



April 5, 2022

To All Concerned Parties

Company: Daiseki Eco. Solution Co., Ltd.
Representative: Hiroya Yamamoto, President and
Representative Director
(Securities code: 1712, Prime Market of the Tokyo Stock Exchange
and Premier Market of the Nagoya Stock Exchange)
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Notice on Introduction of Executive Officer System and Partial Amendments to Articles of Incorporation

Daiseki Eco. Solution Co., Ltd. (“the Company”) resolved today at a meeting of its Board of Directors to introduce an Executive Officer System and to propose partial amendments to the Articles of Incorporation at the 26th Annual General Meeting of Shareholders to be held on May 25, 2022. Details are as follows.

Changes concerning Directors and Executive Officers will be officially decided at an extraordinary meeting of the Board of Directors after the 26th Annual General Meeting of Shareholders to be held on May 25, 2022.

1. Introduction of the Executive Officer System

(1) Aim of the introduction

To further strengthen corporate governance and promote flexibility in business execution. Specifically, by increasing the ratio of outside directors on the Board of Directors, the Company aims to separate the management’s decision-making and supervisory functions from the business execution function.

(2) General outline of the Executive Officer System

- (i) The election and dismissal of Executive Officers shall be by resolution of the Board of Directors.
- (ii) The term of office of an Executive Officer shall expire upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending within one year after the Executive Officer’s assumption of office.
- (iii) The reappointment of an Executive Officer shall be allowed.

(3) Date of introduction

May 25, 2022

(4) Executive Officer personnel changes

Regarding Executive Officer personnel changes, please refer to “Notice on Officer Personnel Changes” released today.

2. Partial Amendments to the Articles of Incorporation

(1) Reason for amendments

- (i) Amendments due to the introduction of the system for electronic provision of materials for the General Meeting of Shareholders

As the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into effect on September 1, 2022, necessary changes will be made to prepare for the introduction of the system for electronic provision of materials for the General Meeting of Shareholders.

(ii) Reduction of the number of Directors (excluding those who are Audit and Supervisory Committee Members)

In order to improve the efficiency of the management system and speed up the decision-making process in line with the introduction of the Executive Officer System, the maximum number of Directors (excluding those who are Audit and Supervisory Committee Members) will be reduced, and provisions for Directors with Titles will be changed.

(iii) Establishment of new provisions regarding the Executive Officer System

Provisions regarding Executive Officers and Executive Officers with Titles will be added in line with the introduction of the Executive Officer System.

(2) Details of the amendments

Details of the amendments to the Articles of Incorporation are as shown in the appendix titled "Comparison of Previous and New Articles of Incorporation."

(3) Dates of the amendments

General Meeting of Shareholders on amendments to Articles of Incorporation: May 25, 2022

Effective date of the amendments to Articles of Incorporation: (1) (i) September 1, 2022

(1) (ii) & (iii) May 25, 2022

Comparison of Previous and New Articles of Incorporation

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter III. General Meeting of Shareholders</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 18</u> The Company may, when convening a <u>General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the General Meeting of Shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p style="text-align: center;"><Newly established></p> <p style="text-align: center;">Chapter IV. Directors and Board of Directors</p> <p>(Number of Directors)</p> <p>Article 19 The Company shall have no more than <u>seven (7)</u> Directors (excluding Directors who are Audit and Supervisory Committee Members).</p> <p>2. The Company shall have no more than five (5) Directors who are Audit and Supervisory Committee Members.</p> <p>(Representative Director and Directors with Titles)</p> <p>Article 26 The Board of Directors shall, by resolution, elect a Representative Director.</p> <p>2. The Board of Directors may, by resolution, elect <u>one (1)</u> Chairman of the Board of Directors, <u>one (1)</u> President and Director, a few Vice President, Senior Managing Directors and Managing Directors.</p>	<p style="text-align: center;">Chapter III. General Meeting of Shareholders</p> <p style="text-align: center;"><Deleted></p> <p><u>(Measures for Electronic Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u></p> <p><u>Article 18</u> The Company shall, when convening a <u>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 shall not be required 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.</u></p> <p style="text-align: center;">Chapter IV. Directors and Board of Directors</p> <p>(Number of Directors)</p> <p>Article 19 The Company shall have no more than <u>four (4)</u> Directors (excluding Directors who are Audit and Supervisory Committee Members).</p> <p>2. The Company shall have no more than five (5) Directors who are Audit and Supervisory Committee Members.</p> <p>(Representative Director and Directors with Titles)</p> <p>Article 26 The Board of Directors shall, by resolution, elect a Representative Director.</p> <p>2. The Board of Directors may, by resolution, elect the Chairman of the Board of Directors, the President and Director, Vice Presidents, Senior Managing Directors and Managing Directors.</p>

Comparison of Previous and New Articles of Incorporation

Current Articles of Incorporation	Proposed Amendments
<New establishment>	(Executive Officers) Article 31 The Board of Directors may, by resolution, elect Executive Officers and have them share the execution of business. 2. The Board of Directors may elect from among the Executive Officers Vice President Executive Officers, Senior Managing Executive Officers, and Managing Executive Officers.
Chapter V. Audit and Supervisory Committee	Chapter V. Audit and Supervisory Committee
Article <u>31</u> <Omitted>	Article <u>32</u> <Unchanged>
Chapter VI. Accounts	Chapter VI. Accounts
Article <u>32 to 35</u> <Omitted>	Article <u>33 to 36</u> <Unchanged>
<New establishment>	<p><u>Supplementary Provisions</u></p> <p>1. <u>The deletion of Article 18 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the newly established Article 18 (Measures for Electronic Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the proposed amendment shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p>2. <u>The following provisions shall apply from the Effective Date. The provisions shall remain in effect until either the lapse of six months from the Effective Date or three months from the date of the last General Meeting of Shareholders held within six months from the Effective Date, whichever is later. The Company may, when convening a General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the General Meeting of Shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>3. <u>This Article shall be deleted as of the later of the dates specified in the preceding paragraph.</u></p>