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Securities code: 7420

August 3, 2023

(Commencement date of measures for electronic provision: July 27, 2023)

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 ANNUAL GENERAL MEETING OF SHAREHOLDERS
FOR THE FISCAL YEAR ENDED MAY 31, 2023**

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 Annual General Meeting of Shareholders for the fiscal year ended May 31, 2023 will be held as described below (on the next page).

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision of information contained in the reference documents for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision), and these matters are posted on the Company’s website. Shareholders are kindly asked to access the website described below and confirm the information.

The Company’s website: <https://www.satori.co.jp/ir/stock/meeting.html>

The matters subject to measures for electronic provision are posted on the following websites, in addition to the above-mentioned website. If you review the matters on the Tokyo Stock Exchange (TSE) website (Listed Company Search), please access the website, enter the issue name (company name) or the Company’s securities code “7420” to search, and then select “Basic information” and “Documents for public inspection/PR information” in this order to confirm the information.

TSE website (Listed Company Search):

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

Net de Shoshu (online convocation) website (only available in Japanese): <https://s.srdb.jp/7420/>

If you are not attending the meeting in person, you can exercise your voting rights via the Internet or in writing (by post). Please review the reference documents and exercise your voting rights by 5:00 p.m. on Tuesday, August 22, 2023.

- 1. Date and Time:** Wednesday, August 23, 2023 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
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's fiscal year ended May 31, 2023 (June 1, 2022 – May 31, 2023) 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 fiscal year ended May 31, 2023 (June 1, 2022 – May 31, 2023)
- Proposals to be resolved:**
- | | |
|-------------------|--|
| Proposal 1 | Partial Amendments to the Articles of Incorporation |
| Proposal 2 | Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |

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- If you are attending the meeting in person, please bring the Voting Rights Exercise Form and present it at the reception desk.
 - Among the matters subject to measures for electronic provision, the items below are not included in the paper copy to be sent to shareholders who have requested it in accordance with laws and regulations and provisions in Article 14 of the Company's Articles of Incorporation. Accordingly, the paper copy to be sent to shareholders who have requested it is part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their respective audit reports.
 - (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
 - If any revisions are made to the matters subject to measures for electronic provision, the amended documents will be posted on each website where these matters are posted.

Reference Documents for the General Meeting of Shareholders

Proposal 1 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

In line with the enforcement of the “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” (Act No. 70 of 2021),” a listed company is now allowed to hold a shareholders meeting without a designated location (so-called “virtual-only shareholders meeting”) under certain conditions and by stipulating to that effect in its articles of incorporation. The Company believes that it is in the interests of shareholders if we strive to make a shareholders meeting active, efficient and smooth by facilitating more shareholders, including those in remote areas, to attend the meeting, and expand the options for holding shareholders meetings so as to mitigate risk in cases of large-scale disasters, including the unforeseeable spread of infectious diseases and natural disasters, and in light of the progress of digitalization in society. Accordingly, the Company proposes to establish Paragraph 2 in Article 11 of the current Articles of Incorporation so that a shareholders meeting can be held without a designated location.

The Company obtained the confirmation of both the Minister of Economy, Trade and Industry and the Minister of Justice on March 3, 2023 regarding the satisfaction of requirements stipulated by the Ordinance of the Ministry of Economy, Trade and Industry and Ordinance of the Ministry of Justice, with respect to the case that the amendment contributes to strengthening industrial competitiveness, with consideration for securing interests of shareholders.

In deciding on the actual form of a shareholders meeting, the Company will carefully deliberate and decide on the form of each meeting by resolution of the Board of Directors, while placing the highest priority on securing shareholders rights and considering factors such as conditions of the Company and its shareholders, the occurrence of large-scale disasters, including the spread of infectious diseases and natural disasters, and development of the digitalization in society as a whole.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 3: General Meeting of Shareholders</p> <p>(calling or convening (a meeting, assembly, congress))</p> <p>Article 11. An ordinary general meeting of shareholders of the Company shall be convened in August of each year, and an extraordinary general meeting of shareholders shall be convened from time to time as the need arises.</p> <p>(Newly established)</p>	<p>Chapter 3: General Meeting of Shareholders</p> <p>(calling or convening (a meeting, assembly, congress))</p> <p>Article 11. An ordinary general meeting of shareholders of the Company shall be convened in August of each year, and an extraordinary general meeting of shareholders shall be convened from time to time as the need arises.</p> <p><u>2. The Company may hold a general meeting of shareholders as a shareholders meeting without a designated location.</u></p>

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

All six 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. Decreasing the number of Directors by one with a view to speeding up decision-making, the Company therefore proposes the election of five 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	13/13
2	Hiroshi Nakamaru [Reappointment]	Director, Managing Executive Officer General Manager, Global Segment	13/13
3	Toshikage Miyazawa [Reappointment]	Director, Managing Executive Officer General Manager, Industrial Infrastructure Segment In charge of Industrial Solutions Business	13/13
4	Koji Suwahara [Reappointment]	Director, Managing Executive Officer In charge of corporate department	13/13
5	Toshimitsu Iwanami [Reappointment] [Outside] [Independent]	Outside Director & Chairman of the Board	13/13

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 31 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) 57 years old</p> <p>[Reappointment]</p> <p>Years in office as Director: 21 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>- Representative Director and Chairman, SATORI SP TECHNOLOGY CO., LTD.</p> <p>- Director, STAR ELECTRONICS CO., LTD.</p>	300,548
<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	Hiroshi Nakamaru (April 18, 1960) 63 years old [Reappointment] Years in office as Director: 3 years	April 1983	Joined Hitachi, Ltd.	3,400
		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, General Manager, Global Segment (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.				
3	Toshikage Miyazawa (October 20, 1960) 62 years old [Reappointment] Years in office as Director: 2 years	April 1984	Joined Takahashi Electronics Ltd. (currently TDS Co., Ltd.)	2,600
		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, General Manager, Industrial Infrastructure Segment, 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
4	<p>Koji Suwahara (December 13, 1962) 60 years old</p> <p>[Reappointment]</p> <p>Years in office as Director: 2 years</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</p> <p>June 2023 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. - Director, SATORI SP TECHNOLOGY CO., LTD. - Director, SM Electronic Technologies Pvt. Ltd. 	1,500
<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 involvement in management through 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
5	<p>Toshimitsu Iwanami (September 23, 1949) 73 years old</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Years in office as Director: 5 years (Of which, years in office as Audit and Supervisory Committee Member: 2 years)</p>	<p>April 1972</p> <p>June 2007</p> <p>April 2010</p> <p>June 2012</p> <p>April 2014</p> <p>June 2014</p> <p>April 2015</p> <p>August 2018</p> <p>June 2020</p> <p>August 2020</p> <p>August 2022</p>	<p>Joined NEC Corporation</p> <p>Member of the Board, Executive Vice President</p> <p>Representative Director, Senior Executive Vice President</p> <p>Executive Advisor</p> <p>Member of Administrative Council, The University of Electro-Communications</p> <p>Outside Statutory Auditor, Mitsubishi Motors Corporation</p> <p>Executive Director, IT Business Forum (current position)</p> <p>Outside Director, the Company</p> <p>Outside Director & Chairman of the Board</p> <p>Outside Director & Chairman of the Board, Audit and Supervisory Committee Member</p> <p>Outside Director & Chairman of the Board (current position)</p>	6,300
<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 renominate 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 a liability limitation agreement with Mr. Toshimitsu Iwanami 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 minimum amount stipulated by law. If he is elected as Director, the Company will continue the above agreement with him. 				

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					
				Management	Sales and marketing	Technology/development, product planning, manufacturing/production	Financial accounting	Risk management	Personnel affairs (talent management)
Hiroyuki Satori			21	○	○				○
Hiroshi Nakamaru			3	○	○				
Toshikage Miyazawa			2		○				
Koji Suwahara			2	○			○	○	○
Toshimitsu Iwanami		○	5	○	○				
Masaki Mogi	○		3				○		
Hidetoshi Tawada	○	○	7				○		
Akihiro Taguchi	○	○	1	○	○	○			
Akiko Yukimaru	○	○	1					○	

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

2. Mr. Toshimitsu Iwanami served as Director who is an Audit and Supervisory Committee Member for two years.
3. Mr. Masaki Mogi served as Corporate Auditor for one year.
4. Mr. Hidetoshi Tawada's years in office as Director above include four years as an Outside Director (before a transition to a company with the Audit and Supervisory Committee).

[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>