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(Stock Exchange Code 1820)  
June 3, 2022

To Shareholders with Voting Rights:

Nobutoshi Takase  
Representative Director and President  
Nishimatsu Construction Co., Ltd.  
17-1, Toranomom 1-chome, Minato-ku, Tokyo

## NOTICE OF THE 85<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Please be notified that the 85<sup>th</sup> Annual General Meeting of Shareholders of Nishimatsu Construction Co., Ltd. (the “Company”) will be held for the purposes as described below.

**With a view to preventing the spread of the coronavirus disease (COVID-19), we ask our shareholders to refrain from attending the General Meeting of Shareholders, and instead exercise your voting rights in advance in writing or via the Internet.**

Please look over the “Reference Documents for the General Meeting of Shareholders” below and cast your vote by 5:30 p.m. on Tuesday, June 28, 2022, Japan time.

1. **Date and Time:** 10 a.m. on Wednesday, June 29, 2022
2. **Place:** The Company’s Head Office located at  
7th Floor Toranomom Hills Business Tower,  
17-1, Toranomom 1-chome, Minato-ku, Tokyo
3. **Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company’s 85<sup>th</sup> Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Board of the Audit and Supervisory Committee of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company’s 85<sup>th</sup> Fiscal Year (April 1, 2021 - March 31, 2022)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Partial Amendments to the Articles of Incorporation
    - Proposal 3:** Election of Six (6) Directors (Excluding those who are Members of the Audit and Supervisory Committee)
    - Proposal 4:** Election of Three (3) Directors who are Members of the Audit and Supervisory Committee
    - Proposal 5:** Revision to the Amount of Compensation for Directors (Excluding those who are Members of the Audit and Supervisory Committee)

<Notes to shareholders>

- We may update the above measures based on the situation of the spread of the disease and announcements made by the government before the day of the General Meeting of Shareholders. Please check the Company's website (<https://www.nishimatsu.co.jp/>) on the Internet for updates.
- We will set alcohol hand sanitizer for you to use near the reception desk at the venue. If you are attending the meeting, we would like to request you to bring and wear a mask. We may ask those shareholders who are not wearing a mask to refrain from entering the venue.
- We will take your temperature near the entrance of the venue. Shareholders with fever or with a poor physical condition may be asked not to enter the venue.
- Operation staff of the General Meeting of Shareholders will take their temperatures, confirm their physical condition, and wear a mask.
- From the viewpoint of shortening the meeting in order to prevent the spread of COVID-19, detailed explanation on reported matters (including audit reports) and on the proposals at the stage will be omitted. We would like to ask you to read through the Notice in advance.

(Reference) Information on exercising the voting rights

Please take advantage of this opportunity to exercise your voting rights, which is an important right of all shareholders.

[If exercising your voting rights online]

Deadline to Exercise: 5:30 p.m. on Tuesday, June 28, 2022

Please refer to “Guide to Exercising Voting Rights via the Internet” on the next page and cast your vote by 5:30 p.m. on Tuesday, June 28, 2022, Japan time.

[If you are exercising voting rights in writing (by mail)]

Deadline to Exercise: 5:30 p.m. on Tuesday, June 28, 2022

On the enclosed Voting Rights Exercise Form, indicate your vote for or against the proposals, and return it such that it is received by 5:30 p.m. on Tuesday, June 28, 2022, Japan time.

[If you are attending the General Meeting of Shareholders]

Date and Time of the General Meeting of Shareholders: 10 a.m. on Wednesday, June 29, 2022

On the day of the General Meeting of Shareholders, please submit the enclosed Voting Rights Exercise Form at the reception desk. The reception desk is scheduled to open at 9:00 a.m. Japan time.

If a proxy is attending in your place, choose one other shareholder with voting rights to submit an Authorization Letter, as well as your Voting Rights Exercise Form and that of your proxy to the reception desk.

- If a shareholder exercises voting rights in writing and online, the online vote shall be deemed valid. If a shareholder exercises voting rights online more than once, the last vote shall be deemed valid.
- Please note that if a shareholder who exercised voting rights in advance in writing or online attends the General Meeting of Shareholders, the early vote shall be deemed withdrawn.

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- Among the documents appended to the convocation notice for the General Meeting of Shareholders, “System for ensuring that tasks are optimized, and its operational state” from the business report, “Consolidated Statements of Changes in Shareholder’s Equity” and “Notes to consolidated financial statements” from consolidated financial statements, and “Statements of Changes in Shareholder’s Equity” and “Notes to non-consolidated financial statements” from financial statements are, based on stipulations of the law and our articles of incorporations, published on our online website (<https://www.nishimatsu.co.jp/>), so they are not recorded in these appended documents. Furthermore, the above documents are part of the consolidated financial statements and financial statements audited in the course of the accounting auditor creating the accounting audit report as well as part of the business report, consolidated financial statements, and financial statements in the course of the Audit and Supervisory Committee creating the audit report.
  - If revisions are made to the General Meeting of Shareholders reference document, the business report, consolidated financial statements, or financial statements, these will be published on our online website (<https://www.nishimatsu.co.jp/>).
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# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

To strengthen our management base which is oriented towards lasting development, we are attempting to strengthen our internal reserves. Considering the overall management environment and performance, we are acting on the basic principle of returning profits regularly and sustainably.

Moreover, the “Medium-Term Management Plan 2023” sets forth a shareholder return policy that aims to maintain the consolidated payout ratio at 70% or higher over three years starting from FY2021 to FY2023.

As for dividends for the year, we would like to distribute the year-end dividends and the appropriation of other surplus, based on these basic principles, as follows.

1. Matters regarding year-end dividends
  - (1) Type of dividend property: Cash
  - (2) Matter regarding the allocation of dividend property, and the total amount  
131 yen per share of our common stock  
Total amount: 5,200,566,249 yen  
As we paid out 90 yen per share as interim dividends, annual dividends for the year will be 221 yen per share.
  - (3) Date on which dividend from surplus becomes effective  
June 30, 2022
  
2. Other matters regarding the appropriation of surplus
  - (1) Surplus item to be increased and the amount thereof  
General reserve: 5,000,000,000 yen
  - (2) Surplus item to be reduced and the amount thereof  
Retained earnings brought forward: 5,000,000,000 yen

**Proposal 2:** Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

(1) Amendments to the descriptions of the business purpose

Necessary amendments shall be made to Article 2 (Purpose) of the current Articles of Incorporation in order to clarify the business of the Company and its subsidiaries in accordance with the current status of the business and to respond to future business development and business diversification including subsidiaries.

(2) Introduction of the system for electronic provision of materials for general meetings of shareholders

The amended provisions 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. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows:

- 1) The proposed Article 15, paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- 2) The purpose of the proposed Article 15, paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- 3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- 4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Amendments

The details of the amendments are as follows:

(Underlined parts indicate the amendment.)

Current Articles of Incorporation	Proposed amendments
<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following business: 1) to 5) (Text omitted) (New)  (New)  <u>6) to 21)</u> (Text omitted)</p>	<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following business: 1) to 5) (Unchanged) <u>6) Type II financial instruments business, investment advisory and agency business and investment management business based on the Financial Instruments and Exchange Act</u> <u>7) Investments in real estate investment trusts and sales and purchases, brokerage and administration of equity interests</u> <u>8) to 23)</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>(Provision and disclosure via the internet of documents, etc. in reference to the general meeting of shareholders)</u></p> <p>Article 15. <u>By way of providing information through the internet under regulations by the Ministry of Justice for the convocation of general meetings of shareholders, the Company is deemed to have provided shareholders information, which is to be recorded or included in documents for referring to the general meeting of shareholders, business reports, accounting reports and consolidated accounting reports.</u></p> <p>(New)</p>	<p>(Deleted)</p> <p>(Measures for Electronic Provision, Etc.)</p> <p>Article 15. (1) <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p>(2) <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the reference date for voting rights.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>SUPPLEMENTARY PROVISIONS (New)</p>	<p>SUPPLEMENTARY PROVISIONS</p> <p><u>Article 2.</u> (1) <u>The amendment to Article 15 of the Articles of Incorporation shall come into effect on September 1, 2022, which is the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Effective Date”).</u></p> <p>(2) <u>Notwithstanding the provisions of the preceding paragraph, Article 15 (Provision and disclosure via the internet of documents, etc. in reference to the general meeting of shareholders) of the Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six (6) months from the Effective Date.</u></p> <p>(3) <u>This Article shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>


**Proposal 3:** Election of Six (6) Directors (Excluding those who are Members of the Audit and Supervisory Committee)

All five directors (excluding those who are members of the Audit and Supervisory Committee; the same applies hereafter in this proposal) will be completing their terms as of the conclusion of this General Meeting of Shareholders. Accordingly, we request that you choose six directors, including one additional outside director for enhancing the function of management supervision.


The candidates are as follows:


No.		Name	Positions and responsibilities in the Company	Attendance at board meetings
1	Reelected	Nobutoshi Takase	Representative Director and President Chief Executive Officer and President General Manager of Human Resource Strategy Unit	28 out of 28 (100%)
2	Reelected	Makoto Isshiki	Representative Director Executive Vice President General Manager of Civil Engineering Division; General Manager of Safety & Environment Division; In charge of Environment and Energy Business Management	27 out of 28 (96%)
3	Reelected	Yuichi Kono	Representative Director Executive Vice President General Manager of Management Division; Deputy General Manager of Human Resource Strategy Unit; In charge of Investor Relations	28 out of 28 (100%)
4	Reelected	Yoshiyuki Sawai	Director Senior Managing Officer General Manager of Urban Development & Real Estate Business Division	28 out of 28 (100%)
5	Reelected	Kazutoyo Hamada	Director Managing Officer General Manager of Building Division	28 out of 28 (100%)
6	New Outside Independent	Hidetaka Matsuzaka	-	-





No.	Name (Date of birth)	Past experience, positions and responsibilities	
1	 <p data-bbox="397 551 504 584">Reelected</p> <p data-bbox="331 618 569 680">Nobutoshi Takase (September 14, 1957)</p>	<p data-bbox="644 241 759 275">April 1980</p> <p data-bbox="644 275 759 309">July 2008</p> <p data-bbox="644 309 759 342">April 2010</p> <p data-bbox="644 365 759 398">April 2011</p> <p data-bbox="644 421 759 454">June 2011</p> <p data-bbox="644 477 759 510">April 2012</p> <p data-bbox="644 533 759 566">April 2017</p> <p data-bbox="644 589 759 622">April 2018</p> <p data-bbox="644 645 759 678">April 2021</p>	<p data-bbox="836 241 1046 275">Joined the Company</p> <p data-bbox="836 275 1267 309">General Manager of Building Department</p> <p data-bbox="836 309 1334 365">Executive Officer; General Manager of Building Division and Building Department</p> <p data-bbox="836 365 1334 421">Managing Officer; General Manager of Building Division</p> <p data-bbox="836 421 1342 477">Director; Managing Officer; General Manager of Building Division</p> <p data-bbox="836 477 1342 533">Director; Managing Officer; General Manager of Kanto Architectural Regional Headquarters</p> <p data-bbox="836 533 1380 589">Director; Senior Managing Officer; General Manager of Kanto Architectural Regional Headquarters</p> <p data-bbox="836 589 1299 645">Representative Director and President; Chief Executive Officer and President</p> <p data-bbox="836 645 1380 741">Representative Director and President; Chief Executive Officer and President; General Manager of Human Resource Strategy Unit (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="280 741 746 775">• <b>No. of Company shares held:</b> 9,000 shares</li> <li data-bbox="280 775 1350 808">• <b>Term of office as Director:</b> 11 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="280 808 935 842">• <b>Attendance at board meetings:</b> 28 out of 28 (100%)</li> <li data-bbox="280 842 1182 875">• <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<p data-bbox="280 875 1380 1200">• <b>Reason for nominating as a candidate for Director:</b> Mr. Nobutoshi Takase has a wealth of experience and achievements as well as deep knowledge of the construction business, as the above past experience shows. He has participated in the management of the Company as Director since June 2011, and as Representative Director and President since April 2018. He has strongly promoted initiatives for development into a company with overall capabilities through implementing the “Medium-Term Management Plan 2023,” such as promoting collaboration with partner companies in different industries. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company’s management as a person who assumes a key role in management oversight will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	
2	 <p data-bbox="397 589 504 618" style="text-align: center;"><u>Reelected</u></p> <p data-bbox="368 658 533 719" style="text-align: center;">Makoto Isshiki (April 10, 1959)</p>	<p data-bbox="644 248 756 277">April 1984</p> <p data-bbox="644 277 756 306">April 2014</p> <p data-bbox="644 367 756 396">April 2016</p> <p data-bbox="644 423 756 452">June 2016</p> <p data-bbox="644 479 756 508">April 2018</p> <p data-bbox="644 535 756 564">April 2019</p> <p data-bbox="644 624 756 654">April 2020</p> <p data-bbox="644 741 756 770">April 2021</p> <p data-bbox="644 887 756 916">April 2022</p>	<p data-bbox="836 248 1043 277">Joined the Company</p> <p data-bbox="836 277 1385 367">Executive Officer; Deputy General Manager of Civil Engineering Division; General Manager of Civil Engineering Business Planning Department</p> <p data-bbox="836 367 1385 423">Senior Managing Officer; General Manager of Civil Engineering Division</p> <p data-bbox="836 423 1385 479">Director; Senior Managing Officer; General Manager of Civil Engineering Division</p> <p data-bbox="836 479 1385 535">Representative Director; Executive Vice President; General Manager of Civil Engineering Division</p> <p data-bbox="836 535 1385 624">Representative Director; Executive Vice President; General Manager of Civil Engineering Division; In charge of New Businesses</p> <p data-bbox="836 624 1385 741">Representative Director; Executive Vice President; General Manager of Civil Engineering Division; General Manager of Safety, Environment &amp; Quality Division; In charge of New Businesses</p> <p data-bbox="836 741 1385 887">Representative Director; Executive Vice President; General Manager of Civil Engineering Division; General Manager of Safety, Environment &amp; Quality Division; In charge of Environment and Energy Business Management</p> <p data-bbox="836 887 1385 1025">Representative Director; Executive Vice President; General Manager of Civil Engineering Division; General Manager of Safety &amp; Environment Division; In charge of Environment and Energy Business Management (to present)</p>
	<ul style="list-style-type: none"> <li data-bbox="284 1032 756 1061">• <b>No. of Company shares held:</b> 7,200 shares</li> <li data-bbox="284 1061 1353 1090">• <b>Term of office as Director:</b> 6 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="284 1090 927 1120">• <b>Attendance at board meetings:</b> 27 out of 28 (96%)</li> <li data-bbox="284 1120 1182 1149">• <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>		
<ul style="list-style-type: none"> <li data-bbox="284 1162 852 1191">• <b>Reason for nominating as a candidate for Director:</b></li> </ul> <p data-bbox="284 1191 1385 1485">Mr. Makoto Isshiki has a wealth of experience and achievements as well as deep knowledge of the construction business, as the above past experience shows. He has been working as General Manager of Civil Engineering Division since April 2016, contributing to the enhancement of profitability by improving technical skills and strengthening the proposal capabilities in comprehensive evaluation projects. Moreover, as General Manager of Safety &amp; Environment Division in charge of Environment and Energy Business Management, he has promoted initiatives for achieving a decarbonized society. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company's management as a person who is versed in the civil engineering business will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	
3	 <p data-bbox="397 555 504 584" style="text-align: center;"><u>Reelected</u></p> <p data-bbox="352 622 549 680" style="text-align: center;">Yuichi Kono (January 27, 1958)</p>	<p data-bbox="644 241 756 271">April 1980</p> <p data-bbox="644 277 756 306">April 2005</p> <p data-bbox="644 336 756 365">April 2008</p> <p data-bbox="644 421 767 450">March 2009</p> <p data-bbox="644 456 756 486">May 2009</p> <p data-bbox="644 492 756 521">April 2012</p> <p data-bbox="644 528 756 557">April 2015</p> <p data-bbox="644 586 756 616">June 2015</p> <p data-bbox="644 667 756 696">April 2018</p> <p data-bbox="644 748 756 777">April 2021</p>	<p data-bbox="836 241 1043 271">Joined the Company</p> <p data-bbox="836 277 1362 329">Deputy General Manager of Finance &amp; Accounting Department</p> <p data-bbox="836 336 1331 421">Deputy General Manager of Audit Unit; Deputy General Manager of Finance &amp; Accounting Department</p> <p data-bbox="836 427 1155 456">General Manager of Audit Unit</p> <p data-bbox="836 463 1331 492">General Manager of General Affairs Department</p> <p data-bbox="836 499 1331 528">Executive Officer; Chief of the President Office</p> <p data-bbox="836 535 1378 564">Managing Officer; General Manager of Management Division; In charge of Investor Relations</p> <p data-bbox="836 571 1347 656">Director; Managing Officer; General Manager of Management Division; In charge of Investor Relations</p> <p data-bbox="836 663 1378 748">Director; Senior Managing Officer; General Manager of Management Division; In charge of Investor Relations</p> <p data-bbox="836 754 1378 853">Representative Director; Executive Vice President; General Manager of Management Division; Deputy General Manager of Human Resource Strategy Unit; In charge of Investor Relations (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="280 864 756 893">• <b>No. of Company shares held:</b> 23,780 shares</li> <li data-bbox="280 900 1347 929">• <b>Term of office as Director:</b> 7 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="280 936 932 965">• <b>Attendance at board meetings:</b> 28 out of 28 (100%)</li> <li data-bbox="280 972 1187 1001">• <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<ul style="list-style-type: none"> <li data-bbox="280 999 852 1028">• <b>Reason for nominating as a candidate for Director:</b></li> </ul> <p data-bbox="280 1034 1378 1288">Mr. Yuichi Kono has a wealth of experience and achievements as well as deep knowledge of finance, accounting and corporate governance, as the above past experience shows. He has been working as General Manager of Management Division since April 2015, substantially contributing mainly to the maintaining of the sound financial structure as well as building a long-lasting stable and favorable relationship with stakeholders. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company's management as a person who is versed in finance, accounting and corporate governance will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	
4	 <p data-bbox="397 524 504 555" style="text-align: center;"><u>Reelected</u></p> <p data-bbox="347 591 553 651" style="text-align: center;">Yoshiyuki Sawai (February 17, 1958)</p>	<p data-bbox="643 248 756 277">April 1980</p> <p data-bbox="643 282 770 311">March 2006</p> <p data-bbox="643 338 756 367">April 2007</p> <p data-bbox="643 394 756 423">April 2008</p> <p data-bbox="643 450 756 479">June 2010</p> <p data-bbox="643 483 756 512">April 2011</p> <p data-bbox="643 539 756 568">April 2012</p> <p data-bbox="643 595 756 624">April 2019</p>	<p data-bbox="836 248 1066 277">Joined Fuji Bank, Ltd.</p> <p data-bbox="836 282 1347 338">Executive Officer; General Manager of Corporate Planning, Mizuho Bank, Ltd.</p> <p data-bbox="836 342 1347 398">Executive Officer; General Manager of Corporate Business, Mizuho Bank, Ltd.</p> <p data-bbox="836 403 1331 459">Executive Officer; General Manager of Shibuya Branch, Mizuho Bank, Ltd.</p> <p data-bbox="836 463 1091 492">Director of the Company</p> <p data-bbox="836 497 1380 553">Director; Managing Officer; General Manager of Urban Development &amp; Real Estate Business Division</p> <p data-bbox="836 557 1380 613">Director; Managing Officer; General Manager of Urban Development &amp; Real Estate Business Division</p> <p data-bbox="836 618 1380 674">Director; Senior Managing Officer; General Manager of Urban Development &amp; Real Estate Business Division (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="284 692 746 721">• <b>No. of Company shares held:</b> 6,000 shares</li> <li data-bbox="284 725 1347 754">• <b>Term of office as Director:</b> 12 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="284 759 932 788">• <b>Attendance at board meetings:</b> 28 out of 28 (100%)</li> <li data-bbox="284 792 1187 822">• <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<p data-bbox="284 822 852 851">• <b>Reason for nominating as a candidate for Director:</b></p> <p data-bbox="284 855 1380 1120">Mr. Yoshiyuki Sawai has a wealth of experience and achievements as well as extensive knowledge cultivated in financial institutions, as the above past experience shows. He has been working as General Manager of Urban Development &amp; Real Estate Business Division since April 2011, promoting active investment in growing fields based on asset strategy, the development of a “Circular Reinvestment Model” and the expansion of group revenue through collaboration with the construction business. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company’s management as a person who is versed in finance and real estate will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	
5	 <p data-bbox="397 521 504 551">Reelected</p> <p data-bbox="341 589 560 647">Kazutoyo Hamada (December 23, 1963)</p>	<p data-bbox="644 248 756 271">April 1987</p> <p data-bbox="644 282 756 304">April 2014</p> <p data-bbox="644 338 756 360">April 2016</p> <p data-bbox="644 454 756 477">April 2019</p> <p data-bbox="644 544 756 566">April 2020</p> <p data-bbox="644 600 756 622">June 2020</p>	<p data-bbox="836 248 1046 271">Joined the Company</p> <p data-bbox="836 282 1366 338">General Manager of Building Engineering Planning Department</p> <p data-bbox="836 342 1377 454">Executive Officer; Deputy General Manager of Building Division; General Manager of Building Engineering Planning Department; General Manager of Building Department</p> <p data-bbox="836 459 1337 539">Executive Officer; Deputy General Manager of Building Division; General Manager of Building Department</p> <p data-bbox="836 544 1337 600">Managing Officer; General Manager of Building Division</p> <p data-bbox="836 604 1342 660">Director; Managing Officer; General Manager of Building Division (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="284 689 746 712">• <b>No. of Company shares held:</b> 3,800 shares</li> <li data-bbox="284 719 1350 741">• <b>Term of office as Director:</b> 2 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="284 748 938 770">• <b>Attendance at board meetings:</b> 28 out of 28 (100%)</li> <li data-bbox="284 777 1182 799">• <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<p data-bbox="284 819 855 842">• <b>Reason for nominating as a candidate for Director:</b></p> <p data-bbox="284 848 1374 1111">Mr. Kazutoyo Hamada has a wealth of experience and achievements as well as deep knowledge of the construction business, as the above past experience shows. He has been working as General Manager of Building Division since April 2020, substantially contributing mainly to the enhancement of profitability by integrating the sales division and building division as well as to the improvement of the profit margin by selective order-acceptance. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company's management as a person who is versed in the building construction business will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	
6	 <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">New</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p style="text-align: center;">Hidetaka Matsuzaka (February 22, 1958)</p>	<p>April 1980 June 2009 April 2011 June 2011 April 2014 April 2015 April 2019 June 2019 June 2020</p>	<p>Joined Osaka Gas Co., Ltd. Executive Officer; General Manager of Corporate Strategy Department, Osaka Gas Co., Ltd. Senior Executive Officer; General Manager of Energy Resources &amp; International Business Unit, Osaka Gas Co., Ltd. Director; Senior Executive Officer; General Manager of Energy Resources &amp; International Business Unit, Osaka Gas Co., Ltd. Director; Senior Executive Officer; President of Corporate Planning Headquarters, Osaka Gas Co., Ltd. Representative Director; Executive Vice President, Osaka Gas Co., Ltd. Director and Chairman, OG Capital Co., Ltd. (to present) Advisor, Osaka Gas Co., Ltd. (to present) Outside Director, HIROSHIMA GAS CO., LTD. (to present) Outside Director, Nanto Bank, Ltd. (to present)</p>
<p>• <b>No. of Company shares held:</b> 0 shares  • <b>Term of office as Outside Director:</b> -  • <b>Attendance at board meetings:</b> -  • <b>Important concurrent positions:</b>  Director and Chairman, OG Capital Co., Ltd.  Advisor, Osaka Gas Co., Ltd.  Outside Director, HIROSHIMA GAS CO., LTD.  Outside Director, Nanto Bank, Ltd.</p>			
<p>• <b>Reason for nominating as a candidate for Outside Director and expected roles:</b>  Mr. Hidetaka Matsuzaka has a wealth of experience from his time at Osaka Gas Co., Ltd., and possesses broad knowledge cultivated in his role as representative director of Osaka Gas, as the above past experience shows. Accordingly, we determined that he is appropriate human resources to supervise the Company's operations from an objective viewpoint, and nominated him as a new candidate for an outside director. If he is elected, the Company expects him to give beneficial suggestions relating to our business as well as general operations from an objective standpoint.</p>			
<p>• <b>Independence as an Outside Director candidate:</b>  The Company has no special relationships with OG Capital Co., Ltd., Osaka Gas Co., Ltd., HIROSHIMA GAS CO., LTD. and Nanto Bank, Ltd. where he holds concurrent positions. Because he fulfills the "Criteria for Determining the Independence of Outside Directors" set by the Company with regard to other matters than the above, the Company believes that he is independent from the Company's management team. If the candidate is appointed as a director, he will be registered as an independent director established by the Tokyo Stock Exchange.</p>			

(Notes)

1. There is no particular interest between each candidate and the Company.
2. Mr. Hidetaka Matsuzaka is a candidate for an outside director.
3. In case Mr. Hidetaka Matsuzaka assumes the office as outside director, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company will enter into a limited liability contract that limits the liability damages established in Article 423, paragraph 1 of the Act with him. The limit of liability for damages based on this contract is planned to be the minimum limit set by the applicable laws and regulations.
4. 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 insurance contract covers damages and legal expenses to be borne by the insured persons if a shareholder or a third party brings action for damages. Each candidate will be included as insured persons in the insurance contract. The Company plans to renew the insurance policy with the same content at the time of the next renewal.
5. The Audit and Supervisory Committee evaluated the proposal. As a result, there was no matter to be stated by the Audit and Supervisory Committee at the General Meeting of Shareholders regarding the election of directors.

**Proposal 4:** Election of Three (3) Directors who are Members of the Audit and Supervisory Committee

Mr. Hiroshi Yaguchi, Mr. Koji Mino, Ms. Kiyomi Kikuchi and Mr. Jun Ikeda, directors who are members of the Audit and Supervisory Committee, will be completing their terms as of the conclusion of this General Meeting of Shareholders. As we have concluded that we could maintain the effectiveness of corporate governance, taking into account the review of the Company's director framework, we request that you choose three directors who are members of the Audit and Supervisory Committee, reducing the number by one.


The Company has obtained the Audit and Supervisory Committee's consent to the submission of this proposal.

The candidates are as follows:

No.		Name	Positions and responsibilities in the Company	Attendance at board meetings	Attendance at Audit and Supervisory Committee
1	Reelected	Hiroshi Yaguchi	Director (Full-Time Member of Audit and Supervisory Committee)	28 out of 28 (100%)	15 out of 15 (100%)
2	Reelected Outside Independent	Jun Ikeda	Director (Member of Audit and Supervisory Committee)	27 out of 28 (96%)	15 out of 15 (100%)
3	New Outside Independent	Toshihiro Kubo	-	-	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	
1	 <p data-bbox="397 524 504 555" style="text-align: center;"><u>Reelected</u></p> <p data-bbox="347 591 553 651" style="text-align: center;">Hiroshi Yaguchi (January 12, 1957)</p>	<p data-bbox="644 248 756 275">April 1979</p> <p data-bbox="644 282 756 309">June 2009</p> <p data-bbox="644 315 756 342">July 2013</p> <p data-bbox="644 349 756 376">April 2015</p> <p data-bbox="644 383 756 409">April 2016</p> <p data-bbox="644 439 756 465">April 2017</p> <p data-bbox="644 535 756 562">April 2020</p> <p data-bbox="644 591 756 618">June 2020</p>	<p data-bbox="836 248 1043 275">Joined the Company</p> <p data-bbox="836 282 1383 309">General Manager of Information System Department</p> <p data-bbox="836 315 1155 342">General Manager of Audit Unit</p> <p data-bbox="836 349 1347 376">General Manager of Human Resource Department</p> <p data-bbox="836 383 1362 409">Deputy General Manager of Management Division; General Manager of Human Resource Department</p> <p data-bbox="836 439 1315 524">Executive Officer; Deputy General Manager of Management Division; General Manager of Compliance Promotion Department</p> <p data-bbox="836 535 1315 591">Executive Officer; Deputy General Manager of Management Division</p> <p data-bbox="836 591 1267 651">Director (Full-Time Member of Audit and Supervisory Committee) (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="284 687 740 714">• <b>No. of Company shares held:</b> 3,400 shares</li> <li data-bbox="284 721 1347 748">• <b>Term of office as Director:</b> 2 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="284 754 1107 810">• <b>Term of office as Director (Member of Audit and Supervisory Committee):</b> 2 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="284 817 1059 844">• <b>Attendance at board meetings:</b> 28 out of 28 (100%)</li> <li data-bbox="284 851 1043 878">• <b>Attendance at Audit and Supervisory Committee:</b> 15 out of 15 (100%)</li> <li data-bbox="284 884 1299 911">• <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<ul style="list-style-type: none"> <li data-bbox="284 911 852 938">• <b>Reason for nominating as a candidate for Director:</b></li> </ul>		<p data-bbox="288 945 1383 1238">Mr. Hiroshi Yaguchi has a wealth of experience and achievements as well as extensive knowledge cultivated in information system division and management division, as the above past experience shows. He has been working as General Manager of Audit Unit since July 2013, and General Manager of Compliance Promotion Department since April 2017, substantially contributing mainly to the establishment of risk management system. And he has assumed the role of monitoring and supervising the Company's management from an independent position as a director who is a member of the Audit and Supervisory Committee since June 2020. The Company has determined, based on his experience and achievements, that he can fairly supervise the Company's management as well as properly promote the operation of the committee as the member from within the Company. Therefore, the Company nominated him as a candidate for a director who is a member of the Audit and Supervisory Committee.</p>	



No.	Name (Date of birth)	Past experience, positions and responsibilities	
	 <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelected</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p style="text-align: center;">Jun Ikeda (February 28, 1952)</p>	<p>April 1976</p> <p>December 1998</p> <p>May 2003</p> <p>June 2005</p> <p>April 2006</p> <p>June 2009</p> <p>November 2012</p> <p>July 2015</p> <p>June 2016</p>	<p>Joined Mitsubishi Corporation</p> <p>General Manager of Commodity Chemicals Division, US Mitsubishi Headquarters (New York)</p> <p>Corporate Planning Division; Business Development Division, Mitsubishi Corporation</p> <p>General Manager of Advanced Science Division, Mitsubishi Corporation</p> <p>Executive Officer, Mitsubishi Corporation</p> <p>Retired from Mitsubishi Corporation</p> <p>President and Representative Director, Mitsubishi Shoji Foodtech Co., Ltd. (resigned in June 2015)</p> <p>President and CEO, Mitsubishi Corporation Life Sciences Limited (resigned in June 2015)</p> <p>President and CEO, KOHJIN Life Sciences Co., Ltd. (resigned in June 2015)</p> <p>Advisor, Mitsubishi Corporation Life Sciences Limited (resigned in June 2016)</p> <p>Outside Director of the Company (Member of Audit and Supervisory Committee) (to present)</p> <p>Outside Director, SODA NIKKA CO., LTD. (to present)</p>
2		<ul style="list-style-type: none"> <li>• <b>No. of Company shares held:</b> 0 shares</li> <li>• <b>Term of office as Outside Director:</b> 6 years (As of the conclusion of this General Meeting of Shareholders)</li> <li>• <b>Term of office as Director (Member of Audit and Supervisory Committee):</b> 6 years (As of the conclusion of this General Meeting of Shareholders)</li> <li>• <b>Attendance at board meetings:</b> 27 out of 28 (96%)</li> <li>• <b>Attendance at Audit and Supervisory Committee:</b> 15 out of 15 (100%)</li> <li>• <b>Important concurrent positions:</b> Outside Director, SODA NIKKA CO., LTD.</li> </ul>	
		<ul style="list-style-type: none"> <li>• <b>Reason for nominating as a candidate for Outside Director and expected roles:</b> Mr. Jun Ikeda has a wealth of experience from his time at Mitsubishi Corporation, and possesses broad knowledge cultivated in his role as president and representative director (or CEO) of its subsidiary companies, as the above past experience shows. And he has assumed the role of monitoring and supervising the Company's management from an independent position as a director who is a member of the Audit and Supervisory Committee since June 2016. We determined, based on his experience and achievements, that he is appropriate human resources to audit and supervise the Company's operations from an objective viewpoint, and nominated him as a candidate for an outside director who is a member of the Audit and Supervisory Committee. If he is elected, the Company expects him to give beneficial suggestions relating to our business as well as general operations from a global viewpoint.</li> </ul>	
		<ul style="list-style-type: none"> <li>• <b>Independence as an Outside Director candidate:</b> The Company has no special relationship with SODA NIKKA CO., LTD. where he holds a concurrent position. The Company has no special relationship with the candidate's other places of employment. Because he fulfills the "Criteria for Determining the Independence of Outside Directors" set by the Company with regard to other matters than the above, the Company believes that he is independent from the Company's management team. The candidate is registered as an independent director established by the Tokyo Stock Exchange, and if selected, he plans to continue being an independent director.</li> </ul>	

No.	Name (Date of birth)	Past experience, positions and responsibilities
3	 <p data-bbox="384 595 517 689">New Outside Independent</p> <p data-bbox="365 725 536 786">Toshihiro Kubo (April 5, 1953)</p>	<p data-bbox="644 277 1386 309">April 1979      Joined Kubota Corporation</p> <p data-bbox="644 309 1386 501">June 2007      Director; General Manager of Coordination Department in Water, Environment and Infrastructure Consolidated Division; General Manager of Production Control Headquarters in Water, Environment and Infrastructure Consolidated Division, Kubota Corporation</p> <p data-bbox="644 501 1386 752">April 2009      Director and Executive Officer; Deputy General Manager of Water and Environment Systems Consolidated Division; General Manager of Water and Environment Systems, Social Infrastructure Business Promotion Headquarters; General Manager of Water and Environment Systems, Social Infrastructure Production Control Department, Kubota Corporation</p> <p data-bbox="644 752 1386 784">June 2009      Executive Officer, Kubota Corporation</p> <p data-bbox="644 784 1386 927">April 2010      General Manager of Head Office; In charge of Personnel Department, Secretary and Public Relations Department, General Affairs Department and Tokyo Administration Department, Kubota Corporation</p> <p data-bbox="644 927 1386 981">June 2010      In charge of Secretary Department and Corporate Communications Department, Kubota Corporation</p> <p data-bbox="644 981 1386 1012">April 2011      Managing Executive Officer, Kubota Corporation</p> <p data-bbox="644 1012 1386 1066">June 2011      Director and Managing Executive Officer, Kubota Corporation</p> <p data-bbox="644 1066 1386 1120">April 2012      General Manager of Human Resources and General Affairs Headquarters, Kubota Corporation</p> <p data-bbox="644 1120 1386 1173">April 2013      Director and Senior Managing Executive Officer, Kubota Corporation</p> <p data-bbox="644 1173 1386 1227">July 2014      Representative Director and Executive Vice President, Kubota Corporation</p> <p data-bbox="644 1227 1386 1281">October 2014    General Manager of CSR Planning and Coordination Headquarters, Kubota Corporation</p> <p data-bbox="644 1281 1386 1335">January 2016    General Manager of Water and Environment Domain, Kubota Corporation</p> <p data-bbox="644 1335 1386 1388">January 2017    General Manager of Water and Environmental Infrastructure Domain, Kubota Corporation</p> <p data-bbox="644 1388 1386 1442">April 2019      Advisor, Kubota Corporation (resigned in March 2022)</p> <p data-bbox="644 1442 1386 1644">June 2021      Chairman, Osaka Federation of the National Federation of Health Insurance Societies (to present) Vice Chairman, National Federation of Health Insurance Societies (to present)</p>
<p data-bbox="280 1653 703 1684">• <b>No. of Company shares held:</b> 0 shares</p> <p data-bbox="280 1684 695 1715">• <b>Term of office as Outside Director:</b> -</p> <p data-bbox="280 1715 1129 1747">• <b>Term of office as Director (Member of Audit and Supervisory Committee):</b> -</p> <p data-bbox="280 1747 651 1778">• <b>Attendance at board meetings:</b> -</p> <p data-bbox="280 1778 855 1809">• <b>Attendance at Audit and Supervisory Committee:</b> -</p> <p data-bbox="280 1809 651 1841">• <b>Important concurrent positions:</b></p> <p data-bbox="296 1841 1174 1872">Chairman, Osaka Federation of the National Federation of Health Insurance Societies</p> <p data-bbox="296 1872 976 1904">Vice Chairman, National Federation of Health Insurance Societies</p>		

<p><b>• Reason for nominating as a candidate for Outside Director and expected roles:</b>  Mr. Toshihiro Kubo has a wealth of experience from his time at Kubota Corporation, and possesses broad knowledge cultivated in his role as representative director of Kubota, as the above past experience shows. Accordingly, we determined that he is appropriate human resources to audit and supervise the Company's operations from an objective viewpoint, and nominated him as a new candidate for an outside director who is a member of the Audit and Supervisory Committee.  If he is elected, the Company expects him to give beneficial suggestions relating to our business as well as general operations from an objective standpoint.</p>
<p><b>• Independence as an Outside Director candidate:</b>  The Company has no special relationships with the Osaka Federation of the National Federation of Health Insurance Societies and the National Federation of Health Insurance Societies where he holds concurrent positions.  In FY2018, the Company had business relations for undertaking work with Kubota Corporation where he worked in the past (the transaction amount was less than 0.1% of the consolidated sales of either of the companies). There have been no business relations with Kubota since then.  Because he fulfills the "Criteria for Determining the Independence of Outside Directors" set by the Company with regard to other matters than the above, the Company believes that he is independent from the Company's management team.  If the candidate is appointed as a director who is a member of the Audit and Supervisory Committee, he will be registered as an independent director established by the Tokyo Stock Exchange.</p>

(Notes)

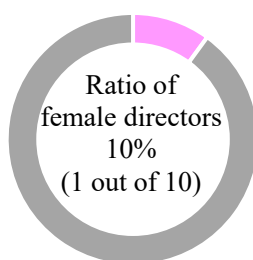
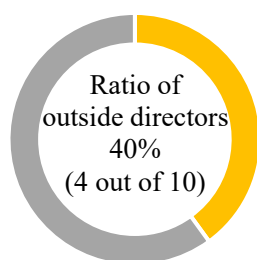
1. There is no particular interest between each candidate and the Company.
2. Mr. Jun Ikeda and Mr. Toshihiro Kubo are candidates for outside directors.
3. In case Mr. Toshihiro Kubo assumes the office as director who is a member of the Audit and Supervisory Committee, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company will enter into a limited liability contract that limits the liability damages established in Article 423, paragraph 1 of the Act with him. The limit of liability for damages based on this contract is planned to be the minimum limit set by the applicable laws and regulations.
4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into a limited liability contract that limits the liability damages established in Article 423, paragraph 1 of the Act with Mr. Hiroshi Yaguchi and Mr. Jun Ikeda. The limit of liability for damages based on this contract is the minimum limit set by the applicable laws and regulations. If those two candidates are reelected as directors who are members of the Audit and Supervisory Committee at the General Meeting of Shareholders, the Company plans to continue the same contract with them.
5. 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 insurance contract covers damages and legal expenses to be borne by the insured persons if a shareholder or a third party brings action for damages. Each candidate will be included as insured persons in the insurance contract. The Company plans to renew the insurance policy with the same content at the time of the next renewal.

(Reference) Composition of the Board of Directors and Set of Skills (Plan)

If Proposals 3 and 4 are approved as proposed, the composition of the Board of Directors and the set of skills shall be as follows:

Position	Name	Sex	Independence	Corporate management	Construction technology/quality	Urban development/real estate	Environment	Treasury/accounting/finance	Legal/governance/risk management/compliance	Global
Representative Director and President	Nobutoshi Takase	M		•	•		•			
Representative Director	Makoto Isshiki	M		•	•		•			
Representative Director	Yuichi Kono	M		•				•	•	
Director	Yoshiyuki Sawai	M		•		•		•		
Director	Kazutoyo Hamada	M			•		•			
Outside Director	Hidetaka Matsuzaka	M	•	•				•	•	•
Director (Full-Time Member of Audit and Supervisory Committee)	Hiroshi Yaguchi	M							•	
Outside Director (Member of Audit and Supervisory Committee)	Jun Ikeda	M	•	•					•	•
Outside Director (Member of Audit and Supervisory Committee)	Noriko Suzuki	F	•			•		•		
Outside Director (Member of Audit and Supervisory Committee)	Toshihiro Kubo	M	•	•			•		•	

\*The list above does not show all knowledge and experience owned by each director.



## Director Candidate Selection Criteria

- Candidates for directors shall be selected from among persons who have abundant knowledge and experience, high abilities, excellent personality and high ethical standards.
- Candidates for executive directors shall be selected from among persons who have abundant knowledge and experience in the civil engineering business, the building business, the international business and the urban development and real estate business, as well as those who have excellent knowledge in treasury, accounting and other areas.
- Candidates for directors who are members of the Audit and Supervisory Committee shall be selected from among persons who are deemed to be able to audit and supervise appropriately, with an emphasis on their expertise and career.
- Candidates for outside directors shall be selected from among persons who have expertise and experience in corporate management, with an emphasis on independence. In addition, the diversity of the Board of Directors shall be taken into consideration.

(Reference) Criteria for Determining the Independence of Outside Directors

Criteria for Determining the Independence of Outside Directors

If any of the following apply for a candidate for outside director, we determine that independence with the Company is not guaranteed.

1. Persons affiliated with the Nishimatsu Construction Group
  - Worked for the Company or a subsidiary of the Company
  - A spouse or relative within the second degree or closer was a director, auditor, executive officer or management personnel at the Company within the five years prior to the candidate starting at their position.
2. Persons affiliated with a major transaction partner
  - Persons who were a director, executive officer, or management personnel at one of our transaction partners with which the Company has a transaction amount that amounts to 2% or more of the Company's consolidated net sales in any of the three business years leading up to taking up their position at the Company. Or, persons for which this applied in the past, and five years have not elapsed since they left such position.
  - Persons who were a director, executive officer, or management personnel at a company which is a major transaction partner with us, which had a transaction amount with the Company that amounted to 2% or more of that company's consolidated net sales in the any of the three business years leading up to taking up their position at the Company. Or, persons for which this applied in the past, and five years have not elapsed since they left that position.
3. Persons affiliated with a major creditor to the Company
  - Persons who were a director, executive officer, or management personnel at a major lending partner in the business report from the most recent business year. Or, persons for which this applied in the past, and five years have not elapsed since they left such position.
4. Persons affiliated with attorneys or certified public accountants
  - Employees of an audit firm for the Company, persons who led auditing for the Company, or persons for whom these applied in the five years before taking up their position at the Company
  - Attorneys, certified public accountants, or consultants who received compensation from the Company of 5 million yen or more in the three years leading up to taking up their position at the Company, or persons for whom these applied in the five years before taking up their position at the Company (Includes persons in corresponding positions at corporations)
5. Persons affiliated with donation recipients
  - Persons affiliated with a university or group to which the Company made donations exceeding 10 million yen on average in the three years leading up to joining the Company
6. Major shareholders
  - Shareholders who possess shares amounting to 10% or more of the voting rights (if the shareholder is a corporation, then it applies to its director, management personnel, etc.)
7. Other
  - If a mutual dispatch of directors is taking place
  - If another important interest with the Company is recognized

**Proposal 5:** Revision to the Amount of Compensation for Directors (Excluding those who are Members of the Audit and Supervisory Committee)

Approval was obtained at the 79<sup>th</sup> Annual General Meeting of Shareholders held on June 29, 2016 to establish the amount of compensation for the Company's directors (excluding those who are members of the Audit and Supervisory Committee; the same applies hereafter in this proposal) at 360 million yen or less yearly. Further, apart from the aforementioned amount of compensation, approval was obtained at the 84<sup>th</sup> Annual General Meeting of Shareholders held on June 29, 2021 for performance-linked, share-based compensation for directors (excluding those who are members of the Audit and Supervisory Committee and other directors who are outside directors). This proposal is to seek approval to maintain the total amount of compensation for directors at 360 million yen or less yearly and establish the portion of outside directors at 30 million yen or less yearly of the total amount, taking into consideration the necessity of electing and increasing outside directors who are not members of the Audit and Supervisory Committee for the purpose of enhancing the function of management supervision.

If the proposal is approved, the Policy on Determining the Details of Compensation, Etc. for Each Director will be amended as shown on the next page to be consistent with the approved details. We believe that this revision to the amount of compensation is necessary and appropriate to determine the details of compensation, etc. for directors in accordance with the amended policy.

The number of directors is currently five (of which, the number of outside directors is zero). If Proposal 3 is approved as originally proposed, the number of directors will be six (of which, the number of outside directors will be one).

<Overview of the details of the decision-making policy set out in Policy on Determining the Details of Compensation, Etc. for Each Director>

Compensation for Directors (excluding members of the Audit and Supervisory Committee and other Directors who are Outside Directors) is composed of basic compensation and performance-linked compensation. Compensation for Outside Directors (excluding members of the Audit and Supervisory Committee) is composed of basic compensation only.

Basic compensation is fixed, monthly compensation calculated based on Directors' positions, taking into account factors such as employee pay level and the industry average.

Performance-linked compensation is variable compensation determined based on the level of achievement of performance goals. For each position, base performance-linked compensation is set and multiplied by a performance-linked coefficient to calculate the pay amount. For the calculation of the amount to be paid, evaluation index contributing to the improvement of corporate value is established by position and title, and the "level of achievement of goals set at the beginning of the year" and "year-on-year performance" are evaluated annually.

Performance-linked compensation is paid in two portions: short-term incentive paid as cash compensation and long-term incentive paid as share-based compensation. Cash compensation is paid annually in July as bonus, and as for share-based compensation, conversion points from BBT are granted annually in June and shares in the number equivalent to the accumulated points will be provided at the time of the Director's retirement.

The ratio of basic compensation and performance-linked compensation is established appropriately by taking into consideration factors such as the Company's management strategy, business environment, duties of the Director and the degree of difficulty in achieving the target, and also by referencing the trends of industry peers. The ratio of cash compensation and share-based compensation within the performance-linked compensation is approximately 1:1. For share-based compensation, a minimum amount is set at the same amount as the minimum for performance-linked compensation.

The draft prepared by the Director and President in accordance with the above policy is submitted to the Nominating Committee and the Compensation Committee, and decided at the Board of Directors taking into account the recommendations of the Committees (basic compensation is decided in March and performance-linked compensation is decided in June each year).

Compensation for Directors who are members of the Audit and Supervisory Committee is composed of basic compensation only, and is decided by discussions among all Directors who are members of the Audit and Supervisory Committee by taking into consideration the compensation of Directors who are not members of the Audit and Supervisory Committee and the industry average.

(Note) The Audit and Supervisory Committee evaluated the proposal. As a result, there was no matter to be stated by the Audit and Supervisory Committee at the General Meeting of Shareholders regarding the proposal.