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Securities Code: 8081

June 1, 2026

To our shareholders:

Futoshi Moriya
President and Representative Director
KANADEN CORPORATION
1-8-12, Harumi, Chuo-ku, Tokyo 104-6215
Triton Square Z

NOTICE OF THE 176TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 176th Ordinary General Meeting of Shareholders of KANADEN CORPORATION (the “Company”), which will be held as described below.

In convening this Ordinary General Meeting of Shareholders, the Company has taken measures for providing the information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. in electronic format (items for which the measures for providing information in electronic format will be taken), excluding the Voting Form, so please visit the Company’s website below and review it.

Company’s website: <https://www.kanaden.co.jp/en/ir/library/meeting/#librarys>

If you are unable to attend the meeting in person, you may exercise your voting rights in writing (by mail), or via the Internet. After reviewing the Reference Documents for the General Meeting of Shareholders, please exercise your voting rights no later than the end of Company business hours (5:35 p.m.) on Monday, June 22, 2026 (Japan Standard Time).

1. **Date and Time:** Tuesday, June 23, 2026 at 10:00 a.m. (Japan Standard Time)
2. **Venue:** 15th Floor, Office Tower Z, Harumi Island Triton Square
Conference Room of Head Office, KANADEN CORPORATION,
1-8-12, Harumi, Chuo-ku, Tokyo, Japan

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 176th Term (from April 1, 2025 to March 31, 2026), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 176th Term (from April 1, 2025 to March 31, 2026)

Items to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
Proposal 2: Election of Seven (7) Directors
Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

Important notice regarding the provision of General Meeting of Shareholders documents in electronic format

- In addition to the Company's website, the Company also takes measures to provide information in electronic format on the website of the Tokyo Stock Exchange (TSE). Please visit the TSE website below, enter "Kanaden" in "Issue Name (Company Name)" or "8081" in "Securities Code" and click "Search." Then, click "Basic Information" and select "Documents for Public Inspection/PR Information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]" to review the information.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website and the TSE website.

- Items partially omitted from the documents to be delivered

In accordance with the provisions of laws and regulations and the Company's Articles of Incorporation, the following items are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Accordingly, the documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents included in the scope of audits by the Audit & Supervisory Board Members and the Accounting Auditor when they create their respective audit reports.

- (i) "Principal business activities," "Principal business offices," "Status of employees," "Overview of contents of directors and officers liability insurance policy, etc.," "Overview of contents of liability limitation agreement," "Matters relating to outside officers," "Status of accounting auditor," "Policy for determining surplus dividends, etc.," "System to ensure the appropriateness of business operations," and "Overview of the operational status of the system to ensure the appropriateness of business operations" in the Business Report
- (ii) "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
- (iii) "Balance Sheet," "Statement of Income," "Statement of Changes in Net Assets," and "Notes to the Non-consolidated Financial Statements" in the financial statements
- (iv) "Accounting Auditors' Report on Consolidated Financial Statements," "Accounting Auditors' Report on Financial Statements," and "Audit & Supervisory Board's Audit Report" in the audit reports

Important notice regarding the exercise of voting rights

- If you exercise your voting rights both in writing (by mail) and via the Internet, voting rights exercised via the Internet shall be deemed as the valid exercise of voting rights.

If you exercise your voting rights more than once via the Internet, the last vote shall be deemed as the valid exercise of your voting rights.

- If you submit the voting form without any indication of approval or disapproval of the proposals, it shall be deemed as an intention of approval.
- Please submit the voting form at the reception on your arrival.

Important notice regarding the General Meeting of Shareholders

- To exercise your voting rights by proxy, you can designate one other shareholder who has voting rights to attend the General Meeting of Shareholders as your proxy. In this case, please submit a letter of proxy.
- Shareholders who require sign language interpretation or care assistance may attend together with one interpreter or caregiver. However, please understand that the interpreter or caregiver is not allowed to exercise voting rights or ask questions.
- Wheelchair users who attend will be guided into the venue by staff. Please ask the reception staff at the General Meeting of Shareholders on the 15th Floor of Triton Square Z.

Proposal 2: Election of Seven (7) Directors

At the conclusion of this General Meeting of Shareholders, the terms of office of all seven (7) current Directors will expire. Accordingly, the Company proposes the election of seven (7) Directors.

The Nomination and Compensation Advisory Committee has reported back that this proposal is appropriate.

The candidates for Directors are as follows:

No.	Name	Position and responsibilities of the Company	
1	Futoshi Moriya	President (Representative Director)	Reelection
2	Harumi Nakatake	Managing Director (Senior General Manager, Business Management Office, and in charge of Building Facilities Division, Transportation Division, and Defense & Medical Division)	Reelection
3	Yayoi Ito	Director	Reelection Outside Independent Nomination and Compensation
4	Tomoe Imado	Director	Reelection Outside Independent Nomination and Compensation
5	Hajime Oshita	–	New election Outside Independent Nomination and Compensation
6	Takanori Sugai	Director (Senior General Manager, Kansai District Office)	Reelection
7	Nobuhiro Kuroda	Director (Senior General Manager, Administration Division and in charge of Management Division)	Reelection Nomination and Compensation

New election: Candidate for new election as Director

Reelection: Candidate for reelection as Director

Outside: Candidate for election as Outside Director

Independent: Candidate for Independent Director as defined by Tokyo Stock Exchange

Nomination and Compensation: Candidate for Nomination and Compensation Advisory Committee

No.	Name (Date of birth)	Career summary, position, and responsibilities of the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Futoshi Moriya (September 25, 1962)</p> <p style="text-align: center;">Tenure 6 years</p> <p style="text-align: center;">Attendance to the Board of Directors meetings 13/13</p>	<p>Apr. 1986 Joined the Company</p> <p>June 2016 Executive Officer and Senior General Manager, Factory Automation Division, the Company</p> <p>Apr. 2020 Executive Officer and Senior General Manager, Kansai District Office, the Company</p> <p>June 2020 Director, Executive Officer, and Senior General Manager, Kansai District Office, the Company</p> <p>June 2021 Managing Director, Executive Officer, and Senior General Manager, Kansai District Office, and in charge of Branch office, the Company</p> <p>Apr. 2022 Managing Director and Senior General Manager, Kansai District Office, and in charge of Branch office, the Company</p> <p>June 2023 Senior Managing Director and Senior General Manager, Kansai District Office, and in charge of Sales Unit, and Solution Engineering Division, the Company</p> <p>Apr. 2024 Senior Managing Director and Senior General Manager, Business Management Office, and in charge of Sales Unit, Solution Engineering Division, and ICT Promotion Division, the Company</p> <p>June 2025 President and Representative Director, the Company (current position)</p>	48,495
<p>Reasons for nomination as candidate for Director</p> <p>Futoshi Moriya had been involved in the Factory Automation Systems business for many years, which is one of our major business segments. His extensive experience and broad knowledge as a business manager in Japan and overseas have contributed greatly to the growth of the Company. His distinguished leadership and sense of management balance based on extensive experience are particularly notable. We recommend his reelection as a Director because his knowledge and skills are essential to the sustainable growth of the Company.</p>			

No.	Name (Date of birth)	Career summary, position, and responsibilities of the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Harumi Nakatake (November 10, 1961)</p> <p style="text-align: center;">Tenure 2 years</p> <p style="text-align: center;">Attendance to the Board of Directors meetings 13/13</p>	<p>Apr. 1984 Joined Mitsubishi Electric Corporation</p> <p>Apr. 2018 Senior General Manager, Chubu Branch, Mitsubishi Electric Corporation</p> <p>Apr. 2023 Joined the Company</p> <p>Senior Executive Officer and Senior General Manager, System Integration Division, the Company</p> <p>Apr. 2024 Senior Executive Officer and Senior General Manager, Building Facilities Division, the Company</p> <p>June 2024 Director and Senior General Manager, Building Facilities Division, the Company</p> <p>June 2025 Managing Director, Senior General Manager, Business Management Office, the Company</p> <p>Apr. 2026 Managing Director, Senior General Manager, Business Management Office, and in charge of Building Facilities Division, Transportation Division, and Defense & Medical Division, the Company (current position)</p>	6,750
<p>Reasons for nomination as candidate for Director</p> <p>Harumi Nakatake possesses extensive experience and insight in the electronics field, having served in important roles at Mitsubishi Electric Corporation. His skills have been cultivated through his involvement across a wide variety of businesses in the electronics industry for many years, and these skills are essential to the sustainable development of the Company. Accordingly, we recommend his reelection as a Director.</p>			

No.	Name (Date of birth)	Career summary, position, and responsibilities of the Company	Number of the Company's shares owned
3	<p style="text-align: center;">Reelection Outside Independent Nomination and Compensation</p> <p style="text-align: center;">Yayoi Ito (March 1, 1964)</p> <p style="text-align: center;">Tenure 5 years</p> <p style="text-align: center;">Attendance to the Board of Directors meetings 13/13</p>	<p>Apr. 1986 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (currently NTT, Inc.)</p> <p>July 1988 Joined NTT DATA Communications Systems Corporation (currently NTT DATA Group)</p> <p>Apr. 2008 General Manager, Business Planning Promotion Office, Headquarter of Public System Business, NTT DATA Corporation</p> <p>Apr. 2016 Joined Microsoft Japan Co., Ltd. Senior General Manager, Headquarter of Enterprise Partner Sales Division</p> <p>Feb. 2017 Joined YAMATO HOLDINGS CO., LTD. General Manager, Digital Innovation Promotion Office</p> <p>Apr. 2018 General Manager, Information Technology Strategy Department, YAMATO HOLDINGS CO., LTD.</p> <p>May 2019 Joined UNIZO Holdings Company, Limited Managing Executive Officer</p> <p>Nov. 2020 Joined SG SYSTEMS CO., LTD.</p> <p>Apr. 2021 Executive Officer, in charge of Corporate Planning, SG SYSTEMS CO., LTD.</p> <p>June 2021 Outside Director, SUMIKEN MITSUI ROAD CO., LTD.</p> <p>June 2021 Outside Director, the Company (current position)</p> <p>June 2023 Outside Director, Japan Post Holdings Co., Ltd. (current position)</p> <p>June 2023 Outside Director (Member of Audit and Supervisory Committee), Nishimatsu Construction Co., Ltd. (current position)</p> <p>Nov. 2025 Auditor, Umezu General Incorporated Foundation (current position)</p> <p>Significant concurrent positions outside the Company Outside Director, Japan Post Holdings Co., Ltd.; Outside Director (Member of Audit and Supervisory Committee), Nishimatsu Construction Co., Ltd.</p>	-
<p>Reasons for nomination as candidate for Outside Director and expected roles</p> <p>We recommend the reelection of Yayoi Ito as an Outside Director because, although she has not been involved in corporate management other than in her role as an Outside Director, she has extensive experience and insight regarding business strategies and ICT, and has provided appropriate advice to the Company's management on promoting DX. We expect her to provide appropriate advice on business strategies, DX, etc.</p> <p>In addition, if her election is approved, the Company plans for her to be involved in advising on the selection of candidates for executives of the Company, executive remuneration, etc. from a neutral and objective standpoint as a member of the Nomination and Compensation Advisory Committee.</p>			

No.	Name (Date of birth)	Career summary, position, and responsibilities of the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Reelection Outside Independent Nomination and Compensation</p> <p style="text-align: center;">Tomoe Imado (March 3, 1975)</p> <p style="text-align: center;">Tenure 4 years Attendance to the Board of Directors meetings 13/13</p>	<p>Oct. 2003 Registered as an attorney with Daini Tokyo Bar Association Joined Mori Hamada & Matsumoto</p> <p>Apr. 2008 Deputy Director, Economic Treaties Division, International Legal Affairs Bureau, Ministry of Foreign Affairs</p> <p>July 2010 Joined OKUNO & PARTNERS</p> <p>May 2018 Joined IR Japan, Inc. (current position)</p> <p>Jan. 2019 Partner at Miura & Partners (current position)</p> <p>June 2020 Outside Director, ZENKOKU HOSHO Co., Ltd. (current position)</p> <p>June 2022 Outside Director, the Company (current position)</p> <p>Oct. 2023 Executive Director, Tokyo Medical and Dental University (currently Institute of Science Tokyo) (in charge of governance reform)</p> <p>Oct. 2024 Executive Director, Institute of Science Tokyo (in charge of legal affairs) (current position)</p> <p>Significant concurrent positions outside the Company Partner, Miura & Partners, Outside Director, ZENKOKU HOSHO Co., Ltd., Executive Director, Institute of Science Tokyo (in charge of legal affairs)</p>	-
<p>Reasons for nomination as candidate for Outside Director and expected roles</p> <p>We recommend the reelection of Tomoe Imado as an Outside Director because, although she has not been involved in corporate management other than in her role as an Outside Director, she is thoroughly familiar with corporate legal affairs as an attorney and has provided appropriate advice at the Company's Board of Directors meetings based on her experience of being an outside director at a listed company.</p> <p>We expect her to provide appropriate advice on compliance and governance, etc.</p> <p>In addition, if her election is approved, the Company plans for her to be involved in advising on the selection of candidates for executives of the Company, executive remuneration, etc. from a neutral and objective standpoint as a member of the Nomination and Compensation Advisory Committee.</p>			

No.	Name (Date of birth)	Career summary, position, and responsibilities of the Company	Number of the Company's shares owned
5	<p>New election Outside Independent Nomination and Compensation</p> <p>Hajime Oshita (September 11, 1957)</p>	<p>Apr. 1982 Joined NKK Corporation (currently JFE Engineering Corporation)</p> <p>Apr. 2012 Vice President, Manager of Corporate Planning Department, JFE Engineering Corporation</p> <p>Apr. 2014 Senior Vice President, General Manager of Aqua Solution Department, JFE Engineering Corporation</p> <p>Apr. 2015 Director and Senior Vice President, General Manager of Overseas Supervising Department, JFE Engineering Corporation</p> <p>Apr. 2016 Representative Director and Senior Vice President, JFE Engineering Corporation</p> <p>Mar. 2017 Representative Director, President, and CEO, JFE Engineering Corporation</p> <p>June 2017 Director, JFE Holdings, Inc.</p> <p>June 2023 Chairman, Japan Environmental Facilities Manufacturers Association (current position)</p> <p>Apr. 2024 Special Advisor, JFE Engineering Corporation</p> <p>June 2024 Outside Director (Member of Audit and Supervisory Committee), Nishimatsu Construction Co., Ltd. (current position)</p> <p>Mar. 2026 Representative Director and President, Ryugasaki Country Club Co., Ltd. (current position)</p> <p>Significant concurrent positions outside the Company Outside Director (Member of Audit and Supervisory Committee), Nishimatsu Construction Co., Ltd., Representative Director and President, Ryugasaki Country Club Co., Ltd.</p>	—
<p>Reasons for nomination as candidate for Outside Director and expected roles</p> <p>We recommend the election of Hajime Oshita as an Outside Director because we expect him to provide appropriate advice on business strategy, financial strategy, etc. at the Company's Board of Directors meetings based on his experience as an outside director (Member of Audit and Supervisory Committee) at a listed company in addition to his experience as a corporate manager.</p> <p>Furthermore, if his election is approved, the Company plans for him to be involved in advising on the selection of candidates for executives of the Company, executive remuneration, etc. from a neutral and objective standpoint as a member of the Nomination and Compensation Advisory Committee.</p>			
6	<p>Reelection</p> <p>Takanori Sugai (August 14, 1968)</p> <p>Tenure 2 years</p> <p>Attendance to the Board of Directors meetings 13/13</p>	<p>Apr. 1991 Joined the Company</p> <p>June 2023 Executive Officer and Senior General Manager, Building Facilities Division, the Company</p> <p>Apr. 2024 Executive Officer and Senior General Manager, Kansai District Office, the Company</p> <p>June 2024 Director and Senior General Manager, Kansai District Office, the Company (current position)</p>	9,680
<p>Reasons for nomination as candidate for Director</p> <p>Takanori Sugai has held a succession of positions in the sales departments, which is one of our major business segments, and accordingly, has extensive experience and a high level of expertise of the Company's businesses. We recommend his reelection as a Director because his knowledge and skills are essential to the sustainable development of the Company.</p>			

No.	Name (Date of birth)	Career summary, position, and responsibilities of the Company	Number of the Company's shares owned
7	<p>Reelection Nomination and Compensation</p> <p>Nobuhiro Kuroda (November 5, 1966)</p> <p>Tenure 1 year</p> <p>Attendance to the Board of Directors meetings 10/10</p>	<p>Apr. 1990 Joined the Company</p> <p>Apr. 2022 Executive Officer and General Manager, General Affairs and Personnel Office, the Company</p> <p>Apr. 2023 Executive Officer and Senior General Manager, Administration Division, the Company</p> <p>June 2025 Director, Senior General Manager, Administration Division and in charge of Management Division, the Company (current position)</p>	15,603
<p>Reasons for nomination as candidate for Director</p> <p>Nobuhiro Kuroda has served in important roles at management departments focusing on general affairs and personnel, where he has cultivated specialist knowledge related to corporate governance, and he has a record of proactively engaging in dialogue with shareholders, including institutional investors. We recommend his reelection as a Director because his knowledge and skills are essential to the sustainable development of the Company.</p>			

- Notes:
1. There is no special interest between each candidate and the Company.
 2. The number of the Company's shares owned by each candidate includes those owned through the Company's executive stock ownership program (rounded down to the nearest one share).
 3. Yayoi Ito, Tomoe Imado, and Hajime Oshita are candidates for Outside Directors.
 4. Yayoi Ito and Tomoe Imado, candidates for Outside Directors, satisfy the criteria for being an Independent Director as determined by the Tokyo Stock Exchange, Inc. The Company has therefore submitted an Independent Director Notification with the TSE to register these two (2) candidates as Independent Directors. If their reelection is approved, they will continue to be Independent Directors.
 5. Hajime Oshita, a candidate for Outside Director, satisfies the criteria for being an Independent Director as determined by the Tokyo Stock Exchange, Inc. If his election is approved, he will be an Independent Director.
 6. The officially registered name of Tomoe Imado, a candidate for Outside Director, is Tomoe Yamasaki.
 7. The Company has no special relationship with Japan Post Holdings Co., Ltd., Nishimatsu Construction Co., Ltd., Miura & Partners, ZENKOKU HOSHO Co., Ltd., the Institute of Science Tokyo, or Ryugasaki Country Club Co., Ltd.
 8. Japan Post Holdings Co., Ltd., where Yayoi Ito serves as an Outside Director, was ordered by the Ministry of Internal Affairs and Communications in March 2025 to submit a report under the Act on Japan Post Holdings Co., Ltd. after it was discovered that its subsidiary, JAPAN POST Co., Ltd., made inappropriate use of undisclosed financial information at post offices and promoted the insurance products of JAPAN POST INSURANCE Co., Ltd. before receiving approval under the Insurance Business Act. Japan Post Holdings Co., Ltd. was also ordered by the Financial Services Agency in March 2025 to submit reports under the Insurance Business Act and the Banking Act. Yayoi Ito was not aware of the facts of this incident until it was discovered and she regularly makes recommendations that emphasize the importance of Group governance and internal controls, and the need for compliance with laws and regulations. She also fulfilled her managerial responsibilities after this incident was revealed, such as issuing instructions to prevent recurrence.
 9. At JFE Engineering Corporation, where Hajime Oshita served as Representative Director until March 2024, three employees were found guilty of obstruction of bidding and auctions related to public contracts and violation of the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. in connection with a submarine water pipe replacement project contracted with Taketomi, Okinawa Prefecture. Hajime Oshita fulfilled his responsibilities in this matter by receiving reports on the incident, establishing a special investigation committee including external legal counsel, and leading efforts to identify the root causes and formulate and implement recurrence prevention measures.
 10. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses, such as amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, a third party, etc. However, in order to ensure that the Insured's proper performance of their duties is not impaired, claims for damages arising from illegal acts or other misconduct are not covered. Upon the assumption of office by the candidates as Directors, the candidates will be insured under the insurance policy. Furthermore, in consideration of business expansion and changes in management risk, the Company plans to increase the coverage limit at the time of the next renewal.
 11. Pursuant to Article 427, paragraph (1) of the Companies Act and the provisions of Article 26 of the Company's Articles of Incorporation, the Company has concluded limited liability agreements with the Outside Directors to limit their liability for damages as prescribed in Article 423, paragraph (1), of the Companies Act. The maximum amount of liability for damages under the agreements has been set at the minimum amount permitted under laws and regulations. If Yayoi Ito and Tomoe Imado assume the office of Outside Director, the Company intends to continue the agreements with both

Outside Directors. Liabilities will be limited under the agreements only to the extent that the relevant Outside Director acted in good faith and without gross negligence in relation to the performance of the duty that gave rise to the liability.

12. Pursuant to Article 427, paragraph (1) of the Companies Act and the provisions of Article 26 of the Company's Articles of Incorporation, the Company has concluded limited liability agreements with the Outside Directors to limit their liability for damages as prescribed in Article 423, paragraph (1), of the Companies Act. The maximum amount of liability for damages under the agreements has been set at the minimum amount permitted under laws and regulations. If Hajime Oshita assumes the office of Outside Director, the Company intends to conclude the agreements with him. Liabilities will be limited under the agreements only to the extent that the relevant Outside Director acted in good faith and without gross negligence in relation to the performance of the duty that gave rise to the liability.

(Reference) Skill Matrix of Candidates for Directors

With regard to the composition of the Board of Directors, the Company selects individuals with extensive experience and knowledge in various fields, and seeks to improve the functioning of the Board of Directors, etc.

The main areas of specialist experience and knowledge the candidates for Directors have are as follows.

No.	Name (Age)	Tenure (Year)	Position and responsibilities	Main areas of specialist experience and knowledge of the candidates							
				Management	Sales	Technology	Finance/Accounting	Legal affairs	International business	Human resources	DX
1	Futoshi Moriya (63)	6	President (Representative Director)	•	•	•			•		
2	Harumi Nakatake (64)	2	Managing Director (Senior General Manager, Business Management Office, and in charge of Building Facilities Division, Transportation Division, and Defense & Medical Division)	•	•	•					
3	Yayoi Ito (62)	5	Director (Outside)		•	•				•	•
4	Tomoe Imado (51)	4	Director (Outside)					•	•		
5	Hajime Oshita (68)	–	–	•		•	•		•		
6	Takanori Sugai (57)	2	Director (Senior General Manager, Kansai District Office)	•	•	•					
7	Nobuhiro Kuroda (59)	1	Director (Senior General Manager, Administration Division and in charge of Management Division)	•			•	•		•	

Note: The table shows up to four areas of each candidate's specialist experience and knowledge that should be particularly noted as his or her strong suits and that are highly relevant to the Company's businesses.

Reason for selecting skill items

Skill item	Reason for selection
Management	Sustainable growth and enhanced corporate value require comprehensive management experience in areas such as overall business strategy formulation, organizational operations, and risk management.
Sales	Building strong relationships with customers and accurately understanding market needs are the cornerstones of business growth and require knowledge and experience in formulating and executing effective sales strategies.
Technology	Solving increasingly complex customer challenges and contributing to addressing social issues require deep expertise in solutions covering products and systems.
Finance/ Accounting	Evaluating the financial soundness of a company and implementing growth investments require solid expertise in finance and accounting.
Legal affairs	Compliance with laws and regulations is the foundation of corporate trust and survival. Legal expertise is required to appropriately assess and manage legal risks and strengthen governance.
International business	Sustainable growth of our domestic and international operations requires expertise in overseas business environments and management experience in international operations.
Human resources	Human capital is a company's greatest asset, and human resources strategy directly contributes to enhancing corporate value. Achieving this requires expertise in securing, developing, and utilizing personnel with diverse backgrounds.
DX	Digital transformation (DX) is essential to our competitiveness and sustainable growth, and it requires possessing advanced insight of DX.

Composition of the Board of Directors

■ Ratio of Independent Outside Directors

42.9% 3 out of 7

■ Ratio of female Directors

28.6% 2 out of 7

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

The Company would like to recommend the election of one (1) candidate for the position of Substitute Audit & Supervisory Board Member, in order to avoid a situation in which it may not have the legally required number of Audit & Supervisory Board Members.

The Audit & Supervisory Board has already given its consent to this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary	Number of the Company's shares owned
Yoshinori Sato (December 10, 1962)	Apr. 1996 Registered as an attorney at law (Osaka Bar Association) Apr. 1996 Joined Takagi Motaichi Law Office Feb. 2006 Outside Corporate Auditor, Zojirushi Corporation June 2015 Outside Corporate Auditor, NCS&A CO., LTD. June 2015 Outside Corporate Auditor, Toyobo Co., Ltd. Dec. 2016 Joined Yasaka Law Office (current position) Significant concurrent positions outside the Company Attorney at law, Yasaka Law Office	-
Reasons for nomination as candidate for substitute Outside Audit & Supervisory Board Member Although Yoshinori Sato has not been involved in corporate management other than in his role as an Outside Corporate Auditor, he is qualified as an attorney at law and has cultivated extensive expertise in corporate law by serving roles such as an Outside Corporate Auditor for listed companies. We expect him to apply this knowledge and know-how to the auditing and supervision of the Company's management. The Company therefore proposes the election of Yoshinori Sato as a substitute Outside Audit & Supervisory Board Member.		

- Notes:
1. Yoshinori Sato is a candidate for substitute Outside Audit & Supervisory Board Member.
 2. The candidate Yoshinori Sato satisfies the criteria for being an Independent Director/Auditor as determined by the Tokyo Stock Exchange, Inc. If he assumes the office of Outside Audit & Supervisory Board Member, the Company will register him as an Independent Auditor with Tokyo Stock Exchange, Inc.
 3. The Group pays Yoshinori Sato remuneration for outsourced services including contract review and other related work; however, the amount is negligible and does not give rise to any special conflict of interest.
 4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses, such as amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, a third party, etc. However, in order to ensure that the Insured's proper performance of their duties is not impaired, claims for damages arising from illegal acts or other misconduct are not covered. Upon the assumption of office by Yoshinori Sato as an Outside Audit & Supervisory Board Member, he will be insured under the insurance policy. Furthermore, in consideration of business expansion and changes in management risk, the Company plans to increase the coverage limit at the time of the next renewal.
 5. Pursuant to Article 427, paragraph (1) of the Companies Act and the provisions of Article 38 of the Company's Articles of Incorporation, the Company has concluded limited liability agreements with the Independent Outside Audit & Supervisory Board Members to limit their liability for damages as prescribed in Article 423, paragraph (1), of the Companies Act. The maximum amount of liability for damages under the agreements has been set at the minimum amount permitted under laws and regulations. If Yoshinori Sato assumes the office of Outside Audit & Supervisory Board Member, the Company intends to conclude the agreements with him. Liabilities will be limited under the agreements only to the extent that the relevant Outside Audit & Supervisory Board Member acted in good faith and without gross negligence in relation to the performance of the duty that gave rise to the liability.