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Securities code: 3153

June 6, 2023

(Date of commencement of electronic provision measures: June 2, 2023)

To Shareholders with Voting Rights:

Akio Ota
Representative Board Director
Yashima Denki Co., Ltd.
3-1-1 Shimbashi, Minato-ku,
Tokyo, Japan

Convocation Notice for the 79th Annual General Meeting of Shareholders

We hereby inform you that the 79th Annual General Meeting of Shareholders of Yashima Denki Co., Ltd. (the “Company”) will be held as described below.

In convening this Meeting, the Company has taken measures of electronically providing information contained in the Reference Documents for the General Meeting of Shareholders, etc. and posted the said information on its website on the Internet. The URL of website is referenced below.

The Company’s website:

<https://www.yashimadenki.co.jp/ir/library/meeting.html>

The Company has also posted the above-mentioned information on the website of the Tokyo Stock Exchange (TSE). Please access the TSE’s following website (Listed Company Search), enter “Yashima Denki” in the “Issue name (company name)” field or the Company’s securities code “3153” in the “Code” field to conduct the search, and click “Basic information” and then “Documents for public inspection/PR information” link to see the button information.

TSE’s website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you intend not to attend the Meeting in person, you can exercise voting rights in writing or via the Internet, etc. Please examine the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m., Japan time, Monday, June 26, 2023.

- 1. Date and Time:** Tuesday, June 27, 2023 at 10:00 a.m., Japan time
(Reception starts at 9:00 a.m.)
- 2. Venue:** Hall B, Toranomon Hills Forum, Toranomon Hills Mori Tower 4th Floor
1-23-3 Toranomon, Minato-ku Tokyo
Please note that no souvenirs will be provided to shareholders attending the Meeting.

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company's 79th Fiscal Year (April 1, 2022–March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the above-mentioned Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 79th Fiscal Year (April 1, 2022–March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Election of Five (5) Board Directors not Serving as Audit and Supervisory Committee Members
- Proposal 2:** Election of One (1) Substitute Board Director Serving as Audit and Supervisory Committee Member
- Proposal 3:** Revision of the Maximum Amount of Cash Compensation for Board Directors not Serving as Audit and Supervisory Committee Members
- Proposal 4:** Revision of the Maximum Amount of Restricted Stock Compensation for Board Directors not Serving as Audit and Supervisory Committee Members

4. Other Matters Determined in Convening the Meeting

- (1) If there is no indication of approval or disapproval on the voting rights exercise form returned to us, it will be treated as an indication of approval.
- (2) If you exercise your voting rights both by sending your voting rights exercise form and via the Internet, etc., only the vote cast via the Internet, etc. will be valid.
- (3) If you exercise your voting rights multiple times via the Internet, etc., only the last vote cast will be valid.

- The paper copy sent to shareholders who have requested the delivery of such copy does not include the following items pursuant to laws and regulations and provisions of Article 14 of the Company's Articles of Incorporation:

- (i) Business Report
 - Out of the "Matters Regarding the Current Status of the Corporate Group": Changes in the status of assets and income, principal business, major offices, the status of employees, principal lenders, and other important matters regarding the current status of the corporate group
 - "Matters Regarding the Company's Stock"
 - "Matters Regarding Share Acquisition Rights Pertaining to the Company's Stock"
 - Out of the "Matters Regarding the Company's Board Directors and Officers": Outline of the content of liability limitation agreements, matters regarding outside Board Directors and officers, and other important matters regarding outside Board Directors and officers
 - "Matters Regarding the Company's Board Directors and Officers Liability Insurance Agreements"
 - "Status of the Accounting Auditor"
 - "The Company's Systems and Policies"
- (ii) Consolidated Financial Statements
 - "Consolidated Balance Sheet"
 - "Consolidated Statement of Income"
 - "Statement of Changes in Equity"
 - "Notes to the Consolidated Financial Statements"
- (iii) Non-consolidated Financial Statements
 - "Non-consolidated Balance Sheet"
 - "Non-consolidated Statement of Income"
 - "Non-consolidated Statement of Changes in Equity"

- “Notes to the Non-consolidated Financial Statements”

(iv) Audit Reports

- “The Accounting Auditor’s Audit Report Regarding the Consolidated Financial Statements”
- “The Accounting Auditor’s Audit Report”
- “The Audit and Supervisory Committee’s Audit Report”

Please note that this paper copy forms a part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements audited by the Audit and Supervisory Committee as well as a part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor.

- If any revisions arise to the Electronically Provided Information, the Company will post on its website and the TSE’s website on the Internet described above to that effect as well as the information before making those revisions and the information after making those revisions.
- When attending the Meeting in person, please submit the attached voting rights exercise form to the reception desk at the venue.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Five (5) Board Directors not Serving as Audit and Supervisory Committee Members

The terms of office of all three (3) Board Directors not serving as Audit and Supervisory Committee Members (the same shall apply hereinafter in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes the election of five (5) Board Directors, increasing the number of Board Directors by two (2) to strengthen the Board of Directors' function of supervising the Company's performance of business operations.

This proposal has been reviewed by the Audit and Supervisory Committee, and no special opinions were expressed.

The candidates for Board Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Akio Ota (June 20, 1948) <u>Reappointment</u>	Mar. 1971 Joined the Company Apr. 2001 Executive Officer; General Manager, Industrial Machinery Sales Division Apr. 2004 Senior Vice President & Executive Officer June 2005 Board Director Apr. 2006 Senior Executive Vice President & Board Director Apr. 2013 President & Representative Board Director Apr. 2017 Chairman & President; Representative Board Director Apr. 2023 Chairman & CEO; Representative Board Director (current position)	165,130
	<u>Reasons for nomination</u> Mr. Akio Ota has been consistently involved in the sales management since joining the Company. After serving in various managerial positions including General Manager of the engineering operation, he assumed the position of President & Representative Board Director of the Company in 2013 and then concurrently served as Chairman through March 2023, leading the overall management of the Company. Since April 2023, he has served as Chairman & CEO; Representative Board Director, continuing to work to enhance the entire Group's corporate value. We expect him to leverage his abundant management accomplishments and extensive personal connections in ensuring appropriate decision-making at the Company's Board of Directors and strengthening the effectiveness of its supervisory functions. Accordingly, we propose his reappointment.		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Seijin Shiraishi (February 8, 1952) <u>Reappointment</u>	Apr. 1975 Joined Hitachi, Ltd. Apr. 2003 Joined Renesas Technology Corporation May 2008 Joined Hitachi Kokusai Electric Inc. Apr. 2009 General Manager, Public Relations & Legal Center; General Manager, CSR Promotion Division; and General Manager, Secretarial Office July 2012 Joined the Company Oct. 2012 Director; General Manager, CSR Division June 2013 Board Director; General Manager, CSR Planning Division Apr. 2015 Senior Vice President & Board Director; CEO's Office Manager; and General Manager, Legal & Compliance Division Apr. 2017 Senior Executive Vice President & Board Director ; CEO's Office Manager Jan. 2018 President & CEO, Yashima Environment Engineering Co., Ltd. (concurrent position) Apr. 2018 Board Director; Executive Vice President & Executive Officer; and CEO's Office Manager, the Company Apr. 2019 Board Director; Senior Executive Vice President & Executive Officer; and CEO's Office Manager Apr. 2021 Board Director; Senior Executive Vice President & Executive Officer Apr. 2021 Board Director, Yashima Environmental Engineering Co., Ltd. (concurrent position) Apr. 2022 Board Director; Adviser to the Board, Yashima Control Systems Co., Ltd. (concurrent position) (current position) Apr. 2023 Board Director; Chief Advisory officer, the Company (current position)	80,398
<u>Reasons for nomination</u> Mr. Seijin Shiraishi has been involved in legal affairs, public relations, and other fields at Hitachi, Ltd. and other Hitachi Group companies and is well-versed in a broad range of the headquarters function. Since joining the Company, he has successively served as General Manager of the CSR Division and CEO's Office. From April 2019 to March 2023, he assisted the President of the Company in overall management as Senior Executive Vice President & Executive Officer. We expect him to leverage his abundant experience and accomplishments in ensuring appropriate decision-making of the Company's Board of Directors and strengthening the effectiveness of its supervisory functions. Accordingly, we propose his reappointment.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<p>Tomizo Oda (May 31, 1964)</p> <p><u>Reappointment</u></p>	<p>Apr. 1987 Joined Kokusai Electric Co., Ltd.</p> <p>Apr. 2015 Joined the Company</p> <p>June 2015 Board Director, Yashima Control Systems Co., Ltd. (concurrent position)</p> <p>June 2015 Corporate Auditor, Yashima · Eco · System Co., Ltd. (concurrent position)</p> <p>Apr. 2017 General Manager, Management Planning Division, the Company</p> <p>Apr. 2017 Corporate Auditor, Techno Eight Co., Ltd. (concurrent position)</p> <p>June 2017 Executive Officer; General Manager, Management Planning Division, the Company</p> <p>Apr. 2018 Vice President & Executive Officer; General Manager, Management Operations Group</p> <p>Apr. 2018 Board Director, Sanyo Plant Construction Co., Ltd. (concurrent position)</p> <p>June 2018 Board Director, Chugoku Power Systems Co., Ltd. (concurrent position)</p> <p>Nov. 2018 Corporate Auditor, Nishinihon Power Systems Co., Ltd. (concurrent position)</p> <p>Feb. 2020 Vice President & Executive Officer; General Manager, Management Operations Group; General Manager, Finance Division; and Department Manager, Sales Administration Department, the Company</p> <p>June 2020 Board Director; Vice President & Executive Officer; General Manager, Management Operations Group; General Manager, Finance Division</p> <p>Apr. 2021 Board Director; Vice President & Executive Officer; General Manager, Management Operations Group</p> <p>Apr. 2022 Board Director, Yashima Environment & Information Technology Co., Ltd. (concurrent position) (current position)</p> <p>Apr. 2023 Board Director; Senior Vice President & Executive Officer; General Manager, Management Operations Group, the Company (current position)</p>	36,869
<p><u>Reasons for nomination</u></p> <p>Mr. Tomizo Oda has been involved in the accounting and the corporate planning functions since joining the Company to gain abundant work experience and expertise in finance and accounting, and has also served as Board Directors of our Group companies. In addition, he engages in developing and formulating the medium-term management plans as General Manager of the Management Operations Group and has become well-versed in the Group's overall management strategies. We expect him to leverage his excellent leadership in ensuring appropriate decision-making by the Company's Board of Directors and strengthening the effectiveness of its supervisory functions. Accordingly, we propose his reappointment.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Yosuke Okatani (December 26, 1968) <u>New appointment</u>	Apr. 1991 Joined Hitachi, Ltd. July 2017 General Manager, Legal Center July 2018 Joined PwC Consulting LLC; Managing Director, Risk Consulting Division Jan. 2019 Joined the Company Apr. 2019 General Manager, Legal & CSR Division Apr. 2020 Executive Officer; General Manager, Legal & CSR Division Oct. 2020 Board Director, Yashima Control Systems Co., Ltd. (concurrent position) (current position) Apr. 2021 Vice President & Executive Officer; General Manager, Administration Operations Group, the Company (current position)	7,151
<u>Reasons for nomination</u>			
Mr. Yosuke Okatani was involved in legal affairs at Hitachi, Ltd. Since joining the Company, he has successively served as General Manager of Legal & CSR Division and General Manager of Administration Operations Group and is well-versed in a broad range of the headquarters function, such as general affairs, human resources, and legal affairs. We expect him to leverage his abundant experience and profound insight in ensuring appropriate decision-making of the Company's Board of Directors and strengthening the effectiveness of its supervisory functions. Accordingly, we propose his appointment as a new Board Director.			

- Notes:
1. There are no special interests between any of the candidates and the Company.
 2. The number of shares of the Company held by each candidate includes their ownership via the Yashima Denki Director Shareholding Association.
 3. The Company has concluded a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and other costs that may arise in the event that a claim for damages is made against any of the insureds due to their act (or omission) committed in the course of their respective duties of director.
However, the Company has taken measures to ensure that integrity in the execution of duties by directors is maintained by not exempting directors from damages that may arise from either criminal acts such as bribery, legal violations, or other deliberate acts. Insurance premiums for the said contract are fully borne by the Company. If the candidates assume the positions of Director, they will be included as the insureds under this insurance policy.

Reference

Skills and Expertise of the Board Directors

(upon approval of their election at the Annual General Meeting of Shareholders)

Name	Position in the Company	Corporate management	Finance, accounting	Legal affairs, governance, compliance	Problem-solving and proposal-based sales	Solution provision through engineering	HR, labor management, talent development	Investor relations
Akio Ota	Chairman & CEO; Representative Board Director	●	●	●	●	●	●	●
Shigeki Seimiya	President & COO; Representative Board Director	●		●	●	●		
Seijin Shiraishi	Board Director; Chief Advisory officer	●	●	●			●	●
Tomizo Oda	Board Director; and Senior Vice President & Executive Officer		●	●				●
Yosuke Okatani	Board Director; Vice President & Executive Officer			●			●	
Naohito Miya	Outside Board Director (Audit and Supervisory Committee Member)		●	●				
Takeshi Kurosaki	Outside Board Director (Audit and Supervisory Committee Member)	●		●		●		
Yutaka Yamauchi	Outside Board Director (Audit and Supervisory Committee Member)		●	●				

Proposal 2: Election of One (1) Substitute Board Director Serving as an Audit and Supervisory Committee Member

As Board Director serving as an Audit and Supervisory Committee Member Mr. Teruyuki Ishizawa will resign at the conclusion of this General Meeting of Shareholders, and Mr. Yutaka Yamauchi, who was elected as a substitute Board Director serving as an Audit and Supervisory Committee Member at the 78th Annual General Meeting of Shareholders held on June 23, 2022, will assume the position of Board Director serving as an Audit and Supervisory Committee Member as a substitute of Mr. Teruyuki Ishizawa.

As a result, there will be no substitute Board Director serving as an Audit and Supervisory Committee Member. Accordingly, in preparation for situations where the number of Board Directors serving as Audit and Supervisory Committee Members falls short of the number stipulated by laws and regulations, the Company proposes the election of one (1) substitute Board Director serving as an Audit and Supervisory Committee Member pursuant to the provisions of Article 329, Paragraph 3 of the Companies Act. The Audit and Supervisory Committee has consented to this proposal.

The candidate for substitute Board Director serving as an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company held
Junichi Iwase (June 8, 1958) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div>	Apr. 1982 Joined Koa Oil Co., Ltd. June 2014 Executive Officer, General Manager, Engineering Department, JX Nippon Oil & Energy Corporation Apr. 2017 Board Director, Senior Vice President & Board Director, General Manager, Manufacturing Division, JXTG Nippon Oil & Energy Corporation Apr. 2019 Board Director, Senior Executive Vice President & Executive Officer, June 2020 Board Director, Senior Executive Vice President, Executive Officer, ENEOS Holdings, Inc. (concurrent position)	–
<p><u>Reasons for nomination and expected roles</u></p> <p>After joining Koa Oil Co., Ltd., Mr. Junichi Iwase was in charge of engineering in the energy business, including production technology and operation of refineries, for many years and has abundant experience and accomplishments in that area. In addition, he served as Board Director of ENEOS Holdings, Inc., etc., successfully leading the management of the energy business, talent development in production operations, environmentally-conscious corporate management, etc. Therefore we expect him to audit and supervise the Company's management primarily from an engineering perspective and provide the Company with useful opinions and suggestions if he assumes the position of Board Director serving as an Audit and Supervisory Committee Member. Accordingly, we propose his appointment as a substitute Board Director serving as an Audit and Supervisory Committee Member.</p>		

- Notes:
1. There are no special interests between the candidate for substitute Board Director serving as an Audit and Supervisory Committee Member and the Company.
 2. Mr. Junichi Iwase is a candidate for substitute Outside Board Director serving as an Audit and Supervisory Committee Member.
 3. The Company plans to conclude a liability limitation contract with Mr. Junichi Iwase, if he assumes the position of Board Director serving as an Audit and Supervisory Committee Member, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

The outline of the said liability limitation contract is as follows:

- If a Board Director serving as an Audit and Supervisory Committee Member is held liable for damages to the Company due to their negligence in the performance of their duties, they are held liable for the minimum liability amount prescribed by Article 425, Paragraph 1 of the Companies Act.
 - Such limitation of liability is granted only when the Board Director serving as an Audit and Supervisory Committee Member executed their duties, which have caused the liability, in good faith and without gross negligence.
4. The Company has concluded a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and other costs that may arise in the event that a claim for damages is made against any of the insureds due to their act (or omission) committed in the course of their respective duties.
- However, the Company has taken measures to ensure that integrity in the execution of duties by directors is maintained by not exempting directors from damages that may arise from either criminal acts such as bribery, legal violations, or other deliberate acts. Insurance premiums for the said contract are fully borne by the Company. If the candidate assumes the position of Board Director, he will be included as the insured under this insurance policy.
5. The appointment of a Substitute Board Director serving as an Audit and Supervisory Committee Member shall be effective until the conclusion of the annual general meeting of shareholders for the last business year which ends within two (2) years after the resolution of this proposal.

Proposal 3: Revision of the Maximum Amount of Cash Compensation for Board Directors not Serving as Audit and Supervisory Committee Members

The Company pays Board Directors not serving as Audit and Supervisory Committee Members remuneration that consists of fixed compensation, performance-linked compensation, and non-cash compensation (restricted stock compensation). The fixed compensation and the performance-linked compensation are paid in cash. The amount of the fixed compensation, the amount of the performance-linked compensation, and the amount of the restricted stock compensation are set at a ratio of approximately 60 to 30 to 10. The amount of the performance-linked compensation is determined using the Company's consolidated ordinary profit as an indicator.

At the 72nd Annual General Meeting of Shareholders held on June 24, 2016, the Company obtained approval of the proposal that the amount of cash compensation shall be not more than 250 million yen per year, that this maximum amount shall not include salaries paid to Board Directors concurrently serving as employees for their service as employees, and that the specific amount of cash compensation paid to the individual Board Directors entitled to the compensation, the payment schedule, etc. shall be determined by resolution of the Board of Directors.

The Company is currently striving to carry out its medium-term management plan with the goals of achieving consolidated net sales of 70.0 billion yen and consolidated ordinary profit of 3.5 billion yen in the final fiscal year of the plan period. Even after the end of the plan, the Company will continue to make every effort to continuously improve the level of ordinary profit. Therefore, the Company hereby proposes revising the maximum amount of cash compensation for Board Directors not serving as Audit and Supervisory Committee Members to not more than 350 million yen per year, in order to make it possible to increase the amount of the performance-linked compensation in the future. In addition, this revision is also intended to ensure that the Company can deal with compensation if it becomes necessary in the future to increase the number of Board Directors not serving as Audit and Supervisory Committee Members from the perspective of building a proper governance system.

The Company considers the content of this proposal appropriate, as it was decided by the Board of Directors, after review and approval by the Nomination and Remuneration Advisory Committee, considering the Company's policy on the determination of the content of remuneration, etc. for the individual Board Directors, the scale of the Company's business, the number of Board Directors, etc. This proposal does not propose any revisions to the other matters approved at the 72nd Annual General Meeting of Shareholders.

The Company's policy on the determination of the content of remuneration, etc. for the individual Board Director is as described on page 18 of the Business Report (available only in the original Japanese version of this notice). The number of Board Directors not serving as Audit and Supervisory Committee Members is three (3) at present and will be five (5) if Proposal 1 "Election of Five (5) Board Directors not Serving as Audit and Supervisory Committee Members" is approved.

Proposal 4: Revision of the Maximum Amount of Restricted Stock Compensation for Board Directors not Serving as Audit and Supervisory Committee Members

1. Outline of the plan

The Company obtained approval of the proposal “Determination of the Maximum Amount of Compensation for Granting Restricted Stock to Board Directors not Serving as Audit and Supervisory Committee Members” at the 74th Annual General Meeting of Shareholders held on June 26, 2018, and has introduced a stock compensation plan for Board Directors not serving as Audit and Supervisory Committee Members (hereinafter “Eligible Board Directors”). The plan, under which the Company issues or disposes of restricted stock in consideration of in-kind contribution of cash compensation claims provided for Eligible Board Directors, is intended to provide Eligible Board Directors with an incentive to strive to continuously enhance the Company’s corporate value, as well as to further promote sharing value with shareholders. At the 74th Annual General Meeting of Shareholders, the Company obtained approval of the proposal that the amount of cash compensation claims provided for Eligible Board Directors shall be not more than 30 million yen per year, that the total number of shares of the Company’s restricted common stock issued or disposed of shall be not more than 60,000 per year, and that the maximum amount of cash compensation claims provided for Eligible Board Directors shall not include salaries paid to Board Directors concurrently serving as employees for their service as employees.

2. Reasons for revision of the plan

The Company pays Eligible Board Directors remuneration that consists of fixed compensation, performance-linked compensation, and non-cash compensation (restricted stock compensation). The amount of the fixed compensation, the amount of the performance-linked compensation, and the amount of the restricted stock compensation are set at a ratio of approximately 60 to 30 to 10. The Company wishes to continue to expand the stock compensation plan in view of the above purposes of the plan. Therefore, the Company hereby proposes revising the maximum amount of cash compensation claims provided for Eligible Board Directors from 30 million yen per year to 45 million yen per year, in order to make it possible to at least maintain, and also further increase in the future, the ratio of the amount of stock compensation to the total amount of the remuneration for Eligible Board Directors. In addition, this proposal is also intended to revise the maximum amount to the level that ensures that the Company can deal with compensation if the number of Eligible Board Directors increases in the future.

The Company considers the content of this proposal appropriate, as it was decided by the Board of Directors, after review and approval by the Nomination and Remuneration Advisory Committee, considering the Company’s policy on the determination of the content of remuneration, etc. for the individual Board Directors, the level of the price of the Company’s stock, etc. This proposal does not propose any revisions to the other matters approved at the 74th Annual General Meeting of Shareholders. The Company’s policy on the determination of the content of remuneration, etc. for the individual Board Directors is as described on page 18 of the Business Report (available only in the original Japanese version of this notice). The number of Board Directors not serving as Audit and Supervisory Committee Members is three (3) at present and will be five (5) if Proposal 1 “Election of Five (5) Board Directors not Serving as Audit and Supervisory Committee Members” is approved.