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Stock Code: 8150

NOTICE OF THE 71st ORDINARY GENERAL MEETING OF SHAREHOLDERS

Time and Date of the Meeting:

10:00 a.m. on Tuesday, June 28, 2022
Reception starts at 9:00 a.m.

Venue:

Conference Room on the 10th floor of the Company's headquarters,
at 4-12, Shiba 4-chome, Minato-ku, Tokyo

Agenda:

- Item 1: Payment of Year-End Dividends of Surplus
- Item 2: Partial Amendment to the Articles of Incorporation
- Item 3: Election of Twelve (12) Directors
- Item 4: Election of Two (2) Audit & Supervisory Board Members
- Item 5: Election of One (1) Substitute Audit & Supervisory Board Member

From the perspective of halting the spread of the COVID-19 pandemic, shareholders are asked to consider exercising their voting rights in advance of the meeting, rather than attend the meeting in person.

Deadline for advance exercise of voting rights:
5:10 p.m. on Monday, June 27, 2022

The Company Asks for Your Understanding and Cooperation Regarding Measures Against the COVID-19 Pandemic

- Please take appropriate precautions against infection, such as wearing a mask, while you are at the venue.
- If you are feeling unwell, please refrain from entering the venue. Please understand also that persons who appear unwell when they arrive at the venue may be refused entry in order to prevent infection.
- Depending on the degree of crowding at the venue, you may be escorted to a separate venue or be refused entry.
- Depending on the state of the pandemic up to and including the day of the meeting, the details of the Company's response may be updated. Please check the Company website at appropriate intervals for the latest information. (<http://www.sanshin.co.jp/ir/meeting/>)

Thank you for your understanding and cooperation.

No souvenirs will be distributed to attending shareholders. Furthermore, the presentation of a management briefing after the General Meeting of Shareholders has been cancelled for this year's event as well.

Sanshin Electronics Co., Ltd.

NOTICE OF THE 71st ORDINARY GENERAL MEETING OF SHAREHOLDERS

Stock Code: 8150
June 7, 2022

Dear Shareholder:

The 71st Ordinary General Meeting of Shareholders of Sanshin Electronics Co., Ltd. (the “Company”), will be held at 10:00 a.m. (reception starts at 9:00 a.m.) on Tuesday, June 28, 2022, in the Conference Room on the 10th floor of the Company’s headquarters, at 4-12, Shiba 4-chome, Minato-ku, Tokyo.

From the perspective of halting the spread of the COVID-19 pandemic, shareholders are asked to consider exercising their voting rights in advance of the meeting, rather than attend the meeting in person. Shareholders who attend the meeting are asked to make a careful decision considering their personal health and the spread of the COVID-19 pandemic. Advance exercise of voting rights can be conducted in writing or via the Internet. To do so, please review the attached reference materials and send us your vote no later than 5:10 p.m. on Monday, June 27, 2022, using one of the methods outlined below.

Sincerely yours,

Mitsumasa Matsunaga

Representative Director, CEO

Sanshin Electronics Co., Ltd.

4-12, Shiba 4-chome, Minato-ku, Tokyo, Japan

How to Exercise Your Voting Rights

If you attend the meeting in person:

If you attend the meeting in person, please present the enclosed proxy card at the reception desk on the day of the meeting.

Note: Please consider exercising your voting rights in advance of the meeting, rather than attending in person.

If you choose to exercise your voting rights in writing:

Please exercise your voting rights by indicating your approval or disapproval on the enclosed proxy card, and return it to us so that it arrives no later than 5:10 p.m. on Monday, June 27, 2022.

If you choose to exercise your voting rights via the Internet:

If you choose to exercise your voting rights via the Internet, please vote on the Internet at the designated website no later than 5:10 p.m. on Monday, June 27, 2022.

Meeting Details

Agenda:

Items to be reported

1. The Business Report, the Consolidated Financial Statements, and the report of the audit of the consolidated accounts by the Accounting Auditors and Audit & Supervisory Board for the 71st term, from April 1, 2021 to March 31, 2022, will be reported at the meeting.
2. The Non-Consolidated Financial Statements for the 71st term, from April 1, 2021 to March 31, 2022, will be reported at the meeting.

Items to be resolved

Item 1: Payment of Year-End Dividends of Surplus

Item 2: Partial Amendment to the Articles of Incorporation

Item 3: Election of Twelve (12) Directors

Item 4: Election of Two (2) Audit & Supervisory Board Members

Item 5: Election of One (1) Substitute Audit & Supervisory Board Member

Information on How to Exercise Your Voting Rights:

(1) If you choose to exercise your voting rights in writing

Please exercise your voting rights by indicating your approval or disapproval on the enclosed proxy card, and return it to us so that it arrives no later than 5:10 p.m. on Monday, June 27, 2022.

(2) If you choose to exercise your voting rights via the Internet

If you choose to vote via the Internet, please check page 4 of the original notice in Japanese, and vote on the Internet at the designated website no later than 5:10 p.m. on Monday, June 27, 2022.

(3) If you exercise your voting rights both in writing and via the Internet, the electronic exercise shall be deemed as valid. Similarly, if you exercise your voting rights multiple times via the Internet, or more than once using a PC, a smartphone and a mobile phone, the latest exercise shall be deemed as valid.

When attending the meeting in person, please present the enclosed proxy card at the reception desk.

The following items are not included in the Attachment of this Notice, because they are posted on the Company website at <http://www.sanshin.co.jp/ir/meeting/> in accordance with the applicable laws and regulations, and the provision of Article 15 of the Company's Articles of Incorporation.

1) Notes to Consolidated Financial Statements

2) Notes to Non-consolidated Financial Statements

Please take note that the consolidated and non-consolidated financial statements included in the Attachment of this Notice are part of the consolidated and non-consolidated financial statements audited by the Accounting Auditors and Audit & Supervisory Board for preparation of the Report of the Audit of the Consolidated Accounts and the Auditor's Report.

If any amendments are made to reference materials for the General Meeting of Shareholders, the business report, and consolidated and non-consolidated financial statements, they will be posted on the Company website at <http://www.sanshin.co.jp/ir/meeting/>.

Reference Materials for the General Meeting of Shareholders

Item 1: Payment of Year-End Dividends of Surplus

The Company considers profit returns to its shareholders as one of the most important management issues. The Company's basic policy is to determine dividends by comprehensively considering the need to maintain a balance between rewarding of shareholders, investment to gain opportunities for growth, attainment of sufficient retained earnings to enable sustainable growth, and improvement in capital efficiency. Under this policy, the Company has set a target for its dividend payout ratio of around 50% on a consolidated basis. We currently plan to pay the year-end dividends for the fiscal year under review as follows.

Type of dividends	Cash
Allocation and total of year-end dividends	We propose to pay a year-end dividend of ¥70 per share, with the total payment of ¥862,146,880. (Combined with the already paid interim dividend (including the commemorative dividend), the annual dividend thus becomes ¥100 per share.)
Date of commencement of payment of dividends of surplus	June 29, 2022

Item 2: Partial Amendment to the Articles of Incorporation

1. Reason for proposal

(1) Addition of business purpose

In preparation for future business expansion, we will add a business purpose to Article 2 (Purpose) of the current Articles of Incorporation and make necessary changes.

(2) Changes regarding the introduction of a system for digital provision of materials for the General Meetings of Shareholders

The revised provisions stipulated in the Proviso of Article 1 of the Supplementary Provisions to the “Act Partially Amending the Companies Act” (Act No. 70, 2019) will put into effect on September 1, 2022, and a system for digital provision of materials for the General Meetings of Shareholders will be established. In conjunction, the Articles of Incorporation will be changed as follows.

- 1) Paragraph 1 of Article 15 (Digital Provision Measures, etc.) states that digital provision measures will be introduced for the information contained in the reference materials for the General Meetings of Shareholders.
- 2) Paragraph 2 of Article 15 (Digital Provision Measures, etc.) states that, from among the matters for which electronic provision measures are introduced for the information contained in the reference materials for the General Meetings of Shareholders, the scope of matters described in written form and issued to shareholders who request issuance in written form can be limited to the scope defined in the Ordinance of the Ministry of Justice.
- 3) The introduction of the system for digital provision of materials for the General Meetings of Shareholders will eliminate the need for the provisions stated in Article 15 (Internet Disclosure of Reference Materials, etc.) of the current Articles of Incorporation. Therefore, Article 15 will be deleted.
- 4) Supplementary provisions will be established regarding the efficacy of provisions to be newly established or deleted as described above.

2. Contents of changes

The contents of the changes are as follows.

(Parts to be changed are underlined in the following table.)

Current Articles of Incorporation	Proposed Change
<p>(Purpose) Article 2 The purpose of the Company is to operate the following businesses.</p> <p>(1) Development, production, sales, <u>and</u> trade of semiconductors, electronic components, communication devices, and electronic devices < New addition ></p> <p> < New addition ></p> <p> < New addition ></p> <p> < New addition ></p> <p> < New addition ></p> <p> < New addition ></p> <p>(2) Development, production, <u>and</u> sales of equipment and usage technology related to <u>the above</u></p> <p>(3) Design, installation, and maintenance related to the preceding items < New addition > < New addition ></p> <p> < New addition ></p> <p> < New addition ></p> <p>(4) Dispatching of business staff related to the preceding items</p> <p>(5) All business associated with the preceding items</p>	<p>(Purpose) Article 2 The purpose of the Company is to operate the following businesses.</p> <p>(1) Development, production, sales, <u>trade, and leasing</u> of semiconductors, electronic components, communication devices, and electronic devices</p> <p>(2) <u>Development, production, sales, trade, and leasing of pharmaceuticals, quasi-pharmaceuticals, and medical devices</u></p> <p>(3) <u>Provision, operation, and maintenance of information and communications services</u></p> <p>(4) <u>Development, production, sales, and trade of solar panels and related materials</u></p> <p>(5) <u>Development, production, sales, and trade of storage batteries and battery materials</u></p> <p>(6) <u>Processing, production, sales, and trade of packaging materials</u></p> <p>(7) <u>Processing, production, sales, and trade of plastic products</u></p> <p>(8) <u>Development, production, sales, trade, and leasing of equipment and usage technology related to the preceding items</u></p> <p>(9) Design, installation, and maintenance related to the preceding items</p> <p>(10) <u>Design and contracting of installation</u></p> <p>(11) <u>Warehouse operations, freight transport operations, and shipping agent operations</u></p> <p>(12) <u>Purchasing and sales of second-hand products</u></p> <p>(13) <u>Money lending, guaranteeing and underwriting of debt, purchasing and sales of various receivables, and other financial businesses</u></p> <p>(14) Dispatching of business staff related to the preceding items</p> <p>(15) All business associated with the preceding items</p>

Current Articles of Incorporation	Proposed Change
<p data-bbox="124 219 769 488"><u>(Internet Disclosure of Reference Materials, etc.)</u> <u>Article 15 The Company may disclose information on matters to be stated or displayed in reference materials for the General Meetings of Shareholders, non-consolidated financial statements, consolidated financial statements, and business reports on the internet as defined in the Ordinance of the Ministry of Justice.</u></p> <p data-bbox="347 539 549 568">< New addition ></p> <p data-bbox="347 1099 549 1128">< New addition ></p>	<p data-bbox="1038 300 1187 329">< Deletion ></p> <p data-bbox="794 539 1422 763"><u>(Digital Provision Measures, etc.)</u> <u>Article 15 When convening the General Meetings of Shareholders, the Company will take digital provision measures regarding the information contained in the reference materials for the General Meetings of Shareholders.</u></p> <p data-bbox="794 779 1422 1048"><u>2) From among the matters for which digital provision matters will be introduced, the Company may not describe all or a portion of the matters as defined in the Ordinance of the Ministry of Justice in the written documents which will be issued to shareholders who had requested issuance of written documents by the record date for voting rights.</u></p> <p data-bbox="794 1099 1422 1765"><u>(Supplementary Provisions)</u> <u>1) The deletion of Article 15 of the Articles of Incorporation (Internet Disclosure of Reference Materials, etc.) and the establishment of the new Article 15 of the Articles of Incorporation (Digital Provision Measures, etc.) will take effect from September 1, 2022.</u> <u>2) Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure of Reference Materials, etc.) will remain in effect for the General Meetings of Shareholders held on a day within 6 months of September 1, 2022.</u> <u>(3) These Supplementary Provisions will be deleted on the day which is 6 months after September 1, 2022 or the day which is 3 months after the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Item 3: Appointment of Twelve (12) Directors

All 12 Directors' terms of office will expire at the closing of this General Meeting of Shareholders. Therefore, the Company hereby proposes the election of twelve (12) Directors.

The candidates for the position of Director are as follows:

Candidate No.	Name	Current title, etc.	Attribute
1	Mitsumasa Matsunaga	Representative Director, CEO	Reappointment
2	Toshiro Suzuki	Representative Director, COO	Reappointment
3	Fumihide Kitamura	Director, Senior Operating Officer	Reappointment
4	Yuji Mori	Director, Senior Operating Officer	Reappointment
5	Koji Sakamoto	Director, Senior Operating Officer	Reappointment
6	Mitsuhiro Ogawa	Director, Senior Operating Officer	Reappointment
7	Hiroshi Harada	Director, Operating Officer	Reappointment
8	Jun-ichi Murakami	Deputy Senior General Manager of Finance & Accounting Division	New Appointment
9	Takeshi Uchimura	Director	Reappointment Independent External
10	Minoru Nishino	Director	Reappointment Independent External
11	Tatsuo Takeuchi	Director	Reappointment Independent External
12	Akihiro Fujioka	Director	Reappointment Independent External

Reappointment

New Appointment

External

Independent

Candidate for
reappointment as Director

Candidate for new
appointment as Director

Candidate for
External Director

Independent Director stipulated
by the Tokyo Stock Exchange

Candidate No. 1	Mitsumasa Matsunaga (born February 7, 1948)	Shares owned: 148,641 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment	[Brief personal history, and title and role in the Company]	
	<p>Jan. 1980: Joined Sanshin Electronics Co., Ltd.</p> <p>Oct. 1980: Director</p> <p>Nov. 1983: Director, Senior Vice President</p> <p>Apr. 1993: Director, Executive Vice President</p> <p>Jun. 1995: Representative Director, Senior Executive Director</p> <p>Jun. 1996: Representative Director, President</p> <p>Jun. 2014: Representative Director, Chairman</p> <p>Aug. 2014: Representative Director, Chairman/CEO</p> <p>Jun. 2016: Representative Director, CEO (current)</p>	
	<p>Reason for nomination as a Director candidate: Mitsumasa Matsunaga has been involved in the management of Sanshin Electronics since 1980, when he was appointed as the Director. Mr. Matsunaga, who has deep knowledge of corporate management as well as strong leadership, can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 2	Toshiro Suzuki (born December 6, 1957)	Shares owned: 3,131 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment	[Brief personal history, and title and role in the Company]	
	<p>Mar. 1982: Joined Sanshin Electronics Co., Ltd.</p> <p>Apr. 2003: General Manager of General Affairs Department</p> <p>Jun. 2005: General Manager of Corporate Strategy Department</p> <p>Jun. 2008: Director</p> <p>Jun. 2014: Representative Director, President</p> <p>Aug. 2014: Representative Director, President/COO</p> <p>Jun. 2016: Representative Director, COO (current)</p>	
	<p>[Duty] In charge of Auditing Office</p>	
	<p>Reason for nomination as a Director candidate: Backed by an enormous reserve of knowledge regarding corporate management and management strategy, Toshiro Suzuki has led the Group as President since 2014. Drawing on this wealth of experience, Mr. Suzuki can be expected to take a leading role in implementing the policies to strengthen business capability of the Group. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 3	Fumihide Kitamura (born September 15, 1957)	Shares owned: 3,257 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment	<p>[Brief personal history, and title and role in the Company]</p> <p>Jan. 1985: Joined Sanshin Electronics Co., Ltd.</p> <p>Oct. 1995: President (seconded) of SANSHIN ELECTRONICS (HONG KONG) CO., LTD.</p> <p>Oct. 2007: General Manager of Business Development Department, International Operations Division</p> <p>Oct. 2008: Deputy Senior General Manager of International Operations Division</p> <p>Apr. 2011: Operating Officer, Deputy Senior General Manager of International Operations Division</p> <p>Jun. 2014: Director</p> <p>Jun. 2016: Director, Senior Operating Officer (current)</p> <p>[Duty]</p> <p>Supervisor of Device Business Group</p>	
	<p>Reason for nomination as a Director candidate: Fumihide Kitamura has served Sanshin Electronics for many years as a manager of overseas subsidiaries. He was a driving force in the Sanshin Electronics Group's overseas expansion. Drawing on this wealth of experience, Mr. Kitamura can be expected to take a leading role in strengthening overseas business and new business, which have become increasingly important in the device business. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 4	Yuji Mori (born May 2, 1957)	Shares owned: 1,438 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment	<p>[Brief personal history, and title and role in the Company]</p> <p>Mar. 1982: Joined Sanshin Electronics Co., Ltd.</p> <p>Oct. 2002: General Manager of Video System Sales Department</p> <p>Oct. 2014: Deputy Senior General Manager of Solution Marketing & Sales Division</p> <p>Oct. 2015: Operating Officer, Deputy Senior General Manager of Solution Marketing & Sales Division</p> <p>Jun. 2016: Director, Operating Officer</p> <p>Oct. 2019: Director, Senior Operating Officer (current)</p> <p>[Duty]</p> <p>Senior General Manager of Solution Marketing & Sales Division</p>	
	<p>Reason for nomination as a Director candidate: Yuji Mori has extensive experience in imaging operations which are a pillar of the Company's solution business. He also has experience in leading the entire solution business since becoming Deputy Senior General Manager in 2014. Drawing on this wealth of experience, Mr. Mori can be expected to take a leading role in the development and execution of solution business strategies. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 5	Koji Sakamoto (born February 3, 1960)	Shares owned: 1,967 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment	<p>[Brief personal history, and title and role in the Company]</p> <p>Mar. 1984: Joined Sanshin Electronics Co., Ltd.</p> <p>Apr. 2003: General Manager of Personnel Department</p> <p>Oct. 2013: Deputy Senior General Manager of Administration Division</p> <p>Jun. 2014: Operating Officer, Senior General Manager of Administration Division</p> <p>Jun. 2015: Director</p> <p>Jun. 2016: Director, Operating Officer</p> <p>Jun. 2021: Director, Senior Operating Officer (current)</p> <p>[Duty] Senior General Manager of Administration Division</p> <p>Reason for nomination as a Director candidate: Koji Sakamoto holds knowledge and experience in personnel strategy, corporate governance and internal controls. Drawing on this wealth of experience, Mr. Sakamoto can be expected to take a leading role in construction of a flexible organizational structure and strengthening of Company's human resources. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 6	Mitsuhiro Ogawa (born October 26, 1958)	Shares owned: 386 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment	<p>[Brief personal history, and title and role in the Company]</p> <p>Apr. 1981: Joined NEC Corporation</p> <p>Apr. 2000: Manager of Marketing Group at NEC Semiconductors (Malaysia) Sdn. Bhd.</p> <p>Apr. 2004: Manager of 1st Sales Business Department at NEC Electronics Corporation (currently Renesas Electronics Corporation)</p> <p>Oct. 2014: Joined Sanshin Electronics Co., Ltd., Deputy Senior General Manager of Eastern Japan Marketing & Sales Division</p> <p>Jun. 2016: Operating Officer, Director of 3rd Sales Unit in Device Business Group</p> <p>Apr. 2017: Operating Officer, Director of CE Unit in Device Business Group</p> <p>Jun. 2017: Director, Operating Officer</p> <p>Jun. 2021: Director, Senior Operating Officer (current)</p> <p>[Duty] Deputy Supervisor of Device Business Group</p> <p>Reason for nomination as a Director candidate: In addition to a proven track record at the former position in Renesas Electronics Corporation, Mitsuhiro Ogawa has engaged in the device business over many years and has extensive working experience in the vehicle-mounted system field where the Group aims to expand its business. Drawing on this wealth of experience, Mr. Ogawa can be expected to take a leading role in strengthening Company's sales activities in the vehicle-mounted system market where growth is projected. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 7	Hiroshi Harada (born December 25, 1962)	Shares owned: 642 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment	[Brief personal history, and title and role in the Company]	
	<p>Apr. 1985: Joined NEC Corporation</p> <p>Jul. 2006: Manager of Manufacturing 3rd Sales Department in Kansai Manufacturing and Processing Industries Sales Division at Kansai Branch</p> <p>Apr. 2014: Manager of Industries 2nd Sales Department at Chugoku Branch</p> <p>Apr. 2016: Seconded to the Company, Manager of Osaka Branch in Solution Marketing & Sales Division</p> <p>Apr. 2017: Joined Sanshin Electronics Co., Ltd., Manager of Osaka Branch in Solution Marketing & Sales Division</p> <p>Apr. 2019: Operating Officer, Deputy Senior General Manager/Manager of Osaka Branch in Solution Marketing & Sales Division</p> <p>Jun. 2019: Director, Operating Officer (Current)</p>	
	<p>[Duty]</p> <p>Deputy Senior General Manager of Solution Marketing & Sales Division</p>	
	<p>Reason for nomination as a Director candidate: Hiroshi Harada has a great deal of experience in the application business, which is a pillar of the Group's solution business. This includes experience at his previous employer NEC Corporation. Drawing on this wealth of experience, Mr. Harada can be expected to take a leading role in expanding business for the overall application business of the Group. Furthermore, he can be expected to strengthen both the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as Director of the Company and is being asked to continue to serve in that capacity.</p>	

Candidate No. 8	Jun-ichi Murakami (born August 3, 1965)	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: times / meetings (%)
New appointment	[Brief personal history, and title and role in the Company]	
	<p>Apr. 1989: Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>Apr. 2014: General Manager of Machida Corporate Business Office</p> <p>Apr. 2016: General Manager of Kobe Corporate Business Office-1</p> <p>Oct. 2018: General Manager of Tokyo Corporate Banking Dept. 12</p> <p>May 2021: Seconded to the Company, Deputy Senior General Manager of Finance & Accounting Division</p>	
	<p>[Duty]</p> <p>Deputy Senior General Manager of Finance & Accounting Division</p>	
	<p>Reason for nomination as a Director candidate: In addition to experience obtained during his previous position at Sumitomo Mitsui Banking Corporation, Jun-ichi Murakami has been deeply involved in finance; for example, he held the position of Deputy Senior General Manager of the Finance & Accounting Division while seconded to the Company. Mr. Murakami can be expected to fulfill a central role in enhancing financial strategy and IR activities, and to strengthen the decision-making and supervisory functions of the Board of Directors. Therefore, he is judged as an appropriate candidate to serve as a Director of the Company and is being asked to serve in that capacity.</p>	

Candidate No. 9	Takeshi Uchimura (born August 16, 1949)	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<input type="checkbox"/> Reappointment <input type="checkbox"/> External <input type="checkbox"/> Independent	[Brief personal history, and title and role in the Company]	
	Apr. 1972: Joined Sumitomo Bakelite Co., Ltd. Jun. 2000: Director Aug. 2003: Manager of subsidiaries in Belgium, Spain and the Netherlands Jun. 2006: Director & Managing Executive Officer Jun. 2009: Director & Executive Operating Officer Jun. 2010: Audit & Supervisory Board member (full-time) Jun. 2016: External Director of the Company (current)	
Reason for nomination as an External Director candidate and expected role: Takeshi Uchimura meets the Independence Standards required by the Company for the position of External Director, and can be expected to provide extensive suggestions concerning all aspects of the Company's corporate management, based on his abounding experience in corporate management as a director for listed companies. Furthermore, Mr. Uchimura can be expected to provide extensive suggestions mainly regarding growth strategies for business overseas and the development of a corporate governance system, based on his experience as an Audit & Supervisory Board member, and his expertise in M&A, subsidiary restructuring, and in IR for foreign institutional investors, as he was in charge of overseas subsidiaries. Therefore, Mr. Uchimura is judged as an appropriate candidate to serve as an External Director of the Company and is being asked to continue to serve in that capacity. Furthermore, as a member of the Nomination and Remuneration Advisory Committee, by engaging in reports to the Board of Directors regarding the nomination of candidates for Directors and Audit & Supervisory Board members and reports regarding decisions related to Director compensation, Mr. Uchimura is expected to strengthen the independence, objectivity, and accountability of functions of the Board of Directors.		

Candidate No. 10	Minoru Nishino (born August 16, 1950)	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
<input type="checkbox"/> Reappointment <input type="checkbox"/> External <input type="checkbox"/> Independent	[Brief personal history, and title and role in the Company]	
	Apr. 1974: Joined The Daiwa Bank, Limited. (currently Resona Bank, Limited) Jun. 2003: Executive Officer of Resona Holdings, Inc. Jun. 2004: Director of Haseko Corporation Apr. 2005: Director & Managing Executive Officer Jun. 2007: Representative Director & Managing Executive Officer Apr. 2010: Representative Director & Executive Operating Officer Jun. 2016: External Director of the Company (current)	
[Important concurrent role] External Director of Mori-Gumi Co., Ltd.		
Reason for nomination as an External Director candidate and expected role: Minoru Nishino meets the Independence Standards required by the Company for the position of External Director, and can be expected to provide extensive suggestions concerning all aspects of the Company's corporate management, based on his abounding experience in corporate management as a director for listed companies. Furthermore, Mr. Nishino can be expected to provide effective suggestions, mainly in finance, such as effective fund operation reflecting the Company's management strategy, based on his abounding work experience in a bank, in addition to his central role in the corporate planning of a construction company. Therefore, Mr. Nishino is judged as an appropriate candidate to serve as an External Director of the Company and is being asked to continue to serve in that capacity. Furthermore, as a member of the Nomination and Remuneration Advisory Committee, by engaging in reports to the Board of Directors regarding the nomination of candidates for Directors and Audit & Supervisory Board members and reports regarding decisions related to Director compensation, Mr. Nishino is expected to strengthen the independence, objectivity, and accountability of functions of the Board of Directors.		

Candidate No. 11	Tatsuo Takeuchi (born October 23, 1950)	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment External Independent	[Brief personal history, and title and role in the Company]	
	Apr. 1974: Joined Pioneer Corporation Apr. 1998: President of Pioneer High Fidelity Taiwan Co., Ltd. Dec. 2004: President of Pioneer Electronics Asiacentre Pte. Ltd. Jun. 2006: Executive Officer of Pioneer Corporation Oct. 2008: Managing Executive Officer Jun. 2009: Director, Senior Vice President Jun. 2012: Senior Managing Executive Officer Jun. 2016: External Director of the Company (current)	
Reason for nomination as an External Director candidate and expected role: Tatsuo Takeuchi meets the Independence Standards required by the Company for the position of External Director, and can be expected to provide extensive suggestions concerning all aspects of the Company's corporate management, based on his abounding experience in corporate management as a director for listed companies. Furthermore, Mr. Takeuchi can be expected to provide suggestions mainly regarding growth strategies for the Group's business overseas, based on his experience as the president of a local subsidiary and his engagement for an electronics manufacturer in sales overseas, such as in Europe, the United States or Asia. Therefore, Mr. Takeuchi is judged as an appropriate candidate to serve as an External Director of the Company and is being asked to continue to serve in that capacity. Furthermore, as a member of the Nomination and Remuneration Advisory Committee, by engaging in reports to the Board of Directors regarding the nomination of candidates for Directors and Audit & Supervisory Board members and reports regarding decisions related to Director compensation, Mr. Takeuchi is expected to strengthen the independence, objectivity, and accountability of functions of the Board of Directors.		

Candidate No. 12	Akihiro Fujioka (born January 20, 1957)	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%)
Reappointment External Independent	[Brief personal history, and title and role in the Company]	
	Apr. 1979: Joined Mitsui Mutual Life Insurance Company (currently Taiju Life Insurance Company Limited) Apr. 2003: President of Sansei Capital Investment Co., Ltd. Apr. 2008: Operating Officer of Mitsui Life Insurance Company Limited (currently Taiju Life Insurance Company Limited) Jun. 2013: Director & Senior Operating Officer Jun. 2014: Director & Vice President of Sumitomo Mitsui Asset Management Company, Limited (currently Sumitomo Mitsui DS Asset Management Company, Limited) Jun. 2020: External Director of the Company (current)	
Reason for nomination as an External Director candidate and expected role: In addition to satisfying the Independence Standards required by the Company for the position of External Director, Akihiro Fujioka has abundant experience participating as a director in the management of a member company of a major financial group. Accordingly, he can be expected to provide valuable advice to the Company on a wide variety of management topics. Moreover, he brings to the table a wealth of experience in the financial field, and can particularly be expected to advise the Company on investment risk management. Therefore, Mr. Fujioka is judged as an appropriate candidate to serve as an External Director of the Company and is being asked to serve in that capacity. Furthermore, as a member of the Nomination and Remuneration Advisory Committee, by engaging in reports to the Board of Directors regarding the nomination of candidates for Directors and Audit & Supervisory Board members and reports regarding decisions related to Director compensation, Mr. Fujioka is expected to strengthen the independence, objectivity, and accountability of functions of the Board of Directors.		

- Notes: 1. The candidates are decided by the Board of Directors based on reports received from the Nomination and Remuneration Advisory Committee. Key members of this Committee are Independent Directors and Audit & Supervisory Board members reported by the Company to the Tokyo Stock Exchange.
2. None of the above candidates have special vested interests with the Company.
3. Takeshi Uchimura, Minoru Nishino, Tatsuo Takeuchi and Akihiro Fujioka are candidates for External Director.
4. Takeshi Uchimura, Minoru Nishino, Tatsuo Takeuchi, and Akihiro Fujioka are currently External Directors of the Company. The term of office for Takeshi Uchimura, Minoru Nishino, and Tatsuo Takeuchi shall be six (6) years at the closing of this General Meeting of Shareholders. The term of office for Akihiro Fujioka shall be two (2) years at the closing of this General Meeting of Shareholders.
5. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company entered into an agreement respectively with Takeshi Uchimura, Minoru Nishino, Tatsuo Takeuchi, and Akihiro Fujioka that limits their liability for damages prescribed in Article 423, Paragraph 1 of the same Act. If the reappointment of them is approved as proposed at this General Meeting of Shareholders, the Company will continue the said agreement with them. In each case the limit on their liability for damages under the agreement coincides with the legally stipulated amounts.
6. The Company designated Takeshi Uchimura, Minoru Nishino, Tatsuo Takeuchi, and Akihiro Fujioka as Independent Directors as per the provisions of the Tokyo Stock Exchange, and gave notice to this effect to the Tokyo Stock Exchange. If the reappointment of them is approved as proposed at this General Meeting of Shareholders, the Company will designate them as Independent Directors as per the provisions of the Tokyo Stock Exchange again, and will give notice to this effect to the Tokyo Stock Exchange. The Company has engaged in sales transactions with Pioneer Corporation, the former place of employment for Tatsuo Takeuchi. However, the transaction amount was an insignificant amount that was less than 1% of the Group's consolidated net sales. Therefore, we have judged that independence from management of the Company has been secured.
7. Pursuant to Article 430, Paragraph 3, Item 1 of the Companies Act, the Company has entered into a liability insurance contract for officers, etc., with insurance companies. An overview of the insurance contract is listed on page 15 of the Business Report on the 71st Term, "IV. Directors and Audit & Supervisory Board Members (3) Overview of Liability Insurance Contract for Officers, etc." Each candidate will become insured under the insurance contract upon being nominated and appointed as a Director.

Furthermore, we plan to renew the insurance contract with the same contents at the next renewal period.

Item 4: Appointment of Two (2) Audit & Supervisory Board Members

The terms of office for Keiji Nishio (Audit & Supervisory Board member) and Kuniharu Kezuka (Audit & Supervisory Board member) will expire at the closing of this General Meeting of Shareholders. Therefore, the Company hereby proposes the election of two (2) Audit & Supervisory Board members.

Approval for this proposal has been obtained from the Audit & Supervisory Board.

The candidates for the position of Audit & Supervisory Board member are as follows:

Candidate No.	Name	Current title, etc.	Attribute
1	Akio Misono	Director, Senior Operating Officer	New appointment
2	Kuniharu Kezuka	Audit & Supervisory Board member	Reappointment External Independent

Reappointment	New Appointment	External	Independent
Candidate for reappointment as Director	Candidate for new appointment as Director	Candidate for External Director	Independent Director stipulated by the Tokyo Stock Exchange

Candidate No. 1	<p style="text-align: center;">Akio Misono (born June 24, 1959)</p>	Shares owned: 6,013 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%) Rate of attendance at the Audit & Supervisory Board meetings during the current term: times / meetings (%)
<div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div>	[Brief personal history and title in the Company]	
	Mar. 1982: Joined Sanshin Electronics Co., Ltd. Apr. 2003: General Manager of Accounting Department Oct. 2008: General manager of Planning Department Oct. 2012: General Manager of Finance Department Oct. 2013: Deputy Senior General Manager of Finance & Accounting Division Jun. 2014: Director Jun. 2016: Director, Operating Officer Jun. 2019: Director, Senior Operating Officer (current)	
Reason for nomination as an Audit & Supervisory Board member candidate: Akio Misono has not only engaged in the fields of management planning, accounting and finance, but also taken a leading role in Company's IR activities over many years as a Director. Drawing on this wealth of experience, he can be expected to supervise the management of the Company as an Audit & Supervisory Board member, and to provide accurate advice and recommendations. Therefore, Mr. Misono is judged as an appropriate candidate to serve as an Audit & Supervisory Board member of the Company and is being asked to serve in that capacity.		

Candidate No. 2	<p style="text-align: center;">Kuniharu Kezuka (born June 30, 1967)</p>	Shares owned: 0 shares
		Rate of attendance at the Board of Directors meetings during the current term: 13 times / 13 meetings (100%) Rate of attendance at the Audit & Supervisory Board meetings during the current term: 16 times / 16 meetings (100%)
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	[Brief personal history and title in the Company]	
	Oct. 1992: Joined Chuo Shinko Audit Corporation (changed the name to MISUZU Audit Corporation) Apr. 1996: Registered as a certified public accountant Nov. 1999: Seconded to Price Waterhouse Coopers Dusseldorf (PwC Düsseldorf) May 2006: Established Kezuka Accounting Office Apr. 2007: Registered as a tax accountant Feb. 2015: External Audit & Supervisory Board member (full-time) at Levi Strauss Japan K.K. Feb. 2016: External Director (full-time Audit & Supervisory Committee member) Jun. 2018: External Audit & Supervisory Board member of the Company (current)	
[Important concurrent role] Certified public accountant and tax accountant at Kezuka Accounting Office		
Reason for nomination as an External Audit & Supervisory Board member candidate: Kuniharu Kezuka satisfies the independence standards required by the Company for the positions of External Audit & Supervisory Board members and has a high level of expertise and extensive experience as a certified public accountant and tax accountant. He has the knowledge and experience that has been accumulated through his duties as the Director for Auditing at a public-listed company and that will contribute to the Company's effort to strengthen its auditing system. The Company expects that Mr. Kezuka would monitor the management of the Company and provide expert advice and recommendations from the objective viewpoint as an expert of corporate accounting. Therefore, Mr. Kezuka is judged as an appropriate candidate to serve as an External Audit & Supervisory Board member of the Company and is being asked to continue to serve in that capacity.		

- Notes: 1. The candidates are decided by the Board of Directors based on reports received from the Nomination and Remuneration Advisory Committee. Key members of this Committee are Independent Directors and Audit & Supervisory Board members reported by the Company to the Tokyo Stock Exchange.
2. Neither of the above candidates have special vested interests with the Company.
3. Kuniharu Kezuka is a candidate for External Audit & Supervisory Board member.
4. Kuniharu Kezuka is currently an External Audit & Supervisory Board member of the Company. His term of office shall be four (4) years at the closing of this General Meeting of Shareholders.
5. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company entered into an agreement with Kuniharu Kezuka that limits his liability for damages prescribed in Article 423, Paragraph 1 of the same Act. If his reappointment is approved as proposed at this General Meeting of Shareholders, the Company will continue the said agreement with him. The limit on his liability for damages under the agreement coincides with the legally stipulated amounts.
6. If the appointment of Akio Misono is approved as proposed at this General Meeting of Shareholders, the Company will enter into an agreement, pursuant to Article 427, Paragraph 1 of the Companies Act, with Akio Misono that limits his liability for damages prescribed in Article 423, Paragraph 1 of the same Act. The limit on his liability for damages under the agreement coincides with the legally stipulated amounts.
7. The Company designated Kuniharu Kezuka as an Independent Audit & Supervisory Board member as per the provisions of the Tokyo Stock Exchange, and gave notice to this effect to the Tokyo Stock Exchange. If the reappointment of him is approved as proposed at this General Meeting of Shareholders, the Company will designate him as an Independent Audit & Supervisory Board member as per the provisions of the Tokyo Stock Exchange again, and will give notice to this effect to the Tokyo Stock Exchange.
8. Pursuant to Article 430, Paragraph 3, Item 1 of the Companies Act, the Company has entered into a liability insurance contract for officers, etc., with insurance companies. An overview of the insurance contract is listed on page 15 of the Business Report on the 71st Term, “IV. Directors and Audit & Supervisory Board Members (3) Overview of Liability Insurance Contract for Officers, etc.” Each candidate will become insured under the insurance contract upon being nominated and appointed as an Independent Audit & Supervisory Board member.
- Furthermore, we plan to renew the insurance contract with the same contents at the next renewal period.

Item 5: Appointment of One (1) Substitute Audit & Supervisory Board Member

Katsuya Sato was elected as a substitute Audit & Supervisory Board member at the 70h Ordinary General Meeting of Shareholders held on June 18, 2021, and his term of office as a substitute Audit & Supervisory Board member will expire at the closing of this General Meeting of Shareholders. To prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board members required by laws and regulations, the Company hereby proposes the election of one (1) substitute Audit & Supervisory Board member.

Approval for this proposal has been obtained from the Audit & Supervisory Board.

The candidate for the position of substitute Audit & Supervisory Board member is as follows:

Katsuya Sato (born April 24, 1957)		Shares owned: 0 shares
Reappointment	[Brief personal history and title]	
External	<p>Apr. 1990: Registered as an attorney-at-law</p> <p>Apr. 1995: Permanent member of Tokyo Bar Association Established Takagi & Sato Law Office</p> <p>Apr. 2006: Review committee member of the Japan Legal Support Center, Tokyo Branch</p> <p>Jun. 2007: External Audit & Supervisory Board member of the Company</p> <p>Jun. 2015: Retired from External Audit & Supervisory Board member of the Company</p> <p>[Important concurrent role] Lawyer of Takagi & Sato Law Office</p>	
	Reason for nomination as a Substitute External Audit & Supervisory Board member candidate: Katsuya Sato satisfies the Independence Standards required by the Company for the position of External Audit & Supervisory Board member. Furthermore, his high-level specialized expertise and extensive knowledge/experience as a lawyer will contribute to strengthening the Company’s auditing system. He can be expected to objectively supervise management of the Company, and to provide accurate advice and recommendations. Therefore, Mr. Sato is judged as an appropriate candidate to serve as a substitute External Audit & Supervisory Board member of the Company and is being asked to continue to serve in that capacity.	

- Notes: 1. The candidate is decided by the Board of Directors based on reports received from the Nomination and Remuneration Advisory Committee. Key members of this Committee are Independent Directors and Audit & Supervisory Board members reported by the Company to the Tokyo Stock Exchange.
2. The above candidate has no special vested interests with the Company.
3. The candidate is a candidate for the substitute External Audit & Supervisory Board member. If the candidate assumes the office of the External Audit & Supervisory Board member, the Company will designate the candidate as an Independent Audit & Supervisory Board member as per the provisions of the Tokyo Stock Exchange, and will give notice to this effect to the Tokyo Stock Exchange.
4. Although the candidate does not have past experience in corporate management other than having served as an external Audit & Supervisory Board member, the Company judges that, as described in the reasons for appointment, the candidate will be able to implement the duties as the External Audit & Supervisory Board member appropriately.
5. If the candidate assumes the office of the External Audit & Supervisory Board member, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with the candidate that limits his liability for damages prescribed in Article 423, Paragraph 1 of the same Act. However, the limit on his liability for damages under this agreement coincides with the legally stipulated amounts.
6. Pursuant to Article 430, Paragraph 3, Item 1 of the Companies Act, the Company has entered into a liability insurance contract for officers, etc., with insurance companies. An overview of the insurance contract is listed on page 15 of the Business Report on the 71st Term, “IV. Directors and Audit & Supervisory Board Members (3) Overview of Liability Insurance Contract for Officers, etc.” The candidate will become insured under the insurance contract upon being nominated and appointed as an External Audit & Supervisory Board member.

Furthermore, we plan to renew the insurance contract with the same contents at the next renewal period.

[Reference Material]

Concept Regarding the Skills of Directors and Audit & Supervisory Board Members

[Basic concept]

Management at the Company is responsible for building and operating a highly transparent and effective corporate governance system in order to achieve sustainable growth of the Sanshin Electronics Group, and to demonstrate and increase corporate value over the medium to long term for all stakeholders. In order for the Board of Directors and the Audit & Supervisory Board to properly fulfill this responsibility, they must have the ability to make accurate decisions on important matters related to business execution and to supervise business execution; that is, they must possess the latest knowledge on the business content and business environment of the Group. In addition, they must possess a variety of specialized knowledge that serves as the basis of logical decision-making. In this regard, we will select the skills necessary to fully perform the functions of the Board of Directors and the Audit & Supervisory Board, and will appoint Directors and Audit & Supervisory Board members in a manner which ensures the skill balance of the entire management team.

[Required skills for overall Board of Directors]

In order to make decision on important matters related to business execution and to supervise the performance of duties by Directors, the Board of Directors must possess fundamental skills in corporate management and management strategy, governance and internal controls, legal affairs and risk management, finance and accounting, and organizational and human resources management. Additionally, there is also the need for individual skills such as knowledge regarding industry trends and strategic business domains including fields such as electronics, computers, and information and communication, which are the main business domains of the Group, and actual global experience in areas such as regional risk and cultural aspects including business practices. Furthermore, in order to ensure sustainable business growth (sustainability), there is a need for knowledge regarding society and the environment; for example, establishing systems for ensuring diversity and addressing climate change issues. Accordingly, the Company lists such knowledge as a required skill.

[Required skills for overall Audit & Supervisory Board]

It is desirable for Audit & Supervisory Board members to possess the skills listed above as well. In particular, governance and internal controls, legal affairs and risk management, and finance and accounting are positioned as important skills.

	Skill fields possessed by Directors and Audit & Supervisory Board members of the Company, and especially expected by the Company							
	Corporate management and management strategy	Governance and internal controls	Legal affairs and risk management	Finance and accounting	Organizational and human resources management	Society and environment	Knowledge of industry trends and strategic business domains	Global experience
[Directors]								
Mitsumasa Matsunaga	✓	✓			✓	✓	✓	
Toshiro Suzuki	✓	✓	✓		✓	✓	✓	
Fumihide Kitamura	✓	✓			✓		✓	✓
Yuji Mori	✓	✓			✓		✓	
Koji Sakamoto	✓	✓	✓		✓	✓		
Mitsuhiro Ogawa	✓	✓			✓		✓	✓
Hiroshi Harada	✓	✓			✓		✓	
Jun-ichi Murakami				✓	✓			
Takeshi Uchimura	✓	✓	✓	✓			✓	✓
Minoru Nishino	✓	✓		✓				
Tatsuo Takeuchi	✓	✓					✓	✓
Akihito Fujioka	✓	✓		✓				
[Audit & Supervisory Board members]								
Akio Misono		✓	✓	✓	✓		✓	
Shin-ichi Miura		✓	✓		✓		✓	✓
Shohei Yamamoto		✓	✓					
Kuniharu Kezuka		✓	✓	✓				✓

The above table is a list of Directors and Audit & Supervisory Board members (planned) and their skills after the closing of this Ordinary General Meeting of Shareholders. Overall, we believe that the listed members possess the necessary skills.

[Reference Material]

Independence Standards Required by the Company for the Positions of External Directors and External Audit & Supervisory Board Members

The Company judges that the positions of External Directors and External Audit & Supervisory Board members (hereinafter referred to as “External Officers”) shall have independence, in order to guarantee the objectivity and transparency necessary for proper governance. If the requirements below are not met, the External Officers shall not be appointed.

1. Officers^{*1} or employees of the Company and its subsidiaries (hereinafter referred to as “The Group”) shall not be appointed.
2. Individuals to which one of the following a) to g) apply in the last five years shall not be appointed.
 - a) Executives^{*2} working for companies, etc., which are or will be major clients^{*3} of the Group
 - b) Executives working for the principal lenders^{*4} of the Group
 - c) Individuals who are the major shareholders^{*5} of the Company (in the event of corporations or organizations such as unions, their members)
 - d) Executives working for companies, etc., which are the Group’s major shareholders^{*5}
 - e) Specialists such as Consultants, Public Accountants, Tax Accountants, Lawyers, Judicial Scriveners, Patent Attorneys, who acquired large amounts^{*6} of money and other assets from the Group (in the event of corporations or organizations such as unions, their members)
 - f) Individuals benefiting from donations in the form of large amounts^{*6} of money and other assets from the Group (in the event of corporations or organizations such as unions, their members)
 - g) Officers and employees of companies, etc., which have a relationship of mutual assumption of office with individuals such as officers of the Group
3. The aforementioned items 1 and 2 shall not apply to the spouse and near relatives within the second degree of kinship of the individuals concerned (other than persons of low importance).
4. The individuals shall not be recognized as having special motivations to lead to a conflict of interests with the Group.

*1: “Officer” refers to directors, executive officers, audit & supervisory board members, and other corporate directors (excluding External Officers).

*2: “Executives” refers to any person who falls under Article 2, Paragraph 3, Item 6 of the Enforcement of the Companies Act.

*3: “Major clients” refers to companies, etc., which paid or received an amount of money in any fiscal year of the last five years, as a compensation for business and trade with the Group, this amount being more than 2% of the consolidated net sales of the client or more than 2% of the consolidated net sales of the Group.

*4: “Principal lenders” refers to financial institutions which lent money to the Group, for which outstanding borrowings of the end of the fiscal year of any of the last five years exceeded 2% of the consolidated total assets of the Group at the end of such fiscal year.

*5: “Major shareholders” refers to stockholders who own directly or indirectly more than 10% of the total votes.

*6: “Large amounts” refers to amounts exceeding ¥10 million or 2% of the higher amount between net sales or the total income of this person, except executive compensation, in the event of a payment such as a remuneration for professional services, or a compensation for business and trade, in any fiscal year of the last five years. In the event of a donation, it refers to an amount exceeding ¥10 million or 2% of the higher amount between net sales or the total income of this person.