

(Translation)

Securities Code: 8068

April 4, 2022

NOTICE OF THE 62ND ANNUAL SHAREHOLDERS' MEETING

Dear Shareholders,

I would like to announce the 62nd Annual Shareholders' Meeting to be held as described hereunder.

For shareholders, in view of the risk of infection by the novel coronavirus disease (COVID-19), we request that you refrain as much as possible from coming to the Annual Shareholders' Meeting. Furthermore, we request that you exercise your voting rights in advance either in writing or by electronic means (via the Internet, etc.) as follows. Please review the attached Reference Documents for Annual Shareholders' Meeting, and exercise your voting rights.

If you decide not to attend this Annual Shareholders' Meeting in person, you may exercise your voting rights using either of the following methods.

[Voting in Writing (by Mail)]

Please return the enclosed Exercise Voting Rights Form with your selections to reach us by 5:30 p.m. on April 25 (Monday), 2022.

[Voting via the Internet, etc.]

Please exercise your voting rights by accessing the Website for Exercising Voting Rights designated by us (<https://evote.tr.mufg.jp/>) and inputting your selections, by 5:30 p.m. on April 25 (Monday), 2022.

Institutional investors may use the Electronic Voting Platform to exercise voting rights.

Sincerely yours,

Moritaka Nakamura
Representative Director, President & Chief Executive Officer
Ryoyo Electro Corporation
1-12-22 Tsukiji, Chuo-ku, Tokyo

<Information for Shareholders>

In order to avoid the risk of infection by COVID-19 at the Annual Shareholders' Meeting, we will take the following measures. We apologize for any inconvenience and ask for your understanding and cooperation.

- (1) Staff will be wearing masks.
- (2) Hand sanitizer will be available near the reception desk and the entrance of the venue, so we ask you to please use it upon entering and exiting.
- (3) At the reception desk, we will set up plastic shields to prevent droplet transmission and take your temperature.
- (4) Shareholders who appear to be in poor health may be refused admission.
- (5) To prevent infection, we will be placing seats at wider intervals at the venue. Please note that this will limit the number of seats available.
- (6) We plan to omit detailed explanations of the business report and agenda items for the Annual Shareholders' Meeting with a view to reducing the time required for the meeting in order to prevent infection. We would like to ask you to carefully review in advance the business report and the reference documents for the Annual Shareholders' Meeting as stated in this notice.

1. Date and Time: 10:00 a.m. on April 26 (Tuesday), 2022
(the reception desk opens at 9:00 a.m.)

2. Venue: JIJI PRESS HALL (on the 2nd floor of Jiji Press Building)
5-15-8 Ginza, Chuo-ku, Tokyo

3. Agenda:

Matters to be reported:

1. The business report, the consolidated financial statements, and the audit reports on the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the 62nd term (from February 1, 2021 to January 31, 2022)
2. The non-consolidated financial statements for the 62nd term (from February 1, 2021 to January 31, 2022)

Matters to be proposed:

Proposal No. 1	Appropriation of Surplus
Proposal No. 2	Partial Amendments to Articles of Incorporation
Proposal No. 3	Election of Eight (8) Directors
Proposal No. 4	Election of Accounting Auditor

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- * When attending the Meeting in person, shareholders are requested to submit the enclosed Exercise Voting Rights Form at the reception desk on the above-mentioned date.
 - * We will post any modification to the reference documents for the Meeting, the business report, the consolidated financial statements and the non-consolidated financial statements on our corporate website.
 - * Please note that no gifts will be offered for the shareholders attending the meeting. Thank you for your understanding.

Our corporate website (<https://www.ryoyo.co.jp/ir/shareholders-meeting/>)

This is an English translation prepared for the convenience of non-resident shareholders. If there is any discrepancy between the translation and the original Japanese text, the latter shall prevail.

Reference Documents for Annual Shareholders' Meeting

Proposal No. 1: Appropriation of Surplus

We propose that surplus be appropriated in the following manner:

Matters related to year-end dividend

In accordance with the "Basic policy regarding the distribution of profit," we propose that the year-end dividend for the 62nd term be as follows:

Type of dividend property	Cash
Allotment of dividend property and its aggregate amount	¥60 per common share of the Company Total dividends: ¥1,190,689,380 As we paid an interim dividend of ¥60 per share, the annual dividend for the fiscal year under review will be ¥120 per share.
Effective date of dividend distribution	April 27, 2022

<Reference> Basic policy regarding the distribution of profit

While maintaining a stable management base and working to expand business in the future, the Company returns profit to its shareholders, taking into account the financial position, business environment, etc., and the Company's basic policy is to pay stable dividends, targeting a dividend on equity ratio (DOE) of 5%.

Proposal No. 2: Partial Amendments to Articles of Incorporation

1. Reason for proposal

Since the revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced 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 shareholders' meeting in electronic format.

- (1) Article 16, paragraph 1 in "Proposed Amendments" below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the shareholders' meeting, etc. in electronic format.
- (2) Article 16, paragraph 2 in "Proposed Amendments" below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provision for Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders' Meeting, Etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned new establishment and deletion, supplementary provisions regarding the effective date, etc. will be established.

2. Details of amendments

Details of the amendments are stated below.

(The underlined parts indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 16. (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders' Meeting, Etc.)</u></p> <p><u>When the Company convenes a shareholders' meeting, if it discloses information that is to be stated or presented in the reference documents for the shareholders' meeting, business report, financial statements and consolidated financial</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(To be newly instituted)</p>	<p><u>Article 16 (Measures for Providing Information in Electronic Format, Etc.)</u></p> <p>1. <u>When the Company convenes a shareholders' meeting, it shall take measures for providing information that constitutes the content of reference documents for the shareholders' meeting, etc. in electronic format.</u></p> <p>2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements 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>
<p>(To be newly instituted)</p>	<p><u>(Supplementary Provisions)</u></p> <p>1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders' Meeting, Etc.) of the Articles of Incorporation prior to the amendments and the new establishment of Article 16 (Measures for Providing Information in Electronic Format, Etc.) shall be effective from the date of 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) (hereinafter referred to as the "Date of</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="720 372 857 397"><u>Enforcement”).</u></p> <p data-bbox="699 407 1118 587">2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation prior to the amendments shall remain effective regarding any shareholders’ meeting held on a date within six (6) months from the Date of Enforcement.</u></p> <p data-bbox="699 596 1118 776">3. <u>These Supplementary Provisions shall be deleted on the date when six (6) months have elapsed from the Date of Enforcement or three (3) months have elapsed from the date of the shareholders’ meeting in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3: Election of Eight (8) Directors

The tenure of all seven (7) Directors will expire at the conclusion of this Annual Shareholders' Meeting. In addition, Outside Director Yoshiharu Hayakawa passed away on December 9, 2021, and retired from the Board of Directors on the same date. Therefore, in order to strengthen the supervisory and advisory functions for overall management and to increase the transparency of management, the Company proposes to increase the number of Outside Directors by one (1), thereby proposing the election of eight (8) Directors.

The candidates' profiles are provided below.

Candidate number	Name	Attribute of candidate	Current positions at the Company	Attendance to the Meetings of the Board of Directors (FY2021)
1	Moritaka Nakamura	Reelection	Representative Director, President & Chief Executive Officer	13/13 100%
2	Kiyoshi Waki	Reelection	Director & Managing Executive Officer	13/13 100%
3	Osamu Sano	New candidate	Managing Executive Officer	–
4	Daisuke Aguro	New candidate	Managing Executive Officer	–
5	Shinya Takada	Reelection Outside Independent	Outside Director	13/13 100%
6	Masumi Shiraishi	Reelection Outside Independent	Outside Director	13/13 100%
7	Masashi Oba	Reelection Outside Independent	Outside Director	13/13 100%

Candidate number	Name	Attribute of candidate	Current positions at the Company	Attendance to the Meetings of the Board of Directors (FY2021)
8	Michiko Aoki	New candidate Outside Independent	—	—

Reelection: Candidate for Director to be reelected

New candidate: Candidate for Director to be newly elected

Outside: Candidate for outside Director

Independent: Independent Director pursuant to the provisions of Tokyo Stock Exchange, Inc.

<Reference> Skills Matrix of Candidates for Director

Candi- date number	Name	Area of expertise the Company expects from candidates for Directors in particular							
		Corpo- rate manage- ment	Finance /account- ing/ capital policy	Legal affairs/ risk manage- ment	Human resources develop- ment/ personnel manage- ment	Sales/ market- ing	Techno- logy	Over- seas busi- ness	DX
1	Moritaka Nakamura	•	•		•	•			•
2	Kiyoshi Waki	•	•	•	•	•		•	
3	Osamu Sano	•				•	•		•
4	Daisuke Aguro	•	•			•		•	
5	Shinya Takada	•	•	•	•	•		•	•
6	Masumi Shiraishi			•	•				
7	Masashi Oba	•	•	•	•			•	•
8	Michiko Aoki	•			•			•	

Note: The above indicates the skills and expertise that are particularly expected to each candidate and is not an indication of all of the skills and expert knowledge possessed by the candidate.

No. 1	<Reelection>	Number of the Company's shares held	25,900
Moritaka Nakamura		Tenure as Director	4 years
	(September 7, 1959)	Attendance to the Meetings of the Board of Directors	13/13
Career summary and positions and responsibilities at the Company			
Apr. 1984	Joined Isetan Co., Ltd. (currently Isetan Mitsukoshi Ltd.)		
Apr. 2011	Director, Executive Officer, General Manager, Corporate Planning Division, Isetan Mitsukoshi Ltd.		
Apr. 2012	Executive Officer, General Manager, Personnel Division, Isetan Mitsukoshi Holdings Ltd.		
Apr. 2016	Managing Executive Officer, General Manager, IT & Group Marketing Strategy Headquarters, Isetan Mitsukoshi Holdings Ltd.		
May 2017	Joined Ryoyo Electro as Special Advisor		
Aug. 2017	Senior Managing Executive Officer in charge of Business Renovation		
Dec. 2017	Senior Managing Executive Officer in charge of Sales, Technology, Overseas Marketing and Business Renovation		
Mar. 2018	Senior Managing Executive Officer in charge of Sales, Technology and Overseas Marketing, General Manager, Sales and Business Development Div., in charge of Business Renovation		
Apr. 2018	Representative Director & President		
Feb. 2021	Representative Director, President & Chief Executive Officer (incumbent)		
Status of important concurrent occupations or positions at other organizations			
None			
Reasons for nominating the candidate for Director			
In his career thus far, the candidate gained extensive experience, knowledge, and personal network cultivated through being engaged in work related to corporate planning, sales planning, personnel, IT and group marketing strategy, and being involved in senior management as a Director. As well as him bringing such experience to the Company, after he was inaugurated as Representative Director & President, he has been demonstrating strong leadership in the business renovation. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his reelection as a Director of the Company.			

No. 2	<Reelection>	Number of the Company's shares held	17,800
Kiyoshi Waki		Tenure as Director	6 years
	(October 22, 1959)	Attendance to the Meetings of the Board of Directors	13/13
Career summary and positions and responsibilities at the Company			
Apr. 1983	Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)		
Nov. 2011	Seconded to Ryoyo Electro as General Manager, Corporate Strategy Div.		
Feb. 2012	Executive Officer & General Manager, Corporate Strategy Div. and Deputy General Manager, Overseas Marketing Div.		
Apr. 2012	Joined Ryoyo Electro		
Nov. 2012	Executive Officer & General Manager, Overseas Marketing Div.		
Feb. 2014	Senior Executive Officer & General Manager, Overseas Marketing Div.		
Oct. 2014	Registered as U.S. Certified Public Accountant		
Feb. 2015	Senior Executive Officer & General Manager, Administration Div., Overseas Marketing Div., in charge of CSR Dept.		
Nov. 2015	Senior Executive Officer & General Manager, Administration Div., in charge of CSR Dept.		
Apr. 2016	Director & Senior Executive Officer in charge of Corporate Strategy Div., General Manager, Administration Div., in charge of CSR Dept. and General Manager, Accounting Dept.		
Feb. 2019	Director & Managing Executive Officer in charge of Corporate Strategy Div. and Administration Div.		
Jul. 2019	Representative Director & Senior Managing Executive Officer in charge of Corporate Strategy Div. and Administration Div.		
Feb. 2021	Representative Director & Senior Managing Executive Officer in charge of Corporate Planning Div. and Administration Div.		
Feb. 2022	Director & Managing Executive Officer in charge of Internal Auditing Dept., CSR Dept., and Special Assignment (incumbent)		
Status of important concurrent occupations or positions at other organizations			
None			
Reasons for nominating the candidate for Director			
The candidate has gained experience and made achievements in Japan and overseas working for a financial institution, and since joining the Company, he has gained management experience in corporate planning and strategy departments, overseas marketing departments and administration departments. He possesses highly specialized knowledge and broad insight in accounting and finance. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his reelection as a Director of the Company.			

No. 3	<New candidate>	Number of the Company's shares held	3,500
Osamu Sano		Tenure as Director	–
	(April 2, 1963)	Attendance to the Meetings of the Board of Directors	–
Career summary and positions and responsibilities at the Company			
Apr. 1985	Joined Ryoyo Electro		
Feb. 2005	Assistant General Manager, Information Technology Dept.		
Aug. 2007	General Manager, Information Technology Dept.		
Nov. 2011	General Manager, Computer System Technology Dept., Engineering Div.		
Feb. 2014	Deputy General Manager, Engineering Div.		
Feb. 2016	General Manager, Engineering Div.		
Mar. 2018	General Manager, Strategic Technology Development Div.		
Feb. 2019	Executive Officer & General Manager, Strategic Technology Development Div.		
Nov. 2020	Executive Officer & General Manager, Strategic Technology Development Div. and Application Development Dept. 1		
Feb. 2021	Managing Executive Officer in charge of Strategic Technology Development Div., General Manager, Strategic Technology Development Div. and Application Development Dept. 2		
Feb. 2022	Managing Executive Officer in charge of Strategic Technology Development Div., General Manager, Strategic Technology Development Div., Application Development Dept. 1 and Application Development Dept. 2 (incumbent)		
Status of important concurrent occupations or positions at other organizations			
None			
Reasons for nominating the candidate for Director			
Since joining Ryoyo Electro, he has held key positions in the Company's technology division for many years, and has extensive experience and broad knowledge of all aspects of technology and IT strategy. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes newly his election as a Director of the Company.			

No. 4	<New candidate>	Number of the Company's shares held	200
Daisuke Aguro		Tenure as Director	–
	(May 12, 1967)	Attendance to the Meetings of the Board of Directors	–
Career summary and positions and responsibilities at the Company			
Apr. 1991	Joined Ryoyo Electro		
Aug. 1994	Overseas Marketing Dept.		
Feb. 1996	Ryoyo Electro Hong Kong Limited		
Sept. 2001	Managing Director, Ryoyo Electro Hong Kong Limited		
Dec. 2008	General Manager, Asia Marketing Dept., Overseas Marketing Div.		
Jul. 2012	Managing Director, Ryoyo Electro Hong Kong Limited		
Nov. 2013	General Manager of Greater China		
Mar. 2018	Deputy General Manager, Overseas Strategy Headquarters, General Manager of Greater China		
	Managing Director, Ryoyo Electro (Shanghai) Co., Ltd.		
Feb. 2021	Executive Officer & General Manager, Semiconductor & Device Div.		
Feb. 2022	Managing Executive Officer in charge of Semiconductor & Device Div., General Manager, Semiconductor & Device Div. (incumbent)		
Status of important concurrent occupations or positions at other organizations			
None			
Reasons for nominating the candidate for Director			
<p>Since joining Ryoyo Electro, he has held key positions in the Company's overseas subsidiaries and served as the General Manager of Greater China for Hong Kong, Shanghai, Dalian, Shenzhen, and Taiwan, acquiring extensive experience in the semiconductor business with a focus on overseas strategies. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes newly his election as a Director of the Company.</p>			

No. 5	<Reelection/Outside /Independent>	Number of the Company's shares held	0
Shinya Takada		Tenure as outside Director	2 years
(January 8, 1952)		Attendance to the Meetings of the Board of Directors	13/13
Career summary and positions and responsibilities at the Company			
Apr. 1975	Joined Isetan Co., Ltd. (currently Isetan Mitsukoshi Ltd.)		
Feb. 1995	General Manager, Sales Policy Department, Sales Division, Isetan Co., Ltd.		
Jun. 2002	Executive Officer, Manager, General Planning Section, Management Planning Department, Isetan Co., Ltd.		
Apr. 2008	Director, Senior Managing Executive Officer, General Manager, Corporate Strategy Headquarters, Isetan Mitsukoshi Holdings Ltd.		
Jan. 2010	Representative Director, Senior Managing Executive Officer, General Manager, Corporate Strategy Headquarters, Isetan Mitsukoshi Holdings Ltd.		
Jun. 2012	Full-time Corporate Auditor, Isetan Mitsukoshi Holdings Ltd.		
Jun. 2017	Outside Director (Member of Audit and Supervisory Committee), SHOWA CORPORATION (currently Hitachi Astemo, Ltd.)		
Apr. 2020	Outside Director, Ryoyo Electro (incumbent)		
Status of important concurrent occupations or positions at other organizations			
None			
Reasons for nominating the candidate for outside Director and overview of expected role			
In his former employment, the candidate has experience of involvement in management while serving mainly in the corporate planning and strategy fields. He has provided fair and objective advice based on this experience since assuming the post of outside Director of the Company. For these reasons, the Company believes that he can be expected to play a role in strengthening its corporate governance and improving its corporate value and accordingly proposes his reelection as an outside Director of the Company.			

No. 6	<Reelection/Outside /Independent>	Number of the Company's shares held	0
Masumi Shiraishi		Tenure as outside Director	3 years
(November 6, 1958)		Attendance to the Meetings of the Board of Directors	13/13
Career summary and positions and responsibilities at the Company			
May 1989	Joined NLI Research Institute		
Apr. 2001	Senior Researcher, NLI Research Institute		
Apr. 2006	Professor, Department of Social Economic Systems, Faculty of Economics, Toyo University		
Apr. 2007	Professor, Faculty of Policy Studies, Kansai University (incumbent)		
Jun. 2013	Outside Director, Asahi Kasei Corp.		
Jun. 2014	Outside Audit & Supervisory Board Member, Central Nippon Expressway Company Limited (incumbent)		
Jun. 2015	Outside Audit & Supervisory Board Member, NEW KANSAI INTERNATIONAL AIRPORT COMPANY, LTD. (incumbent)		
Apr. 2019	Outside Director, Ryoyo Electro (incumbent)		
Feb. 2021	Outside Audit & Supervisory Board Member, E-SUPPORTLINK, Ltd. (incumbent)		
Status of important concurrent occupations or positions at other organizations			
Professor, Faculty of Policy Studies, Kansai University			
Outside Audit & Supervisory Board Member, Central Nippon Expressway Company Limited			
Outside Audit & Supervisory Board Member, NEW KANSAI INTERNATIONAL AIRPORT COMPANY, LTD.			
Outside Audit & Supervisory Board Member, E-SUPPORTLINK, Ltd.			
Reasons for nominating the candidate for outside Director and overview of expected role			
The candidate has never engaged in company management in the past except as an outside officer. However, she has a wide range of insight based on her extensive experience encompassing private enterprise, academia and public office, and has provided advice from multifaceted perspectives based on her insight, etc. since assuming the position of outside Director of the Company. For these reasons, the Company believes that she can be expected to play a role in strengthening its corporate governance and improving its corporate value and accordingly proposes her reelection as an outside Director of the Company.			

No. 7	<Reelection/Outside /Independent>	Number of the Company's shares held	0
Masashi Oba		Tenure as outside Director	2 years
(February 13, 1955)		Attendance to the Meetings of the Board of Directors	13/13
Career summary and positions and responsibilities at the Company			
Apr. 1978	Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)		
Jun. 2007	Executive Officer and General Manager of Corporate Accounting Dept., Tokio Marine & Fire Insurance Co., Ltd.		
Jun. 2010	Managing Director, Tokio Marine Holdings, Inc.		
Apr. 2015	Executive Vice President & CFO, Tokio Marine Holdings, Inc.		
Jun. 2016	President & CEO, Tokio Marine Asset Management Co., Ltd.		
May 2018	Representative Director & President, UNIMAT PRECIOUS Co., Ltd.		
Apr. 2020	Outside Director, Ryoyo Electro (incumbent)		
Jul. 2021	Outside Director, State Street Trust and Banking Co., Ltd. (incumbent)		
Status of important concurrent occupations or positions at other organizations			
Outside Director, State Street Trust and Banking Co., Ltd.			
Reasons for nominating the candidate for outside Director and overview of expected role			
In his former employment, the candidate has experience of involvement in management as CFO while serving mainly in administration divisions. He has provided fair and objective advice based on this experience since assuming the post of outside Director of the Company. For these reasons, the Company believes that he can be expected to play a role in strengthening its corporate governance and improving its corporate value and accordingly proposes his reelection as an outside Director of the Company.			

No. 8	<New candidate/Outside/Independent>	Number of the Company's shares held	0
Michiko Aoki		Tenure as outside Director	—
(September 1, 1968)		Attendance to the Meetings of the Board of Directors	—
Career summary and positions and responsibilities at the Company			
Apr. 1994	Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)		
Dec. 2006	Joined COACH A Co., Ltd.		
Mar. 2013	Professional Certified Coach (PCC), certified by the International Coaching Federation		
Jan. 2017	Seconded to COACH A (Thailand) Co., Ltd.		
Mar. 2018	Master Coach, certified by the Foundation of the Global Life Learning Center		
Mar. 2021	Managing Director, COACH A Co., Ltd. (incumbent)		
Status of important concurrent occupations or positions at other organizations			
Managing Director, COACH A Co., Ltd.			
Reasons for nominating the candidate for outside Director and overview of expected role			
In addition to her previous experience in product planning departments, she has a strong track record in human resource development at a human resource development company. For these reasons, the Company believes that she can be expected to play a role in strengthening its corporate governance and improving its corporate value and accordingly proposes newly her election as an outside Director of the Company.			

- Notes:
1. There are no special interests between the Company and these candidates for Director.
 2. The attendance of each candidate to the meetings of the Board of Directors during the fiscal year ended January 31, 2022 excludes that via written resolutions that are deemed to have been resolved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.
 3. Shinya Takada, Masumi Shiraishi, Masashi Oba and Michiko Aoki are candidates for outside Director.
 4. Agreements for limitation of liability concluded with outside Directors are outlined below. Currently, the Company has concluded agreements for limitation of liability for damages with Shinya Takada, Masumi Shiraishi and Masashi Oba in accordance with the provisions of Article 27 of the Articles of Incorporation. Provided that the proposal of their reelection as Director is approved, the Company will maintain the agreements that offer limitation of liability with them.
The Company also intends to conclude the same agreement for limitation of liability with Michiko Aoki provided that she is elected as outside Director.
Outline of the agreements for limitation of liability is as follows.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, when the outside Directors cause damages to the Company arising from their negligence of their duties, the Company shall limit their liability to the Company to either ¥8 million or the minimum liability amount as stipulated by Article 425, Paragraph 1 of the Companies Act, whichever is higher, if the relevant outside Directors are without knowledge and are not grossly negligent in performing their duties. The Company naturally exempts the outside Directors from the exceeding liability thereof.

5. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The insured persons under the policy are the Company's officers, etc. The policy covers economic losses incurred by an insured person from claims for damages arising from the performance of duties as an officer, etc. of the Company. However, as measures to ensure that the proper performance of duties of officers, etc. is not impaired, the policy does not cover damages resulting from breach of faith or criminal acts or damages caused by the insured persons in cases where they have intentionally committed illegal acts. If the election of each candidate for Director is approved, each candidate will be included as an insured person in the policy.

In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

6. The Company has given notice of Shinya Takada, Masumi Shiraishi and Masashi Oba to Tokyo Stock Exchange, Inc. as independent directors. Provided that the proposal of their reelection as Director is approved, the Company plans for their appointment as independent directors to continue. Also, Michiko Aoki satisfies the independent director requirements pursuant to the provisions of Tokyo Stock Exchange, Inc., and the Company intends to give notice of her as an independent director to the said exchange provided that she is elected as outside Director.

(Reference) Criteria for the selection of outside officers

In order to ensure the independence of the candidates it recommends for outside officer (outside Director and outside Audit & Supervisory Board Member), the Company has formulated criteria for the selection of outside officers.

The criteria for the selection of outside officers require that candidates shall not fall under any of the following categories.

- (1) A party who is or has been a Director, an Auditor or an employee at the Ryoyo Group in the past ten years or a relative within the second degree of kinship of such a party
 - (2) A party that is or has been a Director, an Auditor or an employee of a major business partner (*1) of the Ryoyo Group in the past five years
 - (3) A shareholder that holds 10% or more of the voting rights of the Company' shares (in the case of an institutional shareholder, this shall apply to business executives at such an institutional shareholder)
 - (4) A provider of specialist services (*2) that has received ¥10 million or more of remuneration on an annual basis from the Ryoyo Group in the past five years
 - (5) A party that has received a donation of ¥10 million or more on an annual basis from the Ryoyo Group in the past five years
 - (6) A party that has a relationship with the Ryoyo Group in which exchange of Directors is carried out by mutual dispatch
 - (7) Any other party with a significant interest in the Ryoyo Group
- *1. This signifies a business partner that has a relationship with the Ryoyo Group that constitutes 2% or more of the consolidated net sales of the Ryoyo Group in the most recent fiscal year.
- *2. This signifies an attorney, a certified public accountant, a certified public tax accountant, a judicial scrivener, a consultant or an advisor.

Proposal No. 4: Election of Accounting Auditor

The term of office of the Accounting Auditor KPMG AZSA LLC will expire at the conclusion of this annual shareholders’ meeting, and the Company therefore requests approval for the appointment of Seiyo Audit Corporation as the Accounting Auditor, as determined by the Audit & Supervisory Board.

The Audit & Supervisory Board selected Seiyo Audit Corporation as a candidate for the position of Accounting Auditor having comprehensively considered the professional capabilities, independence, professional ethics and quality control system required of an Accounting Auditor and its audit fees, etc. Consequently, we have judged the firm to be appropriate as the Company’s Accounting Auditor.

The profile of the candidate for the Company’s Accounting Auditor is provided below.

(As of January 31, 2022)

Name	Seiyo Audit Corporation		
Location of principal office	2nd Floor, Nishi-Shimbashi Annex Building 1-22-10 Nishi-Shimbashi, Minato-ku, Tokyo		
Corporate history	February 2011	Founded	
	July 2016	Merged with Kudan Audit Corporation	
	December 2018	Joined Baker Tilly International, headquartered in the UK	
General corporate description	Amount of capital	¥16.5 million	
	Number of employees	Partners	Representative partners: 14, Partners: 5
		Employees	CPA: 60 Passers of Certified Public Accountant Exam: 2 Other: 7
Number of clients	Companies subject to audit pursuant to the Financial Instruments and Exchange Law and the Companies Act: 15 Companies subject to audit pursuant to the Companies Act: 23 Companies subject to other audits, etc.: 39		