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Securities code: 7723

June 9, 2025

(Electronic provision measures commencement date: June 2, 2025)

To Shareholders with Voting Rights:

Kenji Kunishima
President Representative Director
President Executive Officer
Aichi Tokei Denki Co., Ltd.
1-2-70 Chitose, Atsuta-ku, Nagoya,
Aichi, Japan

**CONVOCATION NOTICE OF
THE 102nd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 102nd Annual General Meeting of Shareholders of Aichi Tokei Denki Co., Ltd. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken electronic provisioning measures for information that constitutes the contents of the Reference Documents for the General Meeting of Shareholders (Electronic Provision Measures Matters). Electronic Provision Measures Matters are posted on the Company’s website as “Convocation Notice of the 102nd Annual General Meeting of Shareholders” and “Other Electronic Provision Measures Matters for the 102nd Annual General Meeting of Shareholders (Matters Omitted in the Document for Delivery).”

The Company’s website: <https://www.aichitokei.net/ir/library/>

Electronic Provision Measures Matters are posted on the website of Tokyo Stock Exchange (TSE), aside from the Company’s website. If you confirm Electronic Provision Measures Matters on TSE website, please access the TSE website (Listed Company Search) described below, enter “Aichi Tokei Denki” in the field of “issue name (company name),” or the Company’s securities code “7723” in the field of “Code” to search, and select “Basic information” and “Documents for public inspection/PR information” in this order, and confirm “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” provided under “Filed information available for public inspection.”

Tokyo Stock Exchange website (Listed Company Search):

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

You may either attend the meeting in person or, if not, exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders provided below and exercise your voting rights by no later than 5:15 p.m. on Tuesday, June 24, 2025, Japan time.

- 1. Date and Time:** Wednesday, June 25, 2025 at 10:00 a.m. Japan time
- 2. Place:** Nagoya Chamber of Commerce & Industry
(Third floor, Meeting Room 5)
2-10-19 Sakae, Naka-ku, Nagoya, Aichi, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 102nd Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 102nd Fiscal Year (April 1, 2024 - March 31, 2025)

Proposals to be resolved:

<Company proposals>

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Seven (7) Directors
- Proposal 3:** Election of One (1) Audit & Supervisory Board Member
- Proposal 4:** Payment of Bonuses to Directors

<Shareholder proposals>

- Proposal 5:** Appropriation of Surplus
- Proposal 6:** Partial Amendment to the Articles of Incorporation (Sale of Cross-Shareholdings)
- Proposal 7:** Partial Amendment to the Articles of Incorporation (Assessment and Disclosure of Purpose of Cross-Shareholdings)

- ◎ When you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue.
- ◎ Any revisions to the Electronic Provision Measures Matters or paper-based documents that state Electronic Provision Measures Matters will be posted on each of the websites mentioned earlier.
- ◎ The Reference Documents for the General Meeting of Shareholders have been sent to shareholders, regardless of whether there was a request for the delivery of paper-based documents.
- ◎ Pursuant to the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation, the following items are not included in the paper-based documents delivered to shareholders who have requested delivery of the paper-based documents.
- 1) "System to Ensure That Directors Execute Their Duties in Compliance With Laws and Regulations and the Articles of Incorporation, and Other Systems to Ensure Appropriate Business Operations" in the Business Report
 - 2) "Overview of the State of Operation of the System to Ensure Appropriate Business Operations" in the Business Report
 - 3) "Basic Policy on Control of the Company" in the Business Report
 - 4) "Consolidated Statement of Changes in Equity" in the Consolidated Financial Statements
 - 5) "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
 - 6) "Statement of Changes in Equity" in the Non-consolidated Financial Statements
 - 7) "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- Therefore, the paper-based documents are a part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their respective audit reports.

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Company proposals (Proposal 1 to Proposal 4)

Proposal 1: Appropriation of Surplus

With regard to the appropriation of surplus, the Company proposes the following.

1. Matters Concerning Year-End Dividends

With regard to the year-end dividend for the 102nd fiscal year, the Company proposes the following, placing a high priority on maintaining stable dividends to shareholders and taking into account profit distribution commensurate with business performance of the fiscal year under review.

If this proposal is approved, combined with an interim dividend of 35 yen per share, the annual dividend will amount to 75 yen per share, which is an increase of 11 yen per share from the previous fiscal year.

(1) Type of dividend property

The Company proposes to distribute cash dividends.

(2) Matters concerning allotment of dividend assets and the total amount thereof

The Company proposes the payment of an ordinary dividend of 40 yen per share.

The total amount of dividends to be paid will be 615,295,120 yen.

(3) Effective date of dividends of surplus

June 26, 2025

2. Other Matters Concerning Appropriation of Surplus

The Company proposes to appropriate internal reserves as follows in order to strengthen our management base for future proactive business development.

(1) Items of surplus to be increased and the amount thereof

General reserve: 2,000,000,000 yen

(2) Items of surplus to be decreased and the amount thereof

Retained earnings brought forward: 2,000,000,000 yen

Proposal 2: Election of Seven (7) Directors

As the terms of office of all eight (8) Directors, including three (3) Outside Directors, will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of seven (7) Directors including three (3) Outside Directors, by decreasing one (1) Director to streamline the management structure.

The candidates for Director are as follows.

No.	Name	Positions and responsibilities at the Company (Significant concurrent positions)	Attributes	Attendance at the Board of Directors meetings (for the 102nd fiscal year)
1	Toshiyuki Hoshika	Representative Director, Chairman	Reappointment	12/12 (100%)
2	Kenji Kunishima	President and Representative Director, President Executive Officer	Reappointment	12/12 (100%)
3	Yutaka Yoshida	Director, Managing Executive Officer, in charge of Technology, General Manager of R&D Headquarters	Reappointment	12/12 (100%)
4	Kazuhisa Mori	Director, Senior Executive Officer, General Manager of Sales Headquarters	Reappointment	12/12 (100%)
5	Chie Okada	Director (Significant concurrent positions) Partner, Kakura Law Office Outside Director (Audit and Supervisory Board Member), AMG HOLDINGS CO., LTD.	Reappointment Outside Independent	12/12 (100%)
6	Masatsugu Kasano	Director (Significant concurrent positions) Member of the Board in charge of New Technology Promotion of OKAYA & CO., LTD.	Reappointment Outside Independent	12/12 (100%)
7	Asako Itakura	Director (Significant concurrent positions) Office Itakura Asako (a Specified Labor and Social Security Attorney and Small and Medium Enterprise Management Consultant firm) Employer Committee Member of Aichi Prefectural Labor Relations Commission Outside Director (Audit Committee Member) of Aichi Financial Group, Inc. Advisor to NagoyaTV Enterprise Co., Ltd.	Reappointment Outside Independent	10/10 (100%)

(Note) Attendance at the Board of Directors meetings for Ms. Asako Itakura pertains to the meetings held after her assumption of office on June 21, 2024.

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company		Number of shares of the Company held
1	Toshiyuki Hoshika (November 25, 1955) [Reappointment] Attendance at the Board of Directors meetings: 12/12 (100%)	<p>April 1978 Joined the Company</p> <p>April 2006 Head of Nagoya Branch Office</p> <p>June 2008 Executive Officer and Head of Osaka Branch Office</p> <p>April 2011 Executive Officer, General Manager of Public SS Sales Department, Sales Management Headquarters</p> <p>June 2014 Senior Executive Officer, Deputy General Manager of Production Management Headquarters, and General Manager of Gas Equipment Manufacturing Division</p> <p>April 2015 Senior Executive Officer, Deputy General Manager of Production Department, and General Manager of Gas Equipment Manufacturing Division</p> <p>June 2015 Director, Senior Executive Officer, General Manager of Production Department, and General Manager of Gas Equipment Manufacturing Division</p> <p>June 2016 Director, Managing Executive Officer in charge of Production, and General Manager of Production Department</p> <p>June 2017 President and Representative Director, President Executive Officer</p> <p>April 2022 Representative Director, Chairman (to present)</p>	<p>Reason for appointment as a candidate for Director</p> <p>Mr. Toshiyuki Hoshika has been promoting the Company's corporate governance by being in charge of management of the Group as President and Representative Director, President Executive Officer from June 2017, and chairing the Board of Directors since April 2022 as Representative Director, Chairman. The Company proposes his reelection as director due to his abundant business experience and knowledge across all aspects of management.</p>	49,300

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company		Number of shares of the Company held
2	Kenji Kunishima (September 22, 1963) [Reappointment] Attendance at the Board of Directors meetings: 12/12 (100%)	<p>April 1986 Joined the Company</p> <p>June 2007 General Manager of Public Relations Secretary Office</p> <p>April 2008 General Manager of Secretary Office and Deputy General Manager of General Affairs Department</p> <p>June 2009 General Manager of General Affairs & Human Resources Department, Administration Management Headquarters</p> <p>April 2010 Head of Nagoya Branch Office, Sales Management Headquarters</p> <p>April 2012 Deputy Head of Tokyo Branch Office, Sales Management Headquarters</p> <p>June 2013 Executive Officer, Head of Tokyo Branch Office, Sales Management Headquarters</p> <p>June 2017 Executive Officer, Head of Okazaki Plant, and General Manager of Gas Equipment Manufacturing Division, Production Department</p> <p>April 2019 Senior Executive Officer, Head of Okazaki Plant, and General Manager of Gas Equipment Manufacturing Division, Production Department</p> <p>April 2020 Senior Executive Officer, General Manager of Production Department</p> <p>June 2020 Director, Senior Executive Officer, and General Manager of Production Department</p> <p>April 2021 Director, Managing Executive Officer, General Manager of Production Headquarters</p> <p>April 2022 President and Representative Director, President Executive Officer (to present)</p>	<p>Reason for appointment as a candidate for Director</p> <p>Mr. Kenji Kunishima has been in charge of management of the Group as President and Representative Director, President Executive Officer since April 2022 and has been leading the business by striving for business expansion based on the promotion of key initiatives laid out under the Medium-term Management Plan 2026. The Company proposes his reelection as director due to his abundant business experience and knowledge across all aspects of management.</p>	22,700

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company		Number of shares of the Company held
3	Yutaka Yoshida (October 29, 1958) [Reappointment] Attendance at the Board of Directors meetings: 12/12 (100%)	<p>January 1987 Joined the Company</p> <p>April 2009 General Manager of Sales Development Department, Sales Management Headquarters</p> <p>April 2012 Deputy General Manager of R&D Headquarters</p> <p>June 2013 Executive Officer and Deputy General Manager of R&D Headquarters</p> <p>October 2013 Executive Officer and General Manager of Quality Assurance Department</p> <p>April 2014 Executive Officer and General Manager of International Sales Department, Sales Management Headquarters</p> <p>April 2015 Executive Officer and General Manager of International Sales Division, Sales Department</p> <p>June 2017 Director, Senior Executive Officer, General Manager of R&D Headquarters</p> <p>April 2022 Director, Senior Executive Officer, in charge of Technology</p> <p>April 2023 Director, Managing Executive Officer, in charge of Technology</p> <p>April 2025 Director, Managing Executive Officer, in charge of Technology, General Manager of R&D Headquarters (to present)</p>	<p>Reason for appointment as a candidate for Director</p> <p>Mr. Yutaka Yoshida possesses rich experience related particularly to development and quality departments, and has been involved in the management of the Company as a Director since June 2017. The Company believes that his knowledge and experience is essential for raising the Group's corporate value, and proposes his reelection as Director.</p>	17,800

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company		Number of shares of the Company held
4	Kazuhisa Mori (May 30, 1963) [Reappointment] Attendance at the Board of Directors meetings: 12/12 (100%)	<p>April 1986 Joined the Company</p> <p>April 2009 General Manager of Technology Development Office, Sales Development Department, Sales Management Headquarters</p> <p>October 2010 General Manager of Technology Development Department, R&D Headquarters</p> <p>April 2014 Deputy General Manager of R&D Headquarters</p> <p>April 2015 General Manager of R&D Headquarters</p> <p>June 2015 Executive Officer and General Manager of R&D Headquarters</p> <p>June 2017 Executive Officer and General Manager of International Sales Division, Sales Department</p> <p>April 2020 Senior Executive Officer and General Manager of International Sales Division, Sales Department</p> <p>April 2022 Senior Executive Officer, General Manager of R&D Headquarters</p> <p>June 2023 Director, Senior Executive Officer, General Manager of R&D Headquarters</p> <p>April 2025 Director, Senior Executive Officer, General Manager of Sales Headquarters (to present)</p>	<p>Reason for appointment as a candidate for Director Mr. Kazuhisa Mori has been engaged mainly in operations related to development, and has contributed as General Manager of International Sales Division toward the Company's development in overseas markets in its endeavor for global business expansion. The Company believes that his knowledge and experience is essential for raising the Group's corporate value, and proposes his reelection as Director.</p>	6,400

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
5	<p>Chie Okada (October 3, 1970)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Attendance at the Board of Directors meetings: 12/12 (100%)</p>	<p>April 1998 Registered as an attorney Joined Tsunehiko Nakane & Associates</p> <p>October 2003 Partner, Kakura Law Office (to present)</p> <p>October 2006 Civil Mediator, Nagoya Summary Court (Part-time Justice)</p> <p>October 2015 Member, Dispute Adjustment Committee, Aichi Labor Bureau</p> <p>September 2020 Auditor, National University Corporation Aichi University of Education</p> <p>June 2022 Director, the Company (to present)</p> <p>June 2023 Outside Director (Audit and Supervisory Board Member), AMG HOLDINGS CO., LTD. (to present)</p> <p>[Significant concurrent positions] Partner, Kakura Law Office Outside Director (Audit and Supervisory Board Member), AMG HOLDINGS CO., LTD.</p> <hr/> <p>Reason for appointment as a candidate for Outside Director and summary of expected roles to be fulfilled in the event of election as Outside Director Ms. Chie Okada works actively as an attorney and has extensive experience and wide-ranging insight on governance, particularly from a legal perspective. The Company expects her to incorporate such experience and insight in its management and to enhance the monitoring and supervisory functions of its management from an independent standpoint, and therefore proposes her reelection as Outside Director.</p>	-

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
6	<p>Masatsugu Kasano (November 7, 1960)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Attendance at the Board of Directors meetings: 12/12 (100%)</p>	<p>April 1984 Joined OKAYA & CO., LTD.</p> <p>March 2008 Deputy General Manager, Toyota Branch Office, Nagoya Head Office of OKAYA & CO., LTD.</p> <p>March 2011 Senior General Manager, Toyota Division, Nagoya Head Office and Deputy General Manager, Toyota Branch Office of OKAYA & CO., LTD.</p> <p>March 2015 Senior General Manager, Corporate Planning & Coordination Division and Senior General Manager, Toyota Division, Nagoya Head Office of OKAYA & CO., LTD.</p> <p>May 2016 General Manager, Kariya Branch Office, Toyota Division, Nagoya Head Office of OKAYA & CO., LTD.</p> <p>May 2018 Member of the Board, Deputy General Manager of Nagoya Head Office and General Manager, Kariya Branch Office, Toyota Division of OKAYA & CO., LTD.</p> <p>May 2021 Member of the Board in charge of New Technology Promotion of OKAYA & CO., LTD.</p> <p>March 2022 Member of the Board in charge of New Technology Promotion and General Manager, Kariya Branch Office, Toyota Division of OKAYA & CO., LTD.</p> <p>May 2022 Member of the Board in charge of New Technology Promotion of OKAYA & CO., LTD. (to present)</p> <p>June 2023 Director, the Company (to present)</p> <p>[Significant concurrent positions] Member of the Board in charge of New Technology Promotion of OKAYA & CO., LTD.</p> <p>Reason for appointment as a candidate for Outside Director and summary of expected roles to be fulfilled in the event of election as Outside Director Mr. Masatsugu Kasano has broad insight cultivated in metal and machinery trading companies. The Company expects him to incorporate such experience and insight in its management and to enhance the monitoring and supervisory functions of its management from an independent standpoint, and therefore proposes his reelection as Outside Director.</p>	-

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company	Number of shares of the Company held
7	Asako Itakura (January 21, 1961) [Reappointment] [Outside] [Independent] Attendance at the Board of Directors meetings: 10/10 (100%)	<p>April 1983 Joined Nagoya Broadcasting Network</p> <p>February 2004 Executive Officer and Station Manager of Nagoya Broadcasting Network In charge of systems and ERP</p> <p>October 2005 Executive Officer and Station Manager of Nagoya Broadcasting Network General Manager of Compliance Office</p> <p>June 2008 Assistant to President's Office of Nagoya Broadcasting Network Senior Managing Director of NagoyaTV Enterprise Co., Ltd.</p> <p>June 2011 Deputy Director of Sales Department of NagoyaTV Enterprise Co., Ltd. (Station Manager)</p> <p>March 2013 Deputy Director of Corporate Strategy Office of NagoyaTV Enterprise Co., Ltd. (Station Manager)</p> <p>June 2016 Senior Managing Director of NagoyaTV Enterprise Co., Ltd. Human Resources Department of Nagoya Broadcasting Network (concurrent)</p> <p>July 2019 Managing Director of NagoyaTV Enterprise Co., Ltd.</p> <p>July 2021 Advisor to NagoyaTV Enterprise Co., Ltd. (to present)</p> <p>February 2022 Established Office Itakura Asako (a Specified Labor and Social Security Attorney and Small and Medium Enterprise Management Consultant firm) (to present)</p> <p>June 2023 Outside Director (Audit Committee Member) of Aichi Financial Group, Inc. (to present)</p> <p>June 2024 Director, the Company (to present)</p> <p>[Significant concurrent positions] Office Itakura Asako (a Specified Labor and Social Security Attorney and Small and Medium Enterprise Management Consultant firm) Employer Committee Member of Aichi Prefectural Labor Relations Commission Outside Director (Audit Committee Member) of Aichi Financial Group, Inc. Advisor to NagoyaTV Enterprise Co., Ltd.</p> <p>Reason for appointment as a candidate for Outside Director and summary of expected roles to be fulfilled in the event of election as Outside Director Ms. Asako Itakura has held successive key management positions for many years and has extensive experience and wide-ranging insight on human resources. The Company expects her to incorporate such experience and insight in its management and to enhance the monitoring and supervisory functions of its management from an independent standpoint, and therefore proposes her reelection as Outside Director.</p>	-

Notes: 1. The Company engages in transactions with OKAYA & CO., LTD., where Mr. Masatsugu Kasano is Member of the Board, for the purchase of materials and goods and sales of products, etc., but the amount of said transactions in the fiscal year under review accounts for less than

1% of consolidated net sales of the Company and that of the said company. There is no other special interest between any of the candidates and the Company.

2. Ms. Chie Okada, Mr. Masatsugu Kasano, and Ms. Asako Itakura are candidates for Outside Director.
3. Ms. Chie Okada will have served as Outside Director for three (3) years at the conclusion of this General Meeting of Shareholders. Mr. Masatsugu Kasano will have served as Outside Director for two (2) years at the conclusion of this General Meeting of Shareholders. Ms. Asako Itakura will have served as Outside Director for one (1) year at the conclusion of this General Meeting of Shareholders.
4. The Company has registered Ms. Chie Okada, Mr. Masatsugu Kasano and Ms. Asako Itakura with the Tokyo Stock Exchange and the Nagoya Stock Exchange as independent directors pursuant to the provisions of both exchanges. In the event that the candidates are reelected, the Company will continue to register them as independent directors with the exchanges.
5. The Company has entered into a liability limitation agreement with Ms. Chie Okada, Mr. Masatsugu Kasano and Ms. Asako Itakura to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act to the maximum amount provided for in laws and regulations. In the event that they are reelected, the Company will continue this agreement with them.
6. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers legal damages and legal costs incurred by the insured due to claims for damages arising from acts (including omissions of acts) committed by the insured in his or her capacity as a Director or Officer of the Company. Each of the candidates is included as an insured person under such insurance contract as a Director or Executive Officer of the Company, and if their reappointment is approved, they will continue to be included as an insured person under the insurance contract. The Company will renew the insurance contract during their terms of office of the Director under this proposal with the same terms and conditions.
7. Ms. Chie Okada's name in the family registry is Chie Kakura.

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

As an Audit & Supervisory Board Member Mr. Osamu Nakamura will resign at the conclusion of this General Meeting of Shareholders, the Company proposes the election of one (1) Audit & Supervisory Board Member. The Audit & Supervisory Board has consented to this Proposal.

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

Name (Date of birth)	Career summary and positions at the Company	Number of shares of the Company held
Hiroaki Kato (October 26, 1961) [New] [Outside] [Independent]	<p>April 1984 Joined TOHO GAS Co., Ltd.</p> <p>June 2001 Accounting Manager, Finance Department of TOHO GAS Co., Ltd.</p> <p>May 2004 General Affairs Manager, General Affairs Department of TOHO GAS Co., Ltd.</p> <p>June 2009 Seconded to Toho Liquefied Gas Co., Ltd.</p> <p>November 2011 General Manager, General Affairs Department of TOHO GAS Co., Ltd.</p> <p>June 2013 General Manager, Nagoya Higashi Branch of TOHO GAS Co., Ltd.</p> <p>June 2015 General Manager, Examination Department of TOHO GAS Co., Ltd.</p> <p>June 2019 Full-Time Audit & Supervisory Board Member of TOHO GAS Co., Ltd. (scheduled to retire in June 2025)</p> <p>[Significant concurrent position] None</p> <p>Reason for appointment as a candidate for Outside Audit & Supervisory Board Member Mr. Hiroaki Kato has served as Audit & Supervisory Board Member of TOHO GAS Co., Ltd., and the Company expects him to provide supervision of management as a whole and effective advice based on his rich experience and wide-ranging knowledge. The Company believes that he will appropriately perform his duties in auditing the Company, and therefore proposes his election as Outside Audit & Supervisory Board Member.</p>	-

- Notes:
1. There is no special interest between Mr. Hiroaki Kato and the Company.
 2. Mr. Hiroaki Kato is a candidate for Outside Audit & Supervisory Board Member.
 3. In the event that Mr. Hiroaki Kato is elected, the Company will register him with the Tokyo Stock Exchange and the Nagoya Stock Exchange as independent auditor pursuant to the provisions of both exchanges.
 4. In the event that Mr. Hiroaki Kato is elected, the Company will enter into a liability limitation agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the maximum amount provided for in laws and regulations.
 5. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers legal damages and legal costs incurred by the insured due to claims for damages arising from acts (including omissions of acts) committed by the insured in his or her capacity as a Director or Officer of the Company. If Mr. Hiroaki Kato's appointment is approved, he will be included as an insured person under the insurance contract. The Company will renew the insurance contract during the terms of office of the Audit & Supervisory Board Member under this proposal with the same terms and conditions.

(Reference) Composition of the Board of Directors and Audit & Supervisory Board in the event that Proposals 2 and 3 are approved.

Based on the career and skills of each Director and Audit & Supervisory Board Member, items that are particularly expected are marked with ●.

Name	Position and responsibilities	Corporate management & Governance	Finance & Accounting	Sales & Marketing	Global experience	Development & Quality	IT & DX	Legal affairs & Risk management	Sustainability
Toshiyuki Hoshika	Representative Director, Chairman	●				●		●	
Kenji Kunishima	President and Representative Director, President Executive Officer	●	●						●
Yutaka Yoshida	Director, Managing Executive Officer, in charge of Technology, General Manager of R&D Headquarters			●		●	●		
Kazuhisa Mori	Director, Senior Executive Officer, General Manager of Sales Headquarters			●	●	●			
Chie Okada	Director (Outside)	●						●	●
Masatsugu Kasano	Director (Outside)			●	●		●		
Asako Itakura	Director (Outside)	●						●	●
Youichi Orikasa	Standing Audit & Supervisory Board Member (Outside)		●		●			●	
Masanori Watanabe	Standing Audit & Supervisory Board Member					●	●		●
Hiroaki Kato	Audit & Supervisory Board Member (Outside)	●	●					●	

*The table shown above does not represent all knowledge that each Director and Audit & Supervisory Board Member has.

Reasons for the selection of skills

Skills required of each Director and Audit & Supervisory Board Member are as follows.

Items	Reasons for selection
Corporate management & Governance	Ability to supervise the appropriateness of the business execution and the governance structure in order to understand the present status and make management decisions towards achieving the Company's vision.
Finance & Accounting	Ability to supervise appropriate resource allocations from a financial standpoint in order to enhance corporate value from a long-term perspective.
Sales & Marketing	Ability to determine potential business growth and future market trends from a broad perspective in order to achieve management plans.
Global experience	Ability to drive management by understanding values, business environments and geopolitical risks in each region to accelerate global expansion.
Development & Quality	Ability to develop technology and manufacturing strategies enabling technical innovation in order to create new value and markets.
IT & DX	Ability to develop strategies by incorporating digital technologies with the Company's businesses to expand IoT business and promote DX.
Legal affairs & Risk management	Ability to supervise the appropriateness of risk management, including compliance, by understanding increasingly complex and diverse risks.
Sustainability	Ability to resolve environment-related issues and promote human capital management from both social and corporate perspectives in order to balance a sustainable society with the Company's sustainable growth.

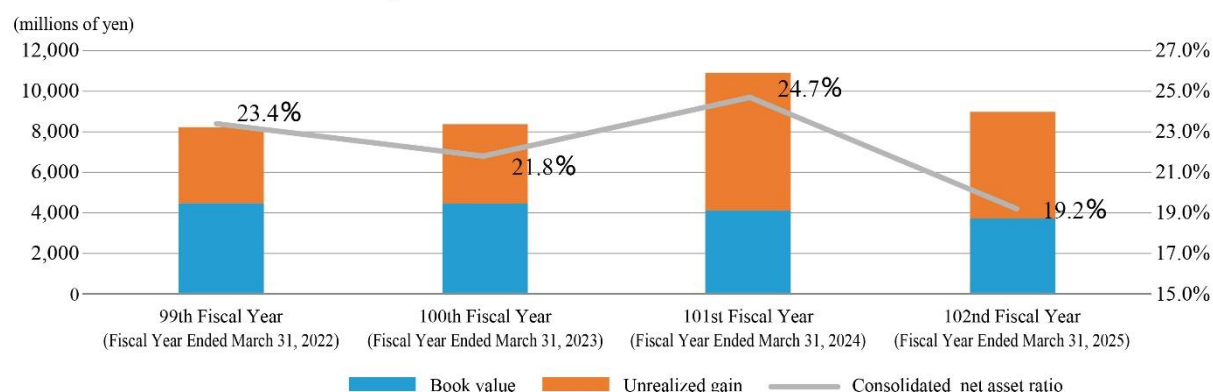
(Reference) Cross-shareholdings

The Company's policy is to hold cross-shareholdings that will contribute to enhancing the Company's corporate value for stakeholders including shareholders, and to sell cross-shareholdings where there is no rational reason for continuing to hold them based on the criteria for reviewing cross-shareholdings.

The transition of cross-shareholdings

		The 99th fiscal year (Fiscal year ended March 31, 2022)	The 100th fiscal year (Fiscal year ended March 31, 2023)	The 101st fiscal year (Fiscal year ended March 31, 2024)	The 102nd fiscal year (Fiscal year ended March 31, 2025)
Number of issues (stocks)	Listed shares	40	40	40	36
	Unlisted shares	41	40	40	40
	Deemed shares held	2	2	1	-
	Total	83	82	81	76
Amount recorded on the balance sheet (Millions of yen)	Listed shares	6,292	6,263	8,780	8,489
	Unlisted shares	491	489	490	492
	Deemed shares held	1,445	1,625	1,644	-
	Total	8,229	8,378	10,915	8,982
Consolidated net asset ratio		23.4%	21.8%	24.7%	19.2%

The transition of cross-shareholdings and the ratio to consolidated net assets



Proposal 4: Payment of Bonuses to Directors

The Company proposes to pay a total of 53,000,000 yen as bonuses to five (5) Directors (excluding Outside Directors) as of the end of the fiscal year under review, taking into account factors including past payments and the business performance of the fiscal year under review.

As described in the Business Report, the Company's Board of Directors has defined a basic policy regarding details of compensation, etc. for individual Directors. This proposal has been deemed to be appropriate as it is necessary and reasonable to grant individual compensation, etc. to each Director in accordance with such policy, after seeking and receiving advice from the Nomination and Compensation Advisory Committee. In addition, the amount of compensation for Directors will not include the employee's salary for Directors who concurrently serve as employees, as has been the case to date.

<Shareholder Proposals (Proposal 5 to Proposal 7)>

Proposal 5 to Proposal 7 were made by one shareholder.

The Board of Directors opposes all of these shareholder proposals (Proposal 5 to Proposal 7). The following summaries of the proposals and the reasons for the proposals have been provided in their original form as submitted by the proposing shareholder.

Proposal 5: Appropriation of Surplus

[Summary of the Proposal]

(1) Type of Dividend Property: Cash

(2) Allocation and Total Amount of Dividends:

The Company shall pay a dividend per share calculated by subtracting the per-share dividend under the Company's proposed appropriation of surplus (if approved at the 102nd AGM) from 109 yen. If 5% of Net Asset per Share (DOE: Dividend on Equity) or 60% of Net Income per Share for the fiscal year ending March 2025 (whichever is higher), after deducting the interim dividend of 35 yen, differs from 109 yen, then the base figure of 109 yen shall be adjusted accordingly.

(3) Record Date

The record date for the dividend shall be March 31, 2025, with the dividend becoming effective on the day immediately following the 102nd Annual General Meeting of Shareholders.

Note: This proposal is intended to supplement the Company's proposed appropriation of surplus by increasing the specified dividend amount.

[Reason for the Proposal]

This proposal aims to set the full-year dividend at the higher of 5% of Net Assets per Share (DOE), or 60% of Net Income per Share.

The Tokyo Stock Exchange's "Summary of Discussions on Measures to Improve the Effectiveness of the Market Restructuring" published in January 2023 states that companies with persistently low Price-to-Book Ratios (PBR below 1.0x) must disclose clear policies and improvement measures.

Although the Company announced its "Mid-Term Management Plan 2026" in May 2024, its PBR remains at 0.63x as of April 10, 2025, indicating continued undervaluation by the capital markets.

From a capital efficiency standpoint, the Company's ROE has hovered around 7%, falling short of the generally accepted equity cost of capital of approximately 8%. This underperformance stems from past overinvestment in fixed assets and a conservative dividend policy (payout ratio of 30-40%), which has resulted in an excessive accumulation of equity

capital without adequate shareholder returns. Unless this policy is revised, sustainable enhancement of corporate value will be difficult.

Accordingly, to improve valuation and ensure shareholder returns, we propose a dividend distribution aligned with either a DOE of 5% or a 60% payout ratio, whichever is higher.

< Opinion of the Board of Directors >

The Board of Directors opposes the Shareholder Proposal

[Reasons for Opposition]

The Company believes that shareholder returns, including dividends, should be considered and discussed together with the business strategy and the finance and capital strategy for increasing corporate value in the medium to long term, and that measures for shareholder returns should be determined upon comprehensive consideration of these matters. On May 10, 2024, the Company announced its “Medium-Term Management Plan 2026” covering the period of three years from FY2024 to FY2026 (the “Medium-Term Management Plan”). The Company aims to achieve net sales of 60 billion yen, ordinary profit of 5 billion yen, net profit of 3.7 billion yen, and ROE of 8% while following the existing direction of the business strategy and further promoting data delivery services and acceleration of the pace of global expansion, and also clearly expressing the Company’s financial and capital strategy and its sustainability strategy and engaging in initiatives towards sustainable growth.

In the finance and capital strategy, the Company plans to implement appropriate shareholder returns along with future growth investment and infrastructure and equipment renewal, and will conduct, as the cash allocations planned in the Medium-Term Management Plan, investments at the amount of approximately 11.5 billion yen and shareholder returns at the amount of approximately 3.5 billion yen, using the business cash flow and cash on hand for the period.

With respect to investments, the Company plans to make growth investments including building a production system aimed at the conversion to smart meters in the domestic water market, expanding data delivery service functions, and increasing production of high value-added products for overseas, with a focus on North America. In addition, the Company is planning to rebuild the headquarters factory to support sustainable growth into the future. Through this plan the total floor space of the headquarters factory will be increased by approximately 30 percent, and the Company aims to increase the efficiency and productivity of internal logistics by optimizing the production area within the factory while seeking to meet the high demand for smart meters that will continue in the future.

In this way, it is expected that the investment amount throughout the Medium-Term Management Plan will exceed by a large margin the 3.2 billion yen in the previous medium-term management plan. Furthermore, the rebuilding of the headquarters factory will continue even after the Medium-Term Management Plan, and the total amount of investment is expected to be approximately 15 billion yen in eight years, and the Company will consider borrowing as necessary.

Premised on the business strategy and finance and capital strategy described above, the Company aims to make shareholder returns that are stable and commensurate with profit-growth while aiming to achieve financial stability and long-term growth. This is also based on the deep connection between the Company’s business and investments in the public interest, particularly in the measurement device-related business, and the necessity of securing a stable business foundation over the long term. During the term of the Medium-Term Management Plan, the Company aims to increase the dividend payout ratio to 40 percent based on the policy of implementing shareholder returns commensurate with performance while continuing stable dividends, in consideration of its

financial and investment plans and other factors. It is expected that the annual dividend per share will increase to 75 yen and the dividend payout ratio will increase to 32.6 percent in the fiscal year ending March 2025, compared to an annual dividend per share of 64 yen and dividend payout ratio of 30.9 percent in the fiscal year ending March 2024. Moreover, in the fiscal year ending March 2026, the Company plans to increase the annual dividend per share to 90 yen per year and the dividend payout ratio to 37.7 percent.

Furthermore, the Company will continue to strive to increase corporate value (PBR improvement) and work to have performance steadily reflected in the share price through the steady implementation of the Medium-Term Management Plan, strengthening growth investments and shareholder returns, continuing to reduce cross-shareholdings, and making appropriate information disclosures and strengthening IR and SR activities, including promoting dialogue with shareholders and investors through briefings on financial results, etc. and the publication of integrated reports.

As stated above, the Company is working to increase shareholder returns as an important topic for management, but considering the significant financing requirements expected in the future, it is necessary to secure a balance between investment and shareholder returns. Conversely, the Shareholder Proposal demands a dividend in an amount found by subtracting the interim dividend of 35 yen from the greater of either 5 percent of net assets per share or 60 percent of the net income per share for the fiscal year ending March 2025, which does not sufficiently take into consideration the necessity and importance of investing in sustainable growth, and is also inappropriate from the standpoint of maximizing the Company's medium- to long-term corporate value and in turn, the common interest of the shareholders.

For the above reasons, the Board of Directors opposes the Shareholder Proposal.

Proposal 6 : Partial Amendment to the Articles of Incorporation
(Sale of Cross-Shareholdings)

[Summary of the Proposal]

The following chapter and article are newly incorporated in the Articles of Incorporation of the Company. In case other proposals (including company proposals) are approved at this AGM, necessary renumbering and formatting adjustments shall be made accordingly.

(Underlined indicates amended portions)

Current	Proposed Amendment
(Newly established)	<u>Chapter 8 Cross-Shareholdings</u> <u>[Sales of Cross-Shareholdings]</u> <u>Article 60 The Company shall dispose of all its</u> <u>cross-shareholdings by June 30, 2026.</u>

[Reason for the Proposal]

In the Tokyo Stock Exchange's "Summary of Discussions on Measures to Improve the Effectiveness of the Market Restructuring" (January 2023), listed companies were urged to formulate and disclose specific plans to implement management practices that take into account capital costs and share price performance. In response, many listed companies have publicly announced policies aimed at reviewing and reducing their cross-shareholdings.

Although the Company has sold a portion of its securities over the past five years, the pace of such reductions has been slow, and sufficient progress has not been made in addressing this issue.

Accordingly, in order to accelerate the reduction of the Company's cross-shareholdings, we propose that a provision be added to the Articles of Incorporation requiring the Company to divest all of its cross-shareholdings within one year after this Annual General Meeting.

< Opinion of the Board of Directors >

The Board of Directors opposes the Shareholder Proposal

[Reasons for Opposition]

The Company's policy is to hold cross-shareholdings that will contribute to enhancing the Company's corporate value for stakeholders including shareholders, and to sell cross-shareholdings where there is no rational reason for continuing to hold them based on the criteria for reviewing cross-shareholdings.

Those criteria are established by the Board of Directors, and include as quantitative criteria the cost of capital, yield calculated from trading volume, profit, dividends received, and the market price of the shares, and as qualitative items, the existence of a trading relationship, the significance of holdings outside of a trading relationship, and the like.

As a result of the ongoing reduction of cross-shareholdings (including deemed shareholdings) based on the Medium-Term Management Plan, the Company sold four holdings and all deemed shareholdings (for a total amount of 2.16 billion yen) during the past year (from April 2024 to March 2025), and the ratio of the balance of cross-shareholdings to consolidated net assets has decreased from 24.7 percent at the end of March 2024 to 19.2 percent at the end of March 2025. Going forward, the Board of Directors will assess the appropriateness of individual holdings based on concrete examination and consideration of the purpose, economic rationale, and other factors of cross-shareholding.

As described above, the Board of Directors appropriately assesses and implements decisions on whether to hold or to sell its current cross-shareholdings, and the Board of Directors believes that the Shareholder Proposal to the effect that all cross-shareholdings should be sold within one year is not appropriate from the point of view of securing the medium- to long-term common interests of shareholders.

Furthermore, the Company believes that it is inappropriate to prescribe in the Articles of Incorporation a clause concerning an individual and specific execution of business execution, namely, the setting of a deadline and disposing of assets as in the Shareholder Proposal, in consideration of the very nature of the Articles of Incorporation, which set out a company's fundamental rules, and the compromise of the flexibility of management.

For the above reasons, the Board of Directors opposes the Shareholder Proposal.

Proposal 7 : Partial Amendment to the Articles of Incorporation
(Assessment and Disclosure of Purpose of Cross-Shareholdings)

[Summary of the Proposal]

The following chapter and article are newly incorporated in the Articles of Incorporation of the Company. In case other proposals (including company proposals) are approved at this AGM, necessary renumbering and formatting adjustments shall be made accordingly.

(Underlined indicates amended portions)

Current	Proposed Amendment
(Newly established)	<u>Chapter 8 Cross-Shareholdings</u> <u>[Assessment and Disclosure of Purpose of Cross-Shareholdings]</u> <u>Article 61</u> <u>1 The Board of Directors shall regularly assess the appropriateness of the purpose of each cross-shareholding and whether the benefits and risks are aligned with the capital cost.</u> <u>2 The results of such assessments shall be disclosed in the Corporate Governance Report submitted to the Tokyo Stock Exchange.</u>

[Reason for the Proposal]

According to Principle 1-4 of the Corporate Governance Code published by the Tokyo Stock Exchange, companies must rigorously evaluate and disclose the purpose and financial rationale (cost vs. benefit) for holding listed shares as cross-shareholdings.

The continued holding of cross-shareholdings not only diminishes capital efficiency, but may also undermine managerial discipline by serving as a means of securing stable shareholders, thereby reducing external oversight. Furthermore, such holdings may be used as a vehicle for the arbitrary realization of profits. Moreover, holding shares in customer companies could present conflicts of interest and governance concerns for both parties.

In light of these considerations, we propose that the Board of Directors be required to examine the appropriateness of the stated purposes of each cross-shareholding from the standpoint of both the Company's and the investee's corporate governance practices, as well as assess whether the anticipated benefits and risks are aligned with the Company's capital cost. The results of such assessments should be disclosed in the Company's Corporate Governance Report.

< Opinion of the Board of Directors >

The Board of Directors opposes the Shareholder Proposal

[Reasons for Opposition]

The Company makes appropriate disclosures with regard to the status of its cross-shareholdings in its corporate governance reports and annual securities reports pursuant to the requirements of the Corporate Governance Code established by the Tokyo Stock Exchange and laws and regulations. In addition to this, from the fiscal year ending March 2025, the Company has been working to ensure transparency by stating and reporting the status of holdings and progress in sales of cross-shareholdings for each fiscal year in the convocation notice of the annual general meeting of shareholders.

Furthermore, as stated above, the Board of Directors already assesses the significance of holdings, etc. in relation to individual cross-shareholdings.

The Shareholder Proposal demands that a clause with individual and specific content be prescribed in the Articles of Incorporation, namely, that an assessment be made of the purpose of cross-shareholdings and that the results thereof be disclosed in the corporate governance report, but the Company believes that there is no need to prescribe anew in the Articles of Incorporation something that is already being implemented. In addition, based on the very nature of the Articles of Incorporation, which are a company's fundamental rules, it is not appropriate to place in the Articles of Incorporation a rigid provision with content that is currently implemented regarding matters which may be subject to change due to the revision of the Corporate Governance Code or other future events.

For the above reasons, the Board of Directors opposes the Shareholder Proposal.