

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 5011)

June 5, 2024

(Date of commencement of electronic provision measures: May 29, 2024)

To Shareholders with Voting Rights:

Manabu Obata
President and Representative Director
Nichireki Co., Ltd.
4-3-29, Kudan-kita, Chiyoda-ku, Tokyo

**NOTICE OF CONVOCAION OF
THE 80th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 80th Annual General Meeting of Shareholders of Nichireki Co., Ltd. (the “Company”) will be held as described below.

When convening this general meeting of shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures under the title of “Notice of Convocation of the 80th Annual General Meeting of Shareholders” on the Company website on the Internet.

The Company website

https://www.nichireki.co.jp/english/investors/shareholders_meeting.html

In addition to the above, the Company also has posted this information on the Tokyo Stock Exchange (TSE) website and The Portal of Shareholders’ Meeting operated by Sumitomo Mitsui Trust Bank on the Internet.

The TSE website (Listed Company Search)

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

To view the information, please access the website above, enter the “Company name” or “Securities Code,” and then click on “Search” and select “Basic information” and “Documents for public inspection/PR information” in this order. You will find [Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting] posted under “Filed information available for public inspection.”

The Portal of Shareholders’ Meeting (Sumitomo Mitsui Trust Bank)

<https://www.soukai-portal.net>

Please read the QR code on the enclosed Voting Rights Exercise Form or access the URL above and enter your ID/password. Please refer to the information on pages 5 and 6 of the Japanese version of this document.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders included in matters subject to the electronic provision measures and exercise your voting rights by 5:30 p.m. Japan time on Wednesday, June 26, 2024, by following the directions on pages 4 to 6 of the Japanese version of this document.

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. Japan time
- 2. Venue:** 2nd Floor Meeting Room, Head Office, Nichireki Co., Ltd.
4-3-29, Kudan-kita, Chiyoda-ku, Tokyo
The meeting will be streamed live on the Internet. Please consider viewing the meeting online.
- 3. Meeting Agenda:**
- Matters to be reported:**
1. Report on the Business Report, the Consolidated Financial Statements for the Company's 80th Fiscal Year (April 1, 2023 - March 31, 2024), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
 2. Report on the Non-consolidated Financial Statements for the Company's 80th Fiscal Year (April 1, 2023 - March 31, 2024)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Approval of Absorption-type Company Split Agreement
- Proposal 3:** Partial Amendments to the Articles of Incorporation
- Proposal 4:** Election of Ten (10) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 5:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 6:** Setting of Remunerations for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 7:** Setting of Remunerations for Directors Who Are Audit and Supervisory Committee Members

-
- When attending the meeting, you are kindly requested to present the enclosed voting form to the receptionist. The reception will open at 9:00 a.m.
 - If any revisions are made to the matters subject to the electronic provision measures, the revisions will be posted on the respective websites where they are posted.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

We uphold the basic policy for dividends of surplus that focuses on a stable and consistent return of profits to shareholders, while ensuring internal reserves necessary for appropriately addressing changes in business environment and achieving steady growth of the Company. Based on this policy and in light of the business performance for the current fiscal year as well as business plans going forward, we propose the appropriation of surplus as follows.

Matters regarding the term-end dividend

- 1) Type of dividend property
Cash
- 2) Allotment of dividend property to shareholders and the total dividend amount
35 yen per share of the Company's common stock
Total amount: 1,028,730,395 yen
- 3) Date on which the dividend of surplus goes into effect
June 28, 2024

Since the Company paid an interim dividend of 35 yen per share (consisting of an ordinary dividend of 25 yen and a commemorative dividend of 10 yen), the total dividend for the current fiscal year is 70 yen per share (consisting of an ordinary dividend of 60 yen and a commemorative dividend of 10 yen).

Proposal 2: Approval of Absorption-type Company Split Agreement

In order to transition to a holding company structure through a company split (absorption-type split), the Board of Directors of the Company resolved at its meeting held on May 17, 2024 to enter into an absorption-type company split agreement. This proposal is to request approval for the absorption-type company split (the “Company Split”), under which the Company will be the “Splitting Company” and its wholly-owned subsidiary, “Nichireki Split Preparation Co., Ltd.,” will be the succeeding company (the “Succeeding Company”) and the Succeeding Company will succeed to the rights and obligations related to the Applied and Processed Asphalt Products Business and Road Paving Business of the Company (provided that those that are not included in the rights and obligations to be succeeded to based on the absorption-type company split agreement shall be excluded).

The effective date of the Company Split is scheduled for October 1, 2024. The Company and the Succeeding Company plan to change their trade names to “NICHIREKI GROUP CO., LTD.” and “NICHIREKI CO., LTD.,” respectively, as of the same date.

After the transition to a holding company structure, the Company will remain listed as a holding company responsible for the management of its group companies.

1. Reasons for the absorption-type company split

The Nichireki Group (hereinafter referred to as the “Group”) has inherited the spirit of sowing the seeds embodied in “Sowing the seeds, giving them water, letting them flower, and reaping the fruits,” which constitutes the company’s basic philosophy. And in line with a corporate philosophy of fusing this basic philosophy with a management philosophy of “Contributing to society by creating roads,” the Group is developing operations to provide a wide range of products, technologies, and construction services connected with road paving.

Thanks to the support of our business partners, shareholders, and many other stakeholders, the Group celebrated the 80th anniversary of its foundation on October 26, 2023. As the business environment is expected to evolve on a large scale and at a rapid pace, we have decided to transition to a holding company structure and thereby strengthen our corporate governance and group governance to achieve sustainable growth toward the 100th anniversary of our foundation. This will allow the Group to further accelerate its growth and expand its business, as well as build a solid management foundation.

2. Overview of the absorption-type split agreement

Absorption-type Company Split Agreement (copy)

Nichireki Co., Ltd. (“Party A”) and Nichireki Split Preparation Co., Ltd. (“Party B”) shall enter into this company split agreement (the “Agreement”) concerning an absorption-type company split (the “Company Split”) whereby Party B will succeed to the rights and obligations attributable to Party A related to the businesses stipulated in Article 1.

Article 1 (Absorption-type company split)

Pursuant to the provisions of the Agreement, by way of absorption-type company split, Party A shall cause Party B to succeed to, and Party B shall succeed to, the rights and obligations described in Paragraph 1 of Article 3 pertaining to all businesses that Party A operates (except for businesses related to the control and management of the business activities of companies whose shares are owned by Party A, the management of the Group, and the management and lease of real estate; the “Businesses”) as of the effective date set forth in Article 5 (the “Effective Date”).

Article 2 (Trade names and addresses of the parties)

The trade names and addresses of Party A (Splitting Company) and Party B (Succeeding Company) related to the Company Split are as follows:

Party A (Splitting Company in the Company Split)

Trade name: NICHIREKI CO., LTD.

(The trade name is scheduled to be changed to “NICHIREKI GROUP CO., LTD.” as of the Effective Date.)

Address: 4-3-29, Kudan-kita, Chiyoda-ku, Tokyo
Party B (Succeeding Company in the Company Split)
Trade name: Nichireki Split Preparation Co., Ltd.
(The trade name is scheduled to be changed to “NICHIREKI CO., LTD.” as of the Effective Date.)
Address: 4-3-29, Kudan-kita, Chiyoda-ku, Tokyo

Article 3 (Assets, liabilities, contracts and other rights and obligations to be succeeded to)

1. The assets, liabilities, contracts and other rights and obligations that Party B will succeed to from Party A through the Company Split (the “Rights and Obligations to Be Succeeded To”) shall be as described in the attached “List of the Rights and Obligations to Be Succeeded To.”
2. Notwithstanding the preceding paragraph, among the Rights and Obligations to Be Succeeded To, (i) those that may not be succeeded to through the Company Split due to laws, regulations, ordinances, etc. or (ii) those that will or may cause a serious problem based on the contractual provisions regarding the succession through the Company Split may be excluded from those to be succeeded to upon consultation between Party A and Party B.
3. Any succession of liabilities from Party A to Party B pursuant to the provisions of Paragraph 1 shall be undertaken in the form of concomitant assumption of liabilities. However, Party B shall be the ultimate bearer between the parties of such liabilities. If Party A fulfills or bears the liabilities, Party A may demand that Party B should reimburse the full amount borne by Party A.

Article 4. (Consideration for the Company Split)

Upon the Company Split, Party B shall not pay any consideration for the rights and obligations to be succeeded to from Party A pursuant to the preceding Article.

Article 5 (Effective date)

The Effective Date shall be October 1, 2024; provided, however, that the date may be changed upon consultation between Party A and Party B, if necessary for procedural or other reasons related to the Company Split.

Article 6 (Approval by the general meeting of shareholders)

1. Party A shall seek approval of the Agreement and resolution on matters required for the Company Split at the general meeting of shareholders to be held on June 27, 2024; provided, however, that these procedures may be changed upon consultation between Party A and Party B, if necessary for procedural or other reasons related to the Company Split.
2. Party B shall, in accordance with the provisions of the main clause of Article 796, Paragraph 1 of the Companies Act, carry out the Company Split without obtaining the approval at the general meeting of shareholders provided for in Article 795, Paragraph 1 of the same act.

Article 7 (Non-competition obligation)

Party A shall not be subject to any obligation of non-competition against Party B with respect to the Businesses after the Effective Date, and may engage in the same type of businesses.

Article 8 (Management of company property, etc.)

Party A and Party B shall, after the conclusion of the Agreement and until the Effective Date, execute their respective business operations and administer and manage their respective properties with the due care required of a good manager. Any acts that may have a material influence on their properties, rights and obligations shall be taken upon consultation between Party A and Party B.

Article 9 (Change to and cancellation of the terms and conditions of the Agreement)

During the period after the conclusion of the Agreement and until the Effective Date, Party A and Party B may change the terms and conditions of the Company Split or cancel the Agreement upon consultation between Party A and Party B, in the event of any material change in the status of assets or management of Party A or Party B due to natural disasters or other reasons, failure to obtain approval from relevant government agencies, etc. as required by laws and regulations, or any other circumstances which would

materially impede the execution of the Company Split or make it difficult to achieve the purposes of the Company Split.

Article 10 (Governing law and agreed exclusive jurisdiction)

1. The Agreement shall be governed by and construed in accordance with the laws of Japan.
2. The Tokyo District Court or the Tokyo Summary Court shall be the agreed exclusive jurisdictional court of first instance for all disputes related to the Agreement.

Article 11 (Others)

In addition to the matters set forth in the Agreement, any other matters necessary for the Company Split shall be determined upon consultation between Party A and Party B in accordance with the intent of the Agreement.

In witness whereof, Party A and Party B have executed the Agreement in duplicate, each Party retaining one copy thereof respectively after affixing its signature and seal.

May 17, 2024

Party A: Manabu Obata
President and Representative Director
NICHIREKI CO., LTD.
4-3-29, Kudan-kita, Chiyoda-ku, Tokyo

Party B: Manabu Obata
President and Representative Director
Nichireki Split Preparation Co., Ltd.
4-3-29, Kudan-kita, Chiyoda-ku, Tokyo

The assets, liabilities, contracts and other rights and obligations belonging to the Businesses which Party B will succeed to from Party A shall be the following rights and obligations related to the Businesses attributable to Party A on the Effective Date; provided, however, that this shall not apply to those separately agreed on by Party A and Party B.

The assets, liabilities, contracts, and other rights and obligations belonging to the Businesses which Party B will succeed to from Party A shall be determined based on the balance sheet of Party A as of March 31, 2024, adjusted for any increase or decrease up to the day before the Effective Date.

1. Assets to be succeeded to

(1) Current assets

Current assets related to the Businesses (excluding cash and deposits in excess of Party B's working capital requirements)

(2) Non-current assets

Non-current assets related to the Businesses (excluding certain real estate)

(3) Investments and other assets

Investments and other assets related to the Businesses

2. Liabilities to be succeeded to

(1) Current liabilities

Current liabilities related to the Businesses

(2) Non-current liabilities

Non-current liabilities related to the Businesses

3. Employment contracts, etc. to be succeeded to

The contractual status and all the concomitant rights and obligations under the employment contracts with any employee who works at Party A and is mainly engaged in the Businesses as of the Effective Date (irrespective of the form of employment, and including those on secondment, those on leave of absence, and those with employment offers), except for the contractual status and all the concomitant rights and obligations under the employment contracts with Party A's employees which Party A decides not to have Party B succeed to.

4. Other rights and obligations to be succeeded to

Contractual status and all the concomitant rights and obligations related to basic transaction contracts, non-disclosure contracts, outsourcing contracts and all other contracts that belong to the Businesses, except for the following rights and obligations:

- Contractual status and rights and obligations under contracts related to assets that are not succeeded to by Party B
- Those for which any change of legal entity status of the contracting entity is not permitted
- Those for which the transfer of contractual status is prohibited under the contract

5. Licenses, permits, etc.

All licenses, permits, approvals, authorizations, registrations, and notifications, etc. belonging to the Businesses that are legally possible to be succeeded to through absorption-type company split, except for those that must be continuously held by Party A and those that must be reacquired but could not be reacquired by the Effective Date of the Company Split.

3. Summary on the matters prescribed in Article 183 of the Regulations for Enforcement of the Companies Act

(1) Matters concerning reasonableness of consideration

Since the Succeeding Company is a wholly owned subsidiary of the Company, the Succeeding Company will not deliver shares of the Succeeding Company, cash, or any other consideration to the Company upon the Company Split.

(2) Matters concerning financial statements, etc. of the Succeeding Company

The Succeeding Company was incorporated on April 1, 2024, and therefore has not completed its first fiscal year.

The balance sheet of the Succeeding Company as of the date of incorporation is as follows.

Account	Amount (Million yen)	Account	Amount (Million yen)
Assets		Net assets	
Current assets		Shareholders' equity	
Cash and deposits	300	Share capital	300
Total assets	300	Total liabilities and net assets	300

Note: There have been no events after the incorporation of the Succeeding Company that have materially affected the status of the Succeeding Company's property, such as disposal of important property or burden of major obligations.

(3) Events after the end of the most recent fiscal year of the Company that have materially affected the status of the Company's property, such as disposal of important property or burden of major obligations.
There is no relevant information.

Proposal 3: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

As described in Proposal 2 “Approval of Absorption-type Company Split Agreement,” the Company will transition to a holding company structure effective October 1, 2024. Accordingly, on the condition that Proposal 2 is approved and adopted, the Company will amend Article 1 (Trade Name) and Article 2 (Purpose) of the current Articles of Incorporation and establish supplementary provisions to the effect that their respective amendments will become effective on October 1, 2024.

In addition, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this General Meeting of Shareholders to accelerate decision-making and business execution, enhance corporate governance by strengthening the supervisory function of the Board of Directors, and aim to further increase its corporate value. In order to transition to a company with an Audit and Supervisory Committee, the Company will make necessary changes, such as the establishment of new provisions concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee and the deletion of provisions concerning Auditors and the Board of Auditors.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions (Trade Name) Article 1 The Company shall be called <u>Nichireki Kabushiki Kaisha</u> , and in English, <u>NICHIREKI CO., LTD.</u> (Purpose) Article 2 The purpose of the Company is to conduct the following businesses. (1) to (12) (Omitted) Article 3 (Omitted) (Organization) Article 4 The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Directors: (1) Board of Directors (2) <u>Auditors</u> (3) <u>Board of Auditors</u> (4) Accounting Auditors Article 5 (Omitted) Chapter 2 Shares Articles 6 to 9 (Omitted) (Shareholder Registry Administrator) Article 10 (Omitted) 2. The shareholder registry administrator and its administrative office shall be designated by a resolution of the Board of Directors, and public notice thereof shall be provided. 3. (Omitted) (Share Handling Regulations) Article 11 The handling of shares of the Company and fees	Chapter 1 General Provisions (Trade Name) Article 1 The Company shall be called <u>Nichireki Group Kabushiki Kaisha</u> , and in English, <u>NICHIREKI GROUP CO., LTD.</u> (Purpose) Article 2 The purpose of the Company is to conduct the following businesses <u>and to control or manage the business activities of companies (including foreign companies) that engage in the businesses listed in the following items through the ownership of shares or equity interests in those companies.</u> (1) to (12) (Unchanged) Article 3 (Unchanged) (Organization) Article 4 The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Directors: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditors Article 5 (Unchanged) Chapter 2 Shares Articles 6 to 9 (Unchanged) (Shareholder Registry Administrator) Article 10 (Unchanged) 2. The shareholder registry administrator and its administrative office shall be designated by the Board of Directors <u>or the Directors delegated by a resolution of the Board of Directors</u> , and public notice thereof shall be provided. 3. (Unchanged) (Share Handling Regulations) Article 11 The handling of shares of the Company and fees

Current Articles of Incorporation	Proposed Amendments
therefor shall be governed by the Share Handling Regulations established <u>at</u> a Board of Directors meeting, in addition to laws and regulations or the Articles of Incorporation.	therefor shall be governed by the Share Handling Regulations established by the Board of Directors or the Directors <u>delegated</u> by a resolution of the <u>Board of Directors</u> , in addition to laws and regulations or the Articles of Incorporation.
Chapter 3 General Meeting of Shareholders Articles 12 to 19 (Omitted)	Chapter 3 General Meeting of Shareholders Article 12 to Article 19 (Unchanged)
Chapter 4 Directors and Board of Directors (Number of Directors) Article 20 The Company shall have <u>twelve (12)</u> or less Directors. (Newly established)	Chapter 4 Directors and Board of Directors (Number of Directors) Article 20 1. The Company shall have <u>sixteen (16)</u> or less Directors. 2. <u>Of the Directors set forth in the preceding paragraph, five (5) or less Directors shall be Audit and Supervisory Committee Members.</u>
(Method of Election) Article 21 1. Directors shall be elected at a general meeting of shareholders.	(Method of Election) Article 21 1. Directors shall be elected at a general meeting of shareholders, <u>while making a distinction between Directors who are Audit and Supervisory Committee Members and other Directors.</u>
2. to 3. (Omitted) (Representative Directors) Article 22 The Board of Directors may, by its resolution, appoint <u>one or more Directors to represent the Company, in addition to President.</u>	2. to 3. (Unchanged) (Representative Directors) Article 22 The Board of Directors may, by its resolution, appoint <u>President and one or more other Directors to represent the Company from among Directors (excluding Directors who are Audit and Supervisory Committee Members).</u>
(Term of Office) Article 23 The term of office of Directors shall be until the close of the annual general meeting of shareholders pertaining to the last business year that ends within one year from the time of their election. (Newly established)	(Term of Office) Article 23 1. The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall be until the close of the annual general meeting of shareholders pertaining to the last business year that ends within one year from the time of their election.
 (Newly established)	2. <u>The term of office of Directors who are Audit and Supervisory Committee Members shall be until the close of the annual general meeting of shareholders pertaining to the last business year that ends within two (2) years from the time of their election.</u>
 (Newly established)	3. <u>The term of office of Director who is an Audit and Supervisory Committee Member and elected as substitute for Director who is an Audit and Supervisory Committee Member and retired before the expiration of his/her term of office shall be until the term of office of the retired Director who was an Audit and Supervisory Committee Member expires.</u>
	4. <u>The effective term of a resolution for the election of a substitute Director who is an Audit and Supervisory Committee Member and elected under Article 329, Paragraph 3 of the Companies Act shall be until the commencement of the annual general meeting of shareholders pertaining to the last business year that ends within two (2) years from the time of his/her election.</u>
(Remunerations)	(Remunerations)

Current Articles of Incorporation	Proposed Amendments
<p>Article 24 The financial benefits received from the Company as a consideration for the execution of the duties, such as remunerations and bonuses (hereinafter referred to as “Remunerations”) of Directors shall be determined by a resolution at a general meeting of shareholders.</p>	<p>Article 24 The financial benefits received from the Company as a consideration for the execution of the duties, such as remunerations and bonuses (hereinafter referred to as “Remunerations”) of Directors shall be determined by a resolution at a general meeting of shareholders, <u>while making a distinction between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>
<p>Article 25 (Omitted) (Convocation Notice of Board of Directors Meetings)</p>	<p>Article 25 (Unchanged) (Convocation Notice of Board of Directors Meetings)</p>
<p>Article 26 1. A convocation notice of a Board of Directors meeting shall be dispatched to each Director <u>and Auditor</u> at least three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in case of an emergency. 2. A Board of Directors meeting may be convened without the convocation procedures if the consent of all Directors <u>and Auditors</u> has been obtained.</p>	<p>Article 26 1. A convocation notice of a Board of Directors meeting shall be dispatched to each Director at least three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in case of an emergency. 2. A Board of Directors meeting may be convened without the convocation procedures if the consent of all Directors has been obtained.</p>
<p>Article 27 to Article 30 (Omitted) (Newly established)</p>	<p>Article 27 to Article 30 (Unchanged) <u>(Delegation of Decisions on Important Business Execution)</u></p>
<p>(Newly established) (Newly established)</p>	<p>Article 31 <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or part of decisions on important business execution (excluding the matters listed in each item of the same Article, Paragraph 5) to Directors by a resolution of the Board of Directors.</u></p>
<p>(Newly established)</p>	<p><u>Chapter 5 Audit and Supervisory Committee</u> <u>(Full-time Audit and Supervisory Committee Members)</u> Article 32 <u>The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Members by its resolution.</u> <u>(Convocation Notice of Audit and Supervisory Committee Meetings)</u></p>
<p>(Newly established)</p>	<p>Article 33 1. <u>A convocation notice of an Audit and Supervisory Committee meeting shall be dispatched to each Committee Member at least three (3) days prior to the date of the meeting; provided, however, such period may be shortened in case of an emergency.</u> 2. <u>An Audit and Supervisory Committee meeting may be convened without the convocation procedures if the consent of all Committee Members has been obtained.</u></p>
<p>(Newly established)</p>	<p><u>(Method of Adopting Resolution of Audit and Supervisory Committee)</u></p>
<p>(Newly established)</p>	<p>Article 34 <u>The resolution at an Audit and Supervisory Committee meeting is adopted by a majority of the Audit and Supervisory Committee Members present at the meeting where the majority of the Audit and Supervisory Committee Members entitled to participate in the vote are present.</u> <u>(Minutes of Audit and Supervisory Committee Meetings)</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>a majority of the Auditors. <u>(Minutes of Board of Auditors Meetings)</u> <u>Article 38</u> <u>A summary of the progress of the agenda of the Board of Auditors meeting and the results thereof and other matters prescribed by laws and regulations shall be stated or recorded in minutes.</u> <u>(Board of Auditors Regulations)</u> <u>Article 39</u> <u>Matters concerning the Board of Auditors shall be governed by the Board of Auditors Regulations established by the Board of Auditors, in addition to laws and regulations or the Articles of Incorporation.</u> <u>(Exemption from Liability of Auditors)</u> <u>Article 40</u> <u>1. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt an Auditor (including former Auditors) from their liability for damages caused by failure to perform such Auditor's duty, within the limits stipulated 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 an Outside Auditor that limits the liability for damages caused by failure to perform his/her duty; provided, however, that the maximum amount to which the liability may be limited shall be the amount as prescribed by laws and regulations.</u></p> <p>Chapter 6 Calculation (Business year) Article 41 (Omitted) (Record Date for Distribution of Surplus) Article 42 (Omitted) (Interim Dividends) Article 43 (Omitted) (Period of Exclusion of Dividends) Article 44 (Omitted)</p> <p>(Newly established) (Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>Chapter 6 Calculation (Business year) Article 37 (Unchanged) (Record Date for Dividend of Surplus) Article 38 (Unchanged) (Interim Dividends) Article 39 (Unchanged) (Period for Exclusion of Dividends) Article 40 (Unchanged)</p> <p>Supplementary Provisions <u>(Transitional Measures Concerning Exemption from Liability of Auditors)</u> <u>Article 1</u> <u>1. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Auditors (including former Auditors) from their liabilities for damages caused by failure to perform such Auditor's duties prior to the coming into effect of the partial amendments to the Articles of Incorporation resolved at the 80th Annual General Meeting of Shareholders, within the limits stipulated by laws and regulations.</u> <u>2. The previous provisions shall continue to apply with regard to the liability limitation agreements concluded with Auditors (including former Auditors) prior to the coming into effect of the partial amendments to the Articles of Incorporation resolved at the 80th Annual</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="820 170 1388 259"><u>General Meeting of Shareholders.</u> <u>(Transitional Measures Concerning Trade Name and Purpose)</u></p> <p data-bbox="820 259 1388 293"><u>Article 2</u></p> <p data-bbox="820 293 1388 598"><u>The amendments to Article 1 (Trade Name) and Article 2 (Purpose) of the Articles of Incorporation shall become effective as of October 1, 2024, on the condition that the absorption-type company split agreement is approved and adopted as originally proposed at the 80th Annual General Meeting of Shareholders and that the absorption-type company split based on the absorption-type company split agreement becomes effect. This Article shall be deleted after the said effective date has elapsed.</u></p>

Proposal 4: Election of Ten (10) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The tenure of the office of all ten (10) Directors including four (4) Outside Directors will expire at the conclusion of this year's annual General Meeting of Shareholders. If Proposal 3 "Partial Amendments to the Articles of Incorporation" is approved and adopted as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this year's General Meeting of Shareholders. Accordingly, in view of the management structure after the transition to a company with an Audit and Supervisory Committee, the Company proposes the election of ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members).

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows. If Proposal 2 "Approval of the Absorption-type Company Split Agreement" and Proposal 3 "Partial Amendments to the Articles of Incorporation" are approved and adopted, the Company will transition to a holding company structure effective October 1 of this year, and these 10 persons will assume the management of the holding company after the transition to a holding company structure.

No.	Name	Current positions and responsibilities at the Company
1	Manabu Obata [Reappointment]	President and Representative Director
2	Yuji Kawaguchi [Reappointment]	Executive Vice President and Representative Director
3	Akiyoshi Hanyu [Reappointment]	Managing Director (General Manager, Technology Development Division)
4	Hiroyuki Totsuka [Reappointment]	Managing Director (General Manager, Business Division and General Manager, Overseas Business Department)
5	Jun Yamamoto [Reappointment]	Director (General Manager, Administration Division, General Manager, Legal Affairs and Compliance Department, and General Manager, Investment Strategy Office)
6	Tatsuya Ito [Reappointment]	Director (General Manager, Planning Division and General Manager, Human Resources Planning Department)
7	Osamu Kobayashi [Reappointment] [Outside Director] [Independent Officer]	Outside Director
8	Haruko Shibumura [Reappointment] [Outside Director] [Independent Officer]	Outside Director
9	Takuya Kidokoro [Reappointment] [Outside Director] [Independent Officer]	Outside Director
10	Mieko Fukuda [Reappointment] [Outside Director] [Independent Officer]	Outside Director

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Manabu Obata (December 25, 1956) [Reappointment]	April 1982	Joined the Company	29,656
		May 2007	Executive Officer and Tokyo Area Manager of the Company President and Representative Director of Nichireki Tokushu Koji K.K.	
		June 2011	Senior Executive Officer and Vice General Manager, Business Division of the Company	
		June 2013	Managing Director and General Manager, Business Division of the Company	
		June 2015	President and Representative Director of the Company	
		June 2020	President and Representative Director of the Company (to present)	
[Reason for nomination as candidate for Director] Having led the sales divisions for many years, and strengthened profitability and implemented growth strategies through management reforms as President and Representative Director since June 2015, he has made major contributions to the business expansion and enhancement of business performance of the Group. The Company has nominated him as a candidate for Director based on its understanding that his abundant experience, capabilities, and knowledge as a corporate manager to date are indispensable to the management of the Company, in terms of strengthening group management and promoting the ongoing improvement of corporate value.				
2	Yuji Kawaguchi (March 16, 1958) [Reappointment]	April 1980	Joined the Company	18,332
		June 2011	Director, Senior Executive Officer, and Kanto Area Manager of the Company President and Representative Director of Nichireki Road Co., Ltd.	
		June 2013	Managing Director and Kanto Area Manager of the Company President and Representative Director of Nichireki Road Co., Ltd.	
		April 2018	Managing Director and Tokyo/Kanto Supervising Manager of the Company	
		June 2018	Senior Managing Director and Tokyo/Kanto Supervising Manager of the Company	
		June 2020	Senior Managing Director and Tokyo/Kanto Supervising Manager, and Tokyo Area Manager of the Company	
		April 2021	Senior Managing Director and East Japan Supervising Manager of the Company	
		June 2022	Executive Vice President and Representative Director of the Company (to present)	
[Reason for nomination as candidate for Director] Having engaged in sales operations for many years and served as the Area Manager over the branches, a President of a Group company, and a Supervising Manager since April 2018, he has contributed to the business promotion and enhancement of business performance of the Group. The Company has nominated him as a candidate for Director based on its understanding that his abundant experience and knowledge as well as his track record and insight as a corporate manager of a Group company are indispensable to the management of the Company, in terms of strengthening and promoting group management.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
3	Akiyoshi Hanyu (October 9, 1958) [Reappointment]	April 1982	Joined the Company	15,928
		June 2011	Executive Officer and General Manager, Technical Research Center of the Company	
		June 2013	Director, Senior Executive Officer, and General Manager, Technical Research Center of the Company	
		June 2015	Managing Director and General Manager, Engineering and Manufacturing Division of the Company	
		April 2020	Managing Director and General Manager, Technology Development Division, General Manager, Technical Department of the Company	
		June 2020	Managing Director and General Manager, Technology Development Division, General Manager, Technical Department of the Company	
		April 2024	Managing Director and General Manager, Technology Development Division (to present)	
	[Reason for nomination as candidate for Director] Having engaged in research and development and technology-related operations for many years, he has promoted the development of the Company’s products and construction techniques. As head of the Technology Development Division, he has greatly contributed to the strengthening and development of the Group’s technological research and development base. The Company has nominated him as a candidate for Director based on its understanding that his high level of expertise and insight, abundant experience, and innovation capabilities are indispensable to the Company’s management.			
4	Hiroyuki Totsuka (January 27, 1962) [Reappointment]	April 1985	Joined the Company	16,251
		April 2013	General Manager, Tohoku Branch of the Company	
		April 2014	Executive Officer and Tohoku Area Manager, General Manager, Tohoku Branch of the Company	
		April 2017	Senior Executive Officer and Tohoku Area Manager, and General Manager, Tohoku Branch of the Company	
		April 2018	Senior Executive Officer and Tohoku/Hokkaido Supervising Manager, Tohoku Area Manager, and General Manager, Tohoku Branch of the Company	
		April 2021	Senior Executive Officer and North Japan Supervising Manager, Tohoku Area Manager, and General Manager, Tohoku Branch of the Company	
		April 2023	Senior Executive Officer and Vice General Manager, Business Division of the Company	
	June 2023	Managing Director, General Manager, Business Division and General Manager, Overseas Business Department (to present)		
[Reason for nomination as candidate for Director] Having engaged in sales operations for many years and served as the Supervising Manager and Area Manager, he contributed to the enhancement of efficient area management and performance of the branches and Group company. The Company has nominated him as a candidate for Director based on its understanding that his abundant business experience as well as his track record and insight are indispensable to the management of the Company, in terms of increasing its corporate value through sustainable growth.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	Jun Yamamoto (July 31, 1966) [Reappointment]	March 2020	Joined the Company General Manager, Legal Affairs Office and General Manager, Compliance Office of the Company	4,345
		April 2020	Senior Executive Officer and General Manager, Legal Affairs and Compliance Department of the Company	
		April 2021	Senior Executive Officer, General Manager, Legal Affairs and Compliance Department, and General Manager, Investment Strategy Office of the Company	
		June 2021	Director, General Manager, Administration Division, General Manager, Legal Affairs and Compliance Department, and General Manager, Investment Strategy Office of the Company (to present)	
[Reason for nomination as candidate for Director] At a financial institution, he experienced banking and securities operations. After joining the Company, he has mainly engaged in the administrative division such as general affairs, finance and legal affairs, and contributed to developing the Group's compliance and risk management framework and enhancing the corporate governance. The Company has nominated him as a candidate for Director based on its understanding that his abundant experience as well as his track record and insight are indispensable to the management of the Company.				
6	Tatsuya Ito (May 15, 1963) [Reappointment]	April 1986	Joined the Company	8,358
		April 2013	General Manager, Technical Department of the Company	
		April 2015	Executive Officer and General Manager, Technical Department of the Company	
		April 2016	Executive Officer, General Manager, Corporate Planning Department, and General Manager, Personnel Department of the Company	
		April 2020	Senior Executive Officer, General Manager, Corporate Planning Department, and General Manager, Personnel Department of the Company	
		June 2021	Senior Executive Officer, Vice General Manager, Planning Division, General Manager, Corporate Planning Department, and General Manager, Human Resources Planning Department of the Company	
		April 2022	Senior Executive Officer, Vice General Manager, Planning Division, and General Manager, Human Resources Planning Department of the Company	
		June 2022	Director, General Manager, Planning Division, and General Manager, Human Resources Planning Department of the Company (to present)	
[Reason for nomination as candidate for Director] Having engaged in the technical division for many years and achieved results in improving the development capabilities of the Company's products and construction techniques, he has contributed to the development and enhancement of the Group's administrative and organizational management framework as Executive Officer in charge of the human resources and corporate planning division. The Company has nominated him as a candidate for Director based on its understanding that his abundant experience as well as his track record and insight are indispensable to the management of the Company.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Osamu Kobayashi (May 20, 1956) [Reappointment] [Outside Director] [Independent Officer]	<p>March 1983 Registered as a certified public accountant</p> <p>June 1983 Registered as a certified tax accountant</p> <p>August 1996 Director of Kobayashi Accounting Office (to present)</p> <p>June 2004 Outside Auditor of the Company</p> <p>June 2015 Outside Director of the Company (to present)</p> <p>(Significant concurrent position)</p> <p>Outside Corporate Auditor of NOK CORPORATION (scheduled to retire on June 26, 2024)</p>	33,000
	<p>[Reason for nomination as candidate for Outside Director and summary of expected roles]</p> <p>As a certified public accountant and a certified tax accountant, he has abundant experience, an extensive track record, and insight in corporate accounting and tax affairs. He has provided appropriate recommendations and advice at the Board of Directors meetings of the Company from an objective perspective independent from the members of management engaged in business execution, although he has never been involved in corporate management other than in the capacity of an outside officer. Accordingly, the Company has nominated him as a candidate for Outside Director in the hope of utilizing his high level of expertise and extensive experience for the management of the Company.</p>		
8	Haruko Shibumura (December 6, 1964) [Reappointment] [Outside Director] [Independent Officer]	<p>April 1994 Registered as an attorney-at-law (Daini Tokyo Bar Association) Joined Law Offices of Homma & Komatsu (currently Homma & Partners)</p> <p>April 1999 Partner Attorney, Homma & Partners (to present)</p> <p>June 2015 Outside Auditor of the Company</p> <p>June 2019 Outside Director of the Company (to present)</p> <p>(Significant concurrent positions)</p> <p>Outside Director, Audit & Audit and Supervisory Committee Member of TAMURA CORPORATION</p> <p>Outside Director (Director who is an Audit & Supervisory Committee Member) of Yokogawa Bridge Holdings Corp. (scheduled to assume office on June 26, 2024)</p>	0
	<p>[Reason for nomination as candidate for Outside Director and summary of expected roles]</p> <p>As an attorney, she has expertise, abundant experience, an extensive track record, and insight in corporate legal affairs including corporate compliance. She has provided appropriate recommendations and advice at the Board of Directors meetings of the Company from an objective perspective independent from the members of management engaged in business execution, although she has never been involved in corporate management other than in the capacity of an outside officer. Accordingly, the Company has nominated her as a candidate for Outside Director in the hope of utilizing her high level of expertise and extensive experience for the management of the Company.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Takuya Kidokoro (September 23, 1974)</p> <p>[Reappointment] [Outside Director] [Independent Officer]</p>	<p>October 2001 Registered as an attorney-at-law (Tokyo Bar Association) Joined Okuno & Partners</p> <p>April 2011 Partner, Okuno & Partners (to present)</p> <p>June 2019 Outside Auditor of the Company</p> <p>June 2021 Outside Director of the Company (to present)</p> <p>(Significant concurrent positions) Executive Director and Lawyer of RISA Loan Servicing, Inc. Adviser (Administrative Law Judge) to Financial Services Agency</p>	0
	<p>[Reason for nomination as candidate for Outside Director and summary of expected roles] As an attorney-at-law, he has abundant experience and track records in corporate restructuring and corporate legal affairs, as well as considerable knowledge about corporate management. Since assuming office as Outside Auditor in June 2019, he has provided appropriate recommendations and advice at the Board of Directors meetings of the Company from a fair, objective, and independent position. Accordingly, the Company has nominated him as a candidate for Outside Director in the hope of utilizing his high level of expertise and extensive experience for the management of the Company.</p>		
10	<p>Mieko Fukuda (April 1, 1965)</p> <p>[Reappointment] [Outside Director] [Independent Officer]</p>	<p>April 2001 Registered as a small and medium enterprise management consultant (a member of Chuo Chapter, Tokyo Small and Medium Enterprise Management Consultant Association)</p> <p>April 2021 Representative, Fukumoku Research Office (to present)</p> <p>June 2021 Outside Director of the Company (to present)</p>	0
	<p>[Reason for nomination as candidate for Outside Director and summary of expected roles] She has abundant experience and specialist knowledge gained through her engagement in corporate management and marketing-related divisions. In particular, as a management consultant, she possesses a high level of expertise in market research, analysis, and strategy development. The Company has nominated her as a candidate for Outside Director in the hope of utilizing her extensive experience, track records, and insight in the areas of organizational management and research for the management of the Company, although she has never been involved in corporate management other than in the capacity of an outside officer.</p>		

- Notes:
1. There are no special interests between each candidate for Director and the Company.
 2. The Company has entered into directors and officers liability insurance agreements with insurance companies in order to cover damages that the insured may become liable for. If the candidates are (re-)elected, they will be insured under these insurance agreements. The Company plans to renew these agreements on the same terms at the time of the next renewal.
 3. Notes on Mr. Osamu Kobayashi, candidate for Outside Director
 - (1) Mr. Kobayashi is a candidate for Outside Director.
 - (2) His term of office as Outside Director will be nine (9) years at the conclusion of this General Meeting of Shareholders.
 - (3) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Kobayashi to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability specified in Article 425, Paragraph 1 of the Companies Act. If the reelection of Mr. Kobayashi is approved, the Company intends to continue this agreement with him.
 - (4) The Company has designated Mr. Kobayashi as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. If the reelection of Mr. Kobayashi is approved, the Company intends to continue his designation as an independent officer.
 4. Notes on Ms. Haruko Shibumura, candidate for Outside Director
 - (1) Ms. Shibumura is a candidate for Outside Director.
 - (2) Her term of office as Outside Director will be five (5) years at the conclusion of this General Meeting of Shareholders.
 - (3) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Ms. Shibumura to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability specified in Article 425, Paragraph 1 of the Companies Act. If the reelection of Ms. Shibumura is approved, the Company intends to continue this agreement with her.
 - (4) The Company has designated Ms. Shibumura as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. If the reelection of Ms. Shibumura is approved, the Company intends to continue her designation as an independent officer.
 5. Notes on Mr. Takuya Kidokoro, candidate for Outside Director
 - (1) Mr. Kidokoro is a candidate for Outside Director.
 - (2) His term of office as Outside Director will be three (3) years at the conclusion of this General Meeting of Shareholders.
 - (3) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Kidokoro to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability specified in Article 425, Paragraph 1 of the Companies Act. If the reelection of Mr. Kidokoro is approved, the Company intends to continue this agreement with him.
 - (4) The Company has designated Mr. Kidokoro as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. If the reelection of Mr. Kidokoro is approved, the Company intends to continue his designation as an independent officer.
 6. Notes on Ms. Mieko Fukuda, candidate for Outside Director
 - (1) Ms. Fukuda is a candidate for Outside Director.
 - (2) Her term of office as Outside Director will be three (3) years at the conclusion of this General Meeting of Shareholders.
 - (3) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Ms. Fukuda to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability specified in Article 425, Paragraph 1 of the Companies Act. If the reelection of Ms. Fukuda is approved, the Company intends to continue this agreement with her.
 - (4) The Company has designated Ms. Fukuda as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. If the reelection of Ms. Fukuda is approved, the Company intends to continue her designation as an independent officer.

Proposal 5: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

If Proposal 3 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

The Board of Auditors has previously given its approval to this proposal.

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 3 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name	Current positions and responsibilities at the Company
1	Masaaki Nohara [New appointment]	Full-time Auditor
2	Tsutomu Kanitani [New appointment] [Outside Director] [Independent Officer]	Outside Auditor
3	Noriko Kawate [New appointment] [Outside Director] [Independent Officer]	Outside Auditor

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Masaaki Nohara (April 24, 1961) [New appointment]	April 1985	Joined the Company	18,171
		April 2013	General Manager, Corporate Planning Department of the Company	
		April 2014	General Manager, General Affairs Department of the Company	
		April 2018	Executive Officer and Vice General Manager, Administration Division of the Company	
		June 2019	Full-time Auditor of the Company (to present)	
[Reason for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Having engaged in sales-related, overseas business, and corporate planning operations as well as head of general affairs, human resources, and other administrative divisions at the Company, he is well versed in the duties of the Group with his wealth of experience. The Company has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member in the hope of utilizing his knowledge for more effective auditing.				
2	Tsutomu Kanitani (September 1, 1963) [New appointment] [Outside Director] [Independent Officer]	August 1996	Joined Akira Nakamura Tax Accountant Office	0
		May 2000	Registered as a certified public tax accountant	
		May 2000	Director of Tsutomu Kanitani Tax Accountant Office (to present)	
		June 2015	Outside Auditor of the Company (to present)	
[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected role] As a certified public tax accountant, he has expertise and extensive experience in tax and other corporate management matters. Although he has never been involved in corporate management other than in the capacity of an outside officer, he has been involved in auditing operations from a fair, objective, and independent standpoint as Outside Auditor since June 2015. Accordingly, the Company has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member in the hope of utilizing his knowledge for further appropriate auditing.				
3	Noriko Kawate (February 22, 1976) [New appointment] [Outside Director] [Independent Officer]	July 2001	Registered as a certified public accountant	0
		November 2004	Registered as a certified tax accountant	
		February 2008	President of CLEA Consulting Co., Ltd. (to present)	
		May 2011	Independent Director, Ichigo Group Holdings Co., Ltd. (currently Ichigo Inc.) (to present)	
		November 2011	Registered as a U.S. certified public accountant	
		February 2015	Partner, Cast Global Group (to present)	
		June 2021	Outside Auditor of the Company (to present)	
		(Significant concurrent positions)		
		Independent Director, Ichigo Inc.		
		Outside Corporate Auditor, Sumitomo Bakelite Co., Ltd.		
[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected role] As a certified public accountant and certified tax accountant, she has abundant experience, an extensive track record, and insight in finance and accounting of companies. With a focus on M&A and organizational restructuring, she is also well versed in services such as business succession consulting and business revitalization advice. Accordingly, the Company has nominated her as a candidate for Director who is an Audit and Supervisory Committee Member in the hope of utilizing her high level of expertise and extensive experience for further appropriate auditing.				

- Notes:
1. There are no special interests between each candidate for Director who is an Audit and Supervisory Committee Member and the Company.
 2. The Company has entered into directors and officers liability insurance agreements with insurance companies in order to cover damages that the insured may become liable for. If the candidates are (re-)elected, they will be insured under these insurance agreements. The Company plans to renew these agreements on the same terms at the time of the next renewal.
 3. Notes on Mr. Tsutomu Kanitani, candidate for Outside Director

- (1) Mr. Kanitani is a candidate for Outside Director.
 - (2) His term of office as Outside Auditor will be nine (9) years at the conclusion of this General Meeting of Shareholders.
 - (3) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Kanitani to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability specified in Article 425, Paragraph 1 of the Companies Act. If the election of Mr. Kanitani is approved, the Company intends to conclude this agreement with him.
 - (4) The Company has designated Mr. Kanitani as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. If the election of Mr. Kanitani is approved, the Company intends to continue his designation as an independent officer.
4. Notes on Ms. Noriko Kawate, candidate for Outside Director
- (1) Ms. Kawate is a candidate for Outside Director.
 - (2) Her term of office as Outside Auditor will be three (3) years at the conclusion of this General Meeting of Shareholders.
 - (3) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Ms. Kawate to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability specified in Article 425, Paragraph 1 of the Companies Act. If the election of Ms. Kawate is approved, the Company intends to continue this agreement with her.
 - (4) The Company has designated Ms. Kawate as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. If the election of Ms. Kawate is approved, the Company intends to continue her designation as an independent officer.

Proposal 6: Setting of Remunerations for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the 71st Annual General Meeting of Shareholders held on June 26, 2015, it was resolved that the remunerations for Directors of the Company shall be 400 or less million yen per year (of which 40 or less million yen is for Outside Directors; however, this does not include the employee salaries of Directors concurrently serving as employees), and this resolution has remained in effect to date. However, if Proposal 3 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, the Company will abolish the current remuneration limit for Directors and newly set the amount of remunerations for Directors (excluding Directors who are Audit and Supervisory Committee Members) at 550 or less million yen per year (of which 100 or less million yen per year is for Outside Director; however, this does not include the employee salaries of Directors concurrently serving as employees), in consideration of various circumstances such as economic conditions.

In addition to the transition to a company with an Audit and Supervisory Committee, the Company will transition to a holding company structure effective October 1, 2024, if Proposal 2 “Approval of the Absorption-type Company Split Agreement” and Proposal 3 “Partial Amendments to the Articles of Incorporation” are approved and adopted as originally proposed. Through these changes in its management structure, the Company aims to further strengthen its governance and enhance its corporate value. In order to achieve these goals, the Company seeks to introduce a restricted stock compensation plan as part of the remuneration plan for Directors, with the aim of granting incentives to promote the sharing of value with shareholders further and the sustainable enhancement of the Company’s corporate value.

Accordingly, to determine the amount of compensation for granting restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members), the Company proposes that the amount of such compensation be 140 or less million yen per year (of which 25 or less million yen is for Outside Directors), separately from the abovementioned annual amount.

This proposal was decided by the Board of Directors, on the basis of a report from the Nomination and Compensation Committee of the Company and the basic policy on remuneration for Directors, and after comprehensive consideration regarding the size of the Company’s business, the current remuneration system for officers and the level of payment thereof, and other factors such as the flexibility needed to respond to future demands for enhanced governance, and the Company believes that this proposal is appropriate.

Upon approval of Proposal 3 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members),” the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) concerning this proposal will be ten (10) (including four (4) Outside Directors).

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 3 “Partial Amendments to the Articles of Incorporation” take effect.

Overview of the Restricted Stock Compensation Plan for Directors

The grant of restricted stock under this proposal shall be based on a resolution of the Board of Directors and made by a method in which monetary compensation claims are paid to the Directors as compensation, and the Directors are to deliver all such monetary compensation claims as property contributed in kind and receive the issuance or disposal of shares of the Company's common stock.

The total amount of monetary claims to be provided to the eligible Directors (hereinafter the "Eligible Directors") under this plan shall be 140 or less million yen per year for Directors (excluding Directors who are Audit and Supervisory Committee Members) (including 25 or less million yen per year for Outside Directors) and 20 or less million yen per year for Directors who are Audit and Supervisory Committee Members.

The total number of common shares to be issued or disposed of to the Eligible Directors under this plan shall be 56,000 or less shares per year for Directors (excluding Directors who are Audit and Supervisory Committee Members) (including 10,000 or less shares for Outside Directors) and 8,000 or less shares per year for Directors who are Audit and Supervisory Committee Members.

However, if the Company conducts a stock split (including an allotment of shares of the Company's common stock without contribution) or share consolidation of the Company's common stock on or after the date of the resolution made at this General Meeting of Shareholders and if any other reason requires adjustment of the total number of the Company's common shares to be issued or disposed of as restricted shares, such total number shall be adjusted to a reasonable extent.

The specific payment date and distribution to each Director shall be, for the compensation of Directors who are Audit and Supervisory Committee Members, determined through consultation among Directors who are Audit and Supervisory Committee Members, and for the compensation of other Directors, determined at a Board of Directors meeting after deliberation by the Nomination and Compensation Committee.

The amount to be paid per share shall be determined by the Board of Directors to the extent that it is not particularly favorable to the Eligible Directors who subscribe to the relevant common shares of the Company based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the date of each resolution of the Board of Directors (if no transaction is closed on the same day, it shall be the most immediate transaction day prior to that date).

The issuance or disposal of shares of the Company's common stock and the provision of monetary claims as property contributed in kind by such shares shall be subject to the conclusion of a restricted stock allotment agreement between the Company and the Eligible Directors, including the following content.

Overview of the Restricted Stock Allotment Agreement

(1) Transfer Restriction Period

The Eligible Directors shall not transfer, create security interests on, or otherwise dispose of (hereinafter “Transfer Restriction”) shares of the Company’s common stock allotted under this allotment agreement (hereinafter the “Allotted Shares”) for a period of thirty (30) years from the date of allotment under this allotment agreement (hereinafter the “Transfer Restriction Period”).

(2) Treatment Upon Retirement or Resignation

If an Eligible Director retires or resigns from a position predetermined by the Board of Directors as officer or employee of the Company or a subsidiary thereof before the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without contribution, unless such retirement or resignation is due to the expiration of the Director’s term of office, death or any other justifiable reason.

(3) Lifting of the Transfer Restriction

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restriction on all of the Allotted Shares upon the expiration of the Transfer Restriction Period on the condition that the Eligible Director continuously remained in the position predetermined by the Board of Directors as officer or employee of the Company or a subsidiary thereof during the Transfer Restriction Period. However, if the Eligible Director resigns or retires from the position specified in (2) above before the expiration of the Transfer Restriction Period due to the expiration of the term of office specified in (2) above, death or any other justifiable reason, the number of the Allotted Shares for which the Transfer Restriction is lifted and the timing for the lifting of the Transfer Restriction shall be adjusted reasonably as necessary. In addition, as of the time immediately after the lifting of the Transfer Restriction pursuant to the above provisions, the Company shall acquire without contribution the Allotted Shares for which the Transfer Restriction has not been lifted.

(4) Treatment in Case of Organizational Restructuring, etc.

Notwithstanding the provision of (1) above, in the event that a merger agreement in which the Company becomes a disappearing company, a share exchange agreement in which the Company becomes a wholly owned subsidiary, or a share transfer plan or any other matters related to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (or the Board of Directors where the approval at a general meeting of shareholders of the Company is not required for such organizational restructuring, etc.) during the Transfer Restriction Period, the Company shall, by a resolution of the Board of Directors, lift the Transfer Restriction of the Allotted Shares in a number reasonably determined in light of the period from the commencement date of the Transfer Restriction Period to the date of approval of the organizational restructuring, etc. before the Effective Date of that organizational restructuring, etc. In addition, in the case provided above, the Company will automatically acquire without contribution the Allotted Shares for which the Transfer Restriction has not yet been lifted as of the time immediately after the lifting of the Transfer Restriction.

(5) Other matters

Other matters relating to this allotment agreement shall be determined at a Board of Directors meeting.

Proposal 7: Setting of Remunerations for Directors Who Are Audit and Supervisory Committee Members

If Proposal 3 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, the Company proposes that the amount of remunerations for Directors who are Audit and Supervisory Committee Members shall be 80 or less million yen per year, in consideration of various circumstances such as economic conditions.

Additionally, the Company proposes that the restricted stock compensation plan as described in Proposal 6 shall also be introduced as part of the remunerations for Directors who are Audit and Supervisory Committee Members and that the amount of compensation for granting restricted stock shall be 20 or less million yen per year, separately from the abovementioned annual amount.

This proposal was decided after comprehensive consideration of matters including the responsibilities to be fulfilled by Audit and Supervisory Committee Members for governance of the Company and the flexibility needed to respond to future demands for enhanced governance, and the Company believes that this proposal is appropriate.

Upon approval of Proposal 3 “Partial Amendments to the Articles of Incorporation” and Proposal 5 “Election of Three (3) Directors Who Are Audit and Supervisory Committee Members,” the number of Directors who are Audit and Supervisory Committee Members concerning this proposal will be three (3).

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation in Proposal 3 “Partial Amendments to the Articles of Incorporation” take effect.