

May 14, 2025

Name of Company KAGA ELECTRONICS CO., LTD.
Representative Ryoichi Kado,
Representative Director, President & COO
(Stock Code: 8154 Tokyo Stock Exchange, Prime Market)
Contact Yasuhiro Ishihara,
Senior Executive Officer
Head of Administration Headquarters
Tel: +81-(0)3-5657-0111

Notice Concerning Partial Amendment of Articles of Incorporation

KAGA ELECTRONICS CO., LTD. (hereinafter, the “Company”), as announced on March 27, 2025, will transition from a company with a Board of Corporate Auditors to a Company with an Audit and Supervisory Committee, subject to approval at the 57th Ordinary General Meeting of Shareholders to be held in June 2025.

In conjunction with this, the Company hereby announces that the Board of Directors adopted a resolution on today to submit a proposal for partial amendment of the Articles of Incorporation to the 57th Ordinary General Meeting of Shareholders scheduled for June 26, 2025.

1. Reasons for the Amendments

- (i) Over the years, the Company has been working to strengthen its corporate governance structure through measures such as the establishment of a Nomination and Compensation Committee and introduction of a delegation-based executive officer system. The transition to a Company with an Audit and Supervisory Committee at this time is aimed at enhancing the functions of the Board of Directors and business execution functions by further expediting decision-making through delegation of authority, promoting separation of the functions of “management decision making and supervision” and “business execution,” and clarifying respective roles. As described above, by further strengthening the corporate governance structure, the Company will continue to work on increasing the Group’s corporate value in the face of accelerating changes in the business environment. As part of this transition, this proposal makes changes including newly establishing provisions related to the Audit and Supervisory Committee Members and the Audit and Supervisory Committee that are required for the transition to a company with an audit and supervisory committee, and removing provisions related to the company auditors and the board of company auditors.
- (ii) In order to achieve a dynamic capital policy and dividend policy, based on Article 459, Paragraph 1 of the Companies Act, a provision will be newly established which will enable dividends of surplus and related actions to also be enacted by a resolution of the board of directors. At the same time, Article 7 (Acquisition of Own Shares) and Article 44 (Interim Dividends) of the current articles of incorporation, which contain the same contents, will be removed. This change does not limit the right of shareholders to make proposals regarding dividends.
- (iii) In addition, as a result of the above changes, the article numbers will be changed, article text will be added and removed, contents will be reorganized, wording will be corrected, and other required changes will be made.

2. Details of the Amendments

The details of the amendments are set forth in the attachment.

3. Schedule

Date of general shareholders meeting for amending the Articles of Incorporation:
June 26, 2025 (scheduled)

Effective date of amendments to the Articles of Incorporation: June 26, 2025
(scheduled)

(Attachment)

(Underlined text indicates changes)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 1. General Provisions</p> <p>Article 1 - Article 3 (Omitted) (Organs)</p> <p>Article 4 The Company shall have the following bodies in addition to the shareholders' meeting and Directors: (1) Board of directors; (2) <u>Company auditors;</u> (3) <u>Board of company auditors; and</u> (4) <u>Accounting auditor(s)</u></p> <p>Article 5 (Omitted)</p> <p>Chapter 2. Shares</p> <p>Article 6 (Omitted) (Acquisition of Own Shares)</p> <p><u>Article 7</u> <u>The Company may acquire its own shares by the resolution of the board of directors pursuant to the provision of Paragraph 2, Article 165 of the Companies Act.</u></p> <p><u>Article 8 - Article 10</u> (Omitted) (Administrator of Shareholder Registry)</p> <p><u>Article 11</u> (Omitted) 2. The administrator of the shareholder registry and a place in which he or she handles administrative affairs pertaining thereto shall be appointed by a resolution of the board of directors meeting, and public notice thereon shall be given.</p> <p>3. (Omitted) (Share Handling Regulations)</p> <p><u>Article 12</u> Handling and fees pertaining to shares of the Company shall be as set forth in the share handling regulations prescribed by the board of directors, in addition to those provided for in applicable laws and regulations or herein.</p> <p>Chapter 3. Shareholders' Meeting</p> <p><u>Article 13 - Article 18</u> (Omitted)</p> <p>Chapter 4. Directors, Board of Directors, and Executive Officers (Number of Directors)</p> <p><u>Article 19</u> The Company shall have twenty (20) or less directors.</p> <p>(Establishment)</p>	<p>Chapter 1. General Provisions</p> <p>Article 1 - Article 3 (No change) (Organs)</p> <p>Article 4 The Company shall have the following bodies in addition to the shareholders' meeting and Directors: (1) Board of directors; (Deletion) (2) <u>Audit and Supervisory Committee; and</u> (3) <u>Accounting auditor(s)</u></p> <p>Article 5 (No change)</p> <p>Chapter 2. Shares</p> <p>Article 6 (No change) (Deletion)</p> <p><u>Article 7 - Article 9</u> (No change) (Administrator of Shareholder Registry)</p> <p><u>Article 10</u> (No change) 2.The administrator of the shareholder registry and a place in which he or she handles administrative affairs pertaining thereto shall be appointed by a resolution of the board of directors meeting <u>or by a decision of a director authorized by a resolution of the board of directors, and</u> public notice thereon shall be given.</p> <p>3. (No change) (Share Handling Regulations)</p> <p><u>Article 11</u> Handling and fees pertaining to shares of the Company shall be as set forth in the share handling regulations prescribed by <u>a resolution of the board of directors or by a director authorized by a resolution of the board of directors, in addition to those</u> provided for in applicable laws and regulations or herein.</p> <p>Chapter 3. Shareholders' Meeting</p> <p><u>Article 12 - Article 17</u>(No change)</p> <p>Chapter 4. Directors, Board of Directors, and Executive Officers (Number of Directors)</p> <p><u>Article 18</u> The Company shall have twenty (20) or less directors <u>(excepting directors who are Audit and Supervisory Committee Members).</u></p> <p><u>2. The Company shall have four (4) or less directors who are Audit and Supervisory Committee Members (hereinafter referred to as "Audit and Supervisory Committee Members").</u></p>

Current Articles of Incorporation	Proposed Amendments
(Election of Directors)	(Election of Directors)
<u>Article 20</u> Directors shall be elected at a shareholders' meeting.	<u>Article 19</u> Directors shall be elected at a shareholders' meeting, <u>that distinguishes between those who are Audit and Supervisory Committee Members and those who are not.</u>
2. (Omitted)	2. (No change)
3. (Omitted)	3. (No change)
(Term of Office of Directors)	(Term of Office of Directors)
<u>Article 21</u> (Omitted) (Establishment)	<u>Article 20</u> (No change)
2. The term of office of directors who are elected according to an increase in the number of directors or as a substitute director for a director retired before the expiration of the term of office shall continue until the expiration of the term of office of other directors in office.	2. <u>Regardless of the provisions of the preceding paragraph, the term of office of Audit and Supervisory Committee Members shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within two (2) years from the time of their election.</u>
3. The term of office of directors who are elected as an addition or a substitute for a director or member who retired before the expiration of the term of office shall continue until the expiration of the term of office of other directors in office.	3. <u>The term of office of directors or Audit and Supervisory Committee Members who are elected as an addition or a substitute for a director or member who retired before the expiration of the term of office shall continue until the expiration of the term of office of other directors in office.</u>
(Representative Directors)	(Representative Directors)
<u>Article 22</u> The board of directors shall appoint representative directors by a resolution of the board of directors meeting.	<u>Article 21</u> The board of directors shall appoint representative directors <u>from among directors (excepting directors who are Audit and Supervisory Committee Members)</u> by a resolution of the board of directors meeting.
(Executive Officers)	(Executive Officers)
<u>Article 23</u> (Omitted)	<u>Article 22</u> (No change)
2. The Board of Directors may, by resolution, appoint the Founder & CEO, President & COO, senior managing executive officers, managing executive officers, senior executive officers, and a small number of other executive officers with titles.	2. The Board of Directors may, by resolution, appoint the Founder & CEO, President & COO, senior managing executive officers, managing executive officers, senior executive officers, and a small number of other executive officers with titles <u>from among directors (excepting directors who are Audit and Supervisory Committee Members).</u>
<u>Article 24</u> (Omitted)	<u>Article 23</u> (No change)
(Notice of Calling of Board of Directors Meeting)	(Notice of Calling of Board of Directors Meeting)
<u>Article 25</u> The notice of the board of directors meeting shall be given to each director and company auditor no later than three (3) days prior thereto, provided, however, that in the event of urgent need, such period of time may be shortened.	<u>Article 24</u> The notice of the board of directors meeting shall be given to each director no later than three (3) days prior thereto, provided, however, that in the event of urgent need, such period of time may be shortened.
2. The board of directors meeting may be held without the procedures for calling such meeting if the consent of all directors and company auditors is obtained.	2. The board of directors meeting may be held without the procedures for calling such meeting if the consent of all directors is obtained.
<u>Article 26</u> (Omitted)	<u>Article 25</u> (No change)

Current Articles of Incorporation	Proposed Amendments
(Establishment)	<u>(Delegation of Decisions for Execution of Business to Directors)</u>
Article 27 (Omitted) (Remuneration, etc. for Directors)	Article 26 Based on the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by a resolution of the board of directors, delegate all or some important decisions regarding execution of business (excepting matters listed in each Item of Paragraph 5 of the same Article) to directors.
Article 28 Remuneration and bonuses paid to directors and other financial benefits that the directors receive from the Company in consideration of the performance of their respective duties (hereinafter referred to as "Remuneration, etc.") shall be fixed by a resolution of a shareholders' meeting.	Article 27 (No change) (Remuneration, etc. for Directors)
Article 29 (Omitted)	Article 28 Remuneration and bonuses paid to directors and other financial benefits that the directors receive from the Company in consideration of the performance of their respective duties (hereinafter referred to as "Remuneration, etc.") shall be fixed by a resolution of a shareholders' meeting, with a distinction made between directors who are Audit and Supervisory Committee Members and other directors.
Chapter 5. <u>Company Auditors and Board of Company Auditors</u> (Number of Company Auditors)	Article 29 (No change)
Article 30 The Company shall have four (4) or less company auditors. (Election of Company Auditors)	Chapter 5. <u>Audit and Supervisory Committee</u> (Deletion)
Article 31 Company auditors shall be elected at a shareholders' meeting. 2. The resolution of the shareholders' meeting to elect company auditors shall be adopted by a majority of the votes of the shareholders present at the meeting where the shareholders holding one third or more of the votes of the shareholders who are entitled to exercise their votes are present.	(Deletion)
(Term of Office of Company Auditors)	(Deletion)
Article 32 The term of office of company auditors shall continue until the conclusion of the annual shareholders' meeting for the last business year which ends within four (4) years from the time of their election. 2. The term of office of the company auditors who are elected as substitute company auditors for company auditors retired before the expiration of the term of office shall continue until the expiration of the term of office of those company auditors so retired.	

Current Articles of Incorporation	Proposed Amendments
<p><u>(Effect of Pre-election of Substitute Company Auditors)</u></p> <p>Article 33 <u>A resolution of a shareholders' meeting to elect substitute company auditors shall remain in force until the commencement of the annual shareholders' meeting for the last business year which ends within four (4) years from the time of their election.</u></p> <p><u>(Full-Time Company Auditors)</u></p> <p>Article 34 <u>The board of company auditors shall appoint the full-time company auditors by its resolution.</u></p> <p><u>(Notice of Calling of Board of Company Auditors Meeting)</u></p> <p>Article 35 <u>The notice of a board of company auditors meeting shall be given to each company auditor no later than three (3) days prior thereto, provided, however, that in the event of urgent need, such period of time may be shortened.</u></p> <p>2. <u>A board of company auditors meeting may be held without the procedures for calling such meeting if the consent of all company auditors is obtained.</u></p> <p>3. <u>The board of company auditors meetings shall be called by each company auditor.</u></p> <p><u>(Resolutions of Board of Company Auditors Meeting)</u></p> <p>Article 36 <u>Unless otherwise provided for in applicable laws and regulations, a resolution of the board of company auditors meeting shall be adopted by a majority of company auditors.</u></p> <p><u>(Board of Company Auditors Regulations)</u></p> <p>Article 37 <u>Matters related to the board of company auditors shall be as set forth in the board of company auditors regulations prescribed at a board of company auditors meeting, in addition to those provided for in applicable laws and regulations or herein.</u></p> <p><u>(Remuneration, etc. for Company Auditors)</u></p> <p>Article 38 <u>Remuneration, etc. for company auditors shall be fixed by a resolution of a shareholders' meeting.</u></p>	<p>(Deletion)</p> <p>(Deletion)</p> <p><u>(Notice of Calling of Audit and Supervisory Committee Meeting)</u></p> <p>Article 30 <u>The notice of an Audit and Supervisory Committee meeting shall be given to each Audit and Supervisory Committee Member no later than three (3) days prior thereto, provided, however, that in the event of urgent need, such period of time may be shortened.</u></p> <p>2. <u>An Audit and Supervisory Committee meeting may be held without the procedures for calling such meeting if the consent of all Audit and Supervisory Committee Members is obtained.</u></p> <p>(Deletion)</p> <p><u>(Resolutions of Audit and Supervisory Committee Meeting)</u></p> <p>Article 31 <u>A resolution of the Audit and Supervisory Committee meeting shall be adopted by a majority of the Audit and Supervisory Committee Members where a majority of the Audit and Supervisory Committee Members who can vote on resolutions are in attendance.</u></p> <p><u>(Audit and Supervisory Committee Regulations)</u></p> <p>Article 32 <u>Matters related to the Audit and Supervisory Committee shall be as set forth in the Audit and Supervisory Committees regulations prescribed at an Audit and Supervisory Committee meeting, in addition to those provided for in applicable laws and regulations or herein.</u></p> <p>(Deletion)</p>

Current Articles of Incorporation	Proposed Amendments
(Exemption of Auditors from Liability)	(Deletion)
<p><u>Article 39</u> Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt auditors (including former auditors) from liability to pay compensation for damage resulting from negligence in the execution of duties up to the statutory limit.</p> <p>2. The Company may enter into agreements with auditors limiting liability to pay compensation for damage resulting from negligence in the execution of duties pursuant to Article 427, Paragraph 1 of the Companies Act; provided, however, that the maximum amount of liability pursuant to such agreements shall be the minimum amount specified in laws and regulations.</p>	
Chapter 6. Accounting Auditors	Chapter 6. Accounting Auditors
<u>Article 40</u> (Omitted)	<u>Article 33</u> (No change)
(Remuneration, etc. for Accounting Auditors)	(Remuneration, etc. for Accounting Auditors)
<u>Article 41</u> Remuneration, etc. for accounting auditors shall be fixed by the representative director with the consent of the <u>board of company auditors</u> .	<u>Article 34</u> Remuneration, etc. for accounting auditors shall be fixed by the representative director with the consent of the <u>Audit and Supervisory Committee</u> .
Chapter 7. Accounting	Chapter 7. Accounting
<u>Article 42</u> (Omitted)	<u>Article 35</u> (No change)
(Record Date of Dividend of Surplus)	(Deletion)
<u>Article 43</u> The record date of the year-end dividend of the Company shall be March 31 each year.	
(Establishment)	(Dividends of Surplus, Etc.)
	<u>Article 36</u> The Company may, by a resolution of the board of directors, decide the matters listed in each Item of Article 459, Paragraph 1 of the Companies Act.
	2. The Company may pay monetary dividends of surplus (hereinafter referred to as "dividends") to registered shareholders or registered pledgees of shares listed in the final shareholder registry on September 30 or March 31 of each year.
(Interim Dividend)	(Deletion)
<u>Article 44</u> The Company may, by a resolution of a board of directors meeting, distribute an interim dividend on September 30 each year as the record date.	
(Period of Exclusion for Dividends)	(Period of Exclusion for Dividends)
<u>Article 45</u> (Omitted)	<u>Article 37</u> (No change)
2. The year-end dividends and interim dividends due and unpaid shall not accrue any interest.	2. The dividends due and unpaid shall not accrue any interest.

Current Articles of Incorporation	Proposed Amendments
(Establishment)	<p data-bbox="802 203 1110 232"><u>Supplementary Provisions</u></p> <p data-bbox="802 237 1426 297"><u>(Transitional Measures for Exemption from Liability for Company Auditors)</u></p> <p data-bbox="802 302 1426 539"><u>The Company may, by a resolution of the board of directors, exempt company auditors (including former company auditors) from the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act for acts committed prior to the conclusion of the 57th Ordinary General Meeting of Shareholders, to the limit permitted by laws and regulations.</u></p>