

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 1946)
June 8, 2022

To Shareholders with Voting Rights:

Yuuzou Fujita
President and Representative Director
TOENEC CORPORATION
20-31, Sakae 1-chome, Naka-ku, Nagoya,
Aichi

NOTICE OF THE 104TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Please be informed that the 104th Annual General Meeting of Shareholders of TOENEC CORPORATION (the “Company”) will be held as stated below.

If you are unable to attend the meeting, you can exercise your voting rights by mail, or via the Internet, etc. If exercising your voting rights by mail, please review the attached Reference Documents for the General Meeting of Shareholders, exercise your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return. If exercising your voting rights via the Internet, please access the Internet site designated by the Company, follow the instructions on the site and cast your vote. All votes shall be received by 5:15 p.m. on Monday, June 27, 2022, Japan Time.

1. Date and Time: Tuesday, June 28, 2022 at 10:00 a.m. Japan time

2. Place: Head Office, TOENEC CORPORATION located at
20-31, Sakae 1-chome, Naka-ku, Nagoya, Aichi

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 104th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 104th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to Articles of Incorporation
Proposal 3: Election of 11 Directors (excluding Directors who are Audit and Supervisory Committee Members)
Proposal 4: Determination of Compensation for Granting Restricted Stock to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

-
- We have decided to hold the meeting taking appropriate measures to prevent the COVID-19. However, in order to prioritize health and safety for shareholders, all shareholders are kindly requested to exercise voting rights in advance, in writing or via the Internet, etc., and consider refraining from attending the meeting in person.
 - Shareholders attending the meeting are requested to wear a face mask, disinfect with alcohol disinfectant, and have body temperature taken.
 - Those with a fever or who appear to be particularly unwell may be refused entry to the venue.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Regarding appropriation of surplus for the fiscal year under review, upon comprehensive consideration of factors such as enriching internal reserves for future business expansion, the Company adopts a basic policy of returning profits to shareholders through payment of dividends with a consolidated payout ratio targeting 30%, and proposes the following.

1. Matters concerning the year-end dividend
 - (1) Type of dividend assets
Cash
 - (2) Allocation of dividend assets to the shareholders and total amount of dividends
Amount per share of common stock: ¥90
Total dividends: ¥1,682,030,880
 - (3) Effective date of dividend payment
June 29, 2022
2. Matters concerning appropriation of surplus:
 - (1) Decreased surplus item and the amount thereof:
Retained earnings brought forward ¥4,300,000,000
 - (2) Increased surplus item and the amount thereof:
General reserve ¥4,300,000,000

Proposal 2: Partial Amendments to Articles of Incorporation

1. Reasons for the amendments

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 16, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 16, 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 materials for the general meeting of shareholders, etc. (Article 16 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. Description of the amendments

Description of the amendments is as follows:

(Amended parts are underlined)

Current	Proposed amendment
Chapter 3 General Meeting of Shareholders Article 13-Article 15 (Omitted) (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) <u>Article 16 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 materials 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> (Newly established)	Chapter 3 General Meeting of Shareholders Article 13-Article 15 (Same as current) (Deleted) (Measures for Electronic Provision, Etc.) <u>Article 16 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u> <u>2. 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 record date for voting rights.</u>
Article 17-Article 43 (Omitted)	Article 17-Article 43 (Same as current)
Supplementary Provision Article 1-Article 2 (Omitted)	Supplementary Provision Article 1-Article 2 (Same as current)
(Newly established)	<u>(Transitional Measures for Electronic Provision of Reference Materials for the General Meeting of Shareholders)</u>

Current	Proposed amendment
	<p><u>Article 3 The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the establishment of the proposed Article 16 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022 (the Effective Date), which is on 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).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>3. This Article shall be deleted after the lapse of six months from the Effective Date or the lapse of three 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 11 Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereafter in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 11 Directors, including 3 Outside Directors is proposed.

To select candidates for Director, discussions were held by a non-statutory Nominating & Compensation Committee in order to ensure fairness and transparency.

The candidates are as follows:

No.		Name	Current position in the Company
1	[New Candidate]	Tatsuo Ikeyama	Senior Managing Executive Officer
2	[Reappointment]	Tsuguhisa Takimoto	Representative Director, Executive Vice President
3	[Reappointment]	Tetsuya Nishiwaki	Director, Senior Managing Executive Officer
4	[Reappointment]	Kouji Hirata	Director, Senior Managing Executive Officer
5	[Reappointment]	Yuuzou Fujita	President and Representative Director, Chief Executive Officer
6	[Reappointment]	Yasuhiko Horiuchi	Representative Director, Executive Vice President
7	[Reappointment]	Asayuki Mizuno	Director, Senior Managing Executive Officer
8	[New Candidate]	Shigemitsu Yamazaki	Senior Managing Executive Officer
9	[Reappointment] [Outside] [Independent]	Atsushi Iizuka	Director
10	[New Candidate] [Outside] [Independent]	Hiroyuki Ukai	—
11	[New Candidate] [Outside] [Independent]	Akiko Yoshimoto	—

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
1	Tatsuo Ikeyama (April 13, 1964) [New Candidate]	<p>April 1987 Joined the Company</p> <p>June 2013 Executive Officer and General Manager of Sales Division and Manager of Construction Group of Mie Branch</p> <p>July 2013 Executive Officer and General Manager of Air Conditioning & Plumbing Administration Division of Business Promotion Department</p> <p>July 2016 Executive Officer and General Manager of Air Conditioning & Plumbing Administration Division of Air Conditioning & Plumbing Department</p> <p>April 2018 Executive Officer and General Manager of Mie Branch</p> <p>April 2021 Senior Managing Executive Officer and Supervisory Manager of Information Systems Division and Information & Communication Administration Division</p> <p>April 2022 Senior Managing Executive Officer, Supervisory Manager of Research & Development Division and Information Systems Division and Information & Communication Administration Division (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Tatsuo Ikeyama is well versed in the overall construction, having been engaged in the operations of the air conditioning & plumbing sector over many years. After having served as General Manager of Air Conditioning & Plumbing Administration Division and General Manager of Mie Branch, at present, as Senior Managing Executive Officer in charge of Research & Development Division and information & communication sector, he works to expand the Company's business and strengthen its business foundation. Based on these experiences and results, the Company has judged that Mr. Ikeyama is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will execute his duties appropriately as a Director.</p>	1,305

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
2	Tsuguhisa Takimoto (December 11, 1962) [Reappointment]	<p>April 1986 Joined the Company</p> <p>June 2013 Advisor and Deputy General Manager of Underground Cable Division of Distribution Department</p> <p>June 2014 Executive Officer and General Manager of Shizuoka Branch</p> <p>April 2018 Executive Officer and Deputy General Manager of Tokyo Headquarters</p> <p>April 2020 Senior Managing Executive Officer and General Manager of Tokyo Headquarters of the Company</p> <p>June 2020 Director, Senior Managing Executive Officer and General Manager of Tokyo Headquarters</p> <p>April 2022 Representative Director and Executive Vice President, assisting President in general business management, Supervisory Manager of Corporate Planning Division, Finance & Accounting Division, and Purchasing Division (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Tsuguhisa Takimoto is well versed in the overall underground cable construction, having been engaged in the operations of the underground cable sector over many years. He has served as General Manager of Shizuoka Branch and as General Manager of Tokyo Headquarters and has actively worked to enhance management efficiency and increase orders. At present, as a Representative Director, he assertively promotes various policies based on the medium-term management plan while assisting President in general business management, in addition to appropriately supervising decisions on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Takimoto is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	1,783

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
3	Tetsuya Nishiwaki (April 23, 1957) [Reappointment]	<p>April 1980 Joined the Company</p> <p>June 2009 Director and General Manager of Secretarial Office</p> <p>June 2011 Executive Officer, General Manager of Business Promotion Administration Division of Business Promotion Department</p> <p>July 2013 Executive Officer and General Manager of Gifu Branch</p> <p>June 2014 Managing Executive Officer and General Manager of Gifu Branch</p> <p>June 2015 Managing Executive Officer and General Manager of Personnel Division</p> <p>June 2016 Director, Senior Managing Executive Officer, Supervisory Manager of Personnel Division, Legal Affairs Office, General Affairs Division, and Purchasing Division and General Manager of Personnel Division (Name changed from Legal Affairs Office to Legal Affairs Division in July 2016)</p> <p>April 2017 Director, Senior Managing Executive Officer, Supervisory Manager of Personnel Division, Legal Affairs Division, and General Affairs Division and General Manager of Personnel Division</p> <p>April 2018 Director, Senior Managing Executive Officer, Supervisory Manager of Legal Affairs Division, General Affairs Division, and Personnel Division</p> <p>April 2019 Director, Senior Managing Executive Officer, Supervisory Manager of Legal Affairs Division, General Affairs Division, Personnel Division, and Education & Training Center</p> <p>April 2021 Director, Senior Managing Executive Officer, Supervisory Manager of Secretarial Division, Legal Affairs Division, General Affairs Division, Personnel Division, and Education & Training Center (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Tetsuya Nishiwaki has made efforts to enhance the working environment and human resources development, including revising the personnel structure and promoting diversity, in addition to proactively grappling with such initiatives as enhancing cost competitiveness in management and administrative areas such as legal affairs and general affairs, and ensuing a thorough awareness of compliance, as part of efforts to expand the Company's business and strengthen its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Nishiwaki is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	2,622

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
4	Kouji Hirata (January 18, 1959) [Reappointment]	<p>April 1981 Joined the Company</p> <p>July 2010 General Manager of Sales Division of Gifu Branch</p> <p>June 2012 Executive Officer and General Manager of Engineering Administration Division of Business Promotion Department</p> <p>July 2013 Advisor and Deputy General Manager of Electric Construction Administration Division of Business Promotion Department</p> <p>June 2014 Managing Executive Officer, General Manager of Electric Construction Administration Division of Business Promotion Department</p> <p>April 2017 Senior Managing Executive Officer, Supervisory Manager of Overseas Division and General Manager of Business Promotion Department</p> <p>June 2017 Director, Senior Managing Executive Officer, Supervisory Manager of Overseas Division and General Manager of Business Promotion Department</p> <p>April 2018 Director, Senior Managing Executive Officer, Supervisory Manager of International Division and General Manager of Business Promotion Department (current position) (The Overseas Division was reorganized as the International Division in April 2018.)</p> <p>[Reasons for nomination as candidate for Director]</p> <p>Over many years, Mr. Kouji Hirata has engaged in the operations of the indoor electric construction sector, one of the main sectors of the Company. At present, he has supervised the indoor electric construction sector and grappled with enhancing sales capacity and augmenting the construction structure as General Manager of Business Promotion Department, and grapples with various initiatives aimed at stable orders from overseas projects as Supervisory Manager of International Division in his efforts to expand the Company's business and strengthen its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties.</p> <p>Based on these experiences and results, the Company has judged that Mr. Hirata is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	3,100

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
5	Yuuzou Fujita (April 19, 1959) [Reappointment]	<p>June 2008 Energy Business Division, Chubu Electric Power Co.,Inc., seconded to C Energy Co., Inc. President and Representative Director, C Energy Co., Inc.</p> <p>July 2011 General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc.</p> <p>July 2012 General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc. (concurrently served as General Manager of Planning Group from May 2013 to June 2013)</p> <p>July 2014 Executive Officer and General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc.</p> <p>July 2015 Managing Executive Officer and General Manager of Nagoya Branch, Chubu Electric Power Co., Inc.</p> <p>April 2018 Senior Managing Executive Officer and General Manager of Tokyo Headquarters of the Company</p> <p>June 2018 Director, Senior Managing Executive Officer and General Manager of Tokyo Headquarters</p> <p>April 2020 Representative Director and Executive Vice President, assisting President in general business management, Supervisory Manager of Secretarial Division, Research & Development Division, and Information & Communication Administration Division</p> <p>April 2021 President and Representative Director, Chief Executive Officer (current position)</p> <p>[Reasons for nomination as candidate for Director] As General Manager of Tokyo Headquarters, Mr. Yuuzou Fujita worked to increase orders in the Kanto district by enhancing sales capacity, augmenting the construction structure, and securing new sources of revenue. At present, as President and Representative Director, he has led the Company and the Group, assertively promoted various policies based on the medium-term management plan, and made efforts to expand the Company's business and strengthen its business foundation, in addition to appropriately supervising decision on important matters and the execution of other Directors' business duties. Based on these experiences and results, the Company has judged that Mr. Fujita is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	2,510

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
6	Yasuhiko Horiuchi (December 18, 1957) [Reappointment]	<p>April 1981 Joined the Company</p> <p>June 2010 Director and General Manager of Underground Cable Division of Distribution Department</p> <p>June 2011 Executive Officer and General Manager of Underground Cable Division of Distribution Department</p> <p>June 2012 Executive Officer and General Manager of Shizuoka Branch</p> <p>June 2014 Managing Executive Officer, Deputy General Manager of Business Promotion Department and Assistant Supervisory Manager of Overseas Division</p> <p>June 2016 Director, Senior Managing Executive Officer, Deputy General Manager of Business Promotion Department and Assistant Supervisory Manager of Overseas Division</p> <p>July 2016 Director, Senior Managing Executive Officer, General Manager of Air Conditioning & Plumbing Department</p> <p>April 2019 Director, Senior Managing Executive Officer, Supervisory Manager of Energy Business Division, and General Manager of Air Conditioning & Plumbing Department</p> <p>April 2020 Representative Director and Executive Vice President, assisting President in general business management, Supervisory Manager of Energy Business Division, and General Manager of Air Conditioning & Plumbing Department (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Yasuhiko Horiuchi has grappled with enhancing sales capacity and augmenting the construction structure, supervising the air conditioning & plumbing sector as General Manager of the Air Conditioning & Plumbing Department, in addition to working to increase orders in the Kanto district and increase orders from the manufacturing industry by building a structure to maximize synergies with a subsidiary (Asahi Synchrotech Co., Ltd.) in his efforts to expand the Company's business and strengthen its business foundation. Also, as a Representative Director, he assertively promotes various policies based on the medium-term management plan while assisting President in general business management, in addition to appropriately supervising decisions on important matters and the execution of other Directors' business duties.</p> <p>Based on these experiences and results, the Company has judged that Mr. Horiuchi is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	3,028

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
7	Asayuki Mizuno (October 12, 1957) [Reappointment]	<p>April 1980 Joined the Company</p> <p>June 2010 Director and Deputy General Manager of Distribution Administration Division of Distribution Department</p> <p>June 2011 Advisor and Deputy General Manager of Distribution Administration Division of Distribution Department</p> <p>June 2012 Executive Officer and General Manager of Underground Cable Division of Distribution Department</p> <p>June 2014 Managing Executive Officer and General Manager of Nagoya Branch</p> <p>April 2018 Senior Managing Executive Officer, Supervisory Manager of Education & Training Center and Safety & Environment Division and General Manager of Distribution Department</p> <p>June 2018 Director, Senior Managing Executive Officer, Supervisory Manager of Education & Training Center and Safety & Environment Division and General Manager of Distribution Department</p> <p>April 2019 Director, Senior Managing Executive Officer, Supervisory Manager of Safety & Environment Division and General Manager of Distribution Department</p> <p>April 2022 Director, Senior Managing Executive Officer and General Manager of Distribution Department (current position)</p> <p>[Reasons for nomination as candidate for Director]</p> <p>Over many years, Mr. Asayuki Mizuno has engaged in the operations of the distribution sector, one of the main sectors of the Company. At present, he supervises the distribution sector as General Manager of the Distribution Department and grapples with the business efficiency, through which he has contributed to expansion of the Company's business and strengthening of its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties.</p> <p>Based on these experiences and results, the Company has judged that Mr. Mizuno is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p>	3,792

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
8	Shigemitsu Yamazaki (March 25, 1965) [New Candidate]	<p>April 1987 Joined the Company</p> <p>June 2015 Advisor and Deputy General Manager of Corporate Planning Office</p> <p>July 2016 Executive Officer, Deputy General Manager of Corporate Planning Division and Manager of Corporate Management Group</p> <p>April 2017 Executive Officer, General Manager of Electric Construction Administration Division of Business Promotion Department</p> <p>April 2021 Executive Officer and General Manager of Personnel Division</p> <p>April 2022 Senior Managing Executive Officer and General Manager of Tokyo Headquarters of the Company (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Shigemitsu Yamazaki is well versed in the overall construction, having been engaged in the operations of the indoor electric construction sector over many years. He has served as Deputy General Manager of Corporate Planning Division and General Manager of Personnel Division and at present, as General Manager of Tokyo Headquarters, he works to increase orders in the Kanto district and makes efforts to expand the Company's business and strengthen its business foundation. Based on these experiences and results, the Company has judged that Mr. Yamazaki is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will execute his duties appropriately as a Director.</p>	2,536

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
9	<p>Atsushi Iizuka (May 12, 1959) [Reappointment] [Outside] [Independent]</p>	<p>July 2001 Director of General Planning Bureau and General Affairs Bureau, Mie Prefectural Government</p> <p>July 2006 Director for the Agricultural and Forestry Budget, Budget Bureau, Ministry of Finance</p> <p>July 2009 Director, Planning and Administration Division, Financial Bureau, Ministry of Finance</p> <p>December 2012 Deputy Director-General, Japan Economic Bureau, Cabinet Secretariat</p> <p>July 2014 Deputy Director-General, Financial Bureau, Ministry of Finance</p> <p>July 2015 Director-General, Tokai Local Finance Branch Bureau, Ministry of Finance</p> <p>July 2016 First Deputy Commissioner, National Tax Agency</p> <p>July 2017 Director-General, Customs and Tariff Bureau, Ministry of Finance (Retired from Ministry of Finance in July 2018)</p> <p>November 2018 Advisor, Sompo Holdings, Inc.</p> <p>January 2019 Chairman, Sompo Japan Nipponkoa Research Institute Inc. (renamed Sompo Research Institute Inc. in April 2019) (Retired in June 2020)</p> <p>June 2020 Outside Director of the Company (current position) Senior Managing Executive Officer, JAPAN POST HOLDINGS Co., Ltd.</p> <p>June 2021 Representative Executive Officer, Executive Vice President, JAPAN POST HOLDINGS Co., Ltd. (current position)</p> <p>[Significant concurrent position] Representative Executive Officer, Executive Vice President, JAPAN POST HOLDINGS Co., Ltd.</p> <p>[Reasons for nomination as candidate for Outside Director and overview of expected role] Mr. Atsushi Iizuka possesses abundant experience and broad knowledge gained from his diverse background such as long career as an administrative official, providing guidance and advice to the Company's management from an objective and neutral standpoint while carrying out highly effective supervision of the Company's management as a member of the non-statutory Nominating & Compensation Committee and the Parent-Subsidiary Transaction Deliberation Committee.</p> <p>Based on these experiences and knowledge, the Company expects that Mr. Iizuka will continue to appropriately carry out supervisory duties as an Outside Director.</p> <p>[Matters regarding independence] Mr. Iizuka is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that he is reappointed as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Terms of Office as an Outside Director] 2 years at the conclusion of this General Meeting of Shareholders</p>	257

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
10	Hiroyuki Ukai (March 5, 1954) [New Candidate] [Outside] [Independent]	<p>April 2005 Professor, Graduate School of Engineering, Nagoya Institute of Technology</p> <p>April 2007 Concurrently served as Dean of Department of Computer Engineering, Graduate School of Engineering, Nagoya Institute of Technology</p> <p>April 2009 Concurrently served as Dean of Department of Scientific and Engineering Simulation, Graduate School of Engineering, Nagoya Institute of Technology</p> <p>April 2010 Vice-president of Nagoya Institute of Technology and Professor of Graduate School of Engineering, Nagoya Institute of Technology</p> <p>April 2011 Concurrently served as Center Director of Center for Research and Education of Next Generation Vehicle, Nagoya Institute of Technology</p> <p>April 2013 Concurrently served as Center Director of Education Center for International Students, Nagoya Institute of Technology</p> <p>April 2014 President, Nagoya Institute of Technology</p> <p>April 2020 Vice-president and Professor of Faculty of business administration of Aichi Toho University, Toho Gakuen Administration Officer, Toho Gakuen (current position)</p> <p>April 2021 President, Aichi Toho University (current position)</p> <p>June 2021 Auditor, ASTI CORPORATION (current position)</p> <p>[Significant concurrent position] Administration Officer, Toho Gakuen President, Aichi Toho University, Toho Gakuen Auditor, ASTI CORPORATION</p> <p>[Reasons for nomination as candidate for Outside Director and overview of expected role] Mr. Hiroyuki Ukai, as a professor and president of Nagoya Institute of Technology, has been involved in the education of many engineers specializing in control engineering and power system engineering, and is currently appointed president of Aichi Toho University. He possesses abundant experience and broad knowledge gained from his diverse background in school administration. Based on these experiences and knowledge, the Company expects that Mr. Ukai will appropriately carry out supervisory duties as an Outside Director while providing advice to the Company's management from an objective and neutral standpoint.</p> <p>[Matters regarding independence] Mr. Ukai meets the qualifications of an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that he is elected as Director, it is expected that he will newly be an Independent Officer.</p>	0

No.	Name (Date of birth)	Past experience, position and areas of responsibility	Number of shares of the Company held
11	Akiko Yoshimoto (February 4, 1963) [New Candidate] [Outside] [Independent]	<p>April 1985 Joined Ministry of Labor (currently Ministry of Health, Labour and Welfare)</p> <p>July 2013 Vice-Governor, Aichi Prefecture</p> <p>July 2015 Assistant Minister (in charge of Worker's Compensation), Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p>October 2015 Assistant Minister (in charge of Equal Employment, Child and Family, and policy on the Declining Birthrate), Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p>July 2017 Deputy Director-General of Secretariat (in charge of adjustment, planning and public relations), Central Labour Relations Commission, Ministry of Health, Labour and Welfare</p> <p>July 2018 Director-General of Human Resources Development, Ministry of Health, Labour and Welfare</p> <p>July 2019 Director-General of Secretariat of Central Labour Relations Commission, Ministry of Health, Labour and Welfare (Retired from the ministry in October 2021)</p> <p>February 2022 Senior Advisor, Boston Consulting Group (current position)</p> <p>[Significant concurrent position] Senior Advisor, Boston Consulting Group</p> <p>[Reasons for nomination as candidate for Outside Director and overview of expected role] After joining the Ministry of Labor (currently Ministry of Health, Labour and Welfare), Ms. Akiko Yoshimoto has held important positions such as Vice-Governor of Aichi Prefecture, Assistant Minister of the Minister's Secretariat of the Ministry of Health, Labor and Welfare, Director-General of Human Resources Development of the Ministry, and Director-General of Secretariat of the Central Labor Relations Commission of the Ministry. At present, she serves as a Senior Advisor at the Boston Consulting Group. She possesses abundant experience and broad knowledge gained from her diverse career. Based on these experiences and knowledge, the Company expects that Ms. Yoshimoto will appropriately carry out supervisory duties as an Outside Director while providing advice to the Company's management from an objective and neutral standpoint.</p> <p>[Matters regarding independence] Ms. Yoshimoto meets the qualifications of an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that she is elected as Director, it is expected that she will newly be an Independent Officer.</p>	0

(Notes)

1. There are no special interests between each candidate and the Company.
2. The aforementioned numbers of shares held include the number of shares actually held under the Toenec Corporation and Office Shareholding Clubs names.
3. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company that covers damages that may arise due to insured Directors assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If the candidates are appointed as Director, each of them will be insured under the insurance contract, which is to be renewed during their terms of office.
4. Mr. Atsushi Iizuka is a candidate for Non-executive Directors. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company entered into an agreement with Mr. Iizuka to limit his liability for damages. The limit of liability under the agreement shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If Mr. Iizuka is reelected as proposed, the Company intends to extend said agreement with him. Additionally, if Mr. Hiroyuki Ukai and Ms. Akiko Yoshimoto are elected as proposed, the Company intends to enter into a similar agreement to limit their liability for damages.

<Reference> Skill Matrix of Candidates for Directors and Directors who are Audit and Supervisory Committee Members

	Name	Independent/ Outside	Main areas of expertise expected to be demonstrated						
			Corporate Management	Business Promotion/Mar- keting	Technology/ Quality/ DX	Finance & Accounting	Legal Affairs/ Risk Management	Internationality	ESG (Environment/ Society/ Governance)
Candidates for Directors	Yuuzou Fujita		○	○	○				○
	Tsuguhisa Takimoto		○			○	○		○
	Yasuhiko Horiuchi		○		○			○	○
	Atsushi Iizuka	●	○			○	○		
	Hiroyuki Ukai	●	○		○				○
	Akiko Yoshimoto	●	○				○		○
	Tetsuya Nishiwaki		○				○	○	○
	Kouji Hirata		○	○	○			○	
	Asayuki Mizuno		○	○	○				○
	Tatsuo Ikeyama		○	○	○				○
	Shigemitsu Yamazaki		○	○	○				○
Directors who are Audit and Supervisory Committee Members	Kenichi Suzuki		○				○		
	Katsuhiko Sugita	●				○	○		
	Mitsuaki Shibata	●				○	○		
	Masahiko Kimura					○	○		

* The above chart is not an exhaustive list of each person's areas of expertise and experience.

Proposal 4: Determination of Compensation for Granting Restricted Stock to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

The amount of compensation and other benefits for Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company was approved to be no more than ¥400 million per year, including bonuses (of which the annual amount for Outside Directors shall not exceed ¥85 million; excluding the employee salary portion paid to Directors concurrently serving as employees), at the 103rd Annual General Meeting of Shareholders held on June 25, 2021.

On this occasion, the Company proposes to grant compensation in the form of restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) (hereinafter referred to as the “Grantee Directors”), separately from the aforementioned compensation, as part of a review of the executive compensation system with a view to sharing the benefits and risks of stock price fluctuations between the Grantee Directors and shareholders, while increasing motivation further to raise stock prices and increase corporate value.

The compensation paid to the Grantee Directors for the purpose of granting restricted stock shall be monetary claims and the aggregate amount of compensation to be paid shall not exceed ¥60 million per year (excluding the employee salary portion paid to Directors concurrently serving as employees). Details regarding the timing of this payment and allocation to each Grantee Director shall be decided at the Board of Directors.

Although there are currently 10 Directors (including 3 Outside Directors) (excluding Directors who are Audit and Supervisory Committee Members), the number of Directors will be 11 (including 3 Outside Directors) if Proposal 3 “Election of 11 Directors (excluding Directors who are Audit and Supervisory Committee Members)” are approved as proposed originally.

Based on the resolution of the Board of Directors of the Company, the Grantee Directors shall wholly contribute the monetary claim paid under this proposal in the form of property contributed in kind, and shall, in return, receive shares of common stock of the Company that become available through insurance or disposal by the Company where the total number of shares of common stock of the Company becoming available through such issuance or disposal shall not exceed 20,000 per year (provided, however, that in the event of stock split (including gratis allotment of shares of common stock of the Company) or a reverse stock split of shares of common stock of the Company, or any other circumstance necessitating the adjustment to the total number of shares of common stock of the Company issued or disposed of as a restricted stock after the date of adoption of the resolution for approval of this proposal, such a total number of shares shall be adjusted within a reasonable range). The amount per share to be paid shall be determined at the Board of Directors, based on the closing price of shares of common stock of the Company on the Tokyo Stock Exchange on the business day preceding each resolution at the Board of Directors (if no trading is effected on such date, the closing price of the immediately preceding trading day), which should be within the range not particularly advantageous to the Grantee Directors who are to subscribe for the common stock of the Company. In addition, for the purpose of issuing or disposing of the shares of common stock of the Company and contributing the monetary claim paid in the form of property contributed in kind under this proposal, an agreement on the allotment of restricted stock (hereinafter referred to as the “Allotment Agreement”) including the following terms shall be entered into between the Company and each Grantee Director. In addition, the limit of the amount of remuneration in this proposal, the total number of common stocks of the Company to be issued or disposed of, and other conditions for Granting Restricted Stock to the Grantee Directors based on this proposal are decided based on the above-mentioned purposes, the business conditions of the Company, policy on decisions regarding the content of individual remuneration, etc. of the Company's Directors and other various circumstances, and the Company determines that it is appropriate (please refer to the 104th Business Report (pages 38 to 39) for the details of this policy).

In addition, if the proposal for this system is approved at the General Meeting of Shareholders as originally proposed, we plan to introduce a similar Granting Restricted Stock remuneration system for Executive Officers who do not concurrently serve as Directors of the Company.

【Summary of the Allotment Agreement】

(1) Transfer Restriction Period

Grantee Directors shall not transfer, use as a collateral, or otherwise dispose of the shares of common stock of the Company allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) (hereinafter referred to as the “Transfer Restriction”), in the period from the date when they receive such allotment until the time immediately after their resignation or retirement from the posts of officers and employees of the Company or its subsidiaries, which are predetermined by the Board of Directors of the Company (hereinafter referred to as the “Transfer Restriction Period”).

(2) Procedure on the Resignation or Retirement of the Grantee Director

If a Grantee Director resigns or retires from the posts of officers and employees of the Company or its subsidiaries, which are predetermined by the Board of Directors of the Company prior to the expiration of the period predetermined by the Board of Directors of the Company (hereinafter referred to as the "Service Provision Period"), the Company shall automatically acquire the Allotted Shares without compensation, unless such a resignation or retirement is due to justifiable reasons, including the expiration of the term of office or death.

(3) Lifting of the Transfer Restrictions

The Company shall lift the Transfer Restrictions for all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that the Grantee Director continuously remained in the posts of officers and employees of the Company or its subsidiaries, which are predetermined by the Board of Directors of the Company throughout the Service Provision Period. However, the number of the Allotted Shares for which the Transfer Restriction will be lifted and the timing for lifting the Transfer Restriction shall be reasonably adjusted as necessary if (1) the Grantee Director resigns or retires from the posts of officers and employees of the Company or its subsidiaries, which are predetermined by the Board of Directors of the Company, prior to the expiration of the Service Provision Period for justifiable reasons or (2) the Grantee Director resigns or retires from the posts which are predetermined by the Board of Directors of the Company for reasons other than justifiable reasons prior to the expiration of the Transfer Restriction Period, even after the expiration of the Service Provision Period. In addition, the Company shall automatically acquire the Allotted Shares without compensation for which the Transfer Restrictions have not been lifted according to the above upon immediately after the expiration of the Transfer Restriction.

(4) Procedure in the Event of Organizational Restructuring, etc.

Notwithstanding the provisions in (1) above, if matters related to a merger agreement in which the Company is to be the absorbed company, a share exchange agreement or a share transfer plan in which the Company is to become a wholly-owned subsidiary, or other organizational restructuring, etc. are approved by the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company, where such organizational restructuring, etc. does not require approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Company shall, by the resolution of the Board of Directors of the Company, lift the Transfer Restrictions for the number of the Allotted Shares reasonably determined based on the period from the start date of the Transfer Restriction Period to the approval date of the organizational restructuring, etc. prior to the effective date of such organizational restructuring, etc. In such a case, immediately subsequent to the lifting of the Transfer Restrictions, the Company shall automatically acquire the Allotted Shares for which the Transfer Restrictions have not been lifted without compensation.

(5) Other Matters

Other matters concerning the Allotment Agreement shall be decided by the Board of Directors.