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Securities Code: 6815

June 13, 2022

To Our Shareholders:

12-7, Hatchobori 2-chome, Chuo-ku, Tokyo

UNIDEN HOLDINGS CORPORATION

Tatsuhiro Muto, Representative Director, President and CFO

Notice of the 57th Ordinary General Meeting of Shareholders

You are hereby notified that the 57th Ordinary General Meeting of Shareholders of the Company will be held as indicated below.

We will hold the Ordinary General Meeting of Shareholders with measures in place to prevent the spread of COVID-19 as described below. We, however, request all shareholders to consider refraining from attending the meeting in person in order to prevent the spread of infections. Instead of attending the meeting, you can exercise your voting rights in advance in writing or via the Internet. For the exercise of voting rights in writing or via the Internet, please review the attached Reference Material for the General Meeting of Shareholders and exercise your voting rights by no later than 5:30 p.m. on Monday, June 27, 2022.

You will be able to view the live streaming of the Ordinary General Meeting of Shareholders on a dedicated website, even if you do not attend the meeting in person.

Notice of Meeting

1. Date and Time Tuesday, June 28, 2022 at 10:00 a.m.
2. Place 7th Floor, TEKKO KAIKAN
2-10, Kayabacho 3-chome, Chuo-ku, Tokyo

3. Purpose of the Meeting

Matters to be Reported

1. Results for the 57th Business Period
(from April 1, 2021 to March 31, 2022)
 - Detail of Business Report
 - Detail of Consolidated Financial Statements
 - Results of audits by the accounting auditor and the Audit and Supervisory Committee on Consolidated Financial Statements
2. Results for the 57th Business Period
(from April 1, 2021 to March 31, 2022)
 - Detail of Non-Consolidated Financial Statements

Matters to be Resolved

- Item 1: Appropriation of Surplus
- Item 2: Partial Amendments to the Articles of Incorporation
(Amendments to prepare for the implementation of the system for electronic provision of materials for general meetings of shareholders)
- Item 3: Partial Amendments to the Articles of Incorporation
(Amendments to enter into the liability limitation agreement with the accounting auditor)
- Item 4: Election of One (1) Director (excluding Directors concurrently serving as Audit and Supervisory Committee members)
- Item 5: Determination of the Amount of Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)
- Item 6: Introduction of Performance-Linked Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)
- Item 7: Determination of the Amount of Remuneration for Directors concurrently serving as Audit and Supervisory Committee members

4. Request for cooperation in preventing the spread of COVID-19

In light of concern over the spread of COVID-19, we will hold this Ordinary

General Meeting of Shareholders after implementing appropriate infection prevention measures.

From the perspective of preventing the spread of COVID-19, we would like to make a request to all shareholders as follows. We ask for your understanding and cooperation in order to ensure the safety of our shareholders and our company's officers and employees.

- Please consider exercising your voting rights for this Ordinary General Meeting of Shareholders in writing or via the Internet in advance of the meeting.
- Shareholders who wish to attend the meeting are requested to carefully check the infection situation and the announcements made by the national government and local governments before the day of the meeting, and to consider whether or not to attend the meeting, including refraining from attending the meeting in person, regardless of own health condition.
- Seats will be spaced further apart on the day of the meeting to prevent the spread of COVID-19 among shareholders. Due to the limited number of seats available, we may not accept your attendance on the day of the meeting. We ask for your understanding in advance.
- Even if you arrive on the day of the meeting, we may ask you to refrain from entering the venue if you are determined to have a fever, if you are considered to be unwell, or do not cooperate in preventing the spread of COVID-19 by wearing a mask or other means in the venue.
- If you plan to attend the meeting, please disinfect your hands, wear a mask, and take your temperature at the reception desk.

5. Instructions for the Exercise of Voting Rights

(1) Exercise of Voting Rights in Writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Monday, June 27, 2022.

In the event that your vote for or against a proposal is not indicated on the Voting Rights Exercise Form in the case of exercising your voting rights in writing, it will be deemed that you have voted for the proposal if it is a company proposal, and against the proposal if it is a shareholder proposal.

(2) Exercise of Voting Rights via the Internet

Please refer to the “Procedures for Exercising Voting Rights via the Internet, etc.” on page 5 (Japanese only) and exercise your voting rights by 5:30 p.m. on Monday, June 27, 2022.

If any corrections are made to the enclosed Reference Material for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-Consolidated Financial Statements, they will be posted on the Company’s website (<http://www.uniden.co.jp/>).

The result of resolutions of the General Meeting of Shareholders will be posted on the above website, instead of sending a written notice of the resolution. We appreciate your understanding in advance.

(Attachment)

Business Report
(April 1, 2021 - March 31, 2022)

I. Current Status of the Group

1. Business in the Fiscal Year under Review

(1) Business progress and results

In addition to converting Uniden Real Estate Co., Ltd. to an equity-method associate, effective from the consolidated fiscal year under review, the Company has changed to segment reporting by region for the electronics business from the previous segment reporting of the electronics business and the real estate business, based on the policy in the medium-term management plan that calls for “ending the real estate business” and “focusing management resources on the electronics business” formulated under the new management structure after the Extraordinary General Meeting of Shareholders held on November 19, 2021. As a result of this change, the Group’s reportable segments are “North, Central, and South America,” “Oceania,” “Japan,” “Europe & Middle East,” and “Asia & Other.”

The Group regards net sales and operating profit as important management indicators. Based on the management philosophy of “As a responsible corporate citizen, we contribute to building and maintaining society that allows for uninterrupted information transmission through providing communication devices that connect people,” we are engaged in the electronics business and sell products such as CB radios, scanner radios, radar detectors, and automotive monitors, mainly in the North, Central, and South American markets. Currently, we are reviewing production costs and selling, general and administrative expenses on an ongoing basis, and are striving for selection and concentration through the abolition and integration of unprofitable models.

For the fiscal year under review, sales decreased and income increased, with net sales of 12,887 million yen (down 33.1% year-on-year), operating profit of 1,216 million yen (down 15.7% year-on-year), ordinary profit of 1,655 million yen (up 16.8% year-on-year), and profit attributable to owners of parent of 1,787 million yen (3,658 million yen in the previous fiscal year). The main reason for the year-on-year decrease in net sales and other items is that Uniden Real Estate Co., Ltd., which had net sales of 8,279 million yen to outside customers in the previous fiscal year, was changed to an associate accounted for by the equity method. In addition, gain on sale of non-current assets of 335 million yen was recorded as an extraordinary income item due to the sale of real estate owned by the Company, resulting in profit attributable to owners of parent of 1,787 million yen (down 51.1% year-on-year).

Progress and results by segment (by region) are as follows.

[North, Central, and South America]

In North America, our main market, steady growth in demand was achieved for our high-priced radar detector products released several years ago. On September 24, 2021, we acquired 80% of the shares of ATTOWAVE CO., LTD., a Korean company, which has excellent product development capabilities in the radar detector business field and made it our consolidated subsidiary. With this, we believe we will be able to function more closely and organically in a series of value chains in the radar detector business and respond more quickly to changes in the market.

Sales of digital scanners (radio scanners), a core product in the North American market, increased due to stay-at-home demand from the spread of COVID-19, and sales of CB radio were also strong due to post-covid reactionary demand and other factors. As a result of the above, net sales in this segment for the fiscal year under review were 6,633 million yen (up 16.0% year-on-year).

On the other hand, the global shortage of semiconductors and stagnation of logistics due to COVID-19 caused an increase in the cost of procurement of raw materials and parts and transportation costs, resulting in operating profit of 453 million yen, down 105 million yen year-on-year.

[Oceania]

In Australia, another major overseas market, although affected by shortages in the supply of semiconductors and electronic components and significant delays of international cargo, domestic camping leisure activities became popular due to travel restrictions caused by COVID-19 and sales of CB radio used in these activities were strong.

Sales of security equipment (wireless cameras) were also strong due to an increase in home renovation. These products are highly profitable, and net sales in this segment for the fiscal year under review were 3,964 million yen (up 12.4% year-on-year), and operating profit was 462 million yen, an increase of 308 million yen year-on-year.

[Japan]

In Japan, the severe shortage of semiconductors and electronic components made it impossible to meet demand for both security equipment (wireless cameras and monitors) and digital appliances (automotive wireless rear monitors), but the impact of this shortage was minor compared to the previous fiscal year.

In addition, as mentioned above, Uniden Real Estate Co., Ltd., which had net sales of 8,279 million yen in the previous year, became an equity-method associate, resulting in a decrease in net sales. As a result, net sales in this segment for the fiscal year under review were 1,028 million yen (down 89.3% year on year), and operating profit was 317 million yen, down 168 million yen year-on-year.

[Europe & Middle East]

In Europe and Middle East, sales of wireless communications (radio scanners and CB radios) and automotive equipment (radar detectors) were both strong, resulting in increased sales.

Net sales in this segment for the fiscal year under review were 538 million yen (up 136.3% year-on-year), and operating profit was 80 million yen, an increase of 43 million yen year-on-year.

[Asia & Other]

As for Asia and Other, both net sales and operating profit increased in the Asian region, mainly due to an increase in order processing production at the Vietnam plant from neighboring companies and making ATTOWAVE CO., LTD., a Korean company, a consolidated subsidiary, as mentioned above.

Net sales in this segment were 721 million yen (up 236.1% year-on-year), and operating profit was 158 million yen, up 121 million yen year-on-year.

(2) Capital investment

Total capital investment in the fiscal year under review amounted to 420 million yen, and the main items are as follows.

Other Asia	UNIDEN VIETNAM LTD.	Renewal and expansion of production facilities	312 million yen
North, Central, and South America	UNIDEN AMERICA CORPORATION	New molds, etc.	55 million yen

(3) Status of financing

No significant financing was noted.

(4) Transfer of business, absorption-type company split, or incorporation-type company split

Not applicable

(5) Transfer of business from other companies

Not applicable

(6) Succession of rights and obligations regarding the business of other corporations due to an absorption-type merger or an absorption-type split

Not applicable

(7) Acquisition or disposal of equity interests (including shares) or share acquisition rights of other companies

Effective September 24, 2021, the Company acquired 80% of the shares of ATTOWAVE CO., LTD., a supplier of radar detectors, a major product sold by the Company, and made the company a subsidiary of the Company.

2. Status of Assets and Income

(In millions of yen unless otherwise stated)

Item	The 54th fiscal year ended March 31, 2019	The 55th fiscal year ended March 31, 2020	The 56th fiscal year ended March 31, 2021	The 57th fiscal year ended March 31, 2022
Net sales	20,669	20,034	19,270	12,887
Ordinary profit	2,381	449	1,418	1,655
Profit attributable to owners of parent	1,380	(463)	3,658	1,787
Basic earnings (loss) per share (yen)	234.65	(78.83)	622.27	304.09
Total assets	39,318	41,556	47,822	43,411
Total net assets	30,399	28,726	32,963	33,761
Net assets per share (yen)	5,055.05	4,765.99	5,477.06	5,705.32

Notes: 1. The situation for the 57th fiscal year (the fiscal year under review) is as described in “1. Business in the Fiscal Year under Review (1) Business progress and results.”

2. On October 1, 2018, the Company conducted a reverse stock split at a ratio of 1-for-10 shares of ordinary shares. Basic earnings per share and net assets per share are calculated based on the assumption that the reverse stock split was conducted at the beginning of the 54th fiscal year.

3. Status of Principal Parent Company and Subsidiaries (As of March 31, 2022)

(1) Status of parent company

Not applicable

(2) Status of major subsidiaries

Company name	Capital	The Company's percentage of equity participation	Principal business
UNIDEN HOLDING, INC.	US\$ 93,790,000.00	100.0%	Holding company for North America region
UNIDEN AMERICA CORPORATION	US\$ 16,895,428.53	(100.0)%	Sales of wireless communication and applied equipment and telephone-related equipment
UNIDEN AUSTRALIA PTY. LTD.	A\$ 8.00	100.0%	Sales of wireless communication and applied equipment and telephone-related equipment
UNIDEN HONG KONG LTD.	HK\$ 1,155,014,000.00	100.0%	Purchase of raw materials
UNIDEN VIETNAM LTD.	US\$ 8,450,000.00	100.0%	Manufacture of wireless communication and applied equipment and telephone-related equipment
UNIDEN JAPAN CORPORATION	100 million yen	100.0%	Sales business for Europe and Japan
ATTOWAVE CO., LTD.	KRW 600 million	80.0%	Development and manufacture of laser and radar detectors/electronic and telecommunications equipment and related equipment

Notes: 1. Percentage of equity participation in parentheses is indirect ownership interest.

2. At the end of the fiscal year under review, there were 12 consolidated subsidiaries and 2 affiliates accounted for by the equity method.

3. Uniden Financial, Inc. and Uniden Service, Inc., which were major subsidiaries at the end of the previous fiscal year, were merged into UNIDEN AMERICA CORPORATION on March 31, 2022. As a result, they were excluded from the scope of major subsidiaries.

4. Uniden Real Estate Co., Ltd., which was a major subsidiary at the end of the previous fiscal year, was excluded from major subsidiaries as it became an associate accounted for by the equity method.

5. On September 24, 2021, the Company acquired 80% of the shares of ATTOWAVE CO., LTD. and made it a consolidated subsidiary of the Company.

4. Issues to Be Addressed

With the time period of containing COVID-19 still uncertain, we anticipate that the outlook will remain uncertain. Although demand for Wireless Communications, the core of our electronics business, is not susceptible to fluctuations in external factors, there are still concerns about the uncertainties caused by the spread of COVID-19, including the global shortage of semiconductors and electronic parts and the disruption of international logistics, which may force a reduction in production of some products and make it difficult for us to meet demand, potentially affecting the business activities of the Company.

Under such business environment, based on our management philosophy of “As a responsible corporate citizen, we contribute to building and maintaining society that allows for uninterrupted information transmission through providing communication devices that connect people,” we will further improve profitability and capital efficiency by strengthening portfolio management in the electronics business, entering new businesses and new domains, and improving production efficiency.

<Initiatives for the next fiscal year>

(1) Strengthen product competitiveness

- Continued operation of a profitability-focused policy and expansion of market share in each category in the market
- Develop and expand new categories in the electronics business
- Strengthen e-commerce
- Exit unprofitable product categories
- Establish a close and organic value chain

(2) Establishment of next generation growth business

- Investments for further growth in electronics business (expansion of production facilities, consideration of building new plants for knockdown production, M&A, etc.)
- Termination of real estate business (sale of assets owned by the Company, collection of loans to Uniden Real Estate Co., Ltd., etc.)

(3) Strengthen the management foundation to support global management

- Strengthen recruitment and training of specialized personnel (corporate planning, finance, multilingual)
- Strengthening of the business administration division (establishment and reinforcement of the FP&A group in the Accounting & Finance Division)
- Sophistication of global management through IT (introduction of BI tools and CMS to improve efficiency of group business management operations and strengthen group fund management)
- Build a corporate culture with a high level of compliance awareness (clarify organizational functions and roles and responsibilities through a system of six divisions and one office)

(4) Activate human resources and organization to realize the mid-term vision

- Strengthen mid-career recruitment, including women and non-Japanese employees
- Introduce a personnel system (evaluation system, incentives, etc.) that encourages employees to take on new challenges

- Strengthen communication between top management and the front line through the use of IT
- Cross-division-oriented selection and reassignment

5. Principal Business (As of March 31, 2022)

The Group's main business is the electronics business, and its main products are as follows.

Wireless communications and applied equipment	digital scanners, radar and laser detectors, CB transceivers, UHF/CB transceivers, GMRS transceivers, maritime radios, video surveillance, dash cams
Telecommunications	DECT standard digital cordless telephone
Security equipment	Wireless cameras and monitors
Digital appliances	Automotive wireless rear monitors

Products are manufactured by overseas subsidiaries or procured from finished products suppliers and sold to customers in Japan and overseas (North America, Oceania, Europe, Asia, etc.).

6. Major Offices and Plants (As of March 31, 2022)

(1) The Company

Company name	Location
UNIDEN HOLDINGS CORPORATION	12-7, Hatchobori 2-chome, Chuo-ku, Tokyo

(2) Subsidiaries, etc.

Company name	Location
UNIDEN AMERICA CORPORATION	Delaware, the United States of America (Note)
UNIDEN AUSTRALIA PTY. LTD.	New South Wales, the Commonwealth of Australia
UNIDEN JAPAN CORPORATION	12-7, Hatchobori 2-chome, Chuo-ku, Tokyo
UNIDEN VIETNAM LTD.	Hai Duong Province, Socialist Republic of Viet Nam
ATTOWAVE CO., LTD.	Seoul, Republic of Korea

(Note) The location is as shown above, but the actual business is conducted in Texas, U.S.A.

7. Status of Employees (As of March 31, 2022)

(1) Status of employees of the Group

Number of employees	Increase / Decrease compared to the end of the previous fiscal year
972	Increase of 139 persons

(Notes) 1. The number of employees is the number of full-time employees and does not include officers and part-time employees.

2. The increase in the number of employees from the end of the previous fiscal year is due to the increase of 41 employees resulting from the consolidation of ATTOWAVE CO., LTD. on September 24, 2021, and an increase in the number of production personnel in response to an increase in orders for contract processing production at UNIDEN VIETNAM LTD.

(2) Status of employees of the Company

Number of Employees	Increase / Decrease Compared to the End of the Previous Fiscal Year	Average Age	Average Length of Service
33	Increase of 10 persons	43.63 years old	7.8 years

(Note) The number of employees is the number of full-time employees and does not include officers and part-time employees.

8. Principal Lenders (As of March 31, 2022)

Not applicable

9. Other Important Matters Regarding the Current Status of the Company

(Impact of the Spread of COVID-19)

The global impact of COVID-19 has adversely affected many of the procurement, production, logistics, and sales activities of the electronics business that the Group operates overseas. In addition, the impact on business management has not been small, as travel restrictions and other restrictions in place in various countries have made it difficult to gather local information. The health and safety of all concerned is our top priority, and we are conducting our business activities while endeavoring to prevent the infection and spread of COVID-19. However, a prolonged situation could have a further impact on the Group's business performance and financial position.

II. Current Status of the Company

1. Status of Shares (As of March 31, 2022)

- (1) Total number of shares authorized to be issued: 16,900,000 shares
(2) Total number of shares issued and outstanding: 5,879,501 shares
(3) Number of shareholders: 6,291
(4) Major shareholders (Top 10 shareholders)

Shareholder name	Number of shares (thousand shares)	Shareholding ratio (%)
BNYM AS AGT/CLTS NON TREATY JASDEC (Standing proxy, MUFG Bank, Ltd.)	931	15.85
The Master Trust Bank of Japan, Ltd. (Trust account)	555	9.45
GOLDMAN, SACHS & CO. REG (Standing proxy, Goldman Sachs Securities Co., Ltd.)	382	6.50
Fuji Fund Ltd.	358	6.09
CITCO TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF THE VPL1 TRUST DIRECT OR ROBERT THOMAS (Standing proxy, Tachibana Securities Co., Ltd.)	300	5.10
FCP SEXTANT AUTOUR DU MONDE (Standing proxy, Custody Division, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	200	3.40
CORNWALL MASTER LP PRESIDENT MAI JAMES (Standing proxy, MUFG Bank, Ltd.)	200	3.40
Custody Bank of Japan, Ltd. (Trust account)	138	2.35
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY (Standing proxy, Custody Division, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	124	2.11
CACEIS BANK FOR (EQUITIES) NON TREATY UCITS CLIENTS (Standing proxy, Custody Division, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	91	1.55

Note: Shareholding ratio is calculated by excluding treasury stock (802 shares) from the total number of shares issued and outstanding.

2. Status of Share Acquisition Rights

Not applicable

3. Status of the Company's Officers

(1) Status of Directors (As of March 31, 2022)

Positions at the Company	Name	Responsibilities at the Company and significant concurrent positions
Representative Director, President and CFO	Tatsuhiro Muto	CEO & CFO of UNIDEN AMERICA CORPORATION Representative Director and President of UNIDEN JAPAN CORPORATION
Director concurrently serving as Audit and Supervisory Committee member	Mariko Ohsato	President of Arc Communications Inc.
Director concurrently serving as Audit and Supervisory Committee member	Atsushi Shimizu	Representative Director of CaN Accounting Advisory Inc.
Director concurrently serving as Audit and Supervisory Committee member	Tomomi Nakano	Representative of Nakano Tomomi Certified Public Accountant and Tax Accountant Office
Director concurrently serving as Audit and Supervisory Committee member	Toshimi Mizokami	Representative attorney-at-law of Mesotes Law Office

(Notes)

1. Directors concurrently serving as Audit and Supervisory Committee members Ms. Mariko Ohsato, Mr. Atsushi Shimizu, Ms. Tomomi Nakano and Ms. Toshimi Mizokami are Outside Directors as defined in Article 2, Item 15 of the Companies Act.
2. The Company has registered Directors concurrently serving as Audit and Supervisory Committee members Ms. Mariko Ohsato, Mr. Atsushi Shimizu, Ms. Tomomi Nakano and Ms. Toshimi Mizokami with the Tokyo Stock Exchange as Independent Officers in accordance with the rules stipulated by the said Exchange.
3. Directors concurrently serving as Audit and Supervisory Committee members Mr. Atsushi Shimizu and Ms. Tomomi Nakano are qualified as certified public accountants and have considerable knowledge of finance and accounting matters.
4. Director concurrently serving as Audit and Supervisory Committee member Ms. Toshimi Mizokami is qualified as an attorney-at-law and has considerable knowledge of laws.
5. Mr. Atsushi Shimizu is appointed as a full-time Audit and Supervisory Committee member in order to enhance the effectiveness of auditing and supervisory functions by collecting and sharing information from Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) and strengthening cooperation with the Internal Audit Department and others.
6. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each Outside Director (Ms. Mariko Ohsato, Mr. Atsushi Shimizu,

Ms. Tomomi Nakano and Ms. Toshimi Mizokami) to limit their liability for damages under Article 423, Paragraph 1 of the said Act. The liability of the Company's Outside Directors for damages under Article 423, Paragraph 1 of the Companies Act is limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. The Company had entered into similar liability limitation agreement agreements with Outside Director Mr. Masahiro Seki and Outside Auditor Mr. Koretaka Minami who retired as of November 19, 2021. The Company had also entered into a similar liability limitation agreement with Outside Auditor Mr. Katsushi Kuroda who resigned as of November 19, 2021.

(2) Directors and Auditors retired during the fiscal year under review (from April 1, 2021 to March 31, 2022)

Name	Retirement date	Reasons for retirement	Position, responsibilities at the Company and significant concurrent positions at the time of retirement
Tatsuya Ando	June 29, 2021	Expiration of term of office	Director and CSO of the Company
Yoshikazu Okazaki	August 6, 2021	Resign: Personal reasons	Full-time Auditor of the Company
Setsuo Fujimoto	September 3, 2021	Resign: Personal reasons	Auditor of the Company
Katsushi Kuroda	November 19, 2021	Resign: Personal reasons	Auditor of the Company, Statutory Auditor (Outside) of Tokyo Stock Exchange, Inc. (Retired in June 2021)
Koretaka Minami	November 19, 2021	Expiration of term of office	Auditor of the Company
Takeyuki Nishikawa	November 19, 2021	Expiration of term of office	Representative Director and Chairman of the Company
Kohei Takahashi	November 19, 2021	Expiration of term of office	Director of the Company, Representative Director and President of UNIDEN JAPAN CORPORATION
Junya Takahashi	November 19, 2021	Expiration of term of office	Director of the Company
Masahiro Seki	November 19, 2021	Expiration of term of office	Outside Director of the Company

- (Notes)
1. Mr. Katsushi Kuroda was qualified as a certified public accountant and had considerable knowledge of finance and accounting matters.
 2. Mr. Koretaka Minami was qualified as an attorney-at-law and had considerable knowledge of laws.

(3) Directors who changed their posts during the fiscal year under review (from April 1, 2021 to March 31, 2022)

Name	New	Previous	Date of change
Takeyuki Nishikawa	Representative Director and Chairman	Representative Director and President	June 29, 2021
Tatsuhiko Muto	Representative Director, President and CFO	Director and CFO	June 29, 2021
Masahiro Seki	Director	—	June 29, 2021
Mariko Ohsato	Director concurrently serving as Audit and Supervisory Committee member	Director	November 19, 2021
Atsushi Shimizu	Director concurrently serving as Audit and Supervisory Committee member	—	November 19, 2021
Tomomi Nakano	Director concurrently serving as Audit and Supervisory Committee member	—	November 19, 2021
Toshimi Mizokami	Director concurrently serving as Audit and Supervisory Committee member	—	November 19, 2021

(4) Outline of the content of a directors and officers liability insurance contract

The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and the insured under such insurance contract are the Company's Directors and Auditors. The insured persons do not bear the premiums. The insurance contract covers damages and litigation costs incurred by the insured due to claims for damages arising from actions taken as an officer of the Company in the course of their duties. However, in order to ensure that the appropriateness of the insured's execution of their duties is not compromised, the contract does not cover any damage incurred by an officer who committed criminal acts such as bribery or who has intentionally committed an illegal act.

(5) Amount of remuneration, etc. to Directors and Auditors for the fiscal year under review

a. Policy for determining individual remuneration, etc. for Directors

At a meeting of the Board of Directors held on February 10, 2021, the Company established a policy for determining the content of remuneration, etc. for individual directors from April 2021 onward (hereinafter referred to as the "Determination Policy"). The outline of the policy is as follows.

○ Remuneration Policy

The remuneration for the Company's Directors will be determined in accordance with the following approach.

- To establish a remuneration structure and remuneration levels that will enable the acquisition and retention of excellent human resources.
- To make the remuneration system achieve a balance between the improvement of corporate value and shareholder returns.
- To make the remuneration system fair and equitable.

○ Remuneration structure

The remuneration structure for the Company's Directors consists of “base remuneration (fixed remuneration)” and “incentive remuneration (variable remuneration).” Incentive remuneration (variable remuneration) is “performance-linked bonuses.”

Types of remuneration and purpose and outline of each type of remuneration are as shown in Exhibit 1.

Exhibit 1. Types of remuneration and purpose and outline

Types of remuneration		Purpose and outline
Fixed	Base remuneration	Fixed remuneration (fixed monthly amount paid at the end of each month) to encourage solid performance of duties in accordance with the responsibilities of the position.
Variable	Performance-linked bonuses	Performance-linked remuneration based on whether or not “profit attributable to owners of parent (distributable amount)” is generated in order to realize returns to shareholders through the achievement of performance targets for each fiscal year. Trends in “profit attributable to owners of parent (distributable amount),” including the fiscal year under review, are as stated in I.2. Status of Assets and Income.
		<ul style="list-style-type: none"> The "distributable amount," which is the source of bonuses for all directors, is determined based on the concept of the three distributions of profits (shareholders, retained earnings, employees and officers).
		<ul style="list-style-type: none"> The "distributable amount" for each individual director is determined by taking into account the business under each director's control and the level of involvement in each business decision ^{*1}.
		<ul style="list-style-type: none"> Lump-sum payment after the end of each fiscal year

*1: The business under each director's control and the level of involvement in each business operation

Name of Director	Position	The business under control and the level of involvement in each business		
		Electronics business	Real Estate business	Total
Takeyuki Nishikawa	Representative Director and Chairman	—	100%	100%
Tatsuhiro Muto	Representative Director, President and CFO	95%	5%	100%
Tatsuya Ando	Director	100%	—	100%
Kohei Takahashi	Director	100%	—	100%
Junya Takahashi	Director	—	100%	100%

After the change of the institutional design to a Company with an Audit and Supervisory Committee in November 2021, we have been discussing a review of the remuneration structure for directors and corporate auditors. If Item 5 “Determination of the Amount of Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)” and Item 6 “Introduction of Performance-Linked Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)” are approved as originally

proposed at the 57th Ordinary General Meeting of Shareholders, from the 58th fiscal year onward, the details of individual remuneration, etc. for Directors will be subject to approval by the Board of Directors after consultation with the voluntary Nomination and Remuneration Committee, which is chaired by an Outside Director and whose majority members are Outside Directors. The Determination Policy for the details of individual remuneration, etc. for Directors for the 58th and subsequent fiscal years was decided to be changed at the meeting of the Board of Directors held on May 13, 2022; for specific details, please refer to “Regarding the New Remuneration System for Directors <Description of Item 5 “Determination of the Amount of Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)” and Item 6 “Introduction of Performance-Linked Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)” >” in the Reference Material for the General Meeting of Shareholders.

b. Matters concerning delegation of authority to determine the content of individual director's remuneration, etc.

Until November 2021, the specific details of individual remuneration, etc. for each Director were determined by Mr. Takeyuki Nishikawa, Representative Director and Chairman, based on the delegated resolution of the Board of Directors, within the limit of remuneration approved by the General Meeting of Shareholders of the Company.

The reason for delegating the determination of the details of individual remuneration, etc. of each Director to Mr. Takeyuki Nishikawa, Representative Director and Chairman, is that the Representative Director and Chairman is best suited to evaluate each Director's business in charge while overlooking the Company's overall performance.

Since the establishment of the voluntary Nomination and Compensation Committee on November 19, 2021, the voluntary Nomination and Compensation Committee, in consultation with the Board of Directors, has discussed a review of the remuneration structure for officers. The details of remuneration, etc. for each individual Director for the 58th business period and thereafter will be subject to a process requiring approval by the Board of Directors after consultation with the voluntary Nomination and Compensation Committee, which is chaired by Outside Director Ms. Mariko Ohsato and whose majority members are three Outside Directors Mr. Atsushi Shimizu, Ms. Tomomi Nakano, and Ms. Toshimi Mizokami, in addition to Representative Director Mr. Tatsuhiro Muto. The Board of Directors has delegated the determination of remuneration, etc. for individual Directors to the voluntary Nomination and Compensation Committee, and the committee has determined such remuneration, etc.

○ Process for deliberation and determination of remuneration, etc. for individual Directors

Prior to the change in the institutional design in November 2021, decisions on remuneration, etc. for individual directors were made by the Board of Directors and were based on discussions, taking into consideration the actual contribution of each Director to the respective business. For example, even as a Director in charge of the real estate business, such Director would be added to the distribution of remuneration for the electronics business if the Director contributed to the profit-making business decisions made through discussions, taking into consideration the fact that the Director had given opinions on the management decisions of the electronics business at the meetings of the Board of Directors and had participated in the management decisions as a Director.

Since the establishment of the voluntary Nomination and Compensation Committee on November 19, 2021, the voluntary Nomination and Compensation Committee, in consultation with the Board of Directors, has discussed a review of the remuneration structure for officers. For the fiscal year under review, after consulting the voluntary Nomination and Compensation Committee, which is chaired by an Outside Director and whose majority members are Outside Directors, the Board of Directors unanimously approved the proposal to pay only base remuneration and no performance-linked bonuses.

The Board of Directors has confirmed that the remuneration, etc. determined for each individual Director for the fiscal year under review after November 2021 is consistent with the Determination Policy approved by the Board of Directors on February 10, 2021, and determined that the details of such remuneration, etc. are in line with the Determination Policy.

(6) Total amount of remuneration, etc. to Directors and Auditors

Classification of officers	Total amount of remuneration, etc. (In millions of yen)	Total amount by type of compensation, etc. (In millions of yen)			Number of eligible officers (persons)
		Base remuneration	Performance-linked bonuses	Non-monetary remuneration, etc.	
Director (excluding Directors concurrently serving as Audit and Supervisory Committee member)	92	92	—	—	7
(Of which, Outside Director)	(4)	(4)	(—)	(—)	(2)
Auditor	10	10	—	—	4
(Of which, Outside Auditor)	(6)	(6)	(—)	(—)	(2)
Director concurrently serving as Audit and Supervisory Committee member	13	13	—	—	4
(Of which, Outside Director)	(13)	(13)	(—)	(—)	(4)
Total	116	116	—	—	15
(Of which, Outside Officer)	(25)	(25)	(—)	(—)	(8)

(Notes)

1. The amount paid to Directors does not include employee salaries of Directors who concurrently serve as employees.
2. At the Extraordinary General Meeting of Shareholders held on November 19, 2021, it was resolved that the maximum amount of remuneration, etc. for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) and the maximum amount of remuneration, etc. for Audit and Supervisory Committee members shall not exceed 800 million yen per year and 40 million yen per year, respectively. As of the conclusion of the Extraordinary General Meeting of Shareholders, the number of Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) is one and the number of Audit and Supervisory Committee members is four.
3. As of the end of the fiscal year under review, there was one Director (excluding Directors concurrently serving as Audit and Supervisory Committee members).
4. As of the end of the fiscal year under review, there were four Directors concurrently serving as Audit and Supervisory Committee members.
5. The above table includes six Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) (including two Outside Directors) and four Auditors (including two Outside Auditors) who retired during the fiscal year under review.

(7) Matters concerning Outside Officers

1) Significant concurrent positions as outside officers, etc. at other companies and relationship between the Company and such other companies

Director Ms. Mariko Ohsato is President of Arc Communications Inc. The Company has no special relationship with Arc Communications Inc.

Director Mr. Atsushi Shimizu is Representative Director of CaN Accounting Advisory Inc. The Company has no special relationship with CaN Accounting Advisory Inc.

Director Ms. Tomomi Nakano is Representative of Nakano Tomomi Certified Public Accountant and Tax Accountant Office. The Company has no special relationship with Nakano Tomomi Certified Public Accountant and Tax Accountant Office.

Director Ms. Toshimi Mizokami is Representative attorney-at-law of Mesotes Law Office. The Company has no special relationship with Mesotes Law Office.

Auditor Mr. Katsushi Kuroda, who resigned on November 19, 2021, was Statutory Auditor (Outside) of Tokyo Stock Exchange, Inc. The Company has no special relationship with Tokyo Stock Exchange, Inc.

2) Status of main activities in the fiscal year under review

Name	Position	Main activities
Mariko Ohsato	Outside Director	She attended 12 out of 12 meetings of the Board of Directors held during the fiscal year under review until her retirement on November 19, 2021 and made comments as appropriate based on her experience and perspectives cultivated as a corporate manager. In determining the bonuses for Directors, as an independent Outside Director, she monitored and approved the process leading to the evaluation and determination in accordance with each internal Director's contribution to the Company.
Masahiro Seki	Outside Director	He attended 8 out of 8 meetings of the Board of Directors held during the fiscal year under review until his retirement on November 19, 2021, and made comments as appropriate based on his experience and perspectives cultivated at securities companies, etc. He mainly made recommendations on how to deal with shareholders and other matters as appropriate.
Katsushi Kuroda	Outside Auditor	He attended 10 out of 12 meetings of the Board of Directors and 25 out of 25 meetings of the Board of Auditors held during the fiscal year under review until his retirement on November 19, 2021, and actively expressed his opinions mainly based on his abundant experience and perspective cultivated as a certified public accountant.
Koretaka Minami	Outside Auditor	He attended 12 out of the 12 meetings of the Board of Directors and 25 out of the 25 meetings of the Board of Auditors held during the fiscal year under review until his retirement on November 19, 2021, and made comments as appropriate, mainly based on his extensive experience and perspective cultivated as an attorney-at-law.
Mariko Ohsato	Outside Director (Audit and Supervisory Committee)	She attended 10 out of the 10 meetings of the Board of Directors and 6 out of the 6 meetings of the Audit and Supervisory Committee held during the fiscal year under review since assuming office on November 19, 2021 and made useful recommendations to the Company's management at

	member)	meetings of the Board of Directors and Audit and Supervisory Committee based on her extensive knowledge from her experience as a corporate manager who has steadily expanded business. She also expressed opinions from time to time based on her extensive personal connections and the experience and perspective she has gained as a corporate executive. In particular, as the chairperson of the voluntary Nomination and Compensation Committee, she has led the development of a remuneration structure for Directors and utilized it to secure the necessary management personnel and design a transparent system.
Atsushi Shimizu	Outside Director (Audit and Supervisory Committee member)	He attended 10 out of the 10 meetings of the Board of Directors and 6 out of the 6 meetings of the Audit and Supervisory Committee held during the fiscal year under review since assuming office on November 19, 2021, and has contributed to strengthening the corporate governance system and internal controls from a professional perspective regarding finance, accounting, and internal controls at meetings of the Board of Directors and Audit and Supervisory Committee by utilizing his extensive knowledge and expertise as a certified public accountant and certified tax accountant. He has made comments from time to time based on his experience as a corporate manager, as well as from his professional viewpoints. As the chairperson of the Audit and Supervisory Committee, he has contributed to the establishment and stable operation of a three-pronged audit system (a cooperative audit system among the accounting auditor, the internal audit office, and the Audit and Supervisory Committee).
Tomomi Nakano	Outside Director (Audit and Supervisory Committee member)	She attended 10 out of the 10 meetings of the Board of Directors and 6 out of the 6 meetings of the Audit and Supervisory Committee held during the fiscal year under review since assuming office on November 19, 2021. She utilized her extensive knowledge and expertise as a certified public accountant and certified tax accountant to make useful recommendations on accounting and taxation matters at meetings of the Board of Directors and Audit and Supervisory Committee, and also made comments as appropriate based on her experience and perspective cultivated in her professional capacity. She primarily performed accounting audits, made recommendations for internal controls, and reviewed numerical aspects of monthly management reporting and budgeting and investment decision making on a timely basis.
Toshimi Mizokami	Outside Director (Audit and Supervisory Committee member)	She attended 10 out of the 10 meetings of the Board of Directors and 6 out of the 6 meetings of the Audit and Supervisory Committee held during the fiscal year under review since assuming office on November 19, 2021. With her extensive career and knowledge as attorney-at-law, she has made high-level and expert recommendations regarding the Company's management and contributed to strengthening the internal control and corporate governance of the Company. From a professional standpoint, in particular, she vigorously reviewed the details of various contracts necessary to

		strengthen governance and made comments on issues as appropriate at the meetings of the Board of Directors and Audit and Supervisory Committee.
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3) Overview of duties performed regarding the role expected to be fulfilled by Outside Directors

Each of the Outside Directors, utilizing their own experience as corporate managers, provides a bird's-eye view of the Group's overall management from a standpoint independent of the executive management team, and proactively offers advice and recommendations based on an understanding of essential issues and risks, as well as other comments that contribute to the enhancement of the Group's corporate value. In the fiscal year under review, all Outside Directors (Audit and Supervisory Board Members), acting as members of the voluntary Nomination and Compensation Committee, contributed to ensuring transparency in the process of determining the remuneration of Directors through discussions on designing a remuneration structure that enables the securing of appropriate management personnel and on establishing evaluation methods. In addition, they actively engage in dialogue and interviews with shareholders to capture the opinions of minority shareholders and other stakeholders.

4) Criteria for independence of Outside Officers

When selecting Outside Directors, we refer to the criteria for independent officers set forth by the stock exchange. As a general rule, in the selection of candidates, there shall be no special interests between the Company and the candidates or the corporations to which the candidates belong, and the Company invites such candidates who have independence and are not likely to cause conflicts of interest with general shareholders.

4. Status of the Accounting Auditor

(1) Name: ARIA Audit Corporation

(2) Amount of remuneration

	Amount paid
Total amount payable by the Company to the Accounting Auditor	35 million yen
Total amount of cash and other property benefits payable by the Company and its subsidiaries to the Accounting Auditor	35 million yen

(Notes) 1. The Audit and Supervisory Committee made a decision to agree to the remuneration, etc. of the Accounting Auditor after necessary verification of the appropriateness of the content of the audit plan of the Accounting Auditor, the performance of duties of the accounting audit, and the basis for calculation of the remuneration estimate.

2. Because no clear or practical distinction is made between remuneration for audit services rendered pursuant to the Companies Act and remuneration for audit services rendered pursuant to the Financial Instruments and Exchange Act under the agreement between the Company and the Accounting Auditor, the total amount paid by the Company to the Accounting Auditor is the sum of these two.

3. Among the significant subsidiaries of the Company, overseas subsidiaries have been audited by certified public accountants or auditing firms (including those who have qualifications equivalent to these qualifications in foreign countries) other than the Accounting Auditor of the Company.

(3) Content of Non-auditing Services

Not applicable

(4) Policies on Dismissal or Non-reappointment of the Accounting Auditor

In the event that the Accounting Auditor is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will dismiss the Accounting Auditor upon unanimous consent of the Audit and Supervisory Committee members. In this case, the Audit and Supervisory Committee member selected by the Audit and Supervisory Committee will report the dismissal of the Accounting Auditor and the reasons for the dismissal at the first general meeting of shareholders convened after the dismissal.

(5) Outline of the details of the liability limitation agreement

Not applicable

5. System to Ensure Proper Business Execution

The systems to ensure that the execution of duties by the Company's Directors is in compliance with the laws and regulations and the Articles of Incorporation, other systems to ensure the appropriateness of the Company's operations, and a summary of the status of operation of such systems are as follows.

- (1) System to ensure that the Company's Directors and employees execute their duties in compliance with laws and regulations and the Articles of Incorporation
 - (i) In order to ensure that the execution of duties by officers and employees of the Group conform to laws, regulations, and the Articles of Incorporation, as well as to fulfill social responsibilities and corporate ethics, we have established the Compliance Code of Conduct, which applies to all officers and employees of the Group, and ensure that all officers and employees are informed of it.
 - (ii) We will enhance the knowledge of compliance and raise awareness of respecting it by providing training, preparing and distributing manuals, etc. on compliance to the officers and employees of the Group.
 - (iii) The Company ensures that employees of the Group have a channel to report directly to the Company regarding any suspicious activities in terms of compliance with laws and regulations, etc. As one of such channels, the Company has established and operates a global whistleblower hotline staffed by outside attorneys.
 - (iv) In order to eliminate antisocial forces, we will establish a policy and other measures within the Group, develop a system to deal with such forces, and ensure that all officers and employees are fully aware of the policy and measures.
- (2) System for storage and management of information related to the execution of duties of the Company's Directors
 - a. The Representative Director, President and CFO has overall responsibility for the storage and management of information related to the execution of duties by directors.
 - b. The Representative Director, President and CFO records and stores information related to the execution of duties by directors in documents or electromagnetic media in accordance with the "Document Management Regulations." Such documents and other information are maintained in such a way that they can be inspected as necessary.
- (3) Regulations or any other systems of the Company for management of risk of loss
 - a. To deal with management crises that threaten the enhancement of corporate value and sustainable development, the executive officer in charge of the Administration Division will be in charge of crisis management under the direction of the Representative Director, President and CFO.
 - b. The executive officer in charge of the Administration Division, who is in charge of crisis management, is responsible for developing a group-wide, cross-sectional risk management system, identifying problems, and responding to crises in accordance with the "Risk Management Regulations."
 - c. Under the "Risk Management Regulations," a department responsible for each category of management crisis is designated, and the Representative Director, President and CFO is responsible for the overall management of these departments.
- (4) System to ensure that the execution of duties of the Company's Directors is efficient
 - a. The Company's Board of Directors has established the "Segregation of Duties Regulations," which stipulate the division of duties among Representative Directors and other Directors in charge of business execution, and the Company has a system to

ensure appropriate and efficient execution of duties based on the authority of duties and decision-making rules in accordance with these regulations.

b. In addition to regular meetings of the Board of Directors, strategy meetings attended by six division general managers are held at least twice a month to make important decisions promptly as appropriate. In addition, appointed executive officers and general managers of each division are assigned duties to efficiently implement decisions made by the Board of Directors and execute business operations based on such decisions.

(5) System to ensure proper business execution within the Company group

a. The Company has established the "Compliance Code of Conduct," a code of conduct for employees to conduct themselves in compliance with laws and regulations, the Articles of Incorporation, and the Company's corporate philosophy.

b. The representative directors of the Company and the presidents of each Group company have the authority and responsibility for the establishment and operation of internal controls to ensure the appropriateness of the operations of each Group company.

c. In addition to the Internal Audit Department, the Company has established a system in which the Finance & Accounting Department staff with abundant accounting knowledge assists in conducting on-site audits of Group companies for the purpose of investigating violations of regulations and potential risks, to ensure appropriate operation of measures to prevent recurrence of inappropriate accounting treatment, and to report to the Audit and Supervisory Committee as well as the Representative Director, President and CFO.

d. To ensure that the Audit and Supervisory Committee can effectively and appropriately monitor and audit the entire Group in response to the Group's consolidated management, the Company has established a system of close cooperation with the accounting auditors.

(6) Matters related to employees to assist duties of the Company's Audit and Supervisory Committee

The Internal Audit Office is an organization that assists the Audit and Supervisory Committee and when necessary, appropriate persons within the Internal Audit Office perform duties to assist the Committee in the performance of its duties under the direction and orders of the Committee.

(7) Matters concerning the independence of the employee in the preceding item from Directors

a. The opinions of the Audit and Supervisory Committee shall be respected with respect to the appointment, dismissal, performance evaluation, and personnel transfer of assistants as described in the preceding item.

b. Employees who perform duties in support of the execution of duties under the direction and orders of the Audit and Supervisory Committee shall not be subject to the direction and orders of Directors or others during the execution of such duties.

(8) System for reporting to the Audit and Supervisory Committee by Directors and employees, and other systems related to reporting to the Audit and Supervisory Committee

a. Representative Directors and other Directors in charge of business execution are required to report to the Audit and Supervisory Committee on the status of execution of their duties at meetings of the Board of Directors and other meetings as necessary.

- b. Directors and employees are to respond promptly and appropriately when the Audit and Supervisory Committee requests reports on the Company's business or when it examines the status of the Company's operations and assets.
- (9) Other systems to ensure that audits by the Company's Audit and Supervisory Committee are effective
- a. The Audit and Supervisory Committee exchanges opinions as appropriate to ensure close cooperation with the Representative Directors and other Directors in charge of business execution and the accounting auditor, and has a system in place to ensure that audits are conducted effectively.
 - b. Directors are to cooperate in the appropriate exchange of information between the Audit and Supervisory Committee and the Directors and Auditors of subsidiaries for the proper execution of duties by the Audit and Supervisory Committee.
 - c. The Company has a system in place to receive advice on audit operations from attorneys, certified public accountants, and other external specialists.
6. Summary of Operational Status of System to Ensure Proper Business Execution
- a. Compliance System

We have established the "Compliance Code of Conduct" and ensure that all officers and employees of the Group are fully informed of it so that they can comply with the guidelines and standards of conduct. We conduct training at least once a year for officers and all employees, focusing on case studies.
 - b. Execution of Duties by Directors

Regarding the execution of duties by Directors, in addition to regular meetings of the Board of Directors, the Representative Director, President and CFO and the general managers of six divisions participate in strategy meetings to make decisions on important management matters and confirm the status of business execution. In addition, executive officers are appointed to execute operations based on important decisions made and report at the strategy meetings.
 - c. Audit System by the Audit and Supervisory Committee

Regarding the audit system by the Audit and Supervisory Committee, the Committee conducts audits of business execution in accordance with the audit implementation policy and annual plan determined by the Committee. In addition, the Audit and Supervisory Committee actively exchanges opinions with Directors, accounting auditors, and the Internal Audit Office to ensure the effectiveness of audits by the Committee.
 - d. Internal Audit System

The Internal Audit Office mainly conducts internal control audits based on an annual audit plan. The Internal Audit Office conducts audits of all Group companies, and the results are reported to the Audit and Supervisory Committee and the Board of Directors. The General Manager of the Internal Audit Office also participates as an observer in strategy meetings held by the Representative Director and CFO and the general managers of each division, and makes comments or reports to the Audit and Supervisory Committee as necessary.
7. Basic Policy Regarding Control of the Company
- The Company does not have a specific basic policy regarding the nature of persons who control decisions on the Company's financial and business policies.
- However, if there is a possibility that an inappropriate person may acquire control, the Company plans to promptly establish a system to prevent such person from gaining control.

8. Policy on Decisions Regarding Dividends from Surplus, etc.

The Company regards the return of profits to shareholders as one of its highest management priorities, and its basic policy is to pay stable dividends reflecting business performance while securing the internal reserves necessary for investment in future growth.

Specifically, the Company will pay dividends with a target consolidated payout ratio of approximately 33%. From the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024, our basic policy is to set the minimum level of dividends at around 4% of consolidated dividend on equity (DOE), from the viewpoint of stable dividends regardless of business performance. For the fiscal year ending March 31, 2025 and beyond, we will consider setting a similar minimum level based on our growth strategy and other factors.

The Company's basic policy is to pay dividends from surplus twice a year, an interim dividend and a year-end dividend. The decision-making bodies for these dividends are the Board of Directors for the interim dividend and the General Meeting of Shareholders for the year-end dividend.

(Note) Amounts in this Business Report are rounded down to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2022)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	20,947	Current liabilities	4,501
Cash and deposits	10,142	Notes and accounts payable-trade	1,548
Notes and accounts receivable-trade	2,959	Short-term borrowings	601
Merchandise and finished goods	2,857	Current portion of long-term borrowings	166
Real estate for sale	615	Accrued expenses	936
Work in process	352	Income taxes payable	564
Raw materials and supplies	2,783	Provision for bonuses	155
Other	1,249	Provision for product warranties	14
Allowance for doubtful accounts	(12)	Other	514
Non-current assets	22,463	Non-current liabilities	5,148
Property, plant and equipment	10,146	Long-term borrowings	4,500
Buildings and structures	1,421	Other	647
Machinery, equipment and vehicles	469		
Tools, furniture and fixtures	163	Total liabilities	9,649
Land	8,077		
Construction in progress	15	(Net assets)	
Intangible assets	1,647	Shareholders' equity	43,862
Goodwill	1,411	Share capital	18,000
Other	236	Capital surplus	19,394
Investments and other assets	10,669	Retained earnings	6,470
Investment securities	956	Treasury shares	(2)
Long-term loans receivable	9,250	Accumulated other comprehensive income	(10,322)
Other	462	Foreign currency translation adjustment	(10,322)
		Non-controlling interests	221
		Total net assets	33,761
Total assets	43,411	Total liabilities and net assets	43,411

Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(In millions of yen)

Description	Amount	
Net sales		12,887
Cost of sales		7,959
Gross profit		4,927
Selling, general and administrative expenses		3,710
Operating profit		1,216
Non-operating income		
Interest income	72	
Dividend income	49	
Foreign exchange gains	388	
Gain on sale of scraps	17	
Other	89	617
Non-operating expenses		
Interest expenses	23	
Share of loss of entities accounted for using equity method	133	
Other	20	178
Ordinary profit		1,655
Extraordinary income		
Gain on sale of non-current assets	335	
Other	3	339
Extraordinary losses		
Loss on sale and retirement of non-current assets	3	
Other	0	4
Profit before income taxes		1,990
Income taxes-current	139	
Income taxes-deferred	14	153
Profit		1,837
Profit attributable to non-controlling interests		49
Profit attributable to owners of parent		1,787

Consolidated Statement of Changes in Equity

(April 1, 2021 - March 31, 2022)

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2021	18,000	27,969	4,634	(7,339)	43,263
Changes during period					
Dividends of surplus		(1,234)			(1,234)
Profit attributable to owners of parent			1,787		1,787
Purchase of treasury shares				(2)	(2)
Cancellation of treasury shares		(7,340)		7,340	
Change in scope of consolidation			48		48
Net changes of items other than shareholders' equity					
Total changes during period	-	(8,574)	1,835	7,337	598
Balance as of March 31, 2022	18,000	19,394	6,470	(2)	43,862

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2021	(11,060)	(11,060)	761	32,963
Changes during period				
Dividends of surplus				(1,234)
Profit attributable to owners of parent		-	-	1,787
Purchase of treasury shares		-	-	(2)
Cancellation of treasury shares		-	-	-
Change in scope of consolidation		-	-	48
Net changes of items other than shareholders' equity	738	738	(539)	199
Total changes during period	738	738	(539)	797
Balance as of March 31, 2022	(10,322)	(10,322)	221	33,761

Notes to the Consolidated Financial Statements

[Significant Accounting Policies for Preparation of Consolidated Financial Statements]

1. Scope of consolidation

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries	12
Names of major consolidated subsidiaries	UNIDEN JAPAN CORPORATION, UNIDEN AMERICA CORPORATION, UNIDEN AUSTRALIA PTY. LTD., UNIDEN VIETNAM LTD., ATTOWAVE CO., LTD.

(Significant changes in scope of consolidation)

Effective from the fiscal year under review, Uniden Real Estate Co., Ltd. is excluded from the scope of consolidation because it is no longer considered to be substantially controlled by the Company based on the control criteria. In addition, ATTOWAVE CO., LTD. was included in the scope of consolidation due to the acquisition of 80% of its shares, making it a subsidiary.

(2) Names of non-consolidated subsidiaries

Names of non-consolidated subsidiaries	UJ Realty Inc.
Reason for excluding from the scope of consolidation	The impact of one non-consolidated subsidiary (UJ Realty Inc.) on total assets, net sales, profit/loss, and retained earnings, etc., is immaterial, and the company as a whole is insignificant.

2. Application of the equity method

Number of non-consolidated subsidiaries and associates accounted for using equity method and names of major entities accounted for using equity method

(1) Non-consolidated subsidiaries	UJ Realty Inc.
(2) Associates	Uniden Real Estate Co., Ltd.

(Significant changes in the scope of application of the equity method)

Effective from the fiscal year under review, Uniden Real Estate Co., Ltd., which was excluded from the scope of consolidation, is included in the scope of equity method associates.

3. Accounting Policies

(1) Basis and method for valuation of important assets

1) Securities

Available-for-sale securities

Shares, etc. that do not have a market price

Stated at cost using the moving-average method

2) Derivatives

Stated at fair value

3) Inventories

Merchandise and finished goods

Mainly stated at lower of cost or market using the moving-average method

Real estate for sale

Stated at cost using the identified cost method

(The figures shown in the balance sheet have been calculated by book value reduction method based on decline in profitability.)

Work in process

Stated at lower of cost or market using the weighted-average method

Raw materials and supplies

Mainly stated at lower of cost or market using the weighted-average method

(2) Depreciation or amortization method for important depreciable or amortizable assets

1) Property, plant and equipment

The declining-balance method is applied for the Company and its domestic consolidated subsidiaries. However, the straight-line method is applied for buildings, except for facilities attached to buildings, acquired on or after April 1, 1998 and for facilities attached to buildings and structures acquired on or after April 1, 2016. Overseas consolidated subsidiaries are subject to the straight-line method.

Main useful lives are as follows:

Buildings and structures	5-50 years
Machinery, equipment and vehicles	2-17 years
Tools, furniture and fixtures	2-15 years

2) Intangible assets

The straight-line method is applied. Computer software for internal use is amortized using the straight-line method over the estimated internal useful life (5-10 years).

(3) Recognition criteria for important provisions

1) Allowance for doubtful accounts

To provide for possible losses from the non-payment of receivables, for general receivables the historical default rate is used, and for receivables designated as potentially irrecoverable are determined using actual default rates on an individual claim basis, and an allowance is made for the amount considered irrecoverable.

2) Provision for bonuses

To provide for the payment of bonuses to employees, an allowance is made for the amount corresponding to the fiscal year under review based on the estimated amount of payment.

3) Provision for product warranties

To provide for free-of-charge repairs during the warranty period of sold products, an allowance is made for the amount considered to have been incurred as of the end of the fiscal year under review, calculated based on historical repair rates and other factors.

(4) Recognition criteria for revenue and expenses

The details of the main performance obligations in the major businesses, the electronics business, related to revenue from contracts with the customers of the Company and its consolidated subsidiaries and the timing at which the Company and its consolidated subsidiaries typically satisfy these performance obligations (when it typically recognizes revenue) are as follows.

The Group sells merchandise and finished goods, and recognizes revenue from these transactions when the merchandise and finished goods are delivered to the customer.

(5) Other significant accounting policies for preparation of consolidated financial statements

1) Standards of translation of important assets and liabilities denominated in foreign currencies into yen

Foreign currency monetary receivables and payables are translated into yen based on the spot rate of exchange in the foreign exchange market on the consolidated balance sheet date, and the foreign exchange gains and losses from translation are recognized in the income statement. Assets and liabilities of overseas subsidiaries are translated into yen based on the spot rate of exchange in the foreign exchange market on the consolidated balance sheet date, while revenue and expenses are translated into yen based on the average rate of exchange for the fiscal year under review. The differences resulting from such translations are included in "Foreign currency translation adjustment" under net assets.

2) Important hedge accounting

Not applicable

4. Notes Regarding Changes in Accounting Policies

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter "Revenue Recognition Standard") and other standards from the beginning of the fiscal year under review. The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The Company applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. However,

there is no effect on the beginning balance of retained earnings since the Company had previously implemented accounting treatment in conformity with the said accounting standards.

There is also no impact on profit and loss for the fiscal year under review.

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter “Fair Value Measurement Standard”) and other standards from the beginning of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no impact on the consolidated financial statements for the fiscal year under review.

In addition, the Company will include notes on fair value information by level within the fair value hierarchy in the notes on financial instruments.

5. Notes Regarding Accounting Estimates

The following is a list of items for which the amounts recorded in the consolidated financial statements for the fiscal year under review are due to accounting estimates that are at risk of having a material effect on the consolidated financial statements for the next fiscal year.

(1) Recoverability of deferred tax assets

1) Account item and amount recorded in the consolidated financial statements for the fiscal year under review

Account item	Amount
Deferred tax assets	120 million yen

2) Other information to aid in understanding the details of accounting estimates

The Group recognizes deferred tax assets for the recoverable amount based on future taxable income estimated on the basis of business plans. In the event of a significant discrepancy between the business plan used in these estimates and actual results, or other factors, this could have a significant impact on the estimates of deferred tax assets in the consolidated financial statements for the next fiscal year.

(2) Estimation of accrued chargeback

1) Account item and amount recorded in the consolidated financial statements for the fiscal year under review

Account item	Amount
Accrued expenses	295 million yen

2) Other information to aid in understanding the details of accounting estimates

Sales subsidiaries in the U.S. and Australia incur reductions in sales proceeds and payments after product sales due to claims from customers (chargebacks), etc. in accordance with the terms of their contracts with customers. Chargebacks mainly consist of rebates and sales promotion fees that are determined based on sales volume. At the end of the fiscal year, the Group records these accrued chargebacks as estimated and recorded in accrued expenses on the consolidated balance sheet, mainly as a reduction of the sales amount. Estimates of accrued chargeback are based on known factors such as historical trends and contractual terms with customers at the time of sale. However, any difference between the estimated amount and actual payment could have a material impact on the consolidated financial statements for the next fiscal year.

(3) Impairment of non-current assets

1) Account items and amount recorded in the consolidated financial statements for the fiscal year under review

Account item	Amount
Property, plant and equipment	10,146 million yen
Intangible assets	1,647 million yen
Long-term prepaid expenses	224 million yen

2) Other information to aid in understanding the details of accounting estimates

In applying impairment accounting for non-current assets, the Group groups its assets based on managerial accounting categories. However, for leased real estate and idle assets, individual

properties are treated as basic units. Except for the non-current assets that were impaired at the end of the fiscal year under review, the undiscounted cash flows related to the non-current assets held at the end of the fiscal year under review exceeded their carrying amounts, so there is no need to impair the above non-current assets held at the end of the fiscal year under review. However, if the business plan on which the undiscounted cash flows are based does not progress as expected or other events that negatively affect the undiscounted cash flows occur, they may affect the determination of impairment in the consolidated financial statements for the next fiscal year.

(4) Valuation of loans receivable

1) Account item and amount recorded in the consolidated financial statements for the fiscal year under review

Account item	Amount
Long-term loans receivable	9,250 million yen

2) Other information to aid in understanding the details of accounting estimates

Long-term loans receivable are loans to Uniden Real Estate Co., Ltd., an equity-method associate, and the Company evaluates whether or not to provide an allowance for doubtful accounts by assessing the company's ability to repay based on its financial condition and other factors. In the event of a significant discrepancy between the estimated amount of loan collections and the actual amount of collections, etc., this could have a material impact on the consolidated financial statements in the following fiscal year and thereafter.

[Notes Regarding Consolidated Balance Sheet]

1. Pledged assets and collateral-related liabilities

Pledged assets	
Buildings and structures	693 million yen
Land	7,127 million yen
Total	7,820 million yen
Collateral-related liabilities	
Current portion of long-term borrowings	166 million yen
Long-term borrowings	4,500 million yen
Total	4,666 million yen

2. Accumulated depreciation of property, plant and equipment 4,655 million yen

[Notes Regarding Consolidated Statement of Income]

1. The amount of inventories at the end of the fiscal year under review is the amount after devaluation of book value due to decline in profitability, and the following loss on valuation of inventories is included in the cost of sales.

Loss on valuation of inventories	63 million yen
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[Notes Regarding Consolidated Statement of Changes in Equity]

1. Class and total number of issued shares at the end of the fiscal year under review

Ordinary shares	5,879,501 shares
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2. Matters regarding treasury shares

Class of shares	Number of shares at the beginning of the fiscal year under review (shares)	Increase (shares)	Decrease (shares)	Number of shares at the end of the fiscal year under review (shares)
Ordinary shares	434,389	876	434,463	802

(Note) The increase in the number of treasury shares is due to the purchase of shares of less than one unit.

3. Matters regarding dividends

(1) Dividend payment amounts

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 29, 2021	Ordinary shares	1,234	210.0	March 31, 2021	June 30, 2021

(2) Dividends whose record date is during the fiscal year under review, but whose effective date is after the end of the fiscal year under review

Resolution planned	Class of shares	Source of dividends	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 28, 2022	Ordinary shares	Capital surplus	1,234	210.0	March 31, 2022	June 29, 2022

[Notes Regarding Financial Instruments]

1. Matters regarding the status of financial instruments

(1) Policy for financial instruments

The Group limits fund management to short-term deposits, etc.

(2) Description of financial instruments, their risks and risk management system

Notes and accounts receivable-trade, which are operating receivables, are exposed to the credit risk of customers. For this risk, the Company manages due dates and outstanding balances by customer and periodically monitors the status of customers to early identify and mitigate concerns about collection due to deterioration of their financial conditions.

Long-term loans receivables are loans to Uniden Real Estate Co. Ltd., an affiliate of the Company, and the Company regularly monitors its financial condition. In addition, a second ranking pledge has been established on the real estate for sale (trust beneficiary right) held by Uniden Real Estate Co. Ltd. in order to protect the claims.

Liquidity risk of accounts payable-trade is managed by preparing monthly cash management plans and other methods.

2. Matters regarding the fair values of financial instruments

The amounts posted on the consolidated balance sheet, the fair values, and the differences thereof as of March 31, 2022 are as follows.

(In millions of yen)

	Carrying amount	Fair value	Difference
Long-term borrowings (including current portion)	4,666	4,664	(2)
Total liabilities	4,666	4,664	(2)

(*1) Cash and deposits are omitted because they are cash and deposits. In addition, notes and accounts receivable-trade, notes and accounts payable-trade, short-term borrowings, accrued expenses, and income taxes payable are omitted because they are settled in a short period of time and their fair values approximate their book values. Furthermore, long-term loans receivable are omitted because they have an allowance for doubtful accounts based on the risk of collection, etc., and their fair value approximates their carrying amount at the end of the fiscal year under review less the allowance for doubtful accounts.

(*2) The following shares, etc. that do not have a market price do not have fair values noted. The carrying amounts of them as of March 31, 2022 are as follows.

(In millions of yen)

Category	Carrying amount
Shares of subsidiaries and associates	890
Unlisted shares	65
Total	956

3. Matters regarding the breakdown of financial instruments by each fair value level

The fair values of financial instruments are categorized into the following three levels, in accordance with the observability and importance of the inputs used in the fair value calculation.

Level 1 fair value: Fair value calculated using the market price in an active market for an identical asset or liability among the inputs to the calculation of observable fair value.

Level 2 fair value: Fair value calculated using inputs to the calculation of fair value other than the Level 1 inputs among the inputs to the calculation of observable fair value.

Level 3 fair value: Fair value calculated using inputs to the calculation of fair value that cannot be observed.

In cases where multiple inputs which have a material effect on the calculation of the fair value are used, among the levels to which the respective inputs belong, the fair value is categorized at the level with the lowest priority in the fair value calculation.

(1) Financial instruments with the carrying amount recorded using the fair value

Not applicable

(2) Financial instruments with the carrying amount not recorded using the fair value

Category	Fair value (In millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	–	4,664	4,664
Total liabilities	–	–	4,664	4,664

Note: Explanation of the valuation methods and inputs used in calculating fair values.

Long-term borrowings

Long-term borrowings are classified as Level 3 fair value based on the present value of the total principal and interest discounted at the interest rate that would be applicable to a new similar borrowing.

[Notes Regarding Investment and Rental Property]

The Group has office buildings and parking lots for rent. In the fiscal year under review, rental profit of 18 million yen was recorded from such rental properties. In addition, rental profit of 111 million yen was recorded from real estate that includes portions used as rental properties.

Furthermore, the carrying amount, amount of increase (decrease), and fair value of investment and rental property and real estate including portions used as rental properties are as follows.

(In millions of yen)

Investment and rental property			
	Carrying amount		
	Balance at the beginning of the fiscal year under review	703	
	Increase (decrease)	(0)	
	Balance at the end of the fiscal year under review	703	
	Fair value at the end of the fiscal year under review		685
Real estate including portions used as rental properties			
	Carrying amount		
	Balance at the beginning of the fiscal year under review	7,835	
	Increase (decrease)	(14)	
	Balance at the end of the fiscal year under review	7,820	
	Fair value at the end of the fiscal year under review		5,030

(Notes)

1. The carrying amount is the amount of the acquisition cost minus the accumulated depreciation and the accumulated impairment loss.
2. The decrease during the fiscal year under review is mainly due to depreciation and amortization.
3. The fair value at the end of the fiscal year under review is mainly based on the amount appraised by an outside real estate appraiser. However, if no significant changes have occurred in certain appraised values or indices that are considered to appropriately reflect market prices since the time of acquisition from a third party or the most recent appraisal, the fair value is based on the amount adjusted using such appraised value or indices.
4. Real estate that includes portions used as rental properties also includes portions used by the Company and certain subsidiaries as part of their business operations and management, and therefore, rental income or loss for such portions is not recorded. Expenses (depreciation, taxes and dues, etc.) related to the rental portion of such real estate are included in rental profit or loss.

[Notes Regarding Revenue Recognition]

1. Information breakdown of revenues arising from contracts with customers

(In millions of yen)

	Reportable Segment					
	North, Central, and South America	Japan	Oceania	Europe & Middle East	Asia & Other	Total
Wireless communications and applied equipment	6,530	55	3,002	524	400	10,513
Telecommunications	61	7	749	–	–	818
Digital appliance	–	734	–	–	–	734
Other	41	231	212	14	321	820
Revenues arising from contracts with customers	6,633	1,028	3,964	538	721	12,887
Sales to external customers	6,633	1,028	3,964	538	721	12,887

2. Basic information for understanding revenue arising from contracts with customers

In our electronics business, we sell merchandise and finished goods, and we recognize revenue for these transactions at the time of delivery of the merchandise and finished goods, respectively, to the customer.

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers that existed at the end of the fiscal year under review and are expected to be recognized in the following fiscal year and thereafter

(1) Balance of contract liabilities, etc.

(In millions of yen)

	Fiscal year under review
Receivables arising from contracts with customers (beginning balance)	2,552
Receivables arising from contracts with customers (ending balance)	2,959
Contract liabilities (beginning balance)	–
Contract liabilities (ending balance)	–

(2) Transaction price allocated to remaining performance obligations

Since there are no material contracts with an initial expected contract term exceeding one year, the practical expedient method is applied and the description is omitted.

[Notes Regarding Per Share Information]

1. Net assets per share	5,705.32 yen
2. Basic earnings per share	304.09 yen

(Note) The basis for calculating basic earnings per share is as follows.

Item	Amount
Basic earnings per share	
Profit attributable to owners of parent (millions of yen)	1,787
Profit attributable to owners of parent related to ordinary shares (millions of yen)	1,787
Average number of shares of ordinary shares during the fiscal year under review (thousands of shares)	5,879

[Notes Regarding Significant Subsequent Events]

Not applicable

[Other Notes]

Figures presented in the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and notes to consolidated financial statements are rounded down to the nearest million yen.

Non-Consolidated Balance Sheet

(As of March 31, 2022)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	8,183	Current liabilities	1,554
Cash and deposits	4,915	Accounts payable-trade	441
Accounts receivable-trade	1,856	Short-term borrowings	767
Real estate for sale	615	Accounts payable - other	64
Supplies	0	Accrued expenses	21
Prepaid expenses	59	Income taxes payable	1
Short-term loans receivable from subsidiaries and associates	166	Provision for bonuses	37
Accounts receivable - other	438	Other	220
Other	132	Non-current liabilities	5,260
Non-current assets	29,079	Long-term borrowings	4,500
Property, plant and equipment	8,806	Long-term accounts payable - other	474
Buildings	730	Provision for loss on support of subsidiaries and associates	186
Structures	3	Long-term leasehold and guarantee deposits received	99
Machinery and equipment	0	Total liabilities	6,815
Vehicles	2	(Net assets)	
Tools, furniture and fixtures	3	Shareholders' equity	30,447
Land	8,065	Share capital	18,000
Intangible assets	61	Capital surplus	19,450
Software	61	Legal capital surplus	344
Investments and other assets	20,211	Other capital surplus	19,106
Investment securities	65	Gain on reduction of share capital and legal capital surplus	19,106
Shares of subsidiaries and associates	10,340	Retained earnings	(7,000)
Long-term loans receivable from subsidiaries and associates	11,920	Legal retained earnings	29
Long-term prepaid expenses	0	Other retained earnings	(7,030)
Deferred tax assets	21	Retained earnings brought forward	(7,030)
Other	1	Treasury shares	(2)
Allowance for doubtful accounts	(2,139)	Total net assets	30,447
Total assets	37,262	Total liabilities and net assets	37,262

Non-Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(In millions of yen)

Description	Amount	
Net sales		9,821
Cost of sales		8,080
Gross profit		1,741
Selling, general and administrative expenses		1,442
Operating loss		299
Non-operating income		
Interest income	76	
Dividend income	413	
Rental income	0	
Foreign exchange gains	305	
Other	14	810
Non-operating expenses		
Interest expenses	22	
Provision of allowance for doubtful accounts	82	
Other	13	119
Ordinary profit		990
Extraordinary income		
Gain on sale of non-current assets	333	
Other	2	335
Extraordinary losses		
Loss on sale and retirement of non-current assets	3	
Other	0	4
Profit before income taxes		1,322
Income taxes-current	2	
Income taxes-deferred	49	52
Profit		1,270

Non-Consolidated Statement of Changes in Equity

(April 1, 2021 - March 31, 2022)

(In millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total	Legal retained earnings	Other retained earnings	Total
	Gain on reduction of share capital and legal capital surplus		Retained earnings brought forward				
Balance as of April 1, 2021	18,000	220	27,804	28,025	29	(8,300)	(8,271)
Changes during period							
Profit						1,270	1,270
Dividends of surplus		123	(1,358)	(1,234)			
Purchase of treasury shares							
Cancellation of treasury shares			(7,340)	(7,340)			
Total changes during period	–	123	(8,698)	(8,574)	–	1,270	1,270
Balance as of March 31, 2022	18,000	344	19,106	19,450	29	(7,030)	(7,000)

	Shareholders' equity		Total net assets
	Treasury shares	Total	
Balance as of April 1, 2021	(7,339)	30,414	30,414
Changes during period			
Profit		1,270	1,270
Dividends of surplus		(1,234)	(1,234)
Purchase of treasury shares	(2)	(2)	(2)
Cancellation of treasury shares	7,340	–	–
Total changes during period	7,337	32	32
Balance as of March 31, 2022	(2)	30,447	30,447

Notes to the Non-Consolidated Financial Statements

[Notes Regarding Significant Accounting Policies]

1. Basis and method for valuation of assets

(1) Securities

Shares of subsidiaries and associates: Stated at cost using the moving-average method

Available-for-sale securities

Shares, etc. that do not have a market price: Stated at cost using the moving-average method

2. Depreciation method for non-current assets

(1) Property, plant and equipment

Declining-balance method

However, the straight-line method is applied for buildings, except for facilities attached to buildings, acquired on or after April 1, 1998 and for facilities attached to buildings and structures acquired on or after April 1, 2016.

Main useful lives are as follows:

Buildings	5-50 years
Tools, furniture and fixtures	2-15 years

(2) Intangible assets

Straight-line method

Computer software for internal use is amortized using the straight-line method over the estimated internal useful life (5-10 years).

3. Recognition criteria for provisions

(1) Allowance for doubtful accounts

To provide for possible losses from the non-payment of receivables, for general receivables the historical default rate is used, and for receivables designated as potentially irrecoverable are determined using actual default rates on an individual claim basis, and an allowance is made for the amount considered irrecoverable.

(2) Provision for bonuses

To provide for the payment of bonuses to employees, an allowance is made for the amount corresponding to the fiscal year under review based on the estimated amount of payment.

(3) Provision for loss on support of subsidiaries and associates

To provide for possible losses from supporting affiliated companies, an allowance is provided for the estimated amount of losses to be incurred, taking into consideration the financial position and operating results of the affiliated companies.

4. Recognition criteria for revenue and expenses

Same as Notes to the Consolidated Financial Statements.

5. Other significant accounting policies for preparation of non-consolidated financial statements

Important hedge accounting

Not applicable

6. Notes Regarding Changes in Accounting Policies

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter “Revenue Recognition Standard”) and other standards from the beginning of the fiscal year under review. The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The Company applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. However, there is no effect on the beginning balance of retained earnings since the Company had previously implemented accounting treatment in conformity with the said accounting standards.

There is also no impact on profit and loss for the fiscal year under review.

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter “Fair Value Measurement Standard”) and other standards from the beginning of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no impact on the non-consolidated financial statements for the fiscal year under review.

7. Notes Regarding Accounting Estimates

The following is a list of items for which the amounts recorded in the non-consolidated financial statements for the fiscal year under review are due to accounting estimates that are at risk of having a material effect on the non-consolidated financial statements for the next fiscal year.

(1) Recoverability of deferred tax assets

- 1) Account item and amount recorded in the non-consolidated financial statements for the fiscal year under review

Account item	Amount
Deferred tax assets	21 million yen

- 2) Other information to aid in understanding the details of accounting estimates

Same as the item described in “5. Notes Regarding Accounting Estimates (1)” in the Notes to the Consolidated Financial Statements.

(2) Impairment of non-current assets

- 1) Account item and amount recorded in the non-consolidated financial statements for the fiscal year under review

Account item	Amount
Deferred tax assets	8,806 million yen
Intangible assets	61 million yen
Long-term prepaid expenses	0 million yen

- 2) Other information to aid in understanding the details of accounting estimates

Same as the item described in “5. Notes Regarding Accounting Estimates (3)” in the Notes to the Consolidated Financial Statements.

(3) Valuation of loans receivable

- 1) Account item and amount recorded in the non-consolidated financial statements for the fiscal year under review

Account item	Amount
Long-term loans receivable from subsidiaries and associates	11,920 million yen

- 2) Other information to aid in understanding the details of accounting estimates

For long-term loans receivable from subsidiaries and associates, the Company evaluates the need for allowance for doubtful accounts by assessing their repayment capacity based on their financial position and other factors. In the event of a significant discrepancy between the estimated amount of loan collections and the actual amount of collections, etc., this could have a material impact on the non-consolidated financial statements for the following fiscal year and beyond.

[Notes Regarding Non-consolidated Balance Sheet]

1. Pledged assets and collateral-related liabilities

Pledged assets	
Buildings	690 million yen
Structures	3 million yen
Land	7,127 million yen
<hr/>	
Total	7,820 million yen
Collateral-related liabilities	
Short-term borrowings	166 million yen
Long-term borrowings	4,500 million yen
<hr/>	
Total	4,666 million yen

2. Accumulated depreciation of property, plant and equipment 2,652 million yen

3. Monetary claims and obligations to subsidiaries and associates (excluding items presented separately)

Short-term monetary claims	1,874 million yen
Short-term monetary obligations	1,106 million yen

[Notes Regarding Non-Consolidated Statement of Income]

Amount of transactions with subsidiaries and associates

Amount of transactions from operating transactions

Net sales	9,641 million yen
Purchases	5,755 million yen
Selling, general and administrative expenses	87 million yen

Amount of transactions from transactions other than operating transactions

Non-operating income	489 million yen
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[Notes Regarding Non-consolidated Statement of Changes in Equity]

Class and number of treasury shares as of end of fiscal year under review

Ordinary shares	802 shares
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[Notes Regarding Tax Effect Accounting]

Significant components of deferred tax assets and deferred tax liabilities

(In millions of yen)

Deferred tax assets	
Loss on valuation of shares of subsidiaries and associates	9,360
Tax loss carryforwards	4,272
Impairment loss	776
Allowance for doubtful accounts for loans receivable from subsidiaries and associates	861
Provision for loss on support of subsidiaries and associates	57
Loss on valuation of investments in capital of subsidiaries and associates	305
Loss on valuation of investment securities	44
Accrued expenses	1
Depreciation and amortization in excess	37
Other	1
Subtotal	<u>15,717</u>
Valuation allowance	<u>(15,678)</u>
Total	39
Deferred tax liabilities	
Enterprise tax refund receivable	<u>(17)</u>
Net deferred tax assets	<u>21</u>

[Notes Regarding Transactions with Related Parties]

1. Parent company and major corporate shareholders

Not applicable

2. Officers and major individual shareholders

Not applicable

3. Subsidiaries and associates

Category	Name of company	Principal business	Voting rights ownership (owned) ratio	Relationship with related party		Transaction contents	Transaction amount (millions of yen)	Description	Ending balance (millions of yen)
				Officer with concurrent positions	Business relationship				
Subsidiary	UNIDEN JAPAN CORPORATION	Sales of telecommunications, wireless communications and applied equipment	Owned Direct 100%	1	The Company's main customer	Sales of merchandise*1	1,183	Advances received from subsidiaries and associates	110
Subsidiary	UNIDEN AMERICA CORPORATION	Sales of telecommunications, wireless communications and applied equipment	Owned Indirect 100%	1	The Company's main customer	Sales of merchandise*1	5,220	Accounts receivable-trade	1,427
						Payment by purchase of receivables*5	1,377	-	-
Subsidiary	UNIDEN AUSTRALIA PTY. LTD.	Sales of telecommunications, wireless communications and applied equipment	Owned Direct 100%	1	The Company's main customer	Sales of merchandise*1	3,204	Accounts receivable-trade	428
						Receipt of dividend	364	-	-
Subsidiary	Uniden Hong Kong Ltd.	Purchase of raw materials	Owned Direct 100%	-	Outsourced raw material purchasing	Outsourced operation	87	Long-term loans receivable from subsidiaries and associates	531
						Receipt of interest*4	3	-	-
Subsidiary	UNIDEN VIETNAM LTD.	Manufacture of telecommunications, wireless communications and applied equipment	Owned Direct 100%	-	The Company's finished goods supplier	Purchase of finished goods*1	4,823	Long-term loans receivable from subsidiaries and associates	2,139
						Acceptance of receivable*5	1,377	-	-
Subsidiary	ATTOWAVE CO., LTD.	Development and manufacture of electronic communications equipment	Owned Direct 80%	-	The Company's finished goods supplier	Purchase of finished goods	932	Accounts payable-trade	276

Subsidiary	Uniden Real Estate Co., Ltd.	Real estate	Owned Direct 33.3%	-	Loan fund	Real estate leasing	27	Short-term loans receivable from subsidiaries and associates	166
						Collection of loans*4	166	Long-term loans receivable from subsidiaries and associates	9,250
						Receipt of interest*4	76	-	-
						Receipt of dividend	48	-	-
Subsidiary (non-consolidated)	UJ Realty Inc.	Real estate leasing	Owned Direct 99.4%	-	Borrowing fund	-	-	Short-term borrowings	601

Transaction terms and policies regarding determination of transaction terms

- (*1) Sales and purchase prices with the said companies are determined in consideration of market prices and other factors.
- (*2) The above transactions do not include consumption taxes.
- (*3) Allowance for doubtful accounts totaling 2,139 million yen is provided for loans to the above affiliates.
- (*4) Interest rates on loans and borrowings are determined reasonably, taking market interest rates into consideration. In addition, regarding the loan receivables from Uniden Real Estate Co. Ltd., a second ranking pledge has been established on the real estate for sale (trust beneficiary right) held by Uniden Real Estate Co. Ltd. after consultation with debtors, in order to protect the claims.
- (*5) The Company purchased \$11,251 thousand (1,377 million yen) of claims held by UNIDEN AMERICA CORPORATION against UNIDEN VIETNAM LTD. during the fiscal year under review through an agreement among the three companies after the approval of the Board of Directors.

[Notes Regarding Revenue Recognition]

Basic information for understanding revenue
Same as Notes to the Consolidated Financial Statements.

[Notes Regarding Per Share Information]

- | | |
|-----------------------------|--------------|
| 1. Net assets per share | 5,179.26 yen |
| 2. Basic earnings per share | 216.05 yen |

[Notes Regarding Significant Subsequent Events]

Not applicable

[Other Notes]

Figures presented in the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and notes to non-consolidated financial statements are rounded down to the nearest million yen.

Audit Report on the Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITORS

May 19, 2022

To the Board of Directors of Uniden Holdings Corporation

ARIA Audit Corporation
Minato-ku, Tokyo
Designated and Engagement Partner
Certified Public Accountant
Hidetoshi Motegi
Designated and Engagement Partner
Certified Public Accountant
Yasuyuki Yamanaka

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Uniden Holdings Corporation (the "Company") for the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Uniden Holdings Corporation, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements comprise the business report and the supplementary schedules thereto. Management is responsible for the preparation and disclosure of other statements. In addition, the Audit and Supervisory Committee is responsible for monitoring the Directors' execution of duties in the development and operation of the reporting process for other statements.

Our audit opinion on the consolidated financial statements does not cover other statements and we express no opinion on them.

Our responsibility in the audit of the consolidated financial statements is to read other statements carefully and, in the course of reading, to consider whether there are material differences between other statements and the consolidated financial statements or our knowledge obtained in the audit, and to pay attention to whether there is any indication of material errors in other statements besides such material differences.

We are required to report if, based on the work we have performed, we determine that there are material errors in other statements.

We have no matters to report with respect to other statements.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties in designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the compliance with the provisions related to professional ethics in Japan regarding independence as well as matters that are reasonably considered to have an impact on the auditor's independence and the content of any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report on the Non-Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITORS

May 19, 2022

To the Board of Directors of Uniden Holdings Corporation

ARIA Audit Corporation
Minato-ku, Tokyo
Designated and Engagement Partner
Certified Public Accountant
Hidetoshi Motegi
Designated and Engagement Partner
Certified Public Accountant
Yasuyuki Yamanaka

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Uniden Holdings Corporation (the “Company”) for the 57th fiscal year from April 1, 2021 through March 31, 2022 (the “financial statements and the accompanying supplementary schedules”).

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules.” We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements comprise the business report and the supplementary schedules thereto. Management is responsible for the preparation and disclosure of other statements. In addition, the Audit and Supervisory Committee is responsible for monitoring the Directors’ execution of duties in the development and operation of the reporting process for other statements.

Our audit opinion on the financial statements and the accompanying supplementary schedules does not cover other statements and we express no opinion on them.

Our responsibility in the audit of the financial statements and the accompanying supplementary schedules is to read other statements carefully and, in the course of reading, to consider whether there are material differences between other statements and the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, and to pay attention to whether there is any indication of material errors in other statements besides such material differences.

We are required to report if, based on the work we have performed, we determine that there are material errors in other statements.

We have no matters to report with respect to other statements.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors’ duties in designing and operating the financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In

addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the compliance with the provisions related to professional ethics in Japan regarding independence as well as matters that are reasonably considered to have an impact on the auditor's independence and the content of any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit and Supervisory Committee Audit Report

Audit Report

The Audit and Supervisory Committee has audited the Directors' execution of their duties for the 57th business year from April 1, 2021 to March 31, 2022 and reports as follows in regard to the method and results of those audits.

The Company transitioned from a Company with a Board of Auditors to a Company with an Audit and Supervisory Committee at the Extraordinary General Meeting of Shareholders held on November 19, 2021, but with regard to the audits from April 1, 2021 to November 19, 2021 (at the conclusion of the Extraordinary General Meeting of Shareholders), the content of the audits conducted by each auditor during the relevant period was taken over and the audit report for the current business year was prepared after confirming the content of those audits.

1. Method and Details of Audits

In regard to the content of resolutions of the Board of Directors regarding the matters stated in Article 399-13, paragraph (1), items (i)(b) and (i)(c) of the Companies Act, as well as the systems developed pursuant to those resolutions (internal control systems), the Audit and Supervisory Committee periodically received reports from directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the Audit and Supervisory Committee conducted audits using the following methods.

- (i) In accordance with the audit policies and division of duties, etc. determined by the Audit and Supervisory Committee, and in cooperation with the internal control department of the company, the Audit and Supervisory Committee attended important meetings, received reports from directors and employees, etc. regarding matters related to the execution of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the Audit and Supervisory Committee communicated and exchanged information with the directors and auditors, etc. of subsidiaries and received reports on business from subsidiaries as necessary.
- (ii) The Audit and Supervisory Committee monitored and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the execution of its duties, and requested explanations as necessary. Additionally, the Audit and Supervisory Committee received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), etc., it had developed "Systems to Ensure Appropriate Performance of Accounting Auditor Duties" (the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the Audit and Supervisory Committee examined the business report, the supplementary schedules thereto, the financial statements (the balance sheet, statement of income, statement of changes in net assets, and notes to financial statements), the supplementary schedules to the financial statements, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the business year.

2. Audit Results

(1) Results of audit of business report, etc.

- (i) We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the Articles of Incorporation.
- (ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the Articles of Incorporation in relation to the directors' execution of their duties.
- (iii) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the directors' execution of their duties relating to the internal control systems.

(2) Results of audit of financial statements and supplementary schedules thereto

We find the methods and results of the audit by the accounting auditor, ARIA Audit Corporation, to be reasonable.

(3) Results of audit of consolidated financial statements

We find the methods and results of the audit by the accounting auditor, ARIA Audit Corporation, to be reasonable.

May 27, 2022

The Audit and Supervisory Committee of Uniden Holdings Corporation

Audit and Supervisory Committee member	Atsushi Shimizu	(seal)
Audit and Supervisory Committee member	Mariko Ohsato	(seal)
Audit and Supervisory Committee member	Tomomi Nakano	(seal)
Audit and Supervisory Committee member	Toshimi Mizokami	(seal)

(Note) Audit and Supervisory Committee members, Mr. Atsushi Shimizu, Ms. Mariko Ohsato, Ms. Tomomi Nakano and Ms. Toshimi Mizokami are outside directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

Reference Material for the General Meeting of Shareholders

Item 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as one of the top management priorities, and its basic policy is to implement stable dividend distribution according to business results, while maintaining internal reserves necessary to make investments for future growth.

Based on this policy, the Company proposes to appropriate surplus for the fiscal year under review using capital surplus as dividend resources as follows:

Year-end dividend

(1) Type of dividend property

Cash

(2) Details of the allotment of the dividend property and the total amount thereof

210 yen per ordinary share of the Company

The total amount of the dividends will be 1,234,526,790 yen.

(3) Date on which the dividends of surplus become effective

June 29, 2022

Item 2: Partial Amendments to the Articles of Incorporation

(Amendments to prepare for the implementation of the system for electronic provision of materials for general meetings of shareholders)

1. Reasons for the amendments

The revised stipulations stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022, and the Company proposes the following amendments to prepare for the implementation of the system for electronic provision of materials for general meetings of shareholders.

- (1) Article 15 (Measures for electronic provision, etc.), Paragraph 1 of the proposed amendments stipulates that information that is the content of reference documents for the general meeting of shareholders, etc., shall be provided electronically.
- (2) Article 15 (Measures for electronic provision, etc.), Paragraph 2 of the proposed amendments establishes stipulations to limit the scope of matters to be stated in physical documents that are provided to shareholders who have requested the provision of such physical documents to the scope stipulated in the Ordinance of the Ministry of Justice, among matters for which electronic provision measures are taken with respect to information that is the content of reference documents for the general meeting of shareholders, etc.
- (3) By introducing the system of electronic provision of shareholder meeting materials, Article 15 of the current Articles of Incorporation (Internet disclosure and deemed provision of reference documents for general meetings of shareholders) will no longer be necessary, and therefore, these shall be deleted.
- (4) Supplementary provisions shall be established regarding the effectiveness of the new establishment and deletion above.

2. Details of the amendments

The details of the amendments are as follows.

(Underlines indicate amended sections)

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet disclosure and deemed provision of reference documents for general meetings of shareholders)</u> <u>Article 15 When convening a general meeting of shareholders, the Company may deem that it has provided its shareholders with information concerning matters to be stated or presented in the reference documents for general meetings of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information via the Internet in accordance with provisions stipulated in the Ordinance of the Ministry of Justice.</u></p> <p><Newly established></p>	<p><Deleted></p> <p><u>(Measures for electronic provision, etc.)</u> <u>Article 15 When convening a general meeting of shareholders, the Company shall electronically provide information that is the content of reference documents for the general meeting of shareholders, etc.</u> 2. <u>Of the matters to which electronic provision measures apply, the Company may choose not to include all or part of matters stipulated in the Ordinance of the Ministry of Justice in the physical documents provided to shareholders who have requested the provision of such physical documents by the record date for voting rights.</u></p>

<p><Newly established></p>	<p><u>(Supplementary provisions)</u> <u>(Transitional measures related to the measures for electronic provision)</u></p> <ol style="list-style-type: none"> 1. <u>The deletion of Article 15 (Internet disclosure and deemed provision of reference documents for general meetings of shareholders) of the current Articles of Incorporation and the establishment of Article 15 (Measures for electronic provision, etc.) of the proposed amendments shall take effect from September 1, 2022 (the “Enforcement Date”).</u> 2. <u>Notwithstanding the provision of the previous paragraph, Article 15 of the current Articles of Incorporation shall remain in force for general meetings of shareholders held on a day that is within six months of the Enforcement Date.</u> 3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Enforcement Date or the lapse of three months from the day of the general meeting of shareholders in the previous paragraph, whichever is later.</u>
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Item 3: Partial Amendments to the Articles of Incorporation

(Amendments to enter into the liability limitation agreement with the accounting auditor)

1. Reasons for the amendments

The Company proposes to establish a provision (Article 32-5, Paragraph 1 of the proposed amendment) that allows the Company to partially exempt the liability of the accounting auditor to the extent permitted by laws and regulations by a resolution of the Board of Directors, so that the accounting auditor can fully play its expected role. In addition, in order to enable the accounting auditor to fully play its expected role, the Company proposes to establish a provision (Article 32-5, Paragraph 2 of the proposed amendment) that allows the Company to enter into a liability limitation agreement with the accounting auditor.

2. Details of the amendments

The details of the amendments are as follows. This amendment to the Articles of Incorporation will become effective at the conclusion of this Ordinary General Meeting of Shareholders.

(Underlines indicate amended sections)

Current Articles of Incorporation	Proposed amendments
<Newly established>	Chapter 5-2 Accounting Auditor
<Newly established>	(Election procedures) <u>Article 32-2 The accounting auditor of the Company shall be elected at a general meeting of shareholders.</u>
<Newly established>	(Term of office of accounting auditor) <u>Article 32-3 The term of office of the accounting auditor shall expire at the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year after its election.</u> 2. <u>If no separate resolution is adopted at the ordinary general meeting of shareholders set forth in the preceding paragraph, the accounting auditor shall be deemed to have been reappointed at such ordinary general meeting of shareholders.</u>
	(Remuneration, etc.)

Current Articles of Incorporation	Proposed amendments
<Newly established>	<p><u>Article 32-4 Remuneration, etc. of the accounting auditor shall be determined by the Representative Director with the consent of the Audit and Supervisory Committee.</u></p>
<Newly established>	<p><u>(Exemption of accounting auditor's liability)</u> <u>Article 32-5 Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt the accounting auditor (including former accounting auditor) from liability for damages under Article 423, Paragraph 1 of the same Act to the extent permitted by laws and regulations.</u> <u>2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with accounting auditor to limit its liability for damages due to negligence of its duties. However, the maximum amount of liability under such agreement shall be the amount stipulated by laws and regulations.</u></p>

Item 4: Election of One (1) Director (excluding Directors concurrently serving as Audit and Supervisory Committee members)

The terms of office of one (1) Director (excluding Directors concurrently serving as Audit and Supervisory Committee members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, we propose to elect one (1) Director (excluding Directors concurrently serving as Audit and Supervisory Committee members).

The Audit and Supervisory Committee has determined that the candidate is qualified to serve as a Director of the Company based on its evaluation of the candidate's business execution and performance during the fiscal year under review.

The candidate for Director (excluding Directors concurrently serving as Audit and Supervisory Committee members) is as follows.

Name (Date of Birth)	Career Summary and Positions and Responsibilities at the Company [Significant Concurrent Positions]	Number of Company Shares Owned
Tatsuhiko Muto (January 1, 1976)	March 2003 Joined INOAC CORPORATION November 2005 Joined BearingPoint Co., Ltd. June 2008 Joined NGK INSULATORS, LTD. June 2016 Joined HOYA CORPORATION July 2020 Joined the Company, CFO (current) September 2020 Director of the Company November 2020 CEO & CFO of UNIDEN AMERICA CORPORATION (current) June 2021 Representative Director, President and CFO of the Company (current) November 2021 Representative Director and President of UNIDEN JAPAN CORPORATION (current)	977 shares
Reappointment	Reasons for nomination as a candidate for Director As Global CFO of companies in the manufacturing industry, Mr. Tatsuhiko Muto has a proven track record of resolving issues faced by each company, leveraging his experience as a business operation consultant for supply chain management (SCM), in addition to the specialized areas of accounting and finances. Since joining the Company, as CFO and a Certified Public Accountant of the United States, he has contributed to enhancing internal controls and corporate governance. He has also led the development of overseas bases of the Group, especially in terms of strengthening the management of UNIDEN AMERICA CORPORATION, as CEO and CFO of the company, utilizing his experience of services in Bangkok and the United States as well as in Japan. Recognizing these achievements, the Company believes that he is qualified to continue demonstrating his experience and track record. Therefore, the Company has nominated him as a candidate for Director.	

(Notes) 1. There are no special interests between the candidate and the Company.

2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contract is designed to cover damage that may arise from the insured officers' assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. An outline of the details of the directors and officers liability insurance contract is as

described on page 17 of the Business Report. If the candidate for Director is elected as proposed, the candidate will be included as an insured person under the insurance contract and the contract will be renewed during the term of office with the same coverage. The Company pays all insurance premiums.

Reference: Skills Matrix of the Board of Directors

If Item 4 is approved as proposed, the members of the Board of Directors and the main skills, experience, and knowledge that are possessed by each member will be as follows:

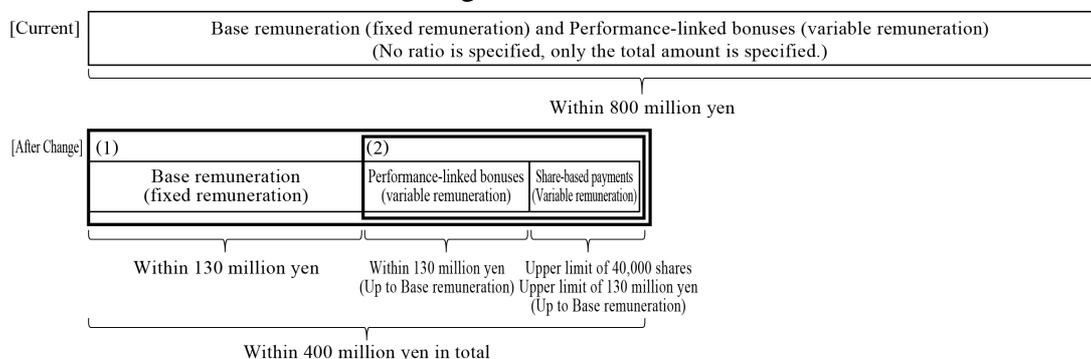
Name of candidate for Director	Business / Corporate Planning	Sales / Marketing	Manufacturing / SCM (Supply Chain Management)	Finance / Accounting	Legal affairs / Compliance	HR	International Business
Tatsuhiko Muto	●		●	●	●		●
Mariko Ohsato	●	●				●	●
Atsushi Shimizu	●			●	●		●
Tomomi Nakano	●			●	●		●
Toshimi Mizokami	●				●	●	●

Note: The above table shows skill sets expected of each candidate for Director and is not an exhaustive list of the knowledge and abilities possessed by each candidate.

Regarding the New Remuneration System for Directors

<Description of Item 5 “Determination of the Amount of Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)” and Item 6 “Introduction of Performance-Linked Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)” >

Reference: Current and After Change



- (1) Reduction of the maximum amount of remuneration from 800 million yen to 400 million yen (Item 5)
- (2) Introduction of performance-linked compensation (Item 6)

The Company's remuneration system for Directors for the fiscal year under review is as described on pages 17 to 21 of the Business Report. However, in order to make the system more transparent, fair and equitable, and to acquire excellent human resources, the Company has decided, after deliberation and approval by the voluntary Nomination and Remuneration Committee, to fundamentally review the remuneration system for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) as follows. The new remuneration system is outlined below.

[Details of the system]

1. Policy for determining individual remuneration, etc. for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)

The remuneration for the Company's Directors will be determined in accordance with the following approach.

- To establish a remuneration structure and remuneration levels that will enable the acquisition and retention of excellent human resources to support global management.
- To make the remuneration system achieve a balance between medium- and long-term improvement of corporate value and shareholder returns.
- To make the remuneration system fair, equitable, and transparent.

2. Remuneration structure

The remuneration structure for the Company's Directors consists of “base remuneration (fixed remuneration)” and “variable remuneration,” with variable remuneration being a combination of two types: “performance-linked bonuses” and “share-based payments.” The types of remuneration and purpose and outline of each type of remuneration is as described in Exhibit 1.

Exhibit 1. Types of remuneration and purpose and outline of each type of remuneration

Types of remuneration		Purpose and outline
Fixed	Base remuneration	<p>Establish fixed remuneration to encourage solid job performance in accordance with job responsibilities.</p> <ul style="list-style-type: none"> • Set by position with reference to the level of other companies in the same industry and of the same size • Paid monthly in cash
Variable	Performance-linked bonuses	<p>Establish performance-linked remuneration with a relatively short-term perspective to steadily generate results each fiscal year toward achieving performance targets for each fiscal year.</p> <ul style="list-style-type: none"> • Payment is determined in the range of 0% to 100% of the base remuneration for each position, depending on the percentage of target achievement for each fiscal year. • Target achievement rate is evaluated using three indicators: net sales, operating cash flow, and ROE. • In principle, a lump-sum payment in cash is made after the performance for each fiscal year is determined.
	Share-based payments	<p>Establish performance-linked remuneration for granting restricted shares (monetary claims for granting restricted shares) in order to further promote value sharing with shareholders while aiming to increase corporate and shareholder value over the medium to long term.</p> <ul style="list-style-type: none"> • Establish a standard number of shares to be delivered calculated based on the base salary by position and the Company's stock price at the time the evaluation begins. • Evaluate the growth rate of the Company's stock price over the same period by comparing it to the TOPIX growth rate over the three-year period, and determine the actual number of shares to be issued in the range of 0% to 100% of the standard number of shares to be issued, depending on the rate of achievement. • Grant the number of restricted shares of ordinary shares calculated in accordance with the evaluation coefficient out of the standard number of shares to be delivered, and grant monetary compensation claims in exchange for these shares.

3. Remuneration composition

Aiming for a remuneration system and remuneration structure that is highly performance-linked and emphasizes the enhancement of corporate and shareholder value over the medium to long term, and as a result of a higher ratio of variable remuneration, the remuneration composition ratio for the Company's Directors will target “base remuneration: performance-linked bonus (maximum value): stock-based payments (maximum value)” = “1:1:1” as a guide.

Item 5: Determination of the Amount of Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)

The maximum amount of remuneration for the Company's Directors has been 800 million yen per year since it was approved at the Extraordinary Meeting of Shareholders held on November 19, 2021. Considering the results of consultation with the voluntary Nomination and Compensation Committee, the Company proposes to set the maximum amount of remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) once again at 400 million yen per year, based on their duties, our business performance and general situation including recent economic conditions.

Additionally, the remuneration of Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) shall not include the employee salary portion of Directors serving concurrently as employees.

The Company believes that the amount of remuneration under this Item is reasonable in light of various circumstances, including reduction by half compared with the previous proposal and the possibility of increasing the number of Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) in the Company to approximately four and their responsibilities after consultation with and deliberation and approval by the voluntary Nomination and Compensation Committee.

Furthermore, if Item 6 "Introduction of Performance-Linked Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)," is approved at this Ordinary General Meeting of Shareholders as proposed, the maximum amount of remuneration will be the limit of the total amount of base remuneration, performance-linked bonuses and performance-linked remuneration for granting restricted shares as described below.

Currently, the Company has one (1) Director (excluding Directors concurrently serving as Audit and Supervisory Committee members) (of which none are Outside Directors). The number of Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) in relation to this Item will be one (1) (of which none are Outside Directors) if Item 4 "Election of One (1) Director (excluding Directors concurrently serving as Audit and Supervisory Committee members)" is approved as proposed.

[Details of performance-linked bonuses to directors]

Performance-linked bonuses will be highly linked to performance by setting appropriate performance indicators that contribute to the enhancement of corporate value in order to steadily generate results each fiscal year toward the achievement of targets in each fiscal year. The performance evaluation indexes and structure for performance-linked bonuses, and the calculation method for the amount to be paid are shown in Exhibits 2 and 3 below.

Performance-linked bonuses shall be paid to eligible directors each fiscal year based on the above calculation method in accordance with a resolution of the Board of Directors.

Exhibit 2. Performance evaluation indexes and structure for performance-linked bonuses

Performance evaluation indexes (Evaluation ratio)	Upper and lower limits for the percentage of achievement of fiscal year targets	Range of coefficients for base remuneration	Purposes
Net sales (35%)	Upper and lower limits for the percentage of achievement of targets in each indicator for which bonuses are to be paid • Upper (target): 100% • Lower: 90%	0 to 1.0	Expansion of business scale
Operating cash flow (35%)			Maintain management security with new investments, shareholder returns, etc. in mind
ROE (30%)			Improvement of efficiency

Exhibit 3. Calculation method for the amount to be paid

Bonus amount to be paid = Base remuneration for each position
 x Coefficient of payment

* Coefficient of payment

= Payment coefficient of net sales achievement rate x 35% + Payment coefficient of operating cash flow achievement rate x 35% + Payment coefficient of ROE achievement rate x 30%

Item 6: Introduction of Performance-Linked Remuneration for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members)

The Company proposes to introduce a performance-linked remuneration for granting restricted share plan (the “Plan”) for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members), in addition to fixed remuneration and performance-linked bonuses, for the purpose of further enhancing value sharing with shareholders and increasing the incentive effect on the sustainable enhancement of the Company's performance and corporate value over the medium to long term.

Under the Plan, each fiscal year, based on a resolution of the Board of Directors of the Company, monetary compensation claims for granting restricted shares will be paid to Directors in proportion to their achievement rate with respect to specific evaluation indicators during a certain evaluation period, and ordinary shares of the Company will be delivered by having the Directors pay in such monetary compensation claims as contribution in kind. The ordinary shares of the Company to be delivered shall be subject to transfer restrictions during the period from the date of delivery of shares to the date of retirement or resignation of the Director.

The total amount of monetary compensation claims to be delivered to the eligible Directors as stock-based payments shall be no more than 40,000 shares (equivalent to approximately 0.67% of the Company's current outstanding shares) per evaluation period multiplied by the stock price at the time of delivery (the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution, or if no transaction is effected on that date, the closing price on the most recent trading day preceding that date). However, in the event of a stock split (including free share allotment) or reverse stock split of the Company's shares, or any other event in which corresponding adjustment is required occurring after the date of resolution of this Item, the amount shall be adjusted in accordance with such split ratio or reverse stock split ratio, etc., and the specific content of such adjustment shall be determined by the resolution of the Board of Directors.

The Company believes that the amount of remuneration for this Item is appropriate because it is within the 400 million yen limit proposed in Item 5 and is consistent with the purpose of further enhancing the sharing of value with shareholders and increasing the incentive effect for the sustainable enhancement of the Company's medium- to long-term performance and corporate value, and also in light of various factors such as the possibility of increasing the number of Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) to about four in the future, after consultation with and deliberation and approval by the Nomination and Compensation Committee, and their responsibilities.

The calculation method of the number of shares to be delivered as stock-based payments, as well as the evaluation index and structure, are shown in Exhibits 4 and 5 below.

Since the Plan is to grant monetary compensation claims to deliver the Company's shares in accordance with the evaluation method shown in Exhibit 5 below, at the time of introduction of the Plan, whether or not to grant such claims to the Directors, the number of the Company's shares, and the amount of monetary compensation claims to deliver the

Company's shares have not been determined. The performance evaluation period is as shown in Exhibit 5 below.

Exhibit 4. Calculation method of the number of shares to be delivered

Number of shares to be delivered = Standard number of shares to be delivered
x Evaluation coefficient

*1. Concept of standard number of shares to be delivered

The standard number of shares to be delivered is the number of shares set in accordance with the base amount for each director at the beginning of the evaluation period. It is the number of shares obtained by dividing the base remuneration amount for each director by the simple average of the closing price of the Company's shares on the Tokyo Stock Exchange for the three months immediately preceding the month in which the evaluation period begins.

*2. Concept of evaluation coefficient

As shown in Exhibit 5 below, the evaluation coefficient is determined by comparing the Company's stock price growth rate during the evaluation period with the growth rate of the Tokyo Stock Exchange Stock Price Index during the same period (hereinafter referred to as the "Growth rate of the Company's stock price relative to TOPIX").

Exhibit 5. Evaluation index and structure

Evaluation index	• Company's stock price growth rate
Evaluation period	• Three years from the month containing the date of the ordinary general meeting of shareholders to the month containing the date of the ordinary general meeting of shareholders held three years later
Calculation manner of the Growth rate of the Company's stock price relative to TOPIX	<p>• The formula is as follows.</p> <p>the Growth rate of the Company's stock price relative to TOPIX = (Company's stock price growth rate (B/A)) / (TOPIX's growth rate (D/C)) x 100</p> <p>A: Simple average of the closing price of the Company's shares on the Tokyo Stock Exchange for the three months immediately preceding the month in which the evaluation period begins</p> <p>B: Simple average of the closing price of the Company's shares on the Tokyo Stock Exchange for the three months immediately preceding the month in which the evaluation period ends</p> <p>C: Simple average of TOPIX on the Tokyo Stock Exchange for the three months immediately preceding the month in which the</p>

	<p>evaluation period begins D: Simple average of TOPIX on the Tokyo Stock Exchange for the three months immediately preceding the month in which the evaluation period ends</p>
<p>Determination of the evaluation coefficient</p>	<ul style="list-style-type: none"> • If the Growth rate of the Company's stock price relative to TOPIX is 120% or more, the evaluation coefficient shall be set at 1.0, and such number shall be the upper limit of the evaluation coefficient. • If the Growth rate of the Company's stock price relative to TOPIX is 80% or less, the evaluation coefficient is set to 0. • If the Growth rate of the Company's stock price relative to TOPIX is greater than 80% but less than 120%, the valuation coefficient is determined according to the growth rate.

Item 7: Determination of the Amount of Remuneration for Directors concurrently serving as Audit and Supervisory Committee members

The maximum amount of remuneration for the Company's Directors concurrently serving as Audit and Supervisory Committee members has been 40 million yen per year since it was approved at the Extraordinary Meeting of Shareholders held on November 19, 2021. Considering the results of consultation with the voluntary Nomination and Compensation Committee, the Company proposes to set the maximum amount of remuneration for Directors concurrently serving as Audit and Supervisory Committee members once again at 50 million yen per year, based on their duties, our business performance and general situation including recent economic conditions.

The Company believes that the amount of remuneration under this Item is reasonable in light of various circumstances, including the possibility of increasing the number of Directors concurrently serving as Audit and Supervisory Committee members or full time Audit and Supervisory Committee members by approximately one in order to strengthen the audit system and their responsibilities.

The number of Directors concurrently serving as Audit and Supervisory Committee members in relation to this Item will be four (4) (of which four (4) are Outside Directors).