesas Electronics (China) Co., Ltd. Director, Renesas Electronics Hong Kong Limited	
		July 2018	Joined the Company	
		August 2018	Managing Executive Officer in charge of Global Business Unit	
		August 2020	Director, Managing Executive Officer in charge of Global Business Unit	
		June 2022	Director, Managing Executive Officer in charge of Overseas Business (current position)	
		[Reason for nomination as candidate for Director] Mr. Hiroshi Nakamaru has extensive business experience as a corporate manager from his many years of involvement in overseas business management at a major semiconductor manufacturer. Since joining the Company, he has been involved in management of overseas businesses. Considering that he can help increase the Group’s corporate value and strengthen the decision-making function of the Board of Directors, we renominate him as a candidate for Director.		
4	Toshikage Miyazawa (October 20, 1960) 61 years old [Reappointment] Years in office as Director: 1 year	April 1984	Joined Takahashi Electronics Ltd. (currently TDS Co., Ltd.)	1,900
		June 1990	Joined the Company	
		June 2007	Assigned to HONG KONG SATORI CO., LTD.	
		June 2013	Deputy General Manager, Automation Components Sales Division, the Company	
		June 2014	General Manager, Automation Components Sales Division	
		June 2016	General Manager, Industrial Sales Division	
		June 2018	Executive Officer in charge of Industrial Solutions Business; General Manager, Industrial Solutions Business Division	
		June 2019	Executive Officer in charge of Industrial Solutions Business	
		August 2021	Director, Managing Executive Officer in charge of System Business Unit and Industrial Solutions Business	
		June 2022	Director, Managing Executive Officer in charge of Industrial Solutions Business (current position)	
[Reason for nomination as candidate for Director] Mr. Toshikage Miyazawa has extensive business experience at the industrial solutions business, which includes factory automation control equipment, and the device solutions business overseas. Considering that he can help increase the Group’s corporate value and strengthen the decision-making function of the Board of Directors, we renominate him as a candidate for Director.				

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
5	<p>Koji Suwahara (December 13, 1962) 59 years old</p> <p>[Reappointment]</p> <p>Years in office as Director: 1 year</p>	<p>April 1985 Joined NEC Corporation</p> <p>May 2014 General Manager, Corporate Finance Division</p> <p>June 2014 Outside Director, NEC Capital Solutions Limited</p> <p>November 2019 Joined the Company</p> <p>June 2020 Executive Officer in charge of Accounting, Finance and Business Administration</p> <p>August 2021 Director, Managing Executive Officer in charge of Accounting, Finance, Business Administration, General Affairs and IT Systems</p> <p>June 2022 Director, Managing Executive Officer in charge of Corporate Department (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> - Director, STAR ELECTRONICS CO., LTD. - Corporate Auditor, SATORI SP TECHNOLOGY CO., LTD. 	800
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Koji Suwahara has extensive knowledge and deep insight, which he earned through his many years of involvement in financial affairs both in Japan and overseas at a major information and communications device manufacturer and his service as Outside Director of an affiliate of the manufacturer. Considering that he can help increase the Group's corporate value and strengthen the decision-making function of the Board of Directors, we renominate him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
6	Toshimitsu Iwanami (September 23, 1949) 72 years old [New appointment] [Outside] [Independent] Years in office as Director: 4 years (Of which, years in office as Audit and Supervisory Committee Member: 2 years)	April 1972 June 2007 April 2010 June 2012 April 2014 June 2014 April 2015 August 2018 June 2020 August 2020	Joined NEC Corporation Member of the Board, Executive Vice President Representative Director, Senior Executive Vice President Executive Advisor Member of Administrative Council, The University of Electro-Communications Outside Statutory Auditor, Mitsubishi Motors Corporation Executive Director, IT Business Forum (current position) Outside Director, the Company Outside Director & Chairman of the Board Outside Director & Chairman of the Board, Audit and Supervisory Committee Member (current position)	4,400
	<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Toshimitsu Iwanami has extensive experience and broad knowledge as a corporate manager. Considering that he will contribute to strengthening the supervisory function for the business execution of the Company as Chairman of the Board of the Company, we nominate him as a candidate for Outside Director.</p> <p>[Special notes regarding the candidate for Outside Director]</p> <ol style="list-style-type: none"> 1. The Company has registered Mr. Toshimitsu Iwanami with the Tokyo Stock Exchange as an independent officer as provided by the bourse. 2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Toshimitsu Iwanami to limit his liability for damages stipulated in Article 423, Paragraph 1 of the same Act. If he is elected Director as originally proposed, the Company will continue the above agreement with him. The maximum amount of liability for damages under the above agreement is the amount stipulated by law. 			

Note: There are no special interests between the Company and any of the candidates.

Proposal 3 Election of Four Directors Who Are Audit and Supervisory Committee Members

All five Directors who are Audit and Supervisory Committee members will complete their terms of office at the conclusion of this General Meeting of Shareholders. The Company therefore proposes the election of four Directors who are Audit and Supervisory Committee members.

The Audit and Supervisory Committee has given its consent to this proposal in advance.

The candidates for Directors who are Audit and Supervisory Committee members are as below.

No.	Name	Current positions and responsibilities at the Company	Attendance at meetings of the Board of Directors and the Audit and Supervisory Committee
1	Masaki Mogi [Reappointment]	Director, Full-time Audit and Supervisory Committee Member	12/12 14/14
2	Hidetoshi Tawada [Reappointment] [Outside] [Independent]	Outside Director, Audit and Supervisory Committee Member	12/12 14/14
3	Akihiro Taguchi [New appointment] [Outside] [Independent]		-/- -/-
4	Akiko Yukimaru [New appointment] [Outside] [Independent]		-/- -/-

Notes: 1. The Company has concluded a directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. A summary of the policy is provided on page 43 in “4. Status of Officers (6) Directors and Officers Liability Insurance Contract” (only available in Japanese). If this proposal is approved as originally proposed and the candidates become Directors, they will be insured under the insurance contract.

2. In addition to the meetings of the Board of Directors stated above, there was one written resolution deemed to be a resolution by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 23 of the Company’s Articles of Incorporation.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
1	<p>Masaki Mogi (August 29, 1965) 56 years old</p> <p>[Reappointment]</p> <p>Years in office as Director: 2 years (Of which, years in office as Audit and Supervisory Committee Member: 2 years)</p> <p>Years in office as Corporate Auditor: 1 year</p>	<p>April 1986</p> <p>June 2006</p> <p>June 2009</p> <p>December 2011</p> <p>March 2014</p> <p>June 2015</p> <p>January 2017</p> <p>June 2019</p> <p>August 2019</p> <p>August 2020</p>	<p>Joined the Company</p> <p>Senior Manager, Accounting Department</p> <p>General Manager, Corporate Planning Division</p> <p>Deputy Managing Director, HONG KONG SATORI CO., LTD.</p> <p>General Manager for Procurement and Logistics and Information System, the Company</p> <p>General Manager for Personnel Department and General Affairs Department</p> <p>Associate Director, Senior General Manager for Human Resources and General Affairs</p> <p>Associate Director, General Manager for Personnel and General Affairs Department</p> <p>Full-time Corporate Auditor</p> <p>Director, Full-time Audit and Supervisory Committee Member (current position)</p>	4,600
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Masaki Mogi is familiar with a wide range of management (accounting, corporate planning, overseas business) departments and has an extensive track record in management and supervision such as risk management and internal control, having served as Corporate Auditor of the Company and its domestic subsidiaries. Considering that he is well qualified as Director who is an Audit and Supervisory Committee member of the Company, we renominate him as a candidate for Director.</p>				

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
2	<p>Hidetoshi Tawada (February 2, 1956) 66 years old</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Years in office as Director: 6 years (Of which, years in office as Audit and Supervisory Committee Member: 2 years)</p>	<p>November 1980 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>September 1984 Registered as Certified Public Accountant</p> <p>May 2006 Representative Partner, KPMG AZSA LLC</p> <p>July 2014 Director, Tawada Certified Public Accountant Office (current position)</p> <p>June 2015 Outside Director, KSK CO., LTD. (current position)</p> <p>August 2016 Outside Director, the Company</p> <p>June 2019 Outside Director, Mark-i Inc.</p> <p>August 2020 Outside Director, Audit and Supervisory Committee Member, the Company (current position)</p> <p>[Significant concurrent position] - Director, Tawada Certified Public Accountant Office</p>		6,300
	<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Hidetoshi Tawada has many years of extensive auditing experience as a certified public accountant and professional knowledge in finance and accounting. Considering that he will contribute to strengthening the supervisory function for the business execution of the Company, we renominate him as a candidate for Outside Director who is an Audit and Supervisory Committee member of the Company.</p> <p>Although he has never been involved in company management other than as an outside officer, we consider, for the above reasons, that he will be able to appropriately fulfill the duties of Outside Director who is an Audit and Supervisory Committee member of the Company.</p> <p>[Special notes regarding the candidate for Outside Director]</p> <ol style="list-style-type: none"> 1. The Company has registered Mr. Hidetoshi Tawada with the Tokyo Stock Exchange as an independent officer as provided by the bourse. 2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Hidetoshi Tawada to limit his liability for damages stipulated in Article 423, Paragraph 1 of the same Act. If he is elected Director as originally proposed, the Company will continue the above agreement with him. The maximum amount of liability for damages under the above agreement is the amount stipulated by law. 			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
3	<p>Akihiro Taguchi (January 26, 1958) 64 years old</p> <p>[New appointment] [Outside] [Independent]</p> <p>Years in office as Director: –</p>	<p>April 1980</p> <p>June 2010</p> <p>April 2012</p> <p>April 2013</p> <p>April 2015</p> <p>June 2015</p> <p>April 2019</p> <p>June 2019</p> <p>April 2020</p>	<p>Joined Olympus Optical Co., Ltd. (currently Olympus Corporation)</p> <p>Corporate Executive Officer, Olympus Corporation</p> <p>Director, Olympus Medical Systems Corp.</p> <p>Senior Corporate Managing Officer, Olympus Corporation</p> <p>President and Representative Director, Olympus Medical Systems Corp.</p> <p>Senior Corporate Managing Officer, Olympus Corporation</p> <p>Director, Sony Olympus Medical Solutions Inc.</p> <p>Head of Sales Group, Business Management Officer of Medical Business, Olympus Corporation</p> <p>Director, Olympus Medical Systems Corp.</p> <p>Director, Senior Corporate Managing Officer, Olympus Corporation</p> <p>Director, Senior Corporate Managing Officer, Chief Operating Officer, Olympus Corporation</p> <p>President and Representative Director, Olympus Medical Systems Corp.</p> <p>Executive Officer, Chief Operating Officer, Olympus Corporation</p> <p>Executive Officer, Chief Technology Officer, Olympus Corporation</p> <p>Director, Olympus Medical Systems Corp.</p>	–
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Akihiro Taguchi has extensive experience and broad knowledge as a corporate manager. Considering that he will contribute to strengthening the supervisory function for the business execution of the Company, we nominate him as a candidate for Outside Director who is an Audit and Supervisory Committee member of the Company.</p> <p>[Special notes regarding the candidate for Outside Director]</p> <ol style="list-style-type: none"> 1. There are no special interests between the Company and Mr. Akihiro Taguchi, and we have determined that there is no risk of conflict of interest with general shareholders. The Company will, therefore, register him with the Tokyo Stock Exchange as an independent officer as provided by the bourse. 2. If Mr. Akihiro Taguchi is elected Director as originally proposed, the Company will enter into an agreement with him, pursuant to Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages stipulated in Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under the above agreement is the amount stipulated by law. 				

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
4	Akiko Yukimaru (January 7, 1977) 45 years old [New appointment] [Outside] [Independent] Years in office as Director: –	April 2000 October 2001 February 2008 May 2019 July 2019 June 2021 [Significant concurrent position] - Attorney	Entered The Legal Training and Research Institute of Japan (54th Class) Judge, Tokyo District Court Registered as Attorney Joined Yoshioka Tsuji Law Office (currently Yoshioka Ono Law Office) Yokohama Sogo Law Office (current position) Legal Specialist, Hiratsuka City (current position) Outside Director, IPS, Inc. (current position)	–
	<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Ms. Akiko Yukimaru has professional insight and extensive experience cultivated as a judge and an attorney. Expecting her to offer advice from her professional point of view, we nominate her as a candidate for Outside Director who is an Audit and Supervisory Committee Member of the Company.</p> <p>Although Ms. Akiko Yukimaru has never been involved in company management other than as an outside officer, we consider, for the above reasons, that she will be able to appropriately fulfill the duties of Outside Director who is an Audit and Supervisory Committee member of the Company.</p> <p>[Special notes regarding the candidate for Outside Director]</p> <ol style="list-style-type: none"> 1. There are no special interests between the Company and Ms. Akiko Yukimaru, and we have determined that there is no risk of conflict of interest with general shareholders. The Company will, therefore, register her with the Tokyo Stock Exchange as an independent officer as provided by the bourse. 2. If Ms. Akiko Yukimaru is elected Director as originally proposed, the Company will enter into an agreement with her, pursuant to Article 427, Paragraph 1 of the Companies Act, to limit her liability for damages stipulated in Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under the above agreement is the amount stipulated by law. 			

Note: There are no special interests between the Company and any of the candidates.

■ Areas In Which Each Director Has Strengths

Based on the composition of the Board of Directors, subject to approval of the proposal as originally proposed at the Annual General Meeting of Shareholders, and the areas of expertise that each candidate has, the candidates are expected to bring the areas of expertise shown below to the Board of Directors.

Name	Audit and Supervisory Committee Member	Independent officer	Years in office as Director	Areas of expertise					
				Corporate management and corporate planning	Sales and marketing	Global	Technology/development, product planning, manufacturing/production	Financial accounting	Legal affairs
Hiroyuki Satori			20	○	○	○			
Naoki Obara			3	○	○	○	○		
Hiroshi Nakamaru			2	○	○	○			
Toshikage Miyazawa			1	○	○		○		
Koji Suwahara			1	○		○		○	○
Toshimitsu Iwanami		○	4	○	○	○	○		
Masaki Mogi	○		2			○		○	
Hidetoshi Tawada	○	○	6					○	
Akihiro Taguchi	○	○	-	○	○	○	○		
Akiko Yukimaru	○	○	-						○

Notes: 1. The information in the table above does not cover all the expertise and experience of the candidates.

2. Mr. Masaki Mogi has served as Corporate Auditor for one year.

3. Mr. Toshimitsu Iwanami, Mr. Masaki Mogi, and Mr. Hidetoshi Tawada have served as Directors who are Audit and Supervisory Committee Members for two years.

[Reference] Criteria for the Independence of Outside Officers

I. The Company considers that Outside Directors and candidates for Outside Director are independent if they satisfy none of the following conditions.

- (1) A business executive of the Company or subsidiaries or affiliates of the Company (hereinafter, the “Group”), or a person who used to be a business executive of the Group within the past 10 years.
- (2) A person for whom the Group is a main business partner, or if the person is a corporation, a business executive of that corporation, or its parent company or major subsidiary.
- (3) A main business partner of the Company, or if the main business partner is a corporation, a business executive of that corporation, or its parent company or major subsidiary.
- (4) A major shareholder of the Company (a shareholder with direct or indirect ownership of 10% or more of total voting rights in the Company), or if the main shareholder is a corporation, a business executive of that corporation, or its parent company or major subsidiary.
- (5) A person for whom the Group directly or indirectly owns 10% or more of total voting rights, or its business executive.
- (6) A major creditor the Group depends on for the financing to the extent that the creditor is indispensable and there is no alternative, or if the creditor is a corporation such as a financial institution, a business executive of that corporation, or its parent company or major subsidiary.
- (7) A person affiliated with the auditing firm that is the Accounting Auditor for the Group.
- (8) An individual such as an attorney, certified public accountant, tax accountant or consultant who receives a large monetary amount or other financial benefit other than officer remuneration from the Group.
- (9) A person affiliated with a corporation such as a law office, auditing firm, tax accountant, or consulting firm, or a group such as a union, which receives a large monetary amount or other financial benefit from the Group.
- (10) A person who receives donations or financial assistance in a large amount from the Group, or if the person is a corporation, or a group such as a union, a business executive of that corporation, union or other group.
- (11) A director, corporate auditor, executive or executive officer of a company where a director(s) comes from the Group, or its parent company or major subsidiary.
- (12) A person to whom any of (2) to (11) apply within the past three years.
- (13) The spouse, a relative within the second degree of kinship, or a relative sharing the same domicile of a person to whom any of (1) to (11) above apply (however, if the person is an employee, limited to an employee in an important position).

II. If the Company considers that a person is suitable as an independent officer of the Company in light of their character, discernment or other qualities and either of (2), (3), (8) and (9) of the above applies (and, in this case, including people to whom (12) or (13) applies), the Company may select that person as an independent officer of the Company, or as a candidate, if the person meets the requirements for outside directors stipulated in the Companies Act and the Company publicly explains the reasons why it considers the person to be suitable as an independent officer of the Company.

* The full text of the Company’s Criteria for the Independence of Outside Officers is posted on the Company’s website at the address below (only available in Japanese):

<https://www.satori.co.jp/ir/strategy/governance.html>

Proposal 4 Determination of the Amount and Details of Performance-linked Stock-based Remuneration, etc., for Directors

1. Reasons for the proposal and for deeming this remuneration plan reasonable

Remuneration for Directors of the Company (excluding Directors who are Audit and Supervisory Committee members and Outside Directors; the same applies hereinafter) consists of “basic remuneration” and “bonus.” The purpose of this proposal is to seek approval to introduce a performance-linked stock-based remuneration plan (hereinafter, the “Plan”) using a trust for Directors of the Company. The Company proposes to grant the Board of Directors the authority to determine details of the Plan within the scope described in 2. below.

The Plan is designed to more clearly link the remuneration of Directors to the Company’s performance and the value of its shares and to raise the motivation of Directors to contribute to improving medium- to long-term business performance and increasing corporate value by ensuring that they share profits and risks from share price fluctuations with shareholders.

This proposal will pay new remuneration under the Plan to Directors who will be in office during the five fiscal years from the fiscal year ending May 31, 2023 to the fiscal year ending May 31, 2027 (hereinafter, the “Coverage Period”), separately from the maximum amount of remuneration for Directors excluding Directors who are Audit and Supervisory Committee members (up to 300 million yen per year excluding the employee portion of their salaries), which was approved at the 78th Annual General Meeting of Shareholders held on August 20, 2020.

This is why the Company proposes to introduce the Plan. The outline of the Company’s policy for determining remuneration, etc., for individual Directors is as provided in “4. Status of Officers,” “(3) Remuneration, etc., for Directors,” “(i) Matters regarding the policy for determining remuneration, etc., for individual Directors” of the Business Report (only available in Japanese). At a meeting held on July 14, 2022, the Board of Directors resolved to change the content of the above policy as described in this proposal (described on page 24 for shareholders’ reference), subject to approval of this proposal. The content of this proposal is necessary and reasonable in order to pay remuneration, etc., in line with the revised policy. The Company, therefore, considers that the content of this proposal is reasonable.

The number of Directors eligible for the Plan will be five if Proposal 2 “Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved as originally proposed.

* If this proposal is approved as originally proposed, the Company will introduce a similar stock-based remuneration plan for Executive Officers with whom it has concluded delegation agreements.

2. Amount and other details of remuneration, etc., under the Plan

(1) Overview of the Plan

The Plan is a stock-based remuneration plan whereby a trust (hereinafter, the “Trust”) established by the Company through the contribution of cash will acquire shares of the Company, and the shares of the Company in the number equivalent to the number of points awarded to each Director by the Company will be delivered to each Director via the Trust.

In principle, shares of the Company shall be delivered to Directors when they lose the position of Director, Executive Officer, or any other position determined by the Company’s Board of Directors.

(i) Directors eligible for the Plan	Directors of the Company (excluding Directors who are Audit and Supervisory Committee members and Outside Directors)
(ii) Coverage Period	From the fiscal year ending May 31, 2023 to the fiscal year ending May 31, 2027
(iii) Maximum amount of cash to be contributed by the Company during the Coverage Period of five fiscal years specified in (ii) to acquire shares of the Company needed to deliver to the eligible Directors specified in (i)	500 million yen in total
(iv) Acquisition method of shares of the Company	Acquisition from the Company by means of disposal of treasury shares or from the stock market (including off-floor trading)
(v) Upper limit of the total number of points granted to the eligible Directors specified in (i)	Points will be granted for each medium-term management plan period up to the value obtained by multiplying the number of fiscal years included in one medium-term management plan period by 50,000 points (effectively equivalent to 50,000 points per fiscal year).
(vi) Criteria for granting points	Points will be granted according to the position of Directors, the degree of achievement of performance targets, and other factors.
(vii) Timing of delivery of shares of the Company to the eligible Directors specified in (i)	In principle, when Directors lose the position of Director, Executive Officer, or any other position determined by the Company's Board of Directors

(2) Maximum amount of cash to be contributed by the Company

The Trust's initial trust period will be approximately five years. The Company will establish the Trust, which will designate Directors acquiring beneficiary rights as described in (3) (iii) below as beneficiaries, by contributing, as remuneration for Directors in office during the Coverage Period, cash up to a limit of 500 million yen in total as funds for acquiring shares of the Company needed for delivery to Directors under the Plan during the Coverage Period. The Trust will use the cash entrusted by the Company as the source of funds to acquire shares of the Company either from the Company by means of disposal of treasury shares or from the stock market (including off-floor trading).

Note: The Company will entrust necessary money to cover costs such as trust fees and trust administrator fees together with the abovementioned funds for acquiring shares of the Company.

The Company may, by resolution of its Board of Directors, extend the Coverage Period by up to six fiscal years upon each expiry date, and with this extension, extend the period of the Trust to continue the Plan (including situations where the Company virtually extends the trust period by transferring the trust property of the Trust to a trust with a purpose identical to that of the Trust established by the Company; the same applies hereinafter). In this case, the Company will make additional monetary contributions to the Trust, which will not exceed the amount obtained by multiplying the number of fiscal years of the extension of the Coverage Period by 100 million yen, as funds for acquiring additional shares of the Company that will be needed for delivery to Directors under the Plan during the relevant extended

Coverage Period. Furthermore, in this case, the Company will continue to award points as explained in (3) below and deliver shares of the Company during the extended Coverage Period.

Even if the Company does not continue the Plan by extending the Coverage Period as described above, if, at the time of the expiration of the trust period, there are any Directors who have already been granted points but remain in a position determined by the Board of Directors, the Company may extend the period of the Trust until the Directors lose all such positions and delivery of shares of the Company is completed.

(3) Calculation method and upper limit of shares of the Company to be delivered to Directors

(i) Method of granting points to Directors

In accordance with the share delivery rules established by its Board of Directors, the Company will grant each Director a number of points according to the position of Directors, the degree of achievement of performance targets, and other factors on a point granting date stipulated in the share delivery rules during the trust period.

Points will be granted for each period covered by the Company's medium-term management plan (hereinafter, the "Medium-term Management Plan Period"). In principle, the point granting date shall be the date of the Board of Directors meeting to be held immediately after the Company's Annual General Meeting of Shareholders immediately after the expiration of each Medium-term Management Plan Period. The upper limit of the total number of points granted to Directors by the Company for each Medium-term Management Plan Period shall be the number obtained by multiplying the number of fiscal years included in the Medium-term Management Plan Period by 50,000 points (As fiscal 2021, the first year of the "Medium-term Management Plan 2023," has already passed, points shall be granted for the period from fiscal 2022 to fiscal 2023, and the total number of points shall be up to 100,000 points, which is obtained by multiplying the 50,000 points mentioned above by two).

(ii) Delivery of shares of the Company according to the number of points granted

Shares of the Company shall be delivered to Directors in accordance with the procedure explained in (iii) below according to the number of points they have been awarded based on (i) above. However, if Directors voluntarily resign from their positions, all or part of the points that have been granted to them will expire, and shares of the Company corresponding to the expired points will not be delivered.

One point represents one share of the Company. In case of a stock split, reverse stock split, or other event in respect to the shares of the Company which makes it reasonable to adjust the number of shares of the Company to be delivered, it shall be adjusted based on the ratio of such stock split, reverse stock split, and so forth.

(iii) Delivery of shares of the Company to Directors

In principle, shares of the Company described in (ii) above shall be delivered to each Director, a beneficiary, from the Trust after they follow the stipulated procedures when they lose the position of Director, Executive Officer, or any other position determined by the Board of Directors of the Company and obtain the beneficiary rights of the Trust.

However, the Company may sell a certain portion of such shares and convert them into cash within the Trust to enable the Company to withhold funds to pay withholding income tax and so on, and make delivery for this portion of such shares in cash instead of the shares of the Company. In addition, if the shares of the Company held in the Trust are converted to cash, such that they are settled through participation in a tender offer, the Company may make delivery for this portion of such shares in cash instead of the shares of the Company.

(4) Exercise of voting rights

Pursuant to the instructions of the trust administrator independent from the Company and its officers, none of the voting rights associated with the shares of the Company held in the Trust shall be exercised. This will assure the Trust's neutrality in respect of the management of the Company in relation to the exercise of the voting rights of such shares.

(5) Handling of dividends

Dividends payable on the shares of the Company held in the Trust will be paid to the Trust and used, for instance, to acquire shares of the Company or pay trust fees to the trustee associated with the Trust.

<Reference>

Policy for determining remuneration, etc., for individual Directors subject to approval of Proposal 4

I. Matters regarding the policy for determining remuneration, etc., for individual Directors

1. Method of determining the policy

The Company's Board of Directors has adopted a policy for determining remuneration, etc., for individual Directors (excluding Directors who are Audit and Supervisory Committee members; hereinafter, the "Determination Policy"). Prior to this decision, the Board of Directors consulted with and received recommendations from the Nomination and Remuneration Advisory Committee regarding the content of the Determination Policy.

2. Basic principles for the officer remuneration system

The Company's officer remuneration system is designed and operated based on the following basic principles.

- (i) The system motivates officers to achieve sustainable growth and increase corporate value over the medium to long term.
- (ii) The system has officers share interests with stakeholders.
- (iii) The remuneration structure has a link to the Company's performance and is based on roles and responsibilities of officers.
- (iv) Remuneration is set at appropriate levels to maintain and secure excellent human resources.
- (v) The systems is designed objectively and reasonably, and it is determined through a highly transparent process.

3. Overview of the officer remuneration system

- 1) Regarding the Company's officer remuneration, the standard amount of total remuneration (hereinafter, the "Standard Total Remuneration Amount") is established according to job grades into which positions are subdivided, responsibilities, degree of contribution to business performance, and other factors. The Company's officer remuneration is determined by setting the average of results of remuneration surveys covering mainly domestic listed companies as a benchmark and comprehensively considering the Company's business performance and employee salary levels.
- 2) The Standard Total Remuneration Amount consists of basic remuneration and performance-linked remuneration. Performance-linked remuneration includes bonus, which is incentive remuneration that fluctuates based on short-term performance, and stock-based remuneration, which is incentive remuneration that fluctuates based on medium- to long-term performance. Both types of remuneration are paid to Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors). Furthermore, bonuses are arranged for achievements and performance produced based on expected duties. The allocation of bonuses becomes larger as the position moves up so that the higher the position is, the higher the responsibility for achievements and performance is placed.

On the other hand, stock-based remuneration is paid to raise the motivation of Directors to contribute to improving medium- to long-term business performance and increasing corporate value by ensuring that they share profits and risks from share price fluctuations with shareholders.

4. Policy for determining the amount of remuneration, etc. for individual officers as part of basic remuneration (monetary remuneration)

Within the range of a remuneration table set for each position, basic remuneration is structured to fluctuate depending on each Director's scope and nature of responsibilities, degree of contribution to business performance, etc. (including past years' results). As such, even basic remuneration is designed to reward each Director's achievements.

5. Policy for determining the content and method of calculating the amount or number of performance-linked remuneration, etc., and non-monetary remuneration, etc.

Performance-linked remuneration consists of bonus (monetary remuneration) and stock-based remuneration (non-monetary remuneration) and is paid to Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors).

Bonuses as short-term incentives are calculated based on a certain formula, with profit used as a performance indicator as it is considered optimal for measuring the achievements of Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors). In addition, as a medium- to long-term incentive, a performance-linked stock-based remuneration plan using a trust will be introduced. In accordance with the share delivery rules, points will be granted according to the position of Directors and performance for each Medium-term Management Plan Period, and if stipulated requirements are met, shares of the Company in the number determined by the points will be provided.

- II. Matters concerning delegation of authority related to determining the content of remuneration, etc., for individual Directors

Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members), including specific details of performance indicators for performance-linked remuneration, the method of calculating the amount of performance-linked remuneration, and the ratio for each type of remuneration, is decided by the discussion by Representative Directors, with such authority granted by a resolution of the Board of Directors. The reason for this delegation of authority is that it is the most suitable method for evaluating performance of the businesses each Director (excluding Directors who are Audit and Supervisory Committee members and Outside Directors) is in charge of while taking a comprehensive view of the overall performance of the Company.

Furthermore, there are measures in place for making the above decisions, such as deliberation of the decisions and their conformity with the Determination Policy by the Nomination and Remuneration Advisory Committee, where Outside Directors form a majority. As the amount of remuneration for individual Directors (excluding Directors who are Audit and Supervisory Committee members) is determined through this procedure, we consider that the decisions are in line with the Determination Policy.

Remuneration for Directors who are Audit and Supervisory Committee members is determined through discussions among them.