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(Securities Code 6814)

May 10, 2023

(Commencement date of measures for electronic provision: April 28, 2023)

**To Shareholders with Voting Rights:**

Yukio Furuno  
President and CEO  
FURUNO ELECTRIC CO., LTD.  
9-52 Ashihara-cho, Nishinomiya City,  
Hyogo, Japan

**NOTICE OF  
THE 72nd ANNUAL SHAREHOLDERS' MEETING**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby announce that the 72nd Annual Shareholders' Meeting of FURUNO ELECTRIC CO., LTD. (hereinafter the "Company") will be held for the purposes as described below.

In convening this Shareholders' Meeting, the Company has taken measures for providing information in electronic format, and posted items subject to the electronic provision measures on the following website on the Internet.

The Company's website: <https://www.furuno.co.jp/en/ir/stock/meeting.html>

In addition to the above, the items are posted on the following website.

Website of Tokyo Stock Exchange: <https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

Please access the above website, enter the name or securities code of the Company for search, and select "Basic information" and then "Documents for public inspection/PR information" to view the items.

If you do not attend the meeting in person, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the Shareholders' Meeting and exercise your voting rights by no later than 5:20 p.m. on Wednesday, May 24, 2023, Japan time.

- 1. Date and Time:** Thursday, May 25, 2023 at 10:00 a.m. JST (Japan Standard Time)
- 2. Place:** 5F, Plela Nishinomiya (PLELA HALL)  
4-8 Takamatsu-cho, Nishinomiya City, Hyogo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 72nd Fiscal Year (March 1, 2022 to February 28, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 72nd Fiscal Year (March 1, 2022 to February 28, 2023)
- Proposals to be resolved:**
- Proposal 1:** Distribution of Surplus
- Proposal 2:** Election of Six (6) Directors
- Proposal 3:** Election of One (1) Audit & Supervisory Board Member
- Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

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- ⊙ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk to confirm your identity. In addition, we ask that you kindly print out this Notice by yourselves, only when it is considered necessary, to reduce paper consumption.
- ⊙ Among the items subject to the electronic provision measures, the following items are not included in the hard copy (of this document) delivered to shareholders who requested the delivery of such document in accordance with the provisions of laws and regulations as well as Article 15 of the Articles of Incorporation of the Company. Accordingly, such document comprises part of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor when preparing their respective audit reports.
1. "Major Sales Offices and Factories," "Major Lenders and Amounts of Borrowings," "Status of the Accounting Auditor," "Systems for Ensuring the Appropriateness of Business Activities" and "Operational Status of Systems for Ensuring the Appropriateness of Business Activities" in the Business Report
  2. "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
  3. "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- \* For this Shareholders' Meeting, the hard copy of this document is sent to all shareholders.
- ⊙ Any revisions to the items subject to the electronic provision measures will be posted on each of the websites.
- ⊙ The results of this meeting will be posted on the Company's website (<https://www.furuno.co.jp/ir/stock/meeting.html>), in place of sending a Notice of Shareholders' Meeting Resolutions.

## Proposals and References

### Proposal 1: Distribution of Surplus

The Company considers its dividend policy one of its most important management policies. The Company's basic policy when making decisions about the distribution of profits is to comprehensively take into consideration the Company's financial position, level of profitability, dividend payout ratio, and other factors while keeping in mind continuous and stable dividend. In addition, the Company intends to utilize internal reserves for far-sighted investment and further strengthening of the Company's corporate structure.

The Company proposes a year-end dividend for the fiscal year under review as follows, in order to reward shareholders for their support while taking into consideration the management environment surrounding the Company and business performance in the fiscal year under review.

The Company previously paid out 10 yen per share as an interim dividend and the aggregate amount of annual dividends will therefore amount to 25 yen per share.

#### Items Related to the Year-end Dividend

(1) Type of dividend property

Cash

(2) Items related to the allocation of dividend property to shareholders and its total amount

15 yen per common share of the Company, for a total of 473,456,040 yen

(3) Date on which the distribution of surplus comes into effect

May 26, 2023

**Proposal 2:** Election of Six (6) Directors



The terms of office of all six (6) Directors will expire at the conclusion of this Shareholders' Meeting. Accordingly, the election of six (6) Directors is proposed.



The candidates for Director are as follows:


No.	Name	Position	Attendance at meetings of the Board of Directors	Candidate attributes
1	Yukio Furuno	President and CEO	100% (13 out of 13 meetings)	Reappointment
2	Muneyuki Koike	Director Vice President and Executive Officer and CMO	100% (13 out of 13 meetings)	Reappointment
3	Shinji Ishihara	Director, Managing Executive Officer and CTO	92% (12 out of 13 meetings)	Reappointment
4	Yutaka Wada	Audit & Supervisory Board Member	100% (13 out of 13 meetings)	New appointment
5	Hideo Higuchi	Director	100% (13 out of 13 meetings)	Reappointment
				External
6	Shingo Kagawa	Director	100% (13 out of 13 meetings)	Reappointment
				External
				Independent

(Notes) 1. CEO, CMO, and CTO stand for Chief Executive Officer, Chief Marketing Officer, and Chief Technology Officer, respectively.

<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>	Candidate for reappointment as Director	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div>	Candidate for new appointment as Director	<div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div>	Candidate for appointment as External Director	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	Independent Director pursuant to the rules of the Tokyo Stock Exchange
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No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
1	 <p data-bbox="242 495 443 551">Yukio Furuno (February 2, 1948)</p> <div data-bbox="242 577 443 622" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointment</div>	<p data-bbox="512 248 1453 456"> March 1987 Deputy General Manager, Administration Division, the Company  May 1987 Director and Deputy General Manager, Administration Division  March 1990 Director and General Manager, Administration Division  May 1990 Managing Director and General Manager, Administration Division  March 1997 Managing Director and Divisional General Manager, SI Division  May 1999 Senior Managing Director and General Manager, TOKYO Regional Head Office    March 2007 President  March 2021 President and CEO (present)  [Responsibilities at the Company]  General Manager, Security Assurance &amp; Export Control Committee and Chief AEO (Authorized Economic Operator) Control Officer </p>
	<p data-bbox="196 667 480 965"> [Number of shares of the Company held]  305,160  [Term of office as Director]  36 years (at the conclusion of this Shareholder's Meeting)  [Attendance at meetings of the Board of Directors]  13 out of 13 meetings </p>	<p data-bbox="512 651 1442 801"> [Reason for nomination as candidate for Director]  Mr. Yukio Furuno has driven the management of the Group with leadership based on his abundant experience and achievements as a manager, and contributed to the further development of the Group. We propose his election as Director with an expectation that he will continue contributing to the Company's management. </p>
2	 <p data-bbox="242 1267 443 1323">Muneyuki Koike (March 7, 1957)</p> <div data-bbox="242 1350 443 1395" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointment</div>	<p data-bbox="512 994 1426 1451"> March 2002 General Manager, International Marketing Department, Marine Electronic Products Division, the Company  May 2005 Director and General Manager, International Marketing Department, Marine Electronic Products Division  March 2009 Director and Divisional Vice General Manager, Marine Electronic Products Division  May 2009 Managing Director and Divisional Vice General Manager, Marine Electronic Products Division  March 2012 Managing Director and Divisional General Manager, Marine Electronic Products Division  May 2016 Senior Managing Director and Divisional General Manager, Marine Electronic Products Division  March 2021 Executive Vice President, Executive Officer and CMO (present)  [Responsibilities at the Company]  Head of Potential Growth Business, Procurement &amp; Logistics </p>
	<p data-bbox="196 1496 480 1794"> [Number of shares of the Company held]  59,130  [Term of office as Director]  18 years (at the conclusion of this Shareholder's Meeting)  [Attendance at meetings of the Board of Directors]  13 out of 13 meetings </p>	<p data-bbox="512 1480 1465 1659"> [Reason for nomination as candidate for Director]  Mr. Muneyuki Koike has abundant experience as a manager as well as knowledge of all aspects of operations concerning sales and marketing, and has contributed to the enhancement of the Company's corporate value as Director of the Company. We propose his election as Director with an expectation that he will continue contributing to the Company's management. </p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
3	 <p>Shinji Ishihara (January 30, 1961)</p> <p>Reappointment</p>	<p>February 2006 General Manager, Research &amp; Development Department, Marine Electronic Products Division, the Company</p> <p>May 2007 Director and General Manager, Research &amp; Development Department, Marine Electronic Products Division</p> <p>May 2016 Managing Director and General Manager, Research &amp; Development Department, Marine Electronic Products Division</p> <p>March 2018 Managing Director and Integration Chief Manager, Product Designing, Development &amp; Value-engineering Head office, Marine Electronic Products Division</p> <p>March 2021 Director, Managing Executive Officer and CTO; Energy Management Control Officer (present)</p> <p>[Responsibilities at the Company] Head of Research &amp; Development, Production and Quality, Environment, Commanding &amp; Supervisory Office, and R&amp;D Planning &amp; Management Center, Intellectual Property Department, Information Technology Department, Technology Management Department</p>
	<p>[Number of shares of the Company held] 38,620</p> <p>[Term of office as Director] 16 years (at the conclusion of this Shareholder's Meeting)</p> <p>[Attendance at meetings of the Board of Directors] 12 out of 13 meetings</p>	<p>[Reason for nomination as candidate for Director] Mr. Shinji Ishihara has abundant experience as a manager as well as knowledge of all aspects of operations concerning development and technology, and has contributed to the enhancement of the Company's corporate value as Director of the Company. We propose his election as Director with an expectation that he will continue contributing to the Company's management.</p>
4	 <p>Yutaka Wada (May 4, 1959)</p> <p>New appointment</p>	<p>March 2003 General Manager, Merchant Marine Marketing Department, Marine Electronic Products Division, the Company</p> <p>May 2007 Director and General Manager, Merchant Marine Marketing Department, Marine Electronic Products Division</p> <p>March 2015 Director and Divisional Vice General Manager, Marine Electronic Products Division</p> <p>September 2015 Director, Divisional Vice General Manager, Marine Electronic Products Division; General Manager, TOKYO Regional Head Office</p> <p>May 2016 Managing Director, General Manager, TOKYO Regional Head Office; Secretary to General Manager, Marine Electronic Products Division</p> <p>May 2018 Audit &amp; Supervisory Board Member (present)</p>
	<p>[Number of shares of the Company held] 27,300</p> <p>[Term of office as Director] —</p> <p>[Attendance at meetings of the Board of Directors] 13 out of 13 meetings</p>	<p>[Reason for nomination as candidate for Director] Mr. Yutaka Wada has abundant experience as a manager as well as knowledge of all aspects of operations concerning the marine products business. We propose his election as Director with an expectation that he will contribute to the Company's management as Director of the Company based on his knowledge.</p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
5	 <p data-bbox="256 551 427 611">Hideo Higuchi (March 5, 1950)</p> <div data-bbox="245 640 440 685" style="border: 1px solid black; padding: 2px; text-align: center;">Reappointment</div> <div data-bbox="284 714 402 759" style="border: 1px solid black; padding: 2px; text-align: center;">External</div> <div data-bbox="256 788 427 833" style="border: 1px solid black; padding: 2px; text-align: center;">Independent</div>	<p data-bbox="515 277 1394 333">June 2004 Executive Officer and Senior General Manager, Operational Reform HQ, OMRON Corporation</p> <p data-bbox="515 338 1394 394">June 2007 Managing Executive Officer and Senior General Manager, Business Process Innovation HQ</p> <p data-bbox="515 398 1394 488">December 2008 Managing Executive Officer; Senior General Manager, Business Process Innovation HQ and Senior General Manager, Corporate Strategic Planning HQ</p> <p data-bbox="515 492 1394 548">March 2009 Managing Executive Officer and Senior General Manager, Corporate Strategic Planning HQ</p> <p data-bbox="515 553 1070 582">November 2011 Outside Director, SOLOEL Co., Ltd.</p> <p data-bbox="515 586 778 616">March 2012 Director</p> <p data-bbox="515 620 1422 676">June 2012 Outside Audit &amp; Supervisory Board Member, Toyo Business Engineering Corporation (currently Business Engineering Corporation)</p> <p data-bbox="515 680 1118 710">May 2016 External Director, the Company (present)</p> <p data-bbox="515 714 1394 770">June 2016 Outside Director, Toyo Business Engineering Corporation (currently Business Engineering Corporation) (present)</p> <p data-bbox="515 775 1054 831">[Significant concurrent positions] Outside Director, Business Engineering Corporation</p>
	<p data-bbox="196 869 456 925">[Number of shares of the Company held]</p> <p data-bbox="196 929 217 958">—</p> <p data-bbox="196 963 488 1019">[Term of office as External Director]</p> <p data-bbox="196 1023 488 1079">7 years (at the conclusion of this Shareholder's Meeting)</p> <p data-bbox="196 1084 488 1140">[Attendance at meetings of the Board of Directors]</p> <p data-bbox="196 1144 424 1173">13 out of 13 meetings</p>	<p data-bbox="515 860 1414 889">[Reason for nomination as candidate for External Director and outline of expected role]</p> <p data-bbox="515 893 1434 1144">Mr. Hideo Higuchi has provided appropriate advice and views, mainly from a manager's viewpoint based on his abundant experience as a corporate manager in the manufacturing industry and an external officer as well as his advanced knowledge. We judge that he will contribute to strengthening the supervisory function of the Board of Directors of the Company. In addition, we expect that he will play appropriate roles as a member of the Nomination and Compensation Advisory Committee, a voluntary committee, including supervising through involvement in nomination of the management personnel and determination on the management compensation. Therefore, we propose his election as External Director.</p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
6	 <p data-bbox="256 551 432 607">Shingo Kagawa (March 8, 1958)</p> <div data-bbox="245 640 440 685" style="border: 1px solid black; padding: 2px; text-align: center;">Reappointment</div> <div data-bbox="284 712 402 757" style="border: 1px solid black; padding: 2px; text-align: center;">External</div> <div data-bbox="256 786 429 831" style="border: 1px solid black; padding: 2px; text-align: center;">Independent</div>	<p data-bbox="517 277 1366 360">April 2012 Corporate Executive Officer; Group President, Network Service Business Unit; Head of Image Internet Service Business Division, FUJITSU LIMITED</p> <p data-bbox="517 367 1398 427">June 2012 Corporate Executive Officer; Group President, Outsourcing Business Unit; Head of Image Internet Service Business Division</p> <p data-bbox="517 434 1366 488">April 2015 Corporate Executive Officer; Vice President, Integration Services Business; Group President, Network Service Business Unit</p> <p data-bbox="517 495 1358 548">April 2016 Corporate Executive Officer; Chief Technology Officer; Head of Digital Services Business</p> <p data-bbox="517 555 1334 609">April 2018 President and Representative Director, FUJITSU RESEARCH INSTITUTE</p> <p data-bbox="517 616 1070 647">April 2020 Special Adviser, APAMAN Co., Ltd.</p> <p data-bbox="517 654 1110 685">May 2020 External Director, the Company (present)</p> <p data-bbox="517 692 1398 745">October 2020 President and Representative Director, DigiIT Corporation (currently SS Technologies Corporation)</p> <p data-bbox="517 752 1238 784">October 2021 Chairman of the Board, SS Technologies Corporation</p> <p data-bbox="517 790 1110 822">May 2022 Outside Director of MINISTOP Co., Ltd.</p> <p data-bbox="517 828 1046 860">January 2023 Outside Director of H.I.S. Co., Ltd.</p> <p data-bbox="517 866 935 943">[Significant concurrent positions] Outside Director of MINISTOP Co., Ltd. Outside Director of H.I.S. Co., Ltd.</p>
	<p data-bbox="197 958 456 1012">[Number of shares of the Company held]</p> <p data-bbox="197 1019 213 1050">—</p> <p data-bbox="197 1057 472 1111">[Term of office as External Director]</p> <p data-bbox="197 1117 480 1171">3 year (at the conclusion of this Shareholder's Meeting)</p> <p data-bbox="197 1178 472 1232">[Attendance at meetings of the Board of Directors]</p> <p data-bbox="197 1238 424 1270">13 out of 13 meetings</p>	<p data-bbox="517 958 1414 990">[Reason for nomination as candidate for External Director and outline of expected role]</p> <p data-bbox="517 996 1453 1245">Mr. Shingo Kagawa has provided appropriate advice and views, mainly from a manager's viewpoint based on his abundant experience and advanced knowledge as a corporate manager of an ICT (information and communication technology) company. We judge that he will contribute to strengthening the supervisory function of the Board of Directors of the Company. In addition, we expect that he will play appropriate roles as a member of the Nomination and Compensation Advisory Committee, a voluntary committee, including supervising through involvement in nomination of the management personnel and determination on the management compensation. Therefore, we propose his election as External Director.</p>

- (Notes)
1. There are no special conflict of interest between each candidate and the Company.
  2. Mr. Hideo Higuchi and Mr. Shingo Kagawa are candidates for External Director. Furthermore, the Company has designated Mr. Hideo Higuchi and Mr. Shingo Kagawa as Independent Directors as defined by the Tokyo Stock Exchange, and if the candidates are reelected, the Company intends for them to continue acting as Independent Director.
  3. The Company has entered into a liability limitation agreement with Mr. Hideo Higuchi and Mr. Shingo Kagawa, who are candidates for External Director, respectively, and the maximum amount of liability based on the agreement is the minimum amount of liability provided for in Article 425, Paragraph 1 of the Companies Act. If the candidates are elected, the Company intends to continue the agreements.
  4. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) contract naming all Directors as the insured to enable them to fully demonstrate their expected roles in the execution of their duties, as well as to attract competent personnel. If this proposal is approved as originally proposed and each candidate is appointed Audit & Supervisory Board Member, they will be the insured under the said insurance contract. The said insurance contract covers damages that may be incurred as a result of the responsibilities assumed by the officers, etc., the insured, in the execution of their duties, or any liability of claims made against them in connection with those responsibilities.  
However, there are certain exemptions such as in the case where the damages are caused by an action taken with the knowledge that it is a violation of laws and regulations, which are not covered by the insurance. (The Company fully pays the insurance premium, including that of riders, and the insured do not bear the actual cost of the premium.) The Company plans to renew the insurance policy with the same content at its maturity.




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

Audit & Supervisory Board Member Mr. Yutaka Wada resigns from office at the conclusion of this Shareholders' Meeting. Accordingly, the election of one (1) new Audit & Supervisory Board Member is proposed.

The term of office of the new Audit & Supervisory Board Member appointed at this Shareholders' Meeting will be up to the conclusion of the Annual Shareholder's Meeting scheduled to be held in May 2027.

The consent of the Audit & Supervisory Board has been obtained in regard to this Proposal.

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

Name (Date of birth)	Past experience, positions, and significant concurrent positions
 <p>Shigenori Ametani (January 23, 1961)</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 10px auto;">New appointment</div>	<p>March 2009    General Manager, International Marketing Department, Marine Electronic Products Division, the Company</p> <p>June 2016    Administration Officer; General Manager, International Marketing Department, Marine Electronic Products Division</p> <p>March 2021    Deputy General Manager, Management Planning &amp; Intelligence Department</p> <p>February 2023    Assistant to Audit &amp; Supervisory Board Members (present)</p>
<p>[Number of shares of the Company held] 15,000</p> <p>[Term of office as Audit &amp; Supervisory Board Member] —</p> <p>[Attendance at meetings of the Board of Directors] —</p> <p>[Attendance at meetings of the Audit &amp; Supervisory Board] —</p>	<p>[Reason for nomination as candidate for Audit &amp; Supervisory Board Member] Mr. Shigenori Ametani has outstanding cosmopolitan outlook cultivated through abundant experience in overseas assignments and knowledge of the management of the Group based on the global and diversified perspective cultivated over many years as General Manager of the International Marketing Department who supervises overseas sales subsidiaries. Therefore, we propose his election as Audit &amp; Supervisory Board Member based on the judgement that his recommendations and opinions expressed as Audit Supervisory Board Member based on his knowledge will contribute to the strengthening of governance of the Company and at the same time will be leveraged in auditing operations.</p>

- (Notes)
1. There are no special interests between the candidate and the Company.
  2. If Mr. Shigenori Ametani is elected as an Audit & Supervisory Board Member, the Company intends to enter into a new liability limitation agreement with him to limit his liability against the Company to the minimum amount provided for in Article 425, Paragraph 1 of the Companies Act.
  3. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) contract naming all Audit & Supervisory Board Members as the insured to enable them to fully demonstrate their expected roles in the execution of their duties, as well as to attract competent personnel. If this proposal is approved as originally proposed and the candidate is appointed Audit & Supervisory Board Member, he will be insured under the said insurance contract. The said insurance contract covers damages that may be incurred as a result of the responsibilities assumed by the officers, etc., the insured, in the execution of their duties, or any liability of claims made against them in connection with those responsibilities.  
However, there are certain exemptions such as in the case where the damages are caused by an action taken with the knowledge that it is a violation of laws and regulations, which are not covered by the insurance. (The Company fully pays the insurance premium, including that of riders, and the insured do not bear the actual cost of the premium.) The Company plans to renew the insurance policy with the same content at its maturity.


**Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

In order to prepare for cases where there is a shortfall in the number of Audit & Supervisory Board Members prescribed by laws and regulations, the election of one (1) Substitute Audit & Supervisory Board Member is proposed.

Furthermore, the effectiveness of the election of this candidate may be canceled by a resolution of the Board of Directors, with the consent of the Audit & Supervisory Board, provided it is before his appointment.

The consent of the Audit & Supervisory Board has been obtained in regard to this Proposal.

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

Name (Date of birth)	Past experience, positions, and significant concurrent positions
 <p>Takashi Kono (January 17, 1957)</p> <p>External</p> <p>Independent</p>	<p>July 2009      Head, Audit Department, Sumitomo Rubber Industries, Ltd.            January 2012      Head, Financial Department            March 2014      Executive Officer; Head, Financial Department            March 2019      Full-time Auditor</p> <p>[Significant concurrent positions]            None</p>
<p>[Number of shares of the Company held]            —</p>	<p>[Reason for nomination as candidate for Substitute External Audit &amp; Supervisory Board Member]            Mr. Takashi Kono has abundant experience and advanced knowledge as a person in charge of the financial department and Full-time Auditor at Sumitomo Rubber Industries, Ltd. Therefore, we propose his election as Substitute External Audit &amp; Supervisory Board Member based on the judgment that he will sufficiently fulfill his role as Audit &amp; Supervisory Board Member.</p>

- (Notes)
1. There are no special interests between the candidate and the Company.
  2. Mr. Takashi Kono is a candidate for Substitute External Audit & Supervisory Board Member. Furthermore, if Mr. Takashi Kono is appointed External Audit & Supervisory Board Member, the Company intends to designate him as an Independent Auditor as defined by the Tokyo Stock Exchange.
  3. If Mr. Takashi Kono, who is a candidate for Substitute External Audit & Supervisory Board Member, is appointed External Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement with him to limit his liability to the minimum amount provided for in Article 425, Paragraph 1 of the Companies Act.
  4. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) contract naming all Audit & Supervisory Board Members as the insured to enable them to fully demonstrate their expected roles in the execution of their duties, as well as to attract competent personnel. The said insurance contract covers damages that may be incurred as a result of the responsibilities assumed by the officers, etc., the insured, in the execution of their duties, or any liability claims made against them in connection with those responsibilities. However, there are certain exemptions such as in the case where the damages are caused by an action taken with the knowledge that it is a violation of laws and regulations and are not covered by the insurance. (The Company fully pays the insurance premium, including that of riders, and the insured do not bear the actual cost of the premium.) If Mr. Takashi Kono is elected and he assumes the office of External Audit & Supervisory Board Member during his term of office due to a shortfall in the number of Audit & Supervisory Board Members prescribed by laws and regulations, he will be included in the insured under the said insurance contract.