

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code 6814)

May 8, 2024

(Commencement date of measures for electronic provision: April 24, 2024)

**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 73rd ANNUAL SHAREHOLDERS' MEETING**

Dear Shareholders:

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

We hereby announce that the 73rd 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 22, 2024, Japan time.

- 1. Date and Time:** Thursday, May 23, 2024 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 73rd Fiscal Year (March 1, 2023 to February 29, 2024) 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 73rd Fiscal Year (March 1, 2023 to February 29, 2024)
- Proposals to be resolved:**
- Proposal 1:** Distribution of Surplus
- Proposal 2:** Election of Seven (7) Directors
- Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

- 
- ⊙ 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. "Details of Major Businesses," "Status of Employees," "Matters Concerning the Company's Shares," "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 20 yen per share as an interim dividend and the aggregate amount of annual dividends will therefore amount to 60 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

40 yen per common share of the Company, for a total of 1,263,573,800 yen

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

May 24, 2024

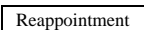
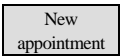
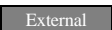
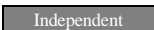
**Proposal 2:** Election of Seven (7) Directors



The terms of office of all six (6) Directors will expire at the conclusion of this Shareholders' Meeting. Therefore, in order to strengthen management oversight functions, the Company intends to add one Director and the proposes the election of seven (7) Directors.


The candidates for Directors are decided at the Board of Directors based on a recommendation of the Nomination and Compensation Advisory Committee which is an advisory body of the Board of Directors. The candidates for Director are as follows:


No.	Name	Gender	Position	Attendance at meetings of the Board of Directors	Candidate attributes
1	Yukio Furuno	Male	President and CEO	100% (13 out of 13 meetings)	Reappointment
2	Shinji Ishihara	Male	Director, Managing Executive Officer and CTO	100% (13 out of 13 meetings)	Reappointment
3	Yutaka Wada	Male	Director, Managing Executive Officer and CFO	100% (11 out of 11 meetings)	Reappointment
4	Kazuma Waimatsu	Male	Managing Executive Officer	-	New appointment
5	Hideo Higuchi	Male	Director	100% (13 out of 13 meetings)	Reappointment External Independent
6	Shingo Kagawa	Male	Director	92% (12 out of 13 meetings)	Reappointment External Independent
7	Masako Kubo	Female	-	-	New appointment External Independent

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

	Candidate for reappointment as Director		Candidate for new appointment as Director		Candidate for appointment as External Director		Independent Director pursuant to the rules of the Tokyo Stock Exchange
---	---	---	---	---	--	---	--


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="513 248 1452 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="194 667 478 967"> [Number of shares of the Company held]  299,080  [Term of office as Director]  37 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="513 651 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 1270 443 1326">Shinji Ishihara (January 30, 1961)</p> <div data-bbox="242 1352 443 1397" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointment</div>	<p data-bbox="513 992 1417 1326"> February 2006 General Manager, Research &amp; Development Department, Marine Electronic Products Division, the Company  May 2007 Director and General Manager, Research &amp; Development Department, Marine Electronic Products Division  May 2016 Managing Director and General Manager, Research &amp; Development Department, Marine Electronic Products Division  March 2018 Managing Director and Integration Chief Manager, Product Designing, Development &amp; Value-engineering Head office, Marine Electronic Products Division  March 2021 Director, Managing Executive Officer and CTO; Energy Management Control Officer (present)    [Responsibilities at the Company]  Head of Research &amp; Development, Production and Quality, Environment, Commanding &amp; Supervisory Office, R&amp;D Planning &amp; Management Center, Intellectual Property Department, Information Technology Department and Technology Management Department </p>
	<p data-bbox="194 1491 478 1765"> [Number of shares of the Company held]  42,640  [Term of office as Director]  17 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="513 1476 1430 1648"> [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>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
3	 <p data-bbox="264 600 419 658">Yutaka Wada (May 4, 1959)</p> <div data-bbox="244 685 440 730" style="border: 1px solid black; padding: 2px; text-align: center;">Reappointment</div>	<p data-bbox="515 271 1430 658"> March 2003 General Manager, Merchant Marine Marketing Department, Marine Electronic Products Division, the Company  May 2007 Director and General Manager, Merchant Marine Marketing Department, Marine Electronic Products Division  March 2015 Director and Divisional Vice General Manager, Marine Electronic Products Division  September 2015 Director, Divisional Vice General Manager, Marine Electronic Products Division; General Manager, TOKYO Regional Head Office  May 2016 Managing Director, General Manager, TOKYO Regional Head Office; Secretary to General Manager, Marine Electronic Products Division  May 2018 Audit &amp; Supervisory Board Member  May 2023 Director, Managing Executive Officer and CFO(present) </p> <p data-bbox="515 719 1477 808"> [Responsibilities at the Company]  Head of Corporate Planning Department, Accounting &amp; Financing Department, Human Resources &amp; General Affairs Department and Legal Office </p>
	<p data-bbox="196 835 486 931">[Number of shares of the Company held] 30,320</p> <p data-bbox="196 936 486 1025">[Term of office as Director] 1 year(at the conclusion of this Shareholder's Meeting)</p> <p data-bbox="196 1030 486 1115">[Attendance at meetings of the Board of Directors] 11 out of 11 meetings</p>	<p data-bbox="515 835 1477 1014"> [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, 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 data-bbox="244 1361 440 1420">Kazuma Waimatsu (January 6, 1960)</p> <div data-bbox="244 1447 440 1518" style="border: 1px solid black; padding: 2px; text-align: center;">New appointment</div>	<p data-bbox="515 1115 1430 1429"> March 2006 General Manager, Products Planning &amp; Marketing Department, Marine Electronic Products Division, the Company  May 2009 Director and General Manager, Products Planning &amp; Marketing Department, Marine Electronic Products Division  January 2021 Director and Divisional Vice General Manager, Marine Electronic Products Division  May 2021 Senior Executive Officer and Divisional General Manager, Marine Electronic Products Division  March 2024 Managing Executive Officer and Divisional General Manager, Marine Electronic Products Division (present) </p> <p data-bbox="515 1547 1477 1693"> [Reason for nomination as candidate for Director]  Mr. Kazuma Waimatsu has abundant experience as a manager as well as abundant experience and knowledge mainly in the sales planning and marketing sections. 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>
	<p data-bbox="196 1547 486 1644">[Number of shares of the Company held] 32,900</p> <p data-bbox="196 1648 486 1693">[Term of office as Director] —</p> <p data-bbox="196 1697 486 1787">[Attendance at meetings of the Board of Directors] —</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="284 712 402 757" 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="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)</p> <p data-bbox="515 775 863 831">[Significant concurrent positions] None</p>
	<p data-bbox="196 869 453 925">[Number of shares of the Company held]</p> <p data-bbox="196 929 212 958">—</p> <p data-bbox="196 963 475 1019">[Term of office as External Director]</p> <p data-bbox="196 1023 488 1079">8 years (at the conclusion of this Shareholder's Meeting)</p> <p data-bbox="196 1084 475 1140">[Attendance at meetings of the Board of Directors]</p> <p data-bbox="196 1144 421 1173">13 out of 13 meetings</p>	<p data-bbox="515 860 1410 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 1362 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 1331 609">April 2018 President and Representative Director, FUJITSU RESEARCH INSTITUTE</p> <p data-bbox="517 616 1075 647">April 2020 Special Adviser, APAMAN Co., Ltd.</p> <p data-bbox="517 654 1118 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 1241 784">October 2021 Chairman of the Board, SS Technologies Corporation</p> <p data-bbox="517 790 1214 822">May 2022 Outside Director of MINISTOP Co., Ltd. (present)</p> <p data-bbox="517 828 1150 860">January 2023 Outside Director of H.I.S. Co., Ltd. (present)</p> <p data-bbox="517 866 943 943">[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 488 1111">[Term of office as External Director]</p> <p data-bbox="197 1117 488 1171">4 years (at the conclusion of this Shareholder's Meeting)</p> <p data-bbox="197 1178 488 1232">[Attendance at meetings of the Board of Directors]</p> <p data-bbox="197 1238 424 1270">12 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>



No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
7	 <p data-bbox="244 528 440 584">Masako Kubo (October 12, 1959)</p> <div data-bbox="244 613 440 689" style="border: 1px solid black; padding: 2px; text-align: center;">New appointment</div> <div data-bbox="280 719 403 763" style="border: 1px solid black; padding: 2px; text-align: center;">External</div> <div data-bbox="256 792 427 837" style="border: 1px solid black; padding: 2px; text-align: center;">Independent</div>	<p data-bbox="515 275 1394 577"> June 2011 Director, OMRON PERSONNEL SERVICE Co., Ltd.  April 2015 President and CEO  April 2018 Executive Officer, OMRON Corporation  April 2018 President, OMRON EXPERTLINK Co., Ltd.  April 2022 Program-Specific Professor, The Research Center of Community Partnerships, Kyoto Women's University (present)  June 2022 Outside Director, NITTO KOGYO CORPORATION (present)  June 2023 Senior Director, KYOTO OMRON COMMUNITY FOUNDATION (present) </p> <p data-bbox="515 580 1469 719"> [Significant concurrent positions]  Program-Specific Professor, The Research Center of Community Partnerships, Kyoto Women's University  Outside Director, NITTO KOGYO CORPORATION  Senior Director, KYOTO OMRON COMMUNITY FOUNDATION </p>
	<p data-bbox="196 882 453 943">[Number of shares of the Company held] —</p> <p data-bbox="196 969 475 1030">[Term of office as External Director] —</p> <p data-bbox="196 1057 475 1117">[Attendance at meetings of the Board of Directors] —</p>	<p data-bbox="515 875 1458 1043"> [Reason for nomination as candidate for External Director and outline of expected role]  Ms. Masako Kubo has expertise and abundant experience in the fields of personnel affairs-related operations and the human resource services business she has cultivated over many years, and also abundant experience and advanced knowledge as a corporate manager. Therefore, we propose her election as External Director based on the judgment that she will sufficiently fulfill her role as External Director. </p>

- (Notes)
1. There are no special conflict of interest between each candidate and the Company.
  2. Mr. Hideo Higuchi, Mr. Shingo Kagawa and Ms. Masako Kubo 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. If Ms. Masako Kubo is elected as Director of the Company, the Company intends for her to act as Independent Director as defined by the Tokyo Stock Exchange.
  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. If Ms. Masako Kubo is elected, the Company intends to enter into the same liability limitation agreement with her.
  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.
  5. The Company has entered into an indemnification agreement with all Directors as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify them for the expenses stipulated in Item 1, Paragraph 1 and losses stipulated in Item 2, Paragraph 1 of the same Act to the extent provided by laws and regulations. If the reelection of each candidate is approved, the agreement with each of them will remain in effect. If Mr. Kazuma Waimatsu and Ms. Masako Kubo, are elected as Directors, the same indemnification agreement will be executed with them.


**Proposal 3:** 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            [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.
  5. The Company has entered into an indemnification agreement with all Directors as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify them for the expenses stipulated in Item 1, Paragraph 1 and losses stipulated in Item 2, Paragraph 1 of the same Act to the extent provided by laws and regulations. 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, the same indemnification agreement will be executed with them.