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(Securities Code 6728)
September 6, 2023

To Shareholders with Voting Rights:

Setsuo Iwashita
President and Chief Executive
Officer
ULVAC, Inc.
2500 Hagisono, Chigasaki,
Kanagawa, Japan

**NOTICE OF
THE 119TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We hereby announce that the 119th Ordinary General Meeting of Shareholders of ULVAC, Inc. (the “Company”) will be held for the purposes as described in the next page.

In convening this General Meeting of Shareholders, the Company has adopted measures for the electronic provision of information contained in the reference documents for the general meeting of shareholders, etc. (the “matters subject to electronic provision measures”) and has posted this information on the Company’s website. Please access the following website to review the documents.

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

In addition to the above, the documents have also been posted on the following websites:

Tokyo Stock Exchange (TSE) website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the abovementioned TSE website and enter “ULVAC” or “6728” in the “Issue name (company name)” or “Code” and click “Search,” then select “Basic information” and “Documents for public inspection/PR information.” The documents can be found in the “Notice of General Shareholders Meeting / Information Materials for a General Shareholders Meeting” section under “Filed information available for public inspection.”)

Sumitomo Mitsui Trust Bank website (The Portal of Shareholders’ Meeting):
<https://www.soukai-portal.net> (available in Japanese only)
* The QR code is printed on the Voting Rights Exercise Form.

(Please scan the QR code on the enclosed Voting Rights Exercise Form or enter “The Portal of Shareholders’ Meeting Login ID” and “Password” printed on the Voting Rights Exercise Form.)

Please review the “Reference Documents for the General Meeting of Shareholders” included herein, and exercise your voting rights by 5:00 p.m. on Wednesday, September 27, 2023, Japan time, by following the procedure as described in pages 4 to 5.

- 1. Date and Time:** Thursday, September 28, 2023 at 10:00 a.m. Japan time
2. Place: 2nd Floor Conference Room of the C Building of the Company located at 2500 Hagisono, Chigasaki, Kanagawa, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 119th fiscal year (July 1, 2022 – June 30, 2023) and results of audits by the Independent Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 119th fiscal year (July 1, 2022 – June 30, 2023)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Six Directors
Proposal No. 3: Election of Two Corporate Auditors
Proposal No. 4: Election of One Substitute Auditor

4. Information on Exercise of Voting Rights, etc.




Please refer to "Information on Exercise of Voting Rights, etc." described on the following page.

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- The doors to the meeting room will open at 9:00 a.m., Japan time.
 - When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Revisions, if any, to the matters subject to electronic provision measures, will be posted on each of the websites on which the measures for electronic provision are taken, indicating the matters both before and after the revisions.
 - For this General Meeting of Shareholders, regardless of whether or not delivery of documents is requested by a shareholder, we will send all shareholders the written documents containing the matters subject to electronic provision measures. The following matters are not included in such documents in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company:
 - 1) Notes to Consolidated Financial Statements
 - 2) Notes to Non-consolidated Financial StatementsConsequently, the consolidated financial statements and non-consolidated financial statements included in such documents are a portion of the documents audited by the Independent Auditor and Corporate Auditors in the preparation of their Audit Reports.



Information on Exercise of Voting Rights, etc.

Voting rights at the General Meetings of Shareholders are important rights of shareholders. Please exercise your voting rights having fully examined the following Reference Documents for the General Meeting of Shareholders. The following three methods are available to exercise your voting rights.

 <p style="text-align: center;">Attendance at General Meeting of Shareholders</p> <p>When you attend the General Meeting of Shareholders, please submit the enclosed Voting Rights Exercise Form at the reception desk.</p> <p style="text-align: center;"><u>Date and time of the General Meeting of Shareholders:</u></p> <p style="text-align: center;">Thursday, September 28, 2023 at 10:00 a.m. Japan time</p>	 <p style="text-align: center;">Exercise of voting rights in writing (via mail)</p> <p>Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and send the form by postal mail.</p> <p style="text-align: center;"><u>Deadline for exercising voting rights:</u></p> <p style="text-align: center;">To be received no later than 5:00 p.m., Wednesday, September 27, 2023, Japan time</p>	 <p style="text-align: center;">Exercise of voting rights via the Internet, etc.</p> <p>Please follow the directions on page 5 to vote for or against each proposal (available in Japanese only).</p> <p style="text-align: center;"><u>Deadline for exercising voting rights:</u></p> <p style="text-align: center;">Must finish input by 5:00 p.m., Wednesday, September 27, 2023, Japan time</p>
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If you do not indicate your vote for or against a proposal on your Voting Rights Exercise Form, your vote will be deemed as a vote in favor.

In the event that you exercise your voting rights both in writing (via mail) and via the Internet, etc. only your exercise of voting rights via the Internet, etc. will be considered valid. In the event that you exercise your voting rights via the Internet, etc. multiple times, then only your final exercise of voting rights via the Internet, etc. will be considered valid.

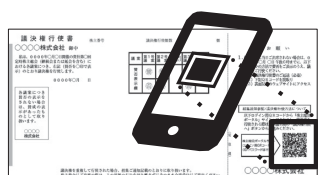
Institutional investors can electronically exercise their voting rights for this meeting from the “Electronic Voting System Platform” operated by ICJ, Inc.

Guidance on Exercise of Voting Rights via the Internet, etc.

**Deadline for exercising voting rights on the Internet:
5:00 p.m., Wednesday, September 27, 2023**

Exercise of Voting Rights via Smartphones, etc.

❶ Scan the QR code printed on the Voting Rights Exercise Form.



* The “QR Code” is a trademark of DENSO WAVE INCORPORATED.

❷ Tap the “Exercise Voting Rights” button on the top page of the Portal of Shareholders’ Meeting.



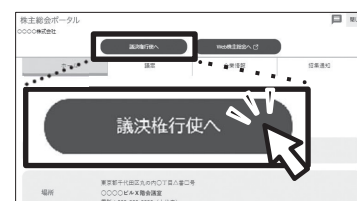
❸ Once the screen for exercising voting rights is displayed, enter your vote for or against the proposals following the on-screen instructions.



Exercise of Voting Rights via PCs, etc.

Access the following URL and enter “The Portal of Shareholders’ Meeting Login ID” and “Password” printed on the Voting Rights Exercise Form. After logging in, enter your vote for or against the proposals following the on-screen instructions.

Sumitomo Mitsui Trust Bank website
(The Portal of Shareholders’ Meeting) URL
▶<https://www.soukai-portal.net>



Click “Exercise Voting Rights”!

Also, you may continue to use the voting rights exercise website.
▶<https://www.web54.net>

Precautions

- If you wish to change your vote after exercising your voting rights, you will need to enter the “The Portal of Shareholders’ Meeting Login ID” and “Password” printed on the Voting Rights Exercise Form.
- In the event that you exercise your voting rights both in writing and via the Internet, etc., only your exercise of voting rights via the Internet, etc. will be considered valid. In the event that you exercise your voting rights via the Internet, etc. multiple times, your final exercise of voting rights will be considered valid.

For Inquiry

Stock Transfer Agency
Web Support Helpdesk,
Sumitomo Mitsui Trust Bank
0120-652-031
(Business hours:
9:00 a.m. to 9:00 p.m.)



Please also read Q&A.
(available in Japanese only)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company recognizes the sharing of profits with the shareholders as one of its most important policies. On the other hand, increasing our corporate value is also very important. To these ends, in the Company's industry, which undergoes significant changes in capital investment trends and technical innovations, the Company needs to secure sufficient funds to invest in R&D in growth areas. At the same time, the Company also needs to build and maintain a stable financial base, and it is important to enhance internal reserves necessary to do so. As such, with regard to returning profits to our shareholders, our dividend policy is to focus on linking it with business performance and to aim at achieving a consolidated dividend payout ratio of 30% or more.

Therefore, for the 119th fiscal year, the Company has determined that, in consideration of the Company's performance, cash flow situation, and other factors as well as the above policy, the year-end dividend for our shareholders will be ¥109 per share (a decrease of ¥15 per share from the previous fiscal year) as per the following:

- | | |
|---|---|
| • Type of dividend property | Dividends shall be paid in Cash. |
| • Matters concerning the allotment of dividend property to shareholders and total amount thereof | ¥109 per share of the Company's common stock
The total amount of dividends shall be
¥5,379,345,982. |
| • Effective date of the distribution of surplus | September 29, 2023 |

Proposal No. 2: Election of Six Directors

The terms of office of all seven directors will expire at the close of this General Meeting of Shareholders. Therefore, the Company proposes the election of six directors.

The candidates for directors are as follows. The candidates for directors have been determined by the Board of Directors, following consultation procedures with the Committee for Appointment and Remuneration, etc. which was established in an effort to materialize more fair, impartial, and transparent discussions and to enhance the effectiveness of the Board.

Candidate No.	Name	Current positions	Attributes			Attendance at Board of Directors meetings
1	Setsuo Iwashita	President and Chief Executive Officer	Reelection			100% (13/13)
2	Choong Ryul Paik	Senior Managing Director	Reelection			100% (13/13)
3	Hiroyuki Nishi	External Director	Reelection	External	Independent Officer	100% (13/13)
4	Norio Uchida	External Director	Reelection	External	Independent Officer	100% (13/13)
5	Kozo Ishida	External Director	Reelection	External	Independent Officer	100% (13/13)
6	Yoshimi Nakajima	External Director	Reelection	External	Independent Officer	100% (13/13)

Reelection

Candidates for directors to be reelected

External

Candidates for external directors

Independent Officer

Candidates for independent officers registered with the Tokyo Stock Exchange

Candidate No. 1	Setsuo Iwashita Date of birth February 4, 1953 Number of shares of the Company held 31,414 shares Attendance at Board of Directors meetings 13/13 Reelection	Past experience, positions, and responsibilities	
		March 1984	Joined the Company
		August 1992	Manager of Beijing Business Office and Shanghai Business Office, Overseas Operation Division
		September 1995	Director and Chief Executive Officer of ULVAC (NINGBO) CO., Ltd.
		July 1998	General Manager of Chinese Region, Asia Division of the Company
		March 2006	Director and Chief Executive Officer of ULVAC (CHINA) HOLDING CO., LTD.
		October 2006	Chairman of ULVAC (Shanghai) Trading Co., Ltd. Chairman of ULVAC (SUZHOU) CO., LTD.
		September 2011	Director of the Company
		July 2012	Director and Executive Officer
		September 2013	Managing Executive Officer
July 2015	Senior Managing Executive Officer of the Company Chairman of ULVAC (CHINA) HOLDING CO., LTD.		
July 2016	Senior Managing Executive Officer and General Manager of Management Planning Department of the Company		
September 2016	Director and Senior Managing Executive Officer, General Manager of Management Planning Department		
July 2017	President and Chief Executive Officer		
January 2019	President and Chief Executive Officer and General Manager of Human Resource Center		
July 2020	President and Chief Executive Officer (current position)		
(Significant concurrent positions)		-	
[Reasons for selection as a candidate for director]		After building a solid track record particularly in international sales activities, Mr. Setsuo Iwashita accumulated experience as a corporate manager in China and has led management strategies for the Group in Japan and overseas. He thus has extensive experience and achievements. In addition, as President and Chief Executive Officer of the Company, he has strived for the sustainable growth of the Group and the improvement of corporate value over a medium to long term. Therefore, the Company has nominated Mr. Iwashita as a candidate for director based on its judgment that he will be able to continue contributing to the management of the Company.	

Candidate No. 2		Past experience, positions, and responsibilities	
		April 1991	Joined the Company
		September 1999	Joined ULVAC KOREA, Ltd. as Senior Director
		September 2000	President of ULVAC KOREA, Ltd.
Choong Ryul Paik	Date of birth February 14, 1959	September 2012	Executive Officer of the Company
		July 2015	Managing Executive Officer
		September 2016	Chairman of ULVAC KOREA, Ltd. (current position)
		July 2018	Managing Executive Officer, Senior General Manager of R&D Headquarters of the Company
Number of shares of the Company held 10,000 shares	Attendance at Board of Directors meetings 13/13	September 2018	Director and Managing Executive Officer, Senior General Manager of R&D Headquarters
		July 2019	Director and Managing Executive Officer, General Manager of Innovation Center of Excellence
		July 2020	Senior Managing Director (in charge of Innovation) of the Company and President and Chief Executive Officer of ULVAC-PHI, Inc.
		July 2021	Senior Managing Director (in charge of Innovation) of the Company (current position) and Chairman of ULVAC-PHI, Inc.
Reelection		(Significant concurrent positions)	
		• Chairman of ULVAC KOREA, Ltd.	
		[Reasons for selection as a candidate for director] After building a solid track record as a corporate manager in South Korea, Dr. Choong Ryul Paik accumulated achievements primarily in technological development for the Company's products, and has led development strategies for the Group in Japan and overseas. He thus has extensive experience and achievements. In addition, as Senior Managing Director of the Company, he has strived for the sustainable growth of the Group and the improvement of corporate value over a medium to long term. Therefore, the Company has nominated Dr. Paik as a candidate for director based on its judgment that he will be able to continue contributing to the management of the Company.	

Candidate No. 3		Past experience, positions, and responsibilities	
		April 1983	Joined Nippon Life Insurance Company
		March 2007	General Manager of International Planning & Operations Dept. and General Manager of China Office
		March 2010	Executive Officer, General Manager of Europe, Deputy Director-General and General Manager of London Representative Office
		July 2011	Director and Executive Officer, General Manager of the Americas, General Manager of Europe, Deputy Director-General, and General Manager of New York Representative Office
		March 2014	Director and Managing Executive Officer, General Manager of International Planning & Operations Dept., General Manager of the Americas, General Manager of Europe, and General Manager of Asia
		March 2017	Director and Senior Managing Executive Officer, General Manager of the Americas, General Manager of Europe, and General Manager of Asia
		March 2018	Director
		March 2018	President and Chief Executive Officer of Nissay Asset Management Corporation
		March 2020	Advisor of Nissay Credit Guarantee Co., Ltd.
		April 2020	President and Chief Executive Officer (current position)
		September 2020	External Director of the Company (current position)
		(Significant concurrent positions)	
		<ul style="list-style-type: none"> • President and Chief Executive Officer of Nissay Credit Guarantee Co., Ltd. 	
		[Reasons for selection as a candidate for external director and outline of expected role]	
		<p>Mr. Hiroyuki Nishi has a solid track record as a corporate manager of other companies in Japan and overseas. In particular, he has extensive experience and broad insight primarily in risk management. In addition, leveraging such experience and insight, he has strived for sustainable growth and the improvement of corporate value over a medium to long term in his capacity as an external director of the Company, through providing appropriate advice on the overall management of the Company and properly supervising its management. Therefore, the Company has nominated Mr. Nishi as a candidate for external director based on its expectations that he will be able to continue to properly carry out his duties as an external director of the Company.</p> <p>In addition, as Mr. Nishi meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company has registered Mr. Nishi as an Independent Officer with the Tokyo Stock Exchange.</p> <p>In the event that he is reelected, he will continue to serve as an Independent Officer.</p>	
	Hiroyuki Nishi		
	Date of birth	September 20, 1960	
	Number of shares of the Company held	None	
	Attendance at Board of Directors meetings	13/13	
		Reelection	
		External	
		Independent Officer	

Candidate No. 4		Past experience, positions, and responsibilities	
		<p>April 1973 Joined Tokyo Optical Co., Ltd. (currently TOPCON CORPORATION)</p> <p>June 1980 General Manager of Topcon Singapore Pte. Ltd.</p> <p>February 1989 President of Topcon Australia Pty Ltd.</p> <p>October 1994 Senior Vice President of Topcon Laser Systems, Inc. (currently Topcon Positioning Systems, Inc.)</p> <p>July 1999 President of Topcon Laser Systems Japan, Inc.</p> <p>June 2003 Executive Officer of TOPCON CORPORATION</p> <p>July 2003 Director and President of Topcon Sales Corporation (currently TOPCON SOKKIA POSITIONING JAPAN CO., LTD.)</p> <p>June 2005 Director and Executive Officer of TOPCON CORPORATION</p> <p>June 2007 Director and Managing Executive Officer</p> <p>June 2010 Director and Senior Managing Executive Officer</p> <p>June 2011 Representative Director, President & CEO</p> <p>June 2013 Advisor to the Board</p> <p>June 2015 Outside Director of Nabtesco Corporation</p> <p>September 2015 External Director of the Company (current position)</p>	
	<p>Norio Uchida</p> <p>Date of birth October 22, 1950</p> <p>Number of shares of the Company held 100 shares</p> <p>Attendance at Board of Directors meetings 13/13</p>		
			<p>(Significant concurrent positions)</p> <p>—</p>
	<p>Reelection</p> <p>External</p> <p>Independent Officer</p>		<p>[Reasons for selection as a candidate for external director and outline of expected role]</p> <p>Mr. Norio Uchida has a solid track record as a corporate manager of other companies in Japan and overseas. In particular, he has extensive experience and broad insight primarily in international sales activities. In addition, leveraging such experience and insight, he has strived for sustainable growth and the improvement of corporate value over a medium to long term in his capacity as an external director of the Company, through providing appropriate advice on the overall management of the Company and properly supervising its management. Therefore, the Company has nominated Mr. Uchida as a candidate for external director based on its expectations that he will be able to continue to properly carry out his duties as an external director of the Company.</p> <p>In addition, as Mr. Uchida meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company has registered Mr. Uchida as an Independent Officer with the Tokyo Stock Exchange. In the event that he is reelected, he will continue to serve as an Independent Officer.</p>

Candidate No. 5		Past experience, positions, and responsibilities	
		<p>March 1970 Joined HORIBA, Ltd.</p> <p>June 1982 General Manager of Product Department I, Development and Sales Division</p> <p>March 1985 President and Director of HORIBA Europe GmbH (Germany)</p> <p>June 1988 Director of HORIBA, Ltd.</p> <p>June 1991 Managing Director</p> <p>June 1996 Senior Managing Director</p> <p>July 2001 President and Director (CEO) of ABX, S.A. (currently HORIBA ABX SAS) (France)</p> <p>June 2002 Vice President and Director of HORIBA, Ltd.</p> <p>June 2005 Executive Vice President and Representative Director</p> <p>March 2011 Director and Advisor of HORIBA STEC Co., Ltd.</p> <p>March 2014 Vice Chairman and Representative Director of HORIBA, Ltd.</p> <p>March 2016 Senior Advisor</p> <p>September 2016 External Director of the Company (current position)</p> <p>March 2017 External Director of Seiko Electric Co., Ltd. (current position)</p> <p>April 2018 Fellow of HORIBA, Ltd.</p>	
	<p>Kozo Ishida</p> <p>Date of birth November 4, 1944</p> <p>Number of shares of the Company held 300 shares</p> <p>Attendance at Board of Directors meetings 13/13</p>		
	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">External</p> <p style="text-align: center;">Independent Officer</p>		<p>(Significant concurrent positions)</p> <ul style="list-style-type: none"> • External Director of Seiko Electric Co., Ltd. <p>[Reasons for selection as a candidate for external director and outline of expected role]</p> <p>Dr. Kozo Ishida has a solid track record as a corporate manager of other companies in Japan and overseas. In particular, he has extensive experience and broad insight primarily in research and development. In addition, leveraging such experience and insight, he has strived for sustainable growth and the improvement of corporate value over a medium to long term in his capacity as an external director of the Company, through providing appropriate advice on the overall management of the Company and properly supervising its management. Therefore, the Company has nominated Dr. Ishida as a candidate for external director based on its expectations that he will be able to continue to properly carry out his duties as an external director of the Company.</p> <p>In addition, as Dr. Ishida meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company has registered Dr. Ishida as an Independent Officer with the Tokyo Stock Exchange. In the event that he is reelected, he will continue to serve as an Independent Officer.</p>

Candidate No. 6		Past experience, positions, and responsibilities	
		April 1980	Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
		February 1982	Joined AVON PRODUCTS CO., LTD.
		May 1997	Joined Citibank, N.A. as Vice President
	Yoshimi Nakajima	June 2000	Joined Societe Generale Securities Services as Senior General Manager
	Date of birth December 16, 1956	April 2002	Joined American Express International, Inc. as Vice President in charge of Global Traveler's Check & Prepaid Card Service, Japan Branch
	Number of shares of the Company held None	August 2011	Country Manager in Singapore (President)
	Attendance at Board of Directors meetings 13/13	February 2014	Senior Vice President of Japan Branch
	Reelection	April 2014	President and Representative Director of American Express Japan Co., Ltd.
	External	June 2017	Outside Director of Yamaha Corporation Outside Director of AEON Financial Service Co., Ltd. (current position)
	Independent Officer	June 2018	Outside Director of Japan Freight Railway Company (current position)
		September 2018	External Director of the Company (current position)
		April 2021	Outside Director of Sekisui House, Ltd. (current position) Specially-Appointed Professor of the Graduate School of Project Design (current position)
		(Significant concurrent positions)	
		<ul style="list-style-type: none"> • Outside Director of AEON Financial Service Co., Ltd. • Outside Director of Japan Freight Railway Company • Outside Director of Sekisui House, Ltd. • Specially-Appointed Professor of the Graduate School of Project Design 	
		<p>[Reasons for selection as a candidate for external director and outline of expected role]</p> <p>Ms. Yoshimi Nakajima has a solid track record as a corporate manager of other companies in Japan and overseas. In particular, she has extensive experience and broad insight primarily in international sales activities. In addition, leveraging such experience and insight, she has strived for sustainable growth and the improvement of corporate value over a medium to long term in her capacity as an external director of the Company, through providing appropriate advice on the overall management of the Company and properly supervising its management. Therefore, the Company has nominated Ms. Nakajima as a candidate for external director based on its expectations that she will be able to continue to properly carry out her duties as an external director of the Company.</p> <p>In addition, as Ms. Nakajima meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company has registered Ms. Nakajima as an Independent Officer with the Tokyo Stock Exchange. In the event that she is reelected, she will continue to serve as an Independent Officer.</p>	

- (Notes)
1. No special interests exist between any of the candidates for director and the Company.
 2. Messrs. Hiroyuki Nishi and Norio Uchida, Dr. Kozo Ishida and Ms. Yoshimi Nakajima are candidates for external director.
Messrs. Hiroyuki Nishi and Norio Uchida, Dr. Kozo Ishida and Ms. Yoshimi Nakajima currently serve as external directors of the Company, and Mr. Nishi will have served for three years, Mr. Uchida will have served for eight years, Dr. Ishida will have served for seven years, and Ms. Nakajima will have served for five years as external directors at the close of this General Meeting of Shareholders.
 3. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Hiroyuki Nishi, Mr. Norio Uchida, Dr. Kozo Ishida and Ms. Yoshimi Nakajima respectively to limit their liability for damages, which is stipulated in Article 423, Paragraph 1 of the Companies Act. The Company plans to continue this liability limitation agreement with them if their election is approved as proposed at this General Meeting of Shareholders. The amount of the liability limit under such agreement shall be the amount provided for by the relevant laws and regulations.
 4. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance contract covers damages and others in the event that an insured assumes liability for damages arising from his or her act (including inaction) in the course of performing his or her duties. The insurance premiums are fully borne by the Company. If the candidates are elected as directors and assume office, they will be covered under the insurance contract. The Company plans to renew the insurance contract with the same contents at the time of renewal.

Proposal No. 3: Election of Two Corporate Auditors

The terms of office of the Corporate Auditors, Mr. Makoto Ito and Mr. Senshu Asada, will expire at the close of this General Meeting of Shareholders. Accordingly, the Company proposes to elect two Corporate Auditors.

This Proposal has received prior consent from the Board of Corporate Auditors.

The candidates for corporate auditors are as follows.

Candidate No. 1	Yuji Morijiri	Past experience and positions	
		April 1990	Joined Nippon Life Insurance Company
		March 2012	General Manager of 2nd Tokai Corporate Relations Management Department
		March 2017	General Manager of Group Annuities Department
		March 2019	General Manager of 1st Corporate Relations Management Department
Date of birth April 10, 1967	April 2023	Joined the Company	Senior Manager, Assigned to Management Planning Department (current position)
Number of shares of the Company held None	(Significant concurrent positions)		
	-		
	New election	[Reasons for selection as a candidate for corporate auditor] Mr. Yuji Morijiri has extensive experience and knowledge of finance and accounting divisions at other companies. The Company has nominated Mr. Morijiri as a candidate for corporate auditor based on its expectations that he will use his expertise and experience for audits of the Company.	

New election

New candidate for corporate auditor

Candidate No. 2	Soya Honda Date of birth September 11, 1972 Number of shares of the Company held None	Past experience and positions	
		December 2007	Registered as an attorney
		April 2008	External assistant teacher of Chuo Law School (current position)
		April 2012	Auditor of Tokyo Judo Federation (current position)
		April 2016	Secretary-General of Certification and Evaluation Department of Japan Law Foundation
		September 2016	External Corporate Auditor of bBreak Systems Co., Ltd. (current position)
		November 2021	External Corporate Auditor of Ides Co., Ltd. (current position)
		April 2022	Founder and Director of Soya Honda Law Office (current position)
		(Significant concurrent positions)	
		<ul style="list-style-type: none"> • Director of Soya Honda Law Office • External Corporate Auditor of bBreak Systems Co., Ltd. 	
		[Reasons for selection as a candidate for external auditor]	
		The Company has nominated Mr. Soya Honda as a candidate for external auditor because he has extensive experience and deep insight gained as an attorney, which the Company expects him to use for audits of the Company.	
		Mr. Honda has not been involved in corporate management in a role other than external auditor, but for the reasons stated above, the Company has determined that he can carry out properly his duties as an external auditor.	
		In addition, as Mr. Honda meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company will register Mr. Honda as an Independent Officer with the Tokyo Stock Exchange, in the event that he assumes the office of external auditor.	

New election	New candidate for corporate auditor
External	Candidates for external auditor
Independent Officer	Candidate for independent officers registered with the Tokyo Stock Exchange

- (Notes)
1. No special interests exist between either of the candidates for corporate auditor and the Company.
 2. Mr. Soya Honda is a new candidate for external auditor.
 3. In the event that Mr. Yuji Morijiri and Mr. Soya Honda assume the office of corporate auditor, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to enter into an agreement with them to limit their liability for damages, which is stipulated in Article 423, Paragraph 1 of the Companies Act. The amount of the liability limit under such agreement shall be the amount provided for by the relevant laws and regulations.
 4. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance contract covers damage and others in the event that an insured assumes liability for damages arising from his or her act (including inaction) in the course of performing his or her duties. The insurance premiums are fully borne by the Company. If this Proposal is approved and Mr. Morijiri and Mr. Honda thereafter assume the office of corporate auditor, they will be covered under the insurance contract. The Company plans to renew the insurance contract with the same contents at the time of renewal.

[Reference] Skill matrix of Board of Directors after General Meeting of Shareholders

If the candidates described in this notice are elected as originally proposed, the composition of directors and corporate auditors and their respective expertise and experience are as summarized in the below table.

Name	Position	Expertise/experience					
		Corporate management	Global	Sales/ marketing	R&D/ technology/ manufacturing	Finance/ accounting	Legal affairs/ risk management
Setsuo Iwashita	President and Chief Executive Officer	○	○	○			
Choong Ryul Paik	Senior Managing Director	○	○		○		
Hiroyuki Nishi	Director (external)	○	○				○
Norio Uchida	Director (external)	○	○	○			
Kozo Ishida	Director (external)	○	○		○		
Yoshimi Nakajima	Director (external)	○	○	○			
Kazuya Saito	Corporate Auditor				○		
Yuji Morijiri	Corporate Auditor					○	
Isao Utsunomiya	Corporate Auditor (external)					○	
Soya Honda	Corporate Auditor (external)						○

The above table summarizes the areas in which the Company has particular expectations, and not intended as description of all their expertise and experience.

Proposal No. 4: Election of One Substitute Auditor

The effective tenure of Mr. Takao Nonaka, who was elected as substitute auditor at the 118th Ordinary General Meeting of Shareholders held on September 29, 2022, will expire at the start of this General Meeting of Shareholders. Accordingly, in order to prepare for the contingency in which the Company does not have the number of corporate auditors required by laws and regulations, the Company proposes to elect one substitute auditor.

This Proposal has received prior consent from the Board of Corporate Auditors.

The candidate for substitute auditor is as follows.

<p>Takao Nonaka</p> <p>Date of birth January 29, 1949</p> <p>Number of shares of the Company held None</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">External</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</p>	Past experience and positions	
	April 1971	Joined Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)
	March 1982	Registered as Certified Public Tax Accountant
	April 1982	Opened Takao Nonaka Certified Public Tax Accountant Office President of Takao Nonaka Certified Public Tax Accountant Office (current position)
	January 1989	President and Representative Director of Melies Co., Ltd.
	March 1991	Corporate Auditor of Kinashi Denki Co., Ltd.
	September 2009	External Corporate Auditor of the Company
	June 2011	Advisor of Kyobashi Branch, Tokyo Certified Public Tax Accountants' Association (current position)
	May 2012	Auditor of Incorporated Educational Institution Ishida Gakuen (currently Incorporated Educational Institution Kokusai Kyoiku Kiko)
	May 2013	Director of Incorporated Educational Institution Ishida Gakuen (currently Incorporated Educational Institution Kokusai Kyoiku Kiko) (current position)
	October 2013	Advisor of Kyobashi Certified Public Tax Accountants Political League (current position)
	June 2015	Auditor of Mutual Aid Association of Certified Public Tax Accountants in Japan Corporate Auditor of Nichizei Mutual Aid Co., Ltd.
	February 2017	Corporate Auditor of FIT Leadintex, Inc. (current position)
May 2023	External Director of NIPPON BUNKASEIKO CO., LTD. (current position)	
(Significant concurrent positions)		
<ul style="list-style-type: none"> • President of Takao Nonaka Certified Public Tax Accountant Office 		

	<p>[Reasons for selection as a candidate for substitute external auditor]</p> <p>Mr. Takao Nonaka not only has expertise and experience gained as a certified public tax accountant but also possesses experience as a corporate auditor of the Company as well as other companies. The Company has nominated Mr. Nonaka as a candidate for substitute external auditor based on its expectations that he will be able to contribute to sustainable growth and the improvement of corporate value over a medium to long term by leveraging his knowledge and experience to provide appropriate supervision.</p> <p>In addition, as Mr. Nonaka meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company will register Mr. Nonaka as an Independent Officer with the Tokyo Stock Exchange, in the event that he assumes the office of external auditor.</p>
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External

Candidate for substitute external auditor

Independent Officer

Candidate for independent officers registered with the Tokyo Stock Exchange

- (Notes)
1. No special interests exist between the candidate for substitute auditor and the Company.
 2. Mr. Takao Nonaka is a candidate for substitute external auditor. He has served as an external auditor of the Company in the past.
 3. In the event that Mr. Takao Nonaka assumes the office of external auditor, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to enter into an agreement with Mr. Nonaka to limit his liability for damages, which is stipulated in Article 423, Paragraph 1 of the Companies Act. The amount of the liability limit under such agreement shall be the amount provided for by the relevant laws and regulations.
 4. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance contract covers damages and others in the event that an insured assumes liability for damages arising from his or her act (including inaction) in the course of performing his or her duties. The insurance premiums are fully borne by the Company. If this Proposal is approved and Mr. Nonaka thereafter assumes the office of external auditor, he will be covered under the insurance contract. The Company plans to renew the insurance contract with the same contents at the time of renewal.

Consolidated Financial Statements

Consolidated Balance Sheets

(As of June 30, 2023)

(Unit: Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	255,280	Current liabilities	106,754
Cash on hand and in banks	98,399	Notes and accounts payable - trade	47,336
Notes and accounts receivable - trade, and contract assets	83,538	Short-term loans payable	11,878
Merchandise and finished goods	6,140	Lease obligations	898
Work in process	36,485	Income taxes payable	2,328
Raw materials and supplies	19,335	Contract liabilities	22,685
Other	11,903	Accrued employees' bonuses	5,072
Allowance for doubtful accounts	(521)	Accrued directors' bonuses	368
Non-current assets	98,193	Accrued warranty costs	1,726
Property, plant and equipment	69,588	Provision for loss on order received	313
Buildings and structures	25,915	Other	14,149
Machinery, equipment and vehicles	20,399	Long-term liabilities	41,867
Tools, furniture and fixtures	1,741	Long-term loans payable	30,080
Land	8,245	Lease obligations	3,037
Leased assets	3,670	Deferred tax liabilities	195
Construction in progress	9,617	Net defined benefit liability	7,414
Intangible assets	4,336	Provision for board benefit trust	311
Leased assets	23	Asset retirement obligations	409
Software	1,746	Other	420
Other	2,568	Total liabilities	148,620
Investments and other assets	24,269	(Net Assets)	
Investment securities	10,151	Shareholders' equity	185,003
Net defined benefit asset	940	Capital stock	20,873
Deferred tax assets	6,245	Capital surplus	3,912
Other	8,962	Retained earnings	160,563
Allowance for doubtful accounts	(2,030)	Treasury shares	(345)
		Accumulated other comprehensive income	13,209
		Valuation difference on available-for-sale securities	2,036
		Foreign currency translation adjustment	12,721
		Remeasurements of defined benefit plans	(1,547)
		Non-controlling interests	6,641
		Total net assets	204,853
Total assets	353,474	Total liabilities and net assets	353,474

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Consolidated Statements of Income

(July 1, 2022–June 30, 2023)

(Unit: Millions of yen)

Description	Amount	
Net sales		227,528
Cost of sales		160,366
Gross profit		67,162
Selling, general and administrative expenses		47,217
Operating profit		19,946
Non-operating income		
Interest income	394	
Dividend income	429	
Share of profit of entities accounted for using equity method	2,661	
Other	1,579	5,063
Non-operating expenses		
Interest expenses	441	
Foreign exchange losses	574	
Commission for syndicated loans	287	
Other	826	2,128
Ordinary profit		22,880
Extraordinary income		
Gain on sales of non-current assets	153	153
Extraordinary losses		
Impairment losses	2,311	2,311
Income before income taxes		20,722
Current income taxes	6,100	
Deferred income taxes	542	6,642
Net income		14,080
Net loss attributable to non-controlling interests		(89)
Net income attributable to owners of parent		14,169

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Consolidated Statements of Changes in Equity

(July 1, 2022–June 30, 2023)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	20,873	3,912	152,514	(344)	176,955
Changes of items during the period					
Dividends of surplus			(6,120)		(6,120)
Net income attributable to owners of parent			14,169		14,169
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	8,049	(1)	8,048
Balance at the end of current period	20,873	3,912	160,563	(345)	185,003

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,440	12,282	(1,700)	12,022	7,508	196,484
Changes of items during the period						
Dividends of surplus						(6,120)
Net income attributable to owners of parent						14,169
Purchase of treasury shares						(1)
Net changes of items other than shareholders' equity	596	439	153	1,188	(867)	321
Total changes of items during the period	596	439	153	1,188	(867)	8,369
Balance at the end of current period	2,036	12,721	(1,547)	13,209	6,641	204,853

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Non-consolidated Financial Statements
Non-consolidated Balance Sheets
(As of June 30, 2023)

(Unit: Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	152,052	Current liabilities	67,124
Cash on hand and in banks	62,019	Notes payable - trade	638
Notes receivable - trade	160	Electronically recorded obligations - operating	20,216
Electronically recorded monetary claims - operating	3,065	Accounts payable - trade	14,941
Accounts receivable - trade, and contract assets	43,669	Current portion of long-term loans payable	6,777
Finished goods	633	Lease obligations	113
Raw materials	6,320	Accounts payable - other	5,315
Work in process	17,550	Contract liabilities	6,253
Short-term loans receivable	8,819	Deposits received	7,181
Accounts receivable - other	7,589	Accrued employees' bonuses	1,345
Other	2,282	Accrued directors' bonuses	202
Allowance for doubtful accounts	(54)	Accrued warranty costs	616
Non-current assets	79,712	Provision for loss on order received	307
Property, plant and equipment	41,825	Other	3,221
Buildings	13,211	Long-term liabilities	31,482
Structures	189	Long-term loans payable	28,488
Machinery and equipment	16,676	Lease obligations	336
Vehicles	25	Provision for defined benefit plans	1,902
Tools, furniture and fixtures	652	Provision for board benefit trust	311
Land	5,504	Asset retirement obligations	211
Leased assets	396	Other	233
Construction in progress	5,171	Total liabilities	98,606
Intangible assets	3,230	(Net Assets)	
Patent right	894	Shareholders' equity	131,192
Software	1,043	Capital stock	20,873
Other	1,293	Capital surplus	4,582
Investments and other assets	34,657	Legal capital surplus	105
Investment securities	3,169	Other capital surplus	4,477
Shares of subsidiaries and associates	13,825	Retained earnings	106,081
Investments in capital of subsidiaries and associates	10,842	Legal retained earnings	3,435
Long-term loans receivable	2,633	Other retained earnings	102,645
Guarantee deposits	270	Reserve for advanced depreciation of non-current assets	401
Deferred tax assets	3,554	Retained earnings brought forward	102,244
Other	1,725	Treasury shares	(344)
Allowance for doubtful accounts	(1,362)	Valuation and translation adjustments	1,966
		Valuation difference on available-for-sale securities	1,966
		Total net assets	133,158
Total assets	231,764	Total liabilities and net assets	231,764

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Non-consolidated Statements of Income

(July 1, 2022–June 30, 2023)

(Unit: Millions of yen)

Description	Amount	
Net sales		94,250
Cost of sales		68,328
Gross profit		25,922
Selling, general and administrative expenses		25,144
Operating profit		777
Non-operating income		
Interest and dividend income	12,236	
Rent income	266	
Other	851	13,353
Non-operating expenses		
Interest expenses	301	
Assets for lease expenses	188	
Foreign exchange losses	693	
Commission for syndicated loans	287	
Other	502	1,972
Ordinary profit		12,159
Extraordinary income		
Gain on sales of non-current assets	141	
Gain on extinguishment of tie-in shares	3,820	3,961
Extraordinary losses		
Impairment losses	2,430	2,430
Income before income taxes		13,690
Current income taxes	845	
Deferred income taxes	503	1,348
Net income		12,342

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Non-consolidated Statements of Changes in Equity

(July 1, 2022–June 30, 2023)

(Unit: Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						Reserve for advanced depreciation of non-current assets	Retained earnings brought forward			
Balance at the beginning of current period	20,873	105	4,477	4,582	2,823	414	96,621	99,859	(342)	124,971
Changes of items during the period										
Dividends of surplus							(6,120)	(6,120)		(6,120)
Provision of legal retained earnings due to dividends of surplus					612		(612)	–		–
Increase of reserve for advanced depreciation of non-current assets by merger						58	(58)	–		–
Reversal of reserve for advanced depreciation of non-current assets						(71)	71	–		–
Net income							12,342	12,342		12,342
Purchase of treasury shares									(1)	(1)
Net changes of items other than shareholders' equity										
Total changes of items during the period	–	–	–	–	612	(13)	5,623	6,222	(1)	6,221
Balance at the end of current period	20,873	105	4,477	4,582	3,435	401	102,244	106,081	(344)	131,192

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	1,381	1,381	126,352
Changes of items during the period			
Dividends of surplus			(6,120)
Provision of legal retained earnings due to dividends of surplus			–
Increase of reserve for advanced depreciation of non-current assets by merger			–
Reversal of reserve for advanced depreciation of non-current assets			–
Net income			12,342
Purchase of treasury shares			(1)
Net changes of items other than shareholders' equity	586	586	586
Total changes of items during the period	586	586	6,806
Balance at the end of current period	1,966	1,966	133,158

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.