

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.

Securities code: 5805

June 3, 2022

To our shareholders:

Takayo Hasegawa
President and Representative Director
SWCC SHOWA HOLDINGS CO., LTD.
1-14, Nisshin-cho, Kawasaki-Ku,
Kawasaki City

Notice of the 126th Ordinary General Meeting of Shareholders

The 126th Ordinary General Meeting of Shareholders of SWCC SHOWA HOLDINGS CO., LTD. (the “Company”) will be held as described below.

Due to the current spread of novel coronavirus disease (COVID-19), we would appreciate your cooperation in preventing infection by checking your own physical condition prior to attending the Meeting. If you do not feel well, you should exercise your voting rights by **mail or electronically (via the Internet, etc.)** in advance and refrain from coming to the venue on the meeting date. The Meeting will also be livestreamed via the Internet. Please consider watching the livestream as well.

If you decide to view the General Meeting of Shareholders via livestream, please note that as this does not constitute attendance under the Companies Act, you will not be able to ask questions or exercise your voting rights on the day of the meeting. Therefore, please exercise your voting rights in advance by mail or electronically (via the Internet, etc.).

In addition to the above, we would appreciate your cooperation with measures we take to prevent infection at the meeting venue.

If you decide to exercise your voting rights by mail or electronically (via the Internet, etc.), please review the “Reference Documents for the General Meeting of Shareholders,” and exercise your voting rights in accordance with the “Guidance for Exercising Voting Rights” on page 6 of the Japanese original by 5:00 p.m. on Thursday, June 23, 2022.

1. Date and Time:	Friday, June 24, 2022 at 10:00 a.m. (Japan Standard Time)														
2. Place:	Tachibana, 11F, Kawasaki Nikko Hotel 1 Nisshin-cho, Kawasaki-Ku, Kawasaki City, Kanagawa (Please refer to the venue map at the end of the Japanese original.)														
3. Purposes:	<table><tr><td>Items to be reported:</td><td>1. Business Report and the Consolidated Financial Statements for the 126th fiscal year (from April 1, 2021 to March 31, 2022) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee</td></tr><tr><td></td><td>2. Non-Consolidated Financial Statements for the 126th fiscal year (from April 1, 2021 to March 31, 2022)</td></tr><tr><td>Items to be resolved:</td><td>Proposal 1: Appropriation of Surplus</td></tr><tr><td></td><td>Proposal 2: Partial Amendments to the Articles of Incorporation (i)</td></tr><tr><td></td><td>Proposal 3: Partial Amendments to the Articles of Incorporation (ii)</td></tr><tr><td></td><td>Proposal 4: Election of Three (3) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)</td></tr><tr><td></td><td>Proposal 5: Election of Two (2) Directors Who Are Audit & Supervisory Committee Members</td></tr></table>	Items to be reported:	1. Business Report and the Consolidated Financial Statements for the 126th fiscal year (from April 1, 2021 to March 31, 2022) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee		2. Non-Consolidated Financial Statements for the 126th fiscal year (from April 1, 2021 to March 31, 2022)	Items to be resolved:	Proposal 1: Appropriation of Surplus		Proposal 2: Partial Amendments to the Articles of Incorporation (i)		Proposal 3: Partial Amendments to the Articles of Incorporation (ii)		Proposal 4: Election of Three (3) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)		Proposal 5: Election of Two (2) Directors Who Are Audit & Supervisory Committee Members
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-End-

- **Please note that the Company has decided to forgo the custom of giving presents to the shareholders who attend the Meeting this year. Thank you for your understanding.**
- When you attend the Meeting in person, you are kindly requested to present the enclosed voting form at the reception desk.
- Pursuant to the laws and regulations and Article 18 of the Company's Articles of Incorporation, "Notes to Consolidated Financial Statements" and "Notes to Non-Consolidated Financial Statements" are deemed to be provided to shareholders through the Internet (on the Company's website: <https://www.swcc.co.jp/hd/ir/guide/meeting.html>) and accordingly, they are not attached to this notice.

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit & Supervisory Committee for the audit report and the Accounting Auditor for the accounting audit report include, in addition to the attached documents to this Notice, items to be presented as Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements.

- If any amendments are made to items in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements, such changes will be posted on the Company's website stated above.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Appropriation of Surplus

The Company proposes that surplus be appropriated in the manner as stated below.

Matters related to year-end dividends

Our basic policy is to continue to pay a stable dividend to our shareholders from a comprehensive point of view based not only on state of profits but also on further business development, management structure enhancement, internal reserves, etc.

As a holding company, the Company considers paying dividends in line with not only non-consolidated operating results of the Company, but also consolidated operating results of SWCC SHOWA Group (the “Group”).

In accordance with this policy, the Company proposes to pay year-end dividends for the 126th fiscal year as follows:

The Company decided not to pay an interim dividend.

(1) Type of dividend property:

Cash

(2) Allocation of dividend property and the total amount distributed:

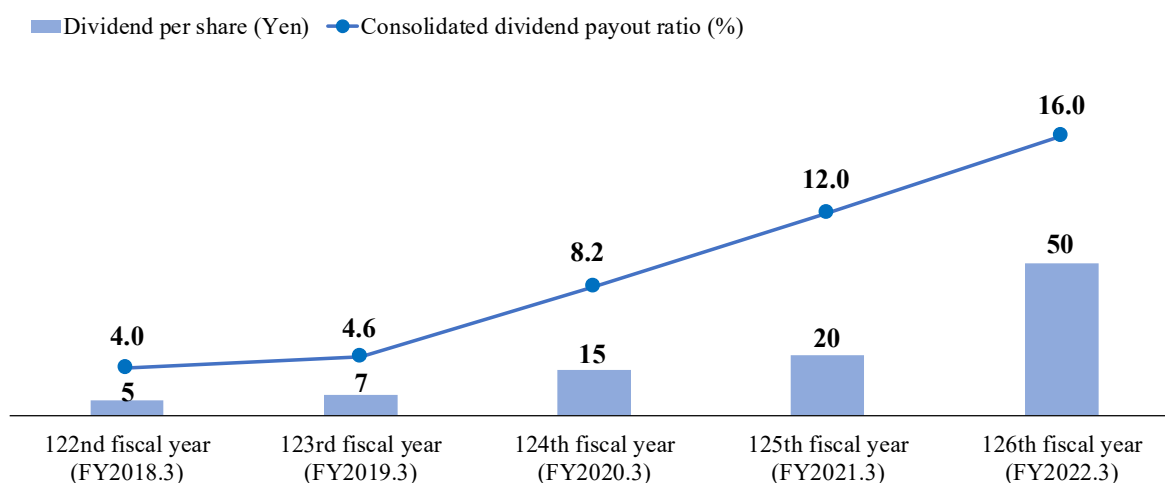
The Company proposes to pay a dividend of ¥50 per common share of the Company.

Total amount: ¥1,492,113,150

(3) Effective date of distribution:

June 27, 2022

Reference Dividend per share/Consolidated dividend payout ratio



Proposal 2: Partial Amendments to the Articles of Incorporation (i)

1. Reasons for proposal

The Company will absorb by merger its consolidated subsidiaries SWCC SHOWA CABLE SYSTEMS CO., LTD. and SWCC SHOWA UNIMAC LTD. and transition from a pure holding company to an operating company with a planned effective date of April 1, 2023. In line with this change in the management structure, the Company will change its trade name and some of the provisions regarding its purposes (proposed amendments Article 1 and Article 2).

The partial amendment to the Articles of Incorporation under this proposal has a supplementary provision that it will take effect on April 1, 2023, the effective date of the absorption by merger, and in taking effect, the supplementary provision is to be deleted.

2. Details of amendments

The details of the amendments are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
CHAPTER 1 GENERAL PROVISIONS	CHAPTER 1 GENERAL PROVISIONS
(Trade Name) Article 1 The name of the Company is <u>Showa Densen Holdings Kabushiki Kaisha</u> , which shall be expressed in English as <u>SWCC SHOWA HOLDINGS CO., LTD.</u>	(Trade Name) Article 1 The name of the Company is <u>SWCC Kabushiki Kaisha</u> , which shall be expressed in English as <u>SWCC Corporation</u> .
(Purposes) Article 2 The purposes of the Company shall be to conduct the following businesses, <u>and to control and manage the business activities of companies engaged in the following businesses and overseas companies engaged in activities corresponding to these businesses by owning the stock of, or a minority interest, in said companies.</u>	(Purposes) Article 2 The purposes of the Company shall be to conduct the following businesses.
(1) Manufacture, processing and sale of the following products (i) to (ii) (Omitted) (Newly established) (iii) to (vii) (Omitted)	(1) Manufacture, processing and sale of the following products (i) to (ii) (Unchanged) (iii) <u>Magnet wire</u> (iv) to (viii) (Unchanged)
(2) to (4) (Omitted) (Newly established)	(2) to (4) (Unchanged)
(5) to (6) (Omitted) (Newly established)	(5) <u>Electricity generation and supply and sale of electricity</u> (6) to (7) (Unchanged)
(7) Purchase, sale, leasing, and management of real estate	(8) <u>Leasing and management of moveable property</u> (9) Purchase, sale, leasing, and management of real estate, <u>and brokerage thereof</u>
(8) to (9) (Omitted)	(10) to (11) (Unchanged)
Supplementary provision (Transitional Measures Regarding Limitation of Liability Contracts With Audit & Supervisory Board Members) (Omitted)	Supplementary provisions (Transitional Measures Regarding Limitation of Liability Contracts With Audit & Supervisory Board Members) <u>Article 1</u> (Unchanged)
(Newly established)	<u>(Transitional Measures Regarding Trade Name)</u> <u>Article 2</u> <u>The change to Articles of Incorporation Article 1 (Trade Name) shall take effect on April 1, 2023. This supplementary provision is to be deleted after the effective date of the change to Articles of Incorporation Article 1 (Trade Name) has passed.</u>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="799 232 1225 259"><u>(Transitional Measures Regarding Purpose)</u></p> <p data-bbox="799 259 890 286"><u>Article 3</u></p> <p data-bbox="799 286 1393 418"><u>The change to Articles of Incorporation Article 2 (Purposes) shall take effect on April 1, 2023. This supplementary provision is to be deleted after the effective date of the change to Articles of Incorporation Article 2 (Purposes) has passed.</u></p>

Proposal 3: Partial Amendments to the Articles of Incorporation (ii)

1. Reasons for proposal

Following the enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Since the Company is obligated to stipulate in its Articles of Incorporation that it will adopt measures, etc. for providing information in electronic format with regard to information comprising reference documents, etc. for the General Meeting of Shareholders, the proposed amendment Article 18 (Measures, etc. for Providing Information in Electronic Format) paragraph 1 will be newly established.
- (2) Among the matters for which measures, etc. for providing information in electronic format with regard to information comprising reference documents, etc. for the General Meeting of Shareholders are to be adopted, to enable the scope of matters provided in paper-based format issued to shareholders who request issuance of information in paper-based format to be restricted to the scope provided by the Ministry of Justice Order, the proposed amendment Article 18 (Measures, etc. for Providing Information in Electronic Format) paragraph 2 will be newly established.
- (3) With the introduction of the system for providing information in electronic format for materials for the General Meeting of Shareholders, the current Articles of Incorporation Article 18 (Disclosure via the Internet of the Reference Documents for the General Meeting of the Shareholders, etc., and the Deemed Provision of Information) will become obsolete, and will therefore be deleted.
- (4) A supplementary provision regarding the effect of the above new and deleted provisions will be established.

2. Details of amendments

The details of the amendments are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>CHAPTER 3 GENERAL MEETING OF SHAREHOLDERS <u>(Disclosure via the Internet of the Reference Documents for the General Meeting of the Shareholders, etc., and the Deemed Provision of Information)</u> <u>Article 18</u> <u>The Company shall be able to be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the General Meeting of Shareholders, the business reports, the statutory reports and the consolidated statutory reports, by disclosing such information via the Internet in accordance with the ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>CHAPTER 3 GENERAL MEETING OF SHAREHOLDERS (Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 18</u> 1. <u>When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.</u> 2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company is not required to state all or some of those items designated by the Ministry of Justice Order in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Supplementary provisions Article 1 to Article 3 (Omitted) (Newly established)</p>	<p>Supplementary provisions Article 1 to Article 3 (Unchanged) <u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u> Article 4 1. <u>The deletion of Articles of Incorporation Article 18 (Disclosure via the Internet of the Reference Documents for the General Meeting of the Shareholders, etc., and the Deemed Provision of Information) and the new establishment of Articles of Incorporation Article 18 (Measures, etc. for Providing Information in Electronic Format) shall take effect on September 1, 2022.</u> 2. <u>Notwithstanding the provision of the preceding paragraph, Article 18 of the Articles of Incorporation (Disclosure via the Internet of the Reference Documents for the General Meeting of the Shareholders, etc., and the Deemed Provision of Information) shall remain effective regarding any General Meeting of Shareholders held on a date within six months from September 1, 2022.</u> 3. <u>The provisions of this Article shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal 4: Election of Three (3) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of all three (3) Directors (excluding, here and in the paragraphs below, Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this Meeting.

Therefore, the Company proposes the election of three (3) Directors.

The candidates for Directors are as follows.

Note: Nomination of candidates for Directors was made according to the “Criteria for Nominating Director and Corporate Officer Candidates” and by resolution of the Board of Directors, after obtaining a report by the Nominating Committee in which Independent Outside Directors account for the majority of the members. In addition, the candidates were also deliberated by the Audit & Supervisory Committee, and confirmation was received that no particular opinions were expressed.

Candidate number	Name	Gender (Age)	Current Position and Responsibility in the Company	
1	Takayo Hasegawa	Female (62 years old)	President and Representative Director, Chairman of the Board of Directors Group CEO Supervising Group Management, Supervising Operational Restructuring, Supervising Governance Restructuring	Reelection
2	Dongcheng Zhang	Male (58 years old)	Representative Director Senior Corporate Officer Assistant to President, Assistant for Supervising Governance Restructuring	Reelection
3	Guoqiang Hu	Male (59 years old)	Director	Reelection

Candidate number
1

Takayo Hasegawa (October 15, 1959)
62 years old

Number of the Company shares held
11,825 shares
Attendance at Board of Directors
meetings (FY2021)
21/21
Number of years in office as a Director
9 years



Reelection

[Career summary, positions and areas of responsibility in the Company]

Apr. 1984 Joined the Company
June 2005 Deputy General Manager, Engineering R&D Center, and General Manager,
Superconductivity Project of the Company
Apr. 2006 Director, General Manager, Engineering R&D Center of SWCC SHOWA CABLE
SYSTEMS CO., LTD.
Apr. 2008 Director, General Manager, Engineering R&D Center of SWCC SHOWA CABLE
SYSTEMS CO., LTD.
Manager, Product Planning Team, Corporate Planning Dept., Planning Div. of the
Company
June 2009 Executive Managing Director, General Manager, Engineering R&D Center of SWCC
SHOWA CABLE SYSTEMS CO., LTD.
Manager, Product Planning Team, Corporate Planning Dept. of the Company
Apr. 2010 Executive Managing Director, General Manager, Engineering R&D Center of SWCC
SHOWA CABLE SYSTEMS CO., LTD.
Corporate Officer, General Manager, Engineering Planning Dept. of the Company
June 2013 Director, General Manager, Engineering Planning Dept. of the Company
Apr. 2017 Director of the Company
June 2018 President and Director of the Company
Apr. 2019 President and Representative Director, Group CEO of the Company
Apr. 2020 **President and Representative Director, Chairman of the Board of Directors**
Group CEO of the Company (to present)

Reason for nomination as a candidate for Director

Ms. Takayo Hasegawa possesses abundant work experience and an impressive track record mainly in engineering R&D related departments of the Group. Since her appointment as Representative Director and Group CEO of the Company, she has energetically striven to address business challenges, including promoting corporate governance reform, such as the transition to a company with audit and supervisory committee, spanning the entire Group's departments. Furthermore, as Chairman of the Board of Directors, she works hard to see that the Board performs its functions fully by operating the proceedings and leading a free and frank discussion. Moreover, even amid the COVID-19 pandemic since 2020, under her strong leadership the Company has steadily achieved its performance plans towards the performance targets in the medium-term management plan, "Change SWCC 2022" Rolling Plan (2019), and she has also led the formulation of a new medium-term management plan, "Change & Growth SWCC 2026" and "SWCC VISION 2030" during the fiscal year under review. Since she has contributed to the increase of the Company's corporate value as described above, we propose her as a candidate to continue in her position as Director. After she takes office as Director, the Company will reappoint her as President and Representative Director, as well as Chairman of the Board of Directors.

Message from the candidate

Even as the global situation and economic environment change significantly, our mission to "contribute to society by supplying products that support infrastructure" remains unchanged. Based on the management reforms we have implemented so far, I will work diligently to seize opportunities for further growth and contribute to the improvement of corporate value and sustainable development of the Group.

- Notes:
1. There is no special interest between Ms. Takayo Hasegawa and the Company.
 2. The Company has taken out 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 incurred in cases where an insured person, including a Director of the Company, receives a claim for damages arising from the performance of duties and assumes legal liability for the damages. However, to ensure that the appropriateness of the insured's performance of duties is not impaired, the policy does not cover damages arising the cases caused by actions taken in the knowledge that the action violates laws or regulations. If Ms. Takayo Hasegawa is elected and appointed as Director, she will be insured by the policy. The Company plans to renew the policy with the same content with her at the next term of renewal.
 3. Ms. Takayo Hasegawa is scheduled to take office as a Director of HOYA CORPORATION on June 28, 2022.

Candidate number
2

Dongcheng Zhang (January 6, 1964)
58 years old

Number of the Company shares held
3,716 shares
Attendance at Board of Directors
meetings (FY2021) 21/21
Number of years in office as a Director
7 years



Reelection

[Career summary, positions and areas of responsibility in the Company]

Apr. 1993 Joined the Company
Oct. 2006 Deputy General Manager, Corporate Planning Dept. of the Company
June 2012 Corporate Officer, General Manager, Overseas Business Planning Promotion Dept. of the Company
June 2015 Director, General Manager, Overseas Business Planning Promotion Dept. of the Company
Chairman of TIANJIN SHOWA ENAMELLED WIRE CO., LTD.
Apr. 2017 Director of the Company
Chairman of TIANJIN SHOWA ENAMELLED WIRE CO., LTD.
June 2017 Executive Managing Director of the Company
Chairman of TIANJIN SHOWA ENAMELLED WIRE CO., LTD.
June 2018 General Manager, Business Strategy Div. and Executive Managing Director of the Company
Apr. 2019 Director, Senior Corporate Officer, and General Manager, Business Strategy Div. of the Company
Apr. 2020 Representative Director, Senior Corporate Officer, and General Manager, Business Strategy Div. of the Company
Apr. 2021 **Representative Director, Senior Corporate Officer of the Company (to present)**

Reason for nomination as a candidate for Director

Mr. Dongcheng Zhang possesses extensive work experience and an impressive track record mainly in the Group's overseas business department. Since his appointment as Representative Director and Senior Corporate Officer of the Company, he has energetically striven to address business challenges, including making strategic proposals on the Group's business and promoting corporate governance reform. Furthermore, he has played an important role in promoting the medium-term management plan, "Change SWCC 2022" Rolling Plan (2019) in the reorganization and policy formulation of the Group's management structure from April 1, 2023. Since he has contributed to the increase of the Company's corporate value as described above, we propose him as a candidate to continue in his position as Director. After he takes office as Director, the Company will reappoint him as Representative Director.

Message from the candidate

I will work diligently to create the Group that can continue to grow by building a more efficient group management structure to adapt to various changes caused by global transformation while simultaneously increasing our ability to innovate to achieve our medium-term management plan "Change & Growth SWCC 2026" by promoting the creation of an environment that can be integrated with new resources toward achieving "SWCC VISION 2030."

- Notes:
1. There is no special interest between Mr. Dongcheng Zhang and the Company.
 2. The Company has taken out 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 incurred in cases where an insured person, including a Director of the Company, receives a claim for damages arising from the performance of duties and assumes legal liability for the damages. However, to ensure that the appropriateness of the insured's performance of duties is not impaired, the policy does not cover damages arising the cases caused by actions taken in the knowledge that the action violates laws or regulations. If Mr. Dongcheng Zhang is elected and appointed as Director, he will be insured by the policy. The Company plans to renew the policy with the same content with him at the next term of renewal.

Candidate number
3

Guoqiang Hu

(March 4, 1963)
59 years old

Number of the Company shares held
15,000 shares
Attendance at Board of Directors
meetings (FY2021) 21/21
Number of years in office as a Director
4 years



Reelection

[Career summary, positions and areas of responsibility in the Company]

Oct. 1995 Joined FUTONG SHOWA WIRE & CABLE (HANGZHOU) CO., LTD.
Jan. 2002 Chairman, General Office Manager of FUTONG GROUP CO., LTD.
Apr. 2003 **Director of Transtech Optical Communication Company Limited (to present)**
May 2008 **Director of FUTONG GROUP CO., LTD. (to present)**
Dec. 2008 **Director of KANGYIN SITE NETWORK (HANGZHOU) CO., LTD. (to present)**
Sept. 2016 **Executive Director and Chairman of TRANSTECH OPTELECOM SCIENCE HOLDINGS LIMITED (to present)**
June 2018 Outside Director of the Company
June 2020 **Director of the Company (to present)**

[Significant concurrent positions]

Director of FUTONG GROUP CO., LTD.
Executive Director and Chairman of TRANSTECH OPTELECOM SCIENCE HOLDINGS LIMITED

Reason for nomination as a candidate for Director

Mr. Guoqiang Hu is engaged in the management of FUTONG GROUP CO., LTD., and through his career, he has accumulated keen insight in management, and after being appointed as Director of the Company, he has provided appropriate advice and supervision of the Company's management. Furthermore, he has contributed to the increase in the Company's value through joint ventures between the two corporate groups. For these reasons, we propose him as a candidate to continue in his position as non-executive Director.

Message from the candidate

The current global economy faces a range of risks, including the COVID-19 pandemic, geopolitical changes, and supply chain disruption, and the outlook is uncertain. I hope that the Group, as a company that supports infrastructure, will continue to contribute to a sustainable society through highly reliable products and services in a challenging business environment, and while aiming to be a growth-oriented company, will gain the further trust and support of our shareholders and related parties.

- Notes:
1. FUTONG GROUP CO., LTD., for which Mr. Guoqiang Hu has assumed office as a Director, is a major shareholder of the Company, and a business alliance agreement has been concluded between the Company and FUTONG GROUP CO., LTD.
There are no special conflicts of interest between FUTONG GROUP CO., LTD. and the Company, though there are sales transactions, purchasing transactions, and loans between the respective corporate group of FUTONG GROUP CO., LTD. and the Company.
 2. The Company has entered into the liability limitation contract with Mr. Guoqiang Hu in accordance with the provisions of the Company's Articles of Incorporation and Article 427, paragraph (1) of the Companies Act to limit the liability for damages as provided for in Article 423, paragraph (1) of the Companies Act. The limitation of the liability for damages under the relevant contract is the minimum liability amount set forth in Article 425, paragraph (1) of the Companies Act. If the proposed appointment of Mr. Guoqiang Hu as a non-executive Director is approved, the Company intends to continue said contract with him.
 3. The Company has taken out 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 incurred in cases where an insured person, including a Director of the Company, receives a claim for damages arising from the performance of duties and assumes legal liability for the damages. However, to ensure that the appropriateness of the insured's performance of duties is not impaired, the policy does not cover damages arising from the cases caused by actions taken in the knowledge that the action violates laws or regulations. If Mr. Guoqiang Hu is elected and appointed as Director, he will be insured by the policy. The Company plans to renew the policy with the same content with him at the next term of renewal.

Proposal 5: Election of Two (2) Directors Who Are Audit & Supervisory Committee Members

The terms of two (2) Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this Meeting.

Therefore, the Company proposes the election of two (2) Directors who are Audit & Supervisory Committee Members.

Prior consent of the Audit & Supervisory Committee has been obtained for this proposal.

The candidates for Directors are as follows.

Note: Nomination of candidates for Directors was made according to the “Criteria for Nominating Director and Corporate Officer Candidates” and the “Independence Criteria for Outside Officers,” and by resolution of the Board of Directors, after obtaining a report by the Nominating Committee in which Independent Outside Directors account for the majority of the members.

Candidate number	Name	Gender (Age)	Current Position and Responsibility in the Company	
1	Yuji Sakakura	Male (71 years old)	Outside Director (Independent Officer)	Reelection Outside Independent
2	Takashi Togawa	Male (65 years old)	Director Full-time Audit & Supervisory Committee Member	Reelection

Candidate number
1

Yuji Sakakura

(May 3, 1951)
71 years old

Number of the Company shares held
300 shares
Attendance at Board of Directors
meetings (FY2021) 21/21
Attendance at Audit & Supervisory
Committee meetings (FY2021) 17/17
Number of years in office as a Director
2 years



Reelection
Outside
Independent

[Career summary, positions and areas of responsibility in the Company]

Apr. 1974 Joined Nissho Iwai Corporation (currently Sojitz Corporation)
Apr. 1998 General Manager, Financial Market Division of Nissho Iwai Corporation
June 1999 President and Representative Director of Nissho Iwai Securities Co., Ltd.
Mar. 2004 President and Representative Director of Fides Securities Corporation
Sept. 2005 Chief Financial Officer of GCA Corporation
May 2006 Director and Chief Financial Officer of GCA Corporation
July 2007 Chief Development Officer of GCA Savvian Corporation
May 2011 **Representative Director of Relations Japan Corporation (to present)**
June 2011 Outside Audit and Supervisory Board Member of AUTOBACS SEVEN Co., Ltd.
Mar. 2014 Outside Audit & Supervisory Board Member of Fullcast Holdings Co., Ltd.
June 2016 Outside Audit & Supervisory Board Member of UKC Holdings Corporation (currently Restar Holdings Corporation)
Apr. 2019 Director (Audit and Supervisory Committee Member) of Restar Holdings Corporation
June 2019 **Auditor of Yuumi Memorial Foundation for Home Health Care (to present)**
Dec. 2019 Audit & Supervisory Board Member of Shonan Seminar Co., Ltd.
June 2020 **Outside Director (Audit & Supervisory Committee Member) of the Company (to present)**

Summary of reason for nomination as a candidate for Outside Director and expected roles

Mr. Yuji Sakakura possesses keen management insights gained through his career as financial operating officer of a general trading company, manager of a securities firm, and chief financial officer of an M&A advisory firm. We expect him to further strengthen the Group's corporate governance by auditing and supervising the Company's management based on his career experience and insight. For these reasons, we propose him as a candidate to continue in his position as Outside Director who is an Audit & Supervisory Committee Member.

Message from the candidate

In the two years since I assumed the position of Outside Director who is an Audit & Supervisory Committee Member, I have utilized my experience and knowledge in the fields of finance, capital markets, and M&A to monitor and supervise the management execution system and actively express my opinions. I hope to further strengthen my activities as an Outside Director who is an Audit & Supervisory Committee Member and contribute to the sustainable enhancement of corporate value in order to meet the expectations of our shareholders.

- Notes:
1. There is no special interest between Mr. Yuji Sakakura and the Company.
 2. Mr. Yuji Sakakura is a candidate for Outside Director. He possesses independence as stipulated by the Tokyo Stock Exchange's criteria for independence and the Company's "Independence Criteria for Outside Officers." He has been reported as independent officer stipulated in Rule 436-2 of the Tokyo Stock Exchange Securities Listing Regulations, and the Company intends for him to continue to be as independent officer should his reappointment be approved.
 3. The Company has entered into the liability limitation contract with Mr. Yuji Sakakura in accordance with the provisions of the Company's Articles of Incorporation and Article 427, paragraph (1) of the Companies Act to limit the liability for damages as provided for in Article 423, paragraph (1) of the Companies Act. The limitation of the liability for damages under the relevant contract is the minimum liability amount set forth in Article 425, paragraph (1) of the Companies Act. If the proposed appointment of Mr. Yuji Sakakura is approved, the Company intends to continue said contract with him.
 4. The Company has taken out 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 incurred in cases where an insured person, including a Director of the Company, receives a claim for damages arising from the performance of duties and assumes legal liability for the damages. However, to ensure that the appropriateness of the insured's performance of duties is not impaired, the policy does not cover damages arising the cases caused by actions taken in the knowledge that the action violates laws or regulations. If Mr. Yuji Sakakura is elected and appointed as

Director, he will be insured by the policy. The Company plans to renew the policy with the same content with him at the next term of renewal.

Candidate number
2

Takashi Togawa (Apr. 9, 1957)

65 years old

Number of the Company shares held
3,000 shares
Attendance at Board of Directors
meetings (FY2021) 21/21
Attendance at Audit & Supervisory
Committee meetings (FY2021) 17/17
Number of years in office as a Director
2 years



Reelection

[Career summary, positions and areas of responsibility in the Company]

Apr. 1980 Joined Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation)
May 2004 Senior Manager, Accounting Division of Toshiba Mobile Communications, Ltd.
June 2006 Senior Manager, Corporate Audit Group II, Corporate Audit Division of Toshiba Corporation
Apr. 2008 Senior Manager, Corporate Audit Group I, Corporate Audit Division of Toshiba Corporation
June 2009 Toshiba Corporation
Deputy General Manager, supervising Accounting Dept. of the Company (temporary transfer)
Apr. 2010 Toshiba Corporation
General Manager, supervising Accounting Dept. of the Company (temporary transfer)
June 2010 Corporate Officer and General Manager, supervising Accounting Dept. of the Company
June 2011 Director and General Manager, supervising Accounting Dept. of the Company
June 2014 Executive Managing Director of the Company
President and Director of SWCC SHOWA BUSINESS SOLUTIONS CO., LTD.
June 2016 Senior Managing Director of SDS, Inc
Apr. 2017 Senior Managing Director and General Manager of Administration Division of SDS, Inc
June 2020 **Director (Audit & Supervisory Committee Member) of the Company (to present)**

Reason for nomination as a candidate for Director

Mr. Takashi Togawa possesses extensive work experience and an impressive track record mainly in the Auditing Department and Accounting Department, as well as from his involvement in the Group's management as Director of the Company and its subsidiary. He has contributed to further strengthening the Group's corporate governance through audit and oversight of the Company's management based on his career and insights. For these reasons, we propose him as a candidate to continue in his position as Director who is an Audit & Supervisory Committee Member.

Message from the candidate

The Group has been promoting structural reforms over the past few years. Since the new company structure and company name change are scheduled to take effect in April of next year, this year is an important time to strengthen governance. While working full-time in daily business execution, I will utilize my experience in accounting & finance and internal audits to actively play the role of an Audit & Supervisory Committee Member in order to improve corporate value.

- Notes:
1. There is no special interest between Mr. Takashi Togawa and the Company.
 2. The Company has entered into the liability limitation contract with Mr. Takashi Togawa in accordance with the provisions of the Company's Articles of Incorporation and Article 427, paragraph (1) of the Companies Act to limit the liability for damages as provided for in Article 423, paragraph (1) of the Companies Act. The limitation of the liability for damages under the relevant contract is the minimum liability amount set forth in Article 425, paragraph (1) of the Companies Act. If the proposed appointment of Mr. Takashi Togawa is approved, the Company intends to continue said contract with him.
 3. The Company has taken out 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 incurred in cases where an insured person, including a Director of the Company, receives a claim for damages arising from the performance of duties and assumes legal liability for the damages. However, to ensure that the appropriateness of the insured's performance of duties is not impaired, the policy does not cover damages arising the cases caused by actions taken in the knowledge that the action violates laws or regulations. If Mr. Takashi Togawa is elected and appointed as Director, he will be insured by the policy. The Company plans to renew the policy with the same content with him at the next term of renewal.

Reference

1. Corporate Governance

(1) Reorganization of the group management structure

(i) Purpose of the reorganization of the group management structure

From the transition to a pure holding company in April 2006 to the present day, we have been conducting group management under the holding company structure. As we originally intended, we separated the management and business operations under the holding company structure, and while aiming for overall optimization from the perspective of group management, we tackled management issues such as structural reforms of existing businesses and improvement of our financial position. We are now in a position to overcome these issues to a certain extent.

In addition, in order to promote the growth strategy set forth in the new medium-term management plan “Change & Growth SWCC 2026” announced in November 2021 and to ensure we achieve the performance targets for fiscal 2026 of ¥215.0 billion in net sales and ¥15.0 billion in operating income, a suitable system and organizational structure are required to move from the structural reform phase under the previous medium-term management plan to the new growth phase.

Against this backdrop, in order to close the gap between management strategy and business operations and further accelerate strategy planning and execution, the Company has decided to absorb by merger its operating companies SWCC SHOWA CABLE SYSTEMS CO., LTD. and SWCC SHOWA UNIMAC LTD. and transition from a pure holding company to an operating company with a planned effective date of April 1, 2023.

(ii) Overview of the reorganization of the group management structure

a. Transition from a pure holding company to an operating company

The Company, which is a pure holding company, will absorb by merger its operating companies SWCC SHOWA CABLE SYSTEMS CO., LTD. and SWCC SHOWA UNIMAC LTD. and transition to an operating company. This will accomplish the following goals:

Improve the efficiency of group management

By consolidating and integrating functions and divisions that are currently distributed or overlapped between the holding company and the operating companies, we will streamline the corporate functions that serve as shared resources for the entire Group. Furthermore, by clearly separating the strategy and management functions, we will improve the respective functions and increase the efficiency of group management.

Strengthen group strategy functions

By concentrating group strategy functions in the Business Strategy Division, we will further strengthen the ability to cross business segment boundaries. We will also add and expand strategy functions that are directly linked to manufacturing and innovation, such as research and development, production technology, and DX promotion.

Streamline group management functions

With respect to group management functions, by standardizing common operations within the Group and unifying different systems among Group companies, we will enable the management and operation of internal Group operations by the Shared Services Division. In addition, we will redeploy resources through the use of DX to improve the efficiency of operations, and try to make the most of the various human resources within the Group.

b. Further strengthen and deepen the business segment system

Since April 2019, the Group has adopted a business segment system that is aligned with its business fields and business strategies. After the reorganization, the Company, which will become an operating company, will have the function of directly operating three business segments: the Energy and Infrastructure Business, Communication and Industrial Devices Business, and

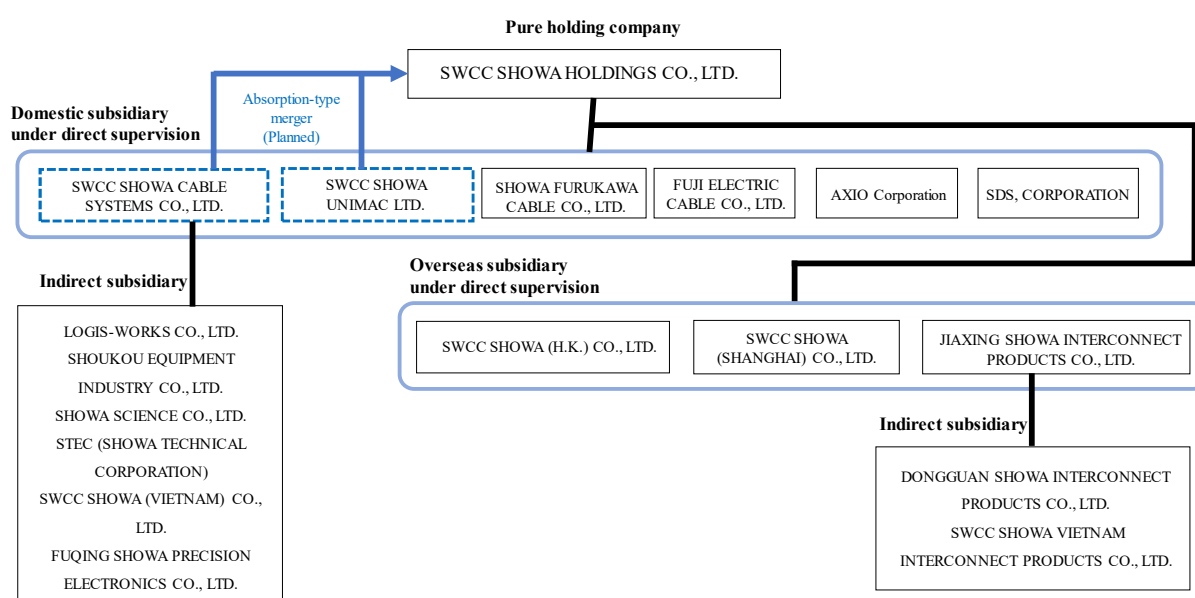
Electrical Equipment and Components Business. In this way, we will build a system and structure in which the Group's management and strategy planning are directly linked to the strategy and operation of each business segment. We will also strive to make decision-making even more efficient and faster by giving each segment manager a stronger authority and responsibility than ever before.

c. Continue to strengthen governance

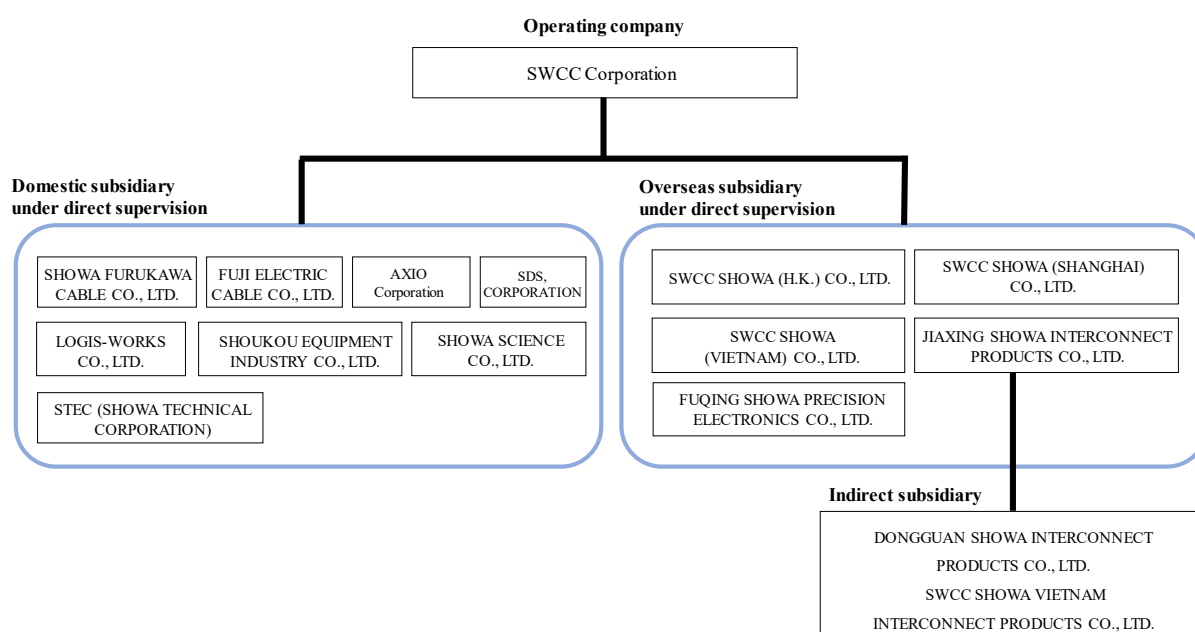
Even after the transition to an operating company, under the system of a company with audit & supervisory committee, we will work to strengthen governance for the transparency and soundness of management while continuing to clearly separate management supervision, centered on independent Outside Directors, from business execution by Executive Directors and Corporate Officers.

Group management structure diagram before and after group reorganization

[Before reorganization]

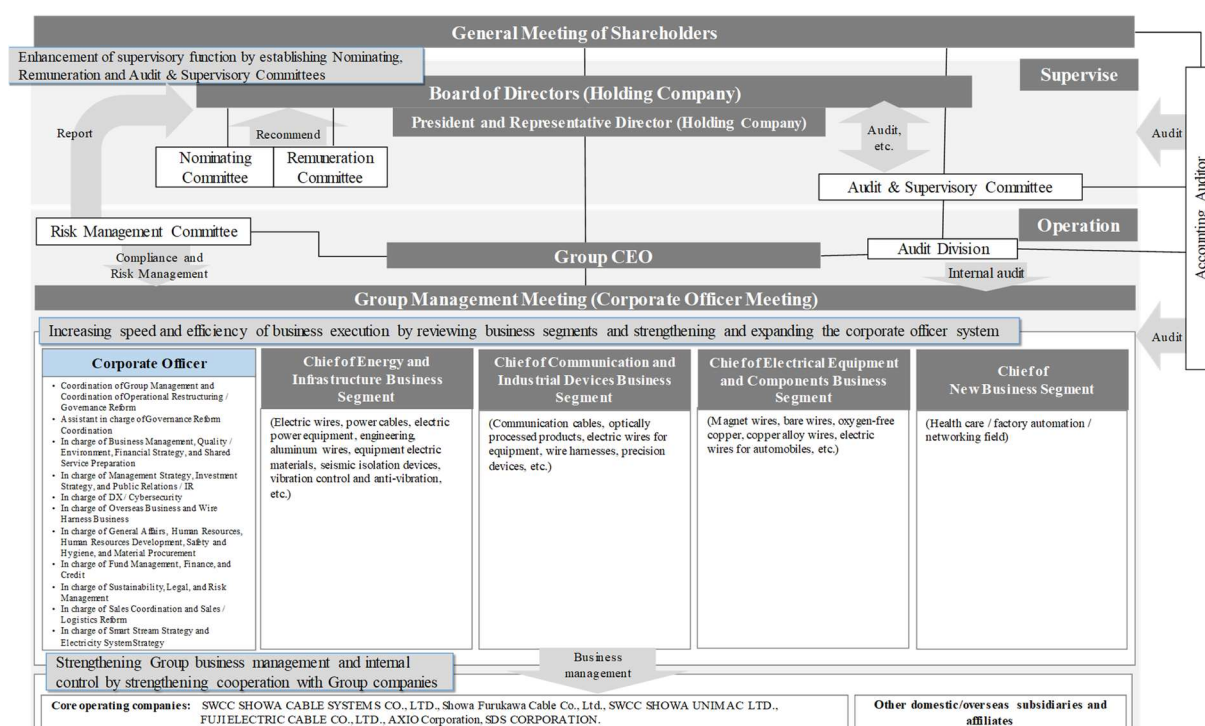


[After reorganization]



(2) Corporate Governance Structure

The Company transitioned to a company with an Audit & Supervisory Committee from a company with an Audit & Supervisory Board pursuant to a resolution passed at its 123rd Ordinary General Meeting of Shareholders held on June 26, 2019, with a view to increasing the efficiency and speed of business execution by delegating substantial authority for the execution of business operations to Corporate Officers, thereby further enhancing deliberations on important themes, such as management strategy, by the Board of Directors and strengthening auditing and supervisory functions with the Audit & Supervisory Committee playing a critical role. In addition, by having clearly defined the authority and responsibility of the persons responsible (Corporate Officers in charge) for respective segments that are aligned with the Group's business fields and strategies (Energy and Infrastructure Business, Communication and Industrial Device Business, Electrical Equipment and Components Business, and New Business), we are promoting further enhancements to the revenue structure, which is no longer defined by individual business operating companies, and efficient management based on the performance indicator Return On Invested Capital (ROIC) and others.



Note The corporate governance system diagram as of April 1, 2022

(3) Composition of the Board of Directors, Skill Matrix, and Reason for Selection of Skill Categories
(Upon the approval and adoption of Proposals No. 4 and No. 5)

The Company's basic approach to corporate governance is based on our management philosophy, which has a central theme of "trust." We will continue to promote initiatives, recognizing that increasing the speed and efficiency of management and the associated strengthening of monitoring functions is a universal task for companies.

In line with this approach, the Company's policy is to nominate Directors among human resources of outstanding personal qualities and insight who can supervise and execute the Company's management. Moreover, from a perspective of strengthening monitoring functions, the Company has elected a team possessing a fine balance of abundant knowledge and experience in various fields such as sales, finance, and manufacturing, with management experience as an essential attribute. The composition of the Board of Directors, together with a skill matrix indicating each candidate's knowledge and experience and the reason for selection of the skill categories, is provided below.

<Composition of the Board of Directors>

Name	Representative Director	Audit & Supervisory Committee Member	Nominating Committee Member	Remuneration Committee Member	Outside Director	Independent Officer
Takayo Hasegawa	●			●		
Dongcheng Zhang	●			●		
Guoqiang Hu						
Kiyoshi Togawa		●	●	●	●	●
Yuji Sakakura		●	●	●	●	●
Seiichiro Ichikawa		●	●		●	●
Takashi Togawa		●				

- Notes:
1. The Company plans for Ms. Takayo Hasegawa and Mr. Dongcheng Zhang to be reappointed as Representative Directors by resolution at a meeting of the Board of Directors to be held after the conclusion of the Ordinary General Meeting of Shareholders.
 2. Kiyoshi Togawa will have served as Director (at the conclusion of the meeting) for seven years.
 3. Seiichiro Ichikawa will have served as Director (at the conclusion of the meeting) for one year.

<Skill matrix of each Director>

Name	Essential skill	ESG	Industry insight	Overseas business	Sales	Accounting & finance	Research	Manufacturing
	Corporate Management							
Takayo Hasegawa	●	●	●				●	
Dongcheng Zhang	●	●	●	●	●			
Guoqiang Hu	●	●	●	●		●		
Kiyoshi Togawa	●	●		●	●			
Yuji Sakakura	●	●		●		●		
Seiichiro Ichikawa	●	●						●
Takashi Togawa	●	●	●			●		

<Skill categories and reason for their selection>

Skill categories	Reason for selection
Corporate Management	To achieved the medium-term management plan “Change & Growth SWCC 2026,” the Company needs directors with reliable knowledge and experience regarding corporate management that can promote the sustainable growth of the Company’s corporate value.
ESG	The Company aims to utilize the technologies and experience it has built up through business centered on the management philosophy of trust to promote business that solves social issues and thereby achieve a sustainable society and increase in corporate value. To this end, the Company needs directors with reliable knowledge and experience about climate change issues, sustainability, and strengthening governance, etc.
Industry insight	The Company needs directors who have reliable knowledge and experience of the industries of its businesses and can quickly discern changes in the Company’s business environment and parlay them into sustainable growth of its Energy and Infrastructure Business, Communication and Industrial Device Business, Electrical Equipment and Components Business, and so forth.
Overseas business	To achieve sustainable growth in its overseas business, the Company needs directors who have overseas business management experience and reliable knowledge and experience of overseas business environments and so forth.
Sales	To provide high-value-added products, the Company needs directors who have reliable knowledge and experience of ascertaining and analyzing market trends and formulating sales strategies.
Accounting & finance	To promote growth investment for sustainably increasing corporate value and promote management for increasing capital efficiency taking return on invested capital (ROIC) as a key performance indicator, the Company needs directors with reliable knowledge and experience in accounting and finance.
Research	To solve social issues in areas such as the environment and energy, disaster prevention and infrastructure, and living and mobility, the Company needs directors with reliable knowledge and experience in a wide range of R&D, including basic research.
Manufacturing	To manufacture products of appropriate quality, the Company needs directors with reliable knowledge and experience regarding technology and expertise of manufacturing.

(4) Optional Advisory Committee

The Company has established the Nominating Committee and the Remuneration Committee, which constitute the Optional Advisory Committee to the Board of Directors, with the aim to improve objectivity and transparency of the process of human resource and remuneration decisions regarding Directors, etc. by appropriately securing opportunities for the Independent Outside Directors to involve and to offer advice, as well as to further enhance and strengthen the Corporate Governance Structure.

Each Committee is composed of three (3) or more Directors selected by resolution of the Board of Directors, in line with the Nominating Committee and Remuneration Committee Regulations, which stipulate that at least half of these are to be Outside Directors.

For Proposal 4 and Proposal 5, a report has been obtained from the Nominating Committee, which is comprised of two (2) Independent Outside Directors and one (1) Director (the Chairman is an Independent Outside Director).

The activities of the Nominating and Remuneration Committees during the fiscal year under review are as follows.

(i) Activities of the Nominating Committee

The Nominating Committee met eight times during the fiscal year under review. The meetings held during the fiscal year under review focused mainly on following up on the next-generation management candidate development plan and deliberating the approach to performance reviews and evaluation results.

(ii) Activities of the Remuneration Committee

The Remuneration Committee met seven times during the fiscal year under review. Deliberations during the fiscal year under review primarily revolved around amounts of remuneration for the

next fiscal year, and the committee reported on these to the Board of Directors. The results of performance reviews on incumbent Directors and Corporate Officers were referenced in developing a response on the amounts of remuneration for the next fiscal year (fiscal year 2022).

(5) Corporate Officer System

The Company strengthens and expands the Corporate Officer System with the aim of increasing the efficiency and speed of business execution.

Corporate Officers are appointed in the same way as the candidates for Directors, by a resolution of the Board of Directors after obtaining the report of the Nominating Committee. In addition, a Corporate Officer contract of mandate is concluded between the Company and the Corporate Officers, in which the authority, missions and responsibilities of each Corporate Officer are clarified.

Please refer to page 49 of the Japanese original, for details about the Company's Corporate Officers as of April 1, 2022.

2. Criteria for Nominating and Dismissing Directors, etc.

In order to enhance objectivity and transparency regarding the election and dismissal of Directors, etc., the Company has established the “Criteria for Nominating Director and Corporate Officer Candidates” and the “Independence Criteria for Outside Officers,” as well as the “Criteria for Dismissing Directors and Corporate Officers” over the Board of Directors. In addition, with regards to the election and dismissal of Directors, etc., to further enhance objectivity and transparency there shall be deliberations by the Nominating Committee, and the Board of Directors shall make the final decision, while respecting its response.

(1) Criteria for Nominating Director and Corporate Officer Candidates

Individuals with outstanding character and insight who can supervise and execute management of the Company in accordance with the basic principles of the Corporate Governance are nominated as candidates for Director and Corporate Officer by resolution of the Board of Directors, regardless of their personal attributes such as gender and nationality, etc. The term of office of the Directors (excluding Directors who are Audit & Supervisory Committee Members) and Corporate Officers of the Company is one year.

Directors:

- (i) Must be an individual with background, capability, leadership, medium- and long-term perspective as well as high ethical standards, all appropriate to involve in decision-making related to management and in supervision of business execution.
- (ii) Must be an individual who respects and practices the Company’s corporate philosophy, has integrity trusted by customers, business partners, shareholders, local communities and employees, observes the law, the corporate code of conduct as well as the internal and external ethics and norms, and has the insight and fairness necessary for a Director.
- (iii) In addition to the items above, the Independent Outside Director of the Company must be an individual who can be judged to have independence based on the “Independence Criteria for Outside Officers” established by the Company.

Corporate Officers:

- (i) Must be an individual who is able to continuously improve the corporate value of the Company, offer concrete proposals of and execute management strategies and action plans that contribute to an increase in corporate value in the medium- and long-term, and who is able to continuously make efforts to perpetually review and improve them.
- (ii) Must be an individual with abilities that employees can aim for, such as responding to market changes and thoroughly practicing its basics, observing the law, building and applying compliance, internal control, as well as risk and crisis management.
- (iii) Must be an individual who has the abilities to freely discuss in the management meetings, etc., express constructive opinions, make recommendations and build a consistent strategic system by comprehensively identifying the management resources of the entire Group.
- (iv) Must also be an individual who has the abilities required as a corporate officer in charge of business execution of the entire Group.

(2) Independence Criteria for Outside Officers

Outside Officers and candidates for Outside Officer are deemed to have independence by the Company if none of the following is found to apply as a result of a survey conducted by the Company to a reasonably possible extent.

- (i) People executing business (Note 1) of the Company and its subsidiaries (hereinafter referred to collectively as “the Group”) or people who have executed business of the Group in the past 10 years
- (ii) Major suppliers to the Group (Note 2), or people executing business of the suppliers
- (iii) Major clients of the Group (Note 3), or people executing business of the clients
- (iv) Major shareholders, directly or indirectly, with 10% or more of the total voting rights in the Company, or people executing business of the major shareholders
- (v) People belonging to the auditing firm that is the accounting auditor of the Group
- (vi) Lawyers, certified public accountants, tax accountants, consultants, etc. receiving substantial amounts (Note 4) of money and other economic benefits in addition to remuneration provided to officers by the Group
- (vii) People belonging to law offices, auditing firms, tax accounting or consulting firms, groups, such as a union, who receive substantial amounts of money and other economic benefits from the Group, people receiving substantial amounts of donations or assistance from the Group, or who have executed business or have been director of a firm or a group, such as a union.
- (viii) People to whom either (ii) to (vii) above applied in the past 3 years
- (ix) Close relatives (Note 5) of people to whom either (i) to (vii) above applies

- Notes:
- 1. People executing business means Executive Director, Corporate Officer (Shikkoyaku or Shikkoyakuin), and employees that hold senior management position.
 - 2. Major supplier means a supplier whose transaction amount with the Group during the most recent fiscal year is more than 2% of the supplier’s consolidated net sales for that fiscal year, or financial institutions whose financing to the Group is more than 2% of the Group’s consolidated total assets at the end of the most recent fiscal year.
 - 3. Major client means a client whose transaction amount with the Group during the most recent fiscal year is more than 2% of the Company’s consolidated net sales for that fiscal year.
 - 4. Substantial amount means 10 million yen or more, for individuals, or more than 2% of consolidated net sales or gross revenue, for companies or groups, on average for the past three fiscal years.
 - 5. Close relative means a spouse or a relative of second-degree or closer.

(3) Criteria for Dismissing Directors and Corporate Officers

If it is judged that a Director or Corporate Officer of the Company is likely to fall under any of the following items, the Nominating Committee shall deliberate and examine the need for dismissal and the Board of Directors shall make a decision.

- (i) Engaged in an act that is in breach of public order and morals (including where (s)he has been found to have a socially reprehensible relationship with antisocial forces)
- (ii) Violated laws and regulations or the Group’s rules, etc. including the Articles of Incorporation, causing a substantial loss or business hindrance to the Group
- (iii) Found not to possess abilities stipulated in the “Criteria for Nominating Director and Corporate Officer Candidates”
- (iv) Caused significantly poor business performance of the Group (applicable to Representative Director, President and Group CEO only)
- (v) Caused significantly poor business performance or operational malaise of a business or sector in charge (applicable to Corporate Officers only)
- (vi) Was significantly hindered, due to health reasons, etc., in the execution of duties

3. Evaluation of the Effectiveness of the Board of Directors

In order to verify the appropriate functioning of the Board of Directors, the Company analyzes and evaluates its own effectiveness every fiscal year. Specifically, answers to a questionnaire given to all Directors are used to share evaluation results and issues with the Board of Directors, which then engages in constructive debate on the ideal state of the Board of Directors going forward.

The evaluation for the fiscal year under review was conducted from multiple viewpoints, such as composition and operation of the Board of Directors, as well as matters discussed and so forth.

Overall, the evaluation results confirmed that the operation of the Board of Directors is being conducted appropriately by the Chairman of the Board of Directors and that deliberation is being conducted in an atmosphere of candor and openness, and so forth. Next, the evaluation results indicated that for the matters for deliberation, etc., opinions picked up through IR activities, etc. are sufficiently discussed as points for deliberation by the Board of Directors and that sufficient follow up is conducted on the status of execution and the results, etc. of matters discussed by the Board of Directors. Moreover, the evaluation results also showed that the Nominating Committee and the Remuneration Committee are functioning effectively, and so forth. Accordingly, since positive overall results were obtained for all evaluation results, the Company judges that the Board of Directors is functioning appropriately and that its effectiveness has been ensured.

On the other hand, issues were identified regarding the operation of the Board of Directors, such as efficient operation to improve its effectiveness; the matters for deliberation, such as enhanced deliberation of matters related to the broader direction of the Company, including management strategy; and the cultivation of deeper discussion about corporate governance. Accordingly, we will continue examining these issues and work to make improvements going forward.

End