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Securities identification code: 1835  
June 6, 2022

To our shareholders:

Tadao Maekawa  
President, Representative Director  
**TOTETSU KOGYO CO., LTD.**  
4th Floor, JR Shinanomachi Building,  
34 Shinanomachi, Shinjuku-ku, Tokyo

## NOTICE OF CONVOCATION OF THE 79th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce that the 79th Ordinary General Meeting of Shareholders of Totetsu Kogyo Co., Ltd. (the “Company”) will be held as follows.

Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

To prevent the spread of the novel coronavirus disease (COVID-19), please consider exercising your voting rights for this General Meeting of Shareholders in writing or via the Internet, etc., in advance if at all possible, and refraining from attending the meeting in person.

### [Exercise of Voting Rights in Writing]

Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and return it to the Company, ensuring that the form reaches us no later than 5:30 p.m., Monday, June 27, 2022 (Japan Standard Time).

### [Exercise of Voting Rights via the Internet, Etc.]

Exercise your voting rights by reading “Exercise of Voting Rights via the internet, Etc.” (Japanese only) on page 5, either through “Smart Exercise” or by accessing the website for exercise of voting rights designated by the Company (<https://soukai.mizuho-tb.co.jp/>), and indicating your votes for or against the proposals, by no later than 5:30 p.m. Monday, June 27, 2022 (Japan Standard Time).

### Meeting Details

- 1. Date and Time:** 10:00 a.m., Tuesday, June 28, 2022 (Japan Standard Time) (Reception will begin at 9:00 a.m.)
- 2. Venue:** Meeting Room, Head Office of the Company  
4th Floor, JR Shinanomachi Building, 34 Shinanomachi, Shinjuku-ku, Tokyo

### 3. Purposes:

#### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 79th Term (from April 1, 2021 to March 31, 2022), as well as the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 79th Term (from April 1, 2021 to March 31, 2022)

#### Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Amendment to the Articles of Incorporation

- Proposal 3:** Election of nine (9) Directors
- Proposal 4:** Election of one (1) Audit & Supervisory Board Member
- Proposal 5:** Election of one (1) substitute Audit & Supervisory Board Member
- Proposal 6:** Introduction of performance-linked and share-based remuneration system for Directors

#### **4. Exercise of Voting Rights, etc.:**

Please refer to “Exercise of Voting Rights, etc.” (Japanese only) on pages 4 and 5.

- For those attending the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival.
- Of the documents that should be submitted along with this Notice of Convocation, as the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements have been published on the website of the Company (<https://www.totetsu.co.jp/ir/meeting.html>), pursuant to the law and the provisions of Article 15 of the Company’s Articles of Incorporation, these have not been included in the documents attached to this Notice of Convocation. Therefore, the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board, in addition to the documents attached to this Notice of Convocation, include the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements published on the Company’s website (prepared in Japanese only).
- Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements and the Consolidated Financial Statements will be posted on the website of the Company.  
Company’s website: <https://www.totetsu.co.jp/ir/meeting.html>

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

With regard to distribution of profits, the Company's basic policy is to continue to offer stable dividends, to maintain internal reserves for enhancing shareholders' equity and capital investment, and to grant dividends proportional to revenue.

Based on this policy and in consideration of the Group's results for the fiscal year, as well as future business development, the Company proposes the year-end dividends for this term and other appropriation of surplus as follows:

#### 1. Matters related to year-end dividends

##### (1) Type of dividend property

Cash

##### (2) Allocation of dividend property and total amount thereof

43 yen per common share of the Company

Total amount of dividends: 1,480,292,802 yen

Accordingly, including the interim dividend (42 yen per share), the annual dividend for the fiscal year is 85 yen per share, which is the same amount as in the previous fiscal year.

##### (3) Effective date of distribution of dividends of surplus

June 29, 2022

#### 2. Matters related to other appropriation of surplus

##### (1) Item of surplus to be increased and amount of increase thereof

General reserve: 3,000,000,000 yen

##### (2) Item of surplus to be decreased and amount of decrease thereof

Retained earnings brought forward: 3,000,000,000 yen

**Proposal 2:** Amendment to the Articles of Incorporation

1. Reasons for the Amendment

The Company proposes the following changes to its Articles of Incorporation given that it will introduce a system for providing informational materials in electronic format for the General Meeting of Shareholders, in accordance with revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) taking effect on September 1, 2022.

- (1) The Company proposes establishment of paragraph (1) of the proposed amendment of Article 15 (Measures for Providing Information in Electronic Format, Etc.), given its obligation to have the Articles of Incorporation state that it will take measures for providing in electronic format information that constitutes the content of reference documents for the General Meeting of Shareholders, etc.
- (2) The Company proposes establishment of paragraph (2) of the proposed amendment of Article 15 (Measures for Providing Information in Electronic Format, Etc.), so that it will be able to set limits within the scope prescribed by Ordinance of the Ministry of Justice with respect to matters stated in documentation delivered to shareholders who have requested delivery of documentation, among matters for which measures are to be taken for providing in electronic format information that constitutes the content of reference documents for the General Meeting of Shareholders, etc.
- (3) The Company proposes deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation given that provisions thereof become unnecessary upon introduction of the system for providing informational materials in electronic format for the General Meeting of Shareholders.
- (4) The Company proposes establishment of supplementary provisions regarding the effect of the aforementioned newly established and deleted provisions. It should be noted that these supplementary provisions will be deleted after a set period of time.

2. Details of the Amendments

The following are the details of the amendments.

(Underline indicates amended portions.)

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 of the General Meeting of Shareholders, Etc.)</u> <u>Article 15.</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;">(New)</p>	<p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p style="text-align: center;">(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 15.</u> <u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
(New)	<p data-bbox="801 203 1059 230"><u>Supplementary Provisions</u></p> <p data-bbox="801 271 1442 327"><u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p data-bbox="801 338 895 365"><u>Article 1.</u></p> <ol data-bbox="817 371 1442 954" style="list-style-type: none"> <li data-bbox="817 371 1442 674">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 15 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></li> <li data-bbox="817 680 1442 815">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></li> <li data-bbox="817 822 1442 954">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></li> </ol>

**Proposal 3:** Election of nine (9) Directors

The terms of office of nine (9) Directors, Naomichi Yagishita, Tadao Maekawa, Hideo Ogashiwa, Hikaru Shimomura, Hiroaki Yasuda, Takashi Suetsuna, Hiroshi Nakayama, Miya Miyama and Takehiro Tamagawa, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests that nine (9) Directors be elected.

As a policy for the nomination of Director candidates, the Company nominates candidates for internal director who are not only well informed about each business but also possess a wealth of experience and expertise in a variety of specialized fields thought important to management of the Company, an excellent personality and insight, and extensive knowledge and experience as well as highly astute discernment as an internal director with a high-level of management skill or in each field. For candidates for outside directors, the Company nominates candidates who can advise the Company on the enhancement of medium to long-term corporate value, oversee management, and fulfill all other roles and duties from a professional and objective standpoint. As an advisory body to the Board of Directors on particularly important corporate governance matters, the Nomination and Remuneration Committee, which is chaired by an independent Outside Director and made up of a majority of independent Outside Directors including the chairperson, shares opinions before the deliberation and approval of a proposal by the Board of Directors in accordance with the above policy.

The candidates for Directors are as follows:

No.	Name	Current position and responsibilities, etc.	Attribute
1	Naomichi Yagishita	Chairman	[Reelection]
2	Tadao Maekawa	President, Representative Director	[Reelection]
3	Hideo Ogashiwa	Managing Director & Executive Officer, Head, Architectural Business Group	[Reelection]
4	Hikaru Shimomura	Managing Director & Executive Officer, Head, Finance & Corporate Planning Group	[Reelection]
5	Hiroaki Yasuda	Director & Executive Officer, Head, Business Administration Group	[Reelection]
6	Takashi Suetsuna	Outside Director	[Reelection] [Outside Director] [Independent Officer]
7	Hiroshi Nakayama	Outside Director	[Reelection] [Outside Director] [Independent Officer]
8	Miya Miyama	Outside Director	[Reelection] [Outside Director] [Independent Officer]
9	Takehiro Tamagawa	Outside Director	[Reelection] [Outside Director]

Reelection: Candidate for reelection as Director

New election: New candidate for election as Director

Outside Director: Candidate for Outside Director

Independent Officer: Independent officer as provided for by a stock exchange, etc.

<Skill Matrix of Director Candidates>

The basic policy of the Company is to have a Board of Directors made up of members with extensive knowledge and experience in each field, excellent personalities and insight, a high-level of management skill, and other such traits.

No.	Name	Corporate management	Business strategy	Finance Accounting	Sustainability ESG	Legal affairs Compliance Risk management	Human resources Human resource development	Safety Quality management	Construction technology	Experience and knowledge relevant to railway operations
1	Naomichi Yagishita	●	●			●	●	●	●	●
2	Tadao Maekawa	●	●		●	●	●	●	●	●
3	Hideo Ogashiwa		●					●	●	●
4	Hikaru Shimomura	●	●	●	●		●			
5	Hiroaki Yasuda		●		●	●				
6	Takashi Suetsuna		●	●	●	●	●			
7	Hiroshi Nakayama	●	●					●		●
8	Miya Miyama				●	●	●			
9	Takehiro Tamagawa						●	●	●	●

Note: The table above is not a comprehensive list of the expertise and experience possessed by each Director candidate.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
1	<p data-bbox="336 696 536 752">Naomichi Yagishita (December 6, 1955)</p> <p data-bbox="376 779 496 808">[Reelection]</p> <p data-bbox="320 835 552 913">Attendance at Board of Directors meetings: 16/16</p>	<p data-bbox="611 248 1238 277">Apr. 1979      Joined Japanese National Railways</p> <p data-bbox="611 277 1238 356">Apr. 1987      Joined East Japan Railway Company Chief of Ofuna Track Section, Tokyo Transport Headquarters, East Japan Railway Company</p> <p data-bbox="611 356 1238 434">Apr. 1991      Manager of Personnel Section, General Affairs Division, Morioka Branch Office, East Japan Railway Company</p> <p data-bbox="611 434 1238 512">Dec. 1993      Senior Manager of Management Administration Department, Corporate Planning Headquarters, East Japan Railway Company</p> <p data-bbox="611 512 1238 591">Feb. 1996      Deputy General Manager of Engineering Division, Niigata Branch Office, East Japan Railway Company</p> <p data-bbox="611 591 1238 714">Jan. 2003      Manager of Planning &amp; Environment Preservation Division, Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p data-bbox="611 714 1238 792">Apr. 2003      Deputy General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p data-bbox="611 792 1238 871">June 2007      General Manager of Transport Safety Department, Railway Operations Headquarters, East Japan Railway Company</p> <p data-bbox="611 871 1238 949">June 2008      Director and General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p data-bbox="611 949 1238 1028">June 2010      Director of the Company (retired in June 2010) Executive Director, Deputy Director General of Railway Operations Headquarters, East Japan Railway Company</p> <p data-bbox="611 1028 1238 1106">June 2012      Executive Director and Director General of Railway Operations Headquarters, East Japan Railway Company</p> <p data-bbox="611 1106 1238 1184">June 2014      Executive Vice President and Representative Director, East Japan Railway Company (retired in June 2016)</p> <p data-bbox="611 1184 1238 1263">June 2016      Joined the Company President, Representative Director</p> <p data-bbox="611 1263 1238 1341">June 2021      Chairman of the Board of Directors (present position)</p>	13,100
<p data-bbox="276 1373 786 1402"><b>Reasons for nomination as candidate for Director</b></p> <p data-bbox="276 1406 1441 1570">Naomichi Yagishita has extensive experience and insight in the railway construction business in general, and as a company manager, due to his tenure as Director and Vice President of East Japan Railway Company and as President and Representative Director of the Company. He is currently serving in the position of Chairman of the Board of Directors and is properly executing his duties, such as promoting constructive and open debate as the chair of the Board of Directors of the Company. As he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>			



No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
2	<p>Tadao Maekawa (December 6, 1955)</p> <p>[Reelection]</p> <p>Attendance at Board of Directors meetings: 12/12 (since assuming the office on June 24, 2021)</p>	<p>Apr. 1981    Joined Japanese National Railways</p> <p>Apr. 1987    Joined East Japan Railway Company</p> <p>July 2005    General Manager of Facilities Department, Tokyo Branch Office, East Japan Railway Company</p> <p>June 2007    Deputy General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2008    General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2009    General Manager of Public Relations Department, East Japan Railway Company</p> <p>June 2012    Executive Officer, General Manager of Administration Department, East Japan Railway Company</p> <p>June 2015    Senior Executive Officer, Deputy Director General of Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2016    Executive Director, General Manager of Tokyo Branch Office, East Japan Railway Company</p> <p>June 2019    Executive Vice President and Representative Director, Director General of Railway Operations Headquarters, East Japan Railway Company (retired in June 2021)</p> <p>June 2021    Joined the Company President, Representative Director (present position)</p>	11,100
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Tadao Maekawa has extensive experience and insight in the railway construction business in general, due to his tenure as Executive Director, General Manager of Tokyo Branch Office of East Japan Railway Company Railway Operations Headquarters, East Japan Railway Company, and as Executive Vice President and Representative Director, Director General of Railway Operations Headquarters of said company. He has been President and Representative Director of the Company, and as the Company believes he is indispensable and well qualified for the further improvement of the corporate value of the Company, such as his leadership across all operations based on his extensive experience and insight, he has been nominated as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
3	Hideo Ogashiwa (January 30, 1954)  [Reelection]  Attendance at Board of Directors meetings: 16/16	Apr. 1972	Joined the Company	10,000
		July 2003	Project General Manager, Architecture Department, Takasaki Branch	
		Jan. 2005	Project General Manager, Construction Department, Tokyo Branch (Architectural Business)	
		Apr. 2006	Project General Manager, Architecture Department, Tokyo Branch (Architectural Business)	
		July 2007	General Manager, Architecture Department, Saitama Branch	
		June 2011	General Manager, Architectural Planning Department, Architectural Business Group	
		June 2013	Executive Officer, Deputy Head, Architectural Business Group and General Manager, Architectural Planning Department	
		June 2017	Director & Executive Officer, Head, Architectural Business Group, in charge of Environmental Business Group	
4	Hikaru Shimomura (November 5, 1960)  [Reelection]  Attendance at Board of Directors meetings: 16/16	Apr. 1985	Joined The Fuji Bank, Limited	6,000
		Apr. 2002	Senior Manager, Business Planning Department, Mizuho Corporate Bank, Ltd.	
Apr. 2010	General Manager, Corporate Banking Division No. 2, Mizuho Corporate Bank, Ltd.			
Apr. 2012	Executive Officer General Manager, Corporate Banking Division No. 2, Mizuho Corporate Bank, Ltd.			
July 2013	Executive Officer, General Manager, Corporate Banking Division No. 2, Mizuho Bank, Ltd.			
Apr. 2014	Managing Executive Officer, in charge of Corporate Banking, Mizuho Bank, Ltd.			
Apr. 2017	Managing Executive Officer, Joint Head of Business Banking Division, Mizuho Securities Co., Ltd. (retired in March 2019)			
Apr. 2019	Joined the Company Managing Executive Officer, Deputy Head, Finance & Corporate Planning Group			
June 2019	Managing Director & Executive Officer, Head, Finance & Corporate Planning Group (present position)			
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Hideo Ogashiwa has extensive experience and insight in the construction business in general, due to his tenure as General Manager, Architecture Department, Saitama Branch, General Manager, Architectural Planning Department, Architectural Business Group, and Executive Officer, Deputy Head, Architectural Business Group. He is currently serving in the position of Managing Director, Executive Officer, and Head of the Architectural Business Group, and is fulfilling his duties based on his operational experience in architectural divisions over his many years of service since joining the Company. As he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>				
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Hikaru Shimomura has extensive experience and insight in overall finance and corporate management, due to his tenure as Managing Executive Officer of Mizuho Bank, Ltd., Managing Executive Officer of Mizuho Securities Co., Ltd., and Managing Executive Officer and Deputy Head of the Finance &amp; Corporate Planning Group of the Company. He is currently serving in the position of Managing Director &amp; Executive Officer and Head of the Finance &amp; Corporate Planning Group, and is fulfilling his duties based on his operational experience at financial institutions and in the corporate planning division of the Company. As the Company believes he is indispensable and well qualified for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
5	<p style="text-align: center;">Hiroaki Yasuda (March 31, 1960)</p> <p style="text-align: center;">[Reelection]</p> <p style="text-align: center;">Attendance at Board of Directors meetings: 12/12 (since assuming the office on June 24, 2021)</p>	<p>Apr. 1982      Joined the Company</p> <p>Oct. 2002      Manager, Planning Section, Planning Department</p> <p>June 2003      Deputy General Manager, Corporate Management Office of the Company</p> <p>Jan. 2006      Deputy General Manager, Corporate Planning Department, Finance &amp; Corporate Planning Group</p> <p>June 2006      General Manager of Public Relations &amp; Investor Relations Office, Corporate Planning Department, Finance &amp; Corporate Planning Group</p> <p>Apr. 2009      General Manager of Public Relations &amp; Investor Relations Department, Finance &amp; Corporate Planning Group</p> <p>July 2013      General Manager, General Affairs Department, Business Administration Group</p> <p>June 2017      Executive Officer, General Manager, General Affairs Department, Business Administration Group</p> <p>June 2019      Executive Officer, Deputy Head, Architectural Business Group and General Manager, Architectural Marketing Department</p> <p>June 2021      Director &amp; Executive Officer, Head, Business Administration Group (present position)</p>	10,500
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Hiroaki Yasuda has extensive experience and insight in the construction business in general, due to his tenure as General Manager of Public Relations &amp; Investor Relations Department, Finance &amp; Corporate Planning Group, Executive Officer and General Manager of the General Affairs Department under the Business Administration Group, and Executive Officer and Deputy Head, of the Architectural Business Group, etc. He is currently serving in the position of Director, Executive Officer, and Head of the Business Administration Group, and is fulfilling his duties based on his operational experience in administration divisions over his many years of service since joining the Company. As he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
6	<p>Takashi Suetsuna (March 8, 1949)</p> <p>[Reelection]</p> <p>[Outside Director]</p> <p>[Independent Officer]</p> <p>Attendance at Board of Directors meetings: 15/16</p>	<p>Apr. 1974      Joined National Police Agency</p> <p>Feb. 1994      Chief of the Kochi Prefectural Police Headquarters</p> <p>Sept. 1997      Director, Finance Division of Commissioner General's Secretariat, National Police Agency</p> <p>Sept. 2001      Chief Inspector General of Commissioner General's Secretariat, National Police Agency</p> <p>Aug. 2002      Chief of the Kanagawa Prefectural Police Headquarters</p> <p>Aug. 2004      Deputy Superintendent General, Tokyo Metropolitan Police Department</p> <p>Sept. 2005      Chief Chamberlain of the Board of the Crown Prince's Household, Imperial Household Agency</p> <p>Apr. 2009      Ambassador Extraordinary and Plenipotentiary of Japan to Grand Duchy of Luxembourg (retired in June 2012)</p> <p>June 2015      Outside Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Outside Director, JCR Pharmaceuticals Co., Ltd.</p> <p>Outside Audit &amp; Supervisory Board Member, Kandenko Co., Ltd.</p> <p>Outside Statutory Auditor, Keikyu Corporation</p> <p>Outside Statutory Auditor, Aioi Nissay Dowa Insurance Co., Ltd. (scheduled to retire on June 24, 2022)</p>	-
<p><b>Reasons for nomination as candidate for Outside Director and summary of expected roles</b></p> <p>Takashi Suetsuna has extensive experience and insight in the government sector. Currently, the Board of Directors is receiving beneficial proposals and advice on the management of the Company, and therefore he has been nominated as a candidate to continue serving as an Outside Director. If he is appointed, it is expected that he will use his experience and insight to give beneficial and active proposals and advice on corporate governance, risk management, business strategies, ESG management initiatives, etc., from a specialist perspective. The Company plans to have Takashi Suetsuna use his independent and objective standpoint in core management, appointments and dismissals of Directors, decisions on remuneration, and other matters as chair of the Nomination and Remuneration Committee. It should be noted that he has abundant experience as Outside Director and Outside Audit &amp; Supervisory Board Member of other companies, and despite not having practical managerial experience at a private enterprise, the Company has determined that he will be able to appropriately perform his duties as Outside Director due to the reasons described above.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
7	<p>Hiroshi Nakayama (December 15, 1953)</p> <p>[Reelection]</p> <p>[Outside Director]</p> <p>[Independent Officer]</p> <p>Attendance at Board of Directors meetings: 16/16</p>	<p>Apr. 1977      Joined Hitachi Ltd.</p> <p>Sept. 2003    Deputy General Manager of Hitachi Works Power &amp; Industrial Systems Group, Hitachi Ltd.</p> <p>Apr. 2008      General Manager at Kasado Works at Industrial Systems Group, Hitachi Ltd.</p> <p>Apr. 2011      Chief Executive Officer and President of Transport Systems Company, Hitachi Ltd.</p> <p>Apr. 2012      Chief Executive Officer and President of Transport Systems Company, Infrastructure Systems Group, Hitachi Ltd.</p> <p>Apr. 2014      Vice President and Executive Officer, Head of MONOZUKURI &amp; Quality Assurance, Hitachi Ltd.</p> <p>Apr. 2016      Vice President and Executive Officer, Head of MONOZUKURI &amp; Quality Assurance and Head of MONOZUKURI Strategy Division, Hitachi Ltd.</p> <p>Apr. 2017      Advisor, Hitachi Power Solutions Co., Ltd.</p> <p>Apr. 2019      Special Advisor, Hitachi Power Solutions Co., Ltd.</p> <p>June 2019     Outside Director of the Company (present position)</p> <p>Apr. 2020      Senior Advisor, Hitachi Power Solutions Co., Ltd.</p> <p>Apr. 2021      Advisor, Corporate Quality Assurance Group, Corporate Quality Assurance Division, Hitachi, Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Advisor, Corporate Quality Assurance Group, Corporate Quality Assurance Division, Hitachi, Ltd.</p>	—
<p><b>Reasons for nomination as candidate for Outside Director and summary of expected roles</b></p> <p>Hiroshi Nakayama has extensive experience and insight as a company manager, due to his tenure as Chief Executive Officer and President of Transport Systems Company, Infrastructure Systems Group, Hitachi Ltd. and as Vice President and Executive Officer, Head of MONOZUKURI &amp; Quality Assurance and as Head of MONOZUKURI Strategy Division, Hitachi Ltd. Currently, the Board of Directors is receiving beneficial proposals and advice on the management of the Company, and therefore he has been nominated as a candidate to continue serving as an Outside Director. In addition, if he is appointed, it is expected that he will continue to use his experience and insight to give beneficial and active proposals and advice on corporate management, technical development and productivity improvement, quality improvement, and business strategy, etc., in particular, from a specialist perspective. The Company plans to have Hiroshi Nakayama use his independent and objective standpoint in core management, appointment and dismissal of Directors, decisions on remuneration, and other matters as a member of the Nomination and Remuneration Committee.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
8	<p>Miya Miyama (June 13, 1972)</p> <p>[Reelection]</p> <p>[Outside Director]</p> <p>[Independent Officer]</p> <p>Attendance at Board of Directors meetings: 12/12 (since assuming the office on June 24, 2021)</p>	<p>Oct. 2002 Appointed Public Prosecutor (Public Prosecutor, Tokyo District Public Prosecutors Office)</p> <p>July 2013 Head, Compliance department, The Innovation Network Corporation of Japan</p> <p>July 2016 Retired from Public Prosecutor</p> <p>July 2016 Registered as an attorney at law of Japan Federation of Bar Associations (a member of Dai-Ichi Tokyo Bar Association)</p> <p>CITY-YUWA PARTNERS (present position)</p> <p>Apr. 2018 Permanent Member, Dai-Ichi Tokyo Bar Association</p> <p>Apr. 2020 Vice Chair, Gender Equality Committee of Kanto Federation of Bar Associations</p> <p>June 2020 Auditor, Japan International Cooperation System (present position)</p> <p>June 2021 Outside Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Attorney, CITY-YUWA PARTNERS Outside Audit &amp; Supervisory Board Member, Renesas Electronics Corporation</p>	-
<p><b>Reasons for nomination as candidate for Outside Director and summary of expected roles</b></p> <p>Miya Miyama, having worked as a public prosecutor at Tokyo District Public Prosecutors Office, etc. is currently active as an attorney, and has a wealth of experience and insight in the legal field. Currently, the Board of Directors is receiving beneficial proposals and advice on the management of the Company, and therefore she has been nominated as a candidate to continue serving as an Outside Director. If she is appointed, it is expected that she will use her experience and insight to give beneficial and active proposals and advice on corporate governance, risk management, compliance, etc., in particular, not only from a specialist perspective, but also on diversity management and the active participation of women, etc. from a perspective as a female director. The Company plans to have Miya Miyama use her independent and objective standpoint in core management, appointments and dismissals of Directors, decisions on remuneration, and other matters as a member of the Nomination and Remuneration Committee. It should be noted that despite not having practical managerial experience at a private enterprise, the Company has determined that she will be able to appropriately perform her duties as Outside Director due to the reasons described above.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
9	Takehiro Tamagawa (July 30, 1968)  [Reelection]  [Outside Director]  Attendance at Board of Directors meetings: 12/12 (since assuming the office on June 24, 2021)	<p>Apr. 1992      Joined East Japan Railway Company</p> <p>Oct. 2005      General Manager of Odawara Track Maintenance Center, Yokohama Branch Office, East Japan Railway Company</p> <p>June 2007      Manager of Track Maintenance Division, Facilities Department, Yokohama Branch Office, East Japan Railway Company</p> <p>May 2008      Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p>July 2011      Manager of General Affairs Department, Chiba Branch Office, East Japan Railway Company</p> <p>June 2014      General Manager of Facilities Division, Omiya Branch Office, East Japan Railway Company</p> <p>June 2016      Deputy General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2017      General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2021      Executive Officer and General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company (present position)</p> <p>June 2021      Outside Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Executive Officer and General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company Director (part-time), JR EAST MECHATRONICS CO., LTD.</p>	—
<p><b>Reasons for nomination as candidate for Outside Director and summary of expected roles</b></p> <p>Takehiro Tamagawa has extensive experience and insight at East Japan Railway Company. Currently, the Board of Directors is receiving beneficial proposals and advice on the management of the Company, and therefore he has been nominated as a candidate to continue serving as an Outside Director. In addition, if he is appointed, it is expected that he will continue to use his experience and insight to give beneficial and active proposals and advice on the railway and construction business in general, as well as on safety, which is a priority management issue, and quality improvement, etc., in particular, from a specialist perspective.</p>			

- Notes:
1. Candidates for Director Takashi Suetsuna, Hiroshi Nakayama, Miya Miyama and Takehiro Tamagawa are candidates for Outside Director.
  2. Candidates for Director Takashi Suetsuna, Hiroshi Nakayama, Miya Miyama and Takehiro Tamagawa are currently Outside Directors of the Company, and their respective tenures as Outside Directors will have been seven (7) years for Takashi Suetsuna, three (3) years for Hiroshi Nakayama, one (1) year for Miya Miyama and one (1) year for Takehiro Tamagawa upon the conclusion of this Ordinary General Meeting of Shareholders.
  3. Based on the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into liability limitation agreements with candidates for Director Takashi Suetsuna, Hiroshi Nakayama, Miya Miyama and Takehiro Tamagawa that limit the maximum amount of liability provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability in accordance with the agreements shall be the minimum liability amount stipulated by laws and regulations. If the reelection of Takashi Suetsuna, Hiroshi Nakayama, Miya Miyama and Takehiro Tamagawa is approved, the Company plans to continue such agreements with them.
  4. The Company has executed an officer, etc., liability insurance agreement with an insurance company as prescribed in Article 430-3 Paragraph 1 of the Companies Act, and the legal damages and dispute expenses borne by covered directors will be covered by this insurance agreement. If the reelection of each candidate is approved, they will continue to be included in the parties covered by said insurance agreement. In addition, at the time of the next renewal, it is planned to renew the insurance agreement with the same terms.
  5. Candidates for Director Takashi Suetsuna, Hiroshi Nakayama, and Miya Miyama satisfy the requirements for an Independent Officer as provided for by the Tokyo Stock Exchange, and the Company has provided notice to the aforementioned exchange concerning their appointments as Independent Officers. If the reelection of Takashi Suetsuna, Hiroshi Nakayama and Miya Miyama is approved, the Company plans for their appointments as Independent Officers to continue.
  6. Candidate for Director Takehiro Tamagawa concurrently serves in the position of Executive Officer and General Manager of Facilities Department at the Railway Operations Headquarters of East Japan Railway Company. East Japan Railway Company is a major shareholder and specified related business operator of the Company. He also concurrently serves as a Director (part-time) of JR East Mechatronics Co., Ltd. The Company does have a trading relationship with JR East

Mechatronics Co., Ltd. in architecture and other businesses, but the ratio of these annual transaction amounts against consolidated sales in each of the five past fiscal years has been on average less than 0.1%.  
(There is no special interest between any of the other candidates for Directors and the Company.)

7. Candidate for Director Takehiro Tamagawa received salary and other compensation for the last two years and is expected to continue to receive salary and other compensation from East Japan Railway Company, which is specified related business operator of the Company.



**Proposal 4:** Election of one (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Gan Matsui will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests that one (1) Audit & Supervisory Board Member be elected.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
<p>Gan Matsui (December 13, 1953)</p> <p>[Reelection]</p> <p>[Outside Director]</p> <p>[Independent Officer]</p> <p>Attendance at Board of Directors meetings: 15/16</p> <p>Attendance at Audit &amp; Supervisory Board meetings: 14/14</p>	<p>Apr. 1980 Appointed Public Prosecutor (Public Prosecutor, Tokyo District Public Prosecutors Office)</p> <p>Apr. 1990 Public Prosecutor, Tokyo District Public Prosecutors Office (Special Investigation Department)</p> <p>Jan. 2005 Director-General, Special Trial, Tokyo District Public Prosecutors Office</p> <p>Oct. 2010 Deputy Chief Prosecutor, Osaka High District Public Prosecutors Office</p> <p>June 2012 Director, Criminal Affairs Department, Supreme Public Prosecutors Office</p> <p>Jan. 2014 Chief Prosecutor, Yokohama District Public Prosecutors Office</p> <p>Jan. 2015 Superintending Prosecutor, Fukuoka High District Public Prosecutors Office</p> <p>Sept. 2016 Resigned Public Prosecutor</p> <p>Nov. 2016 Registered as an attorney at law of Japan Federation of Bar Associations (a member of Tokyo Bar Association) Yaesu Sogo Law Office (present position)</p> <p>June 2018 Outside Audit &amp; Supervisory Board Member of the Company (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Attorney at law, Yaesu Sogo Law Office</p> <p>Outside Director (Audit and Supervisory Committee Member), Dentsu Group Inc.</p> <p>Outside Director (Audit and Supervisory Committee Member), GLOBERIDE, Inc.</p> <p>Outside Audit &amp; Supervisory Board Member, Orient Corporation</p> <p>External Audit &amp; Supervisory Board Member, NAGASE &amp; CO., LTD.</p>	<p>—</p>
<p><b>Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member</b></p> <p>After a career including positions such as Director of the Criminal Affairs Department at the Supreme Public Prosecutors Office, and Superintending Prosecutor at the Fukuoka High District Public Prosecutors Office, Gan Matsui has been active as an attorney at law and possesses extensive experience and insight into the law. Despite not having practical managerial experience at a private enterprise, the Company has determined that he will be able to appropriately perform his duties as an Outside Audit &amp; Supervisory Board Member due to the reasons described above, and has decided to nominate him as a candidate to continue as Outside Audit &amp; Supervisory Board Member.</p>		

- Notes:
1. There is no special interest between the candidate for Audit & Supervisory Board Member Gan Matsui and the Company.
  2. Candidate for Audit & Supervisory Board Member Gan Matsui is a candidate for Outside Audit & Supervisory Board Member.
  3. Candidate for Audit & Supervisory Board Member Gan Matsui is currently an Outside Audit & Supervisory Board Member of the Company, and his tenure as an Outside Audit & Supervisory Board Member will have been four (4) years upon the conclusion of this Ordinary General Meeting of Shareholders.
  4. Based on the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered a liability limitation agreement with candidate for Audit & Supervisory Board Member Gan Matsui that limits the maximum amount of liability provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability in accordance with the agreement shall be the minimum liability amount stipulated by laws and regulations. If the reelection of Gan Matsui is approved, the Company plans to continue said agreement with him.
  5. The Company has executed an officer, etc., liability insurance agreement with an insurance company as prescribed in Article 430-3 Paragraph 1 of the Companies Act, and the legal damages and dispute expenses borne by covered Audit & Supervisory Board Members will be covered by this insurance agreement. If the reelection of candidate Audit & Supervisory Board Member Gan Matsui is approved, he will continue to be included in the parties covered by said insurance agreement. In addition, at the time of the next renewal, it is planned to renew the insurance agreement with the same terms.
  6. Candidate for Audit & Supervisory Board Member Gan Matsui satisfies the requirements for an Independent Officer as provided for by the Tokyo Stock Exchange, and the Company has provided notice to the aforementioned exchange

concerning his appointment as Independent Officer. If the reelection of Gan Matsui is approved, the Company plans for his appointment as an Independent Officer to continue.

**Proposal 5:** Election of one (1) substitute Audit & Supervisory Board Member

The Company requests approval for one (1) substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary	Number of the Company's shares owned
Hiroshi Yamaguchi (August 28, 1957)  [New election]  [Outside Director]  [Independent Officer]	Apr. 1981	Joined The Sanwa Bank, Limited
	Feb. 2002	General Manager, Kanda Corporate Banking Division No. 2, UFJ Bank Limited
	Nov. 2007	General Manager, Chikko Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
	Feb. 2010	Seconded to Kotsu Transport Construction & Engineering Corporation General Manager in charge of Accounting Department, Management Division
	Jan. 2011	Retired from The Bank of Tokyo-Mitsubishi UFJ, Ltd.
	Feb. 2011	Joined Kotsu Transport Construction & Engineering Corporation General Manager in charge of Accounting Department, Management Division
	June 2011	Director and General Manager, Accounting Department, Management Division, Kotsu Transport Construction & Engineering Corporation
	June 2012	Director and General Manager of Accounting Department, Kotsu Transport Construction & Engineering Corporation
June 2020	Full-Time Audit & Supervisory Board Member, Kotsu Transport Construction & Engineering Corporation (present position)	
	[Significant concurrent positions outside the Company] Full-Time Audit & Supervisory Board Member, Kotsu Transport Construction & Engineering Corporation	-

**Reasons for nomination as candidate for substitute Outside Audit & Supervisory Board Member**

Hiroshi Yamaguchi has extensive experience and insight at financial institutions. He has had a career serving in positions such as Director and General Manager of the Accounting Department as well as Full-Time Audit & Supervisory Board Member of Kotsu Transport Construction & Engineering Corporation. As he also has considerable knowledge in finance and accounting, it has been determined that he is able to perform the duties of Audit & Supervisory Board Member, and has therefore been nominated to serve as a substitute Outside Audit & Supervisory Board Member.

- Notes:
1. There is no special interest between the candidate for substitute Audit & Supervisory Board Member Hiroshi Yamaguchi and the Company.
  2. Candidate for substitute Audit & Supervisory Board Member Hiroshi Yamaguchi is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. If candidate for substitute Audit & Supervisory Board Member Hiroshi Yamaguchi is appointed an Audit & Supervisory Board Member, the Company plans to enter a liability limitation agreement with him that limits the maximum amount of liability provided in Article 423, Paragraph 1 of the Companies Act, based on the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability in accordance with the agreements shall be the minimum liability amount stipulated by laws and regulations.
  4. The Company has executed an officer, etc., liability insurance agreement with an insurance company as prescribed in Article 430-3 Paragraph 1 of the Companies Act, and the legal damages and dispute expenses borne by covered Audit & Supervisory Board Members will be covered by this insurance agreement. If candidate for substitute Audit & Supervisory Board Member Hiroshi Yamaguchi is appointed an Audit & Supervisory Board Member, he will be included in the parties covered by this insurance agreement. In addition, at the time of the next renewal, it is planned to renew the insurance agreement with the same terms.
  5. Candidate for substitute Audit & Supervisory Board Member Hiroshi Yamaguchi satisfies the requirements for an Independent Officer as provided for by the Tokyo Stock Exchange, and the Company plans to provide notice to the aforementioned exchange concerning his appointment as an Independent Officer if he is appointed as an Audit & Supervisory Board Member. It should be noted that the Company has a trading relationship with Kotsu Transport Construction & Engineering Corporation, which is a company where Hiroshi Yamaguchi serves as an Audit & Supervisory Board Member; said trading relationship includes the crushed stone recycling business that arises in conjunction with the acceptance and processing of concrete debris, etc. However, the ratio of these annual transaction amounts against

consolidated sales in each of the five past fiscal years has been on average less than 0.1%, and the Company has determined that this will cause no impact on the independence of Mr. Yamaguchi.

**Proposal 6:** Introduction of performance-linked and share-based remuneration system for Directors

1. Reasons and purpose for the proposal

The Company requests the approval of this proposal for the introduction of a Board Benefit Trust (BBT; hereinafter referred to as the “Plan”) as a new performance-linked and share-based remuneration system for Directors of the Company (excluding outside directors; applicable to the rest of this proposal unless otherwise indicated) and executive officers (hereinafter referred to as “Directors, etc.”).

This proposal better clarifies the link between the remuneration of Directors, etc. and the performance and stock value of the Company so that Directors, etc. not only share benefits of the rising stock value but also the risks of falling stock prices with shareholders for the purpose of further increasing the consciousness of the contributions made to improve medium and long-term business performance and enhance corporate value. The Company judges this proposal appropriate because it is in line with the policy described below for determining matters such as the remuneration of individual Directors.

As compensation separate from the maximum remuneration for Directors approved at the 63rd Annual Ordinary General Meeting of Shareholders held on June 29, 2006 (not exceeding 300 million yen per annum; not including the portion of employee salary), this proposal also requests the approval of the specific calculation method to determine the amount of remuneration, etc. and the specific details for rendering payment to Directors of the Company under this Plan. It should be noted that the Company also asks that all the details of the System in 2. Framework of the Plan be left up to the Board of Directors within the descriptions in Section 2 below.

Five (5) Directors will be eligible for the Plan if Proposal No. 3 is approved and adopted as per the original text.

2. Specific Calculation Method and Details About the Amount of Remuneration, etc. Related to the Plan

(1) Outline of the Plan

The Plan is a performance-linked and share-based remuneration system under which money contributed by the Company is used as funds to acquire Company shares through a trust (hereinafter the trust set up under the Plan is referred to as the “Trust”), and the Company shares and cash equivalent to the market price of the Company shares (hereinafter referred to as the “Company Shares, etc.”) are provided to Directors, etc. through the trust in accordance with the Regulations on Share-based Remuneration for Officers stipulated by the Company. It should be noted that the Directors, etc. will receive benefits of the Company Shares, etc. upon the date of their retirement from office as a general rule.

(2) Persons eligible for the Plan

Directors (excluding Outside Directors and Audit & Supervisory Board Members) and Executive Officers

(3) Trust period

The trust period is from August 2022 (planned) until the termination of the Trust. (Regarding the trust period of the Trust, the date of termination of the Trust shall not be specified and the Trust will continue as long as the Plan is not terminated. The Plan shall terminate upon the delisting of the Company’s shares or abolition of the Share Delivery Regulations for Officers, or in certain other cases.)

(4) Trust amount

Subject to the approval for the introduction of the Plan, the Company will introduce the Plan for the three fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 (hereinafter the period of the three business years concerned is referred to as the “Initial Applicable Period” and the Initial Application Period and each three-business year period that begins after the Initial Application Period has elapsed are referred to as the “Applicable Period” respectively), as well as each Applicable Period thereafter, and contribute money as described below to the Trust as the funds for the Trust to acquire the Company shares for the purpose of providing the Company Shares, etc. to Directors, etc.

First, the Company will contribute money as the necessary funds forecast for the Initial Applicable Period upon establishing the Trust (August 2022 [Planned]). As described in (6) below, the maximum number of points given to Directors, etc. under the Plan shall not exceed 51,000 points in any fiscal year. Therefore, the Company will contribute the rational funds projected as necessary to acquire up to 153,000 shares upon

establishing the trust, taking into account the most recent closing price of trading for common Company stock on the Tokyo Stock Exchange. It should be noted for reference that the necessary funds above to acquire Company shares at the 2,163 yen closing price for May 12, 2022 are approximately 331 million yen.

Even after the Initial Applicable Period ends, the Company shall continue to contribute to the Trust the additional funds necessary to antecedently acquire a rational number of Company shares needed to provide the benefits to Directors, etc. under the Plan until the termination of the Plan. However, in the case where such additional contributions are made when Company shares (excluding the Company shares equivalent to the number of points that have been granted to Directors, etc. in relation to any preceding Applicable Period and that have yet to be distributed to the Directors, etc.) and money (hereinafter referred to collectively as the "Remaining Shares, etc.") remain in the Trust assets, the Remaining Shares, etc. shall be allocated as funds for benefits under the Plan for future Applicable Periods, and the additional funds shall be calculated after considering the Remaining Shares, etc. in the Trust. The Company will disclose its decision to make additional contributions in a timely and appropriate manner.

Note: The actual funds contributed to the Trust by the company includes the money to acquire the stock above plus the estimated Trust fees, etc. and other necessary costs.

(5) Acquisition method of the Company shares and number of shares to be acquired through the Trust

The Trust shall acquire the Company's shares through the stock market on which the Company's shares are listed or by way of subscribing for the disposal of the Company's treasury shares, using the money contributed in accordance with (4) above as the funds. As described in (6) below, the maximum number of points granted to Directors, etc. under the Plan shall not exceed 51,000 points in any fiscal year. Therefore, the Trust shall acquire no more than 153,000 shares of Company stock for each Applicable Period. The details of the acquisition of the Company's shares by the Trust shall be disclosed in a timely and appropriate manner.

(6) Maximum number of Company Shares, etc. to be granted to Directors, etc.

The Company shall grant Directors, etc. specified number points determined upon having given consideration to factors relating to respective fiscal years such as their ranks and titles and degree of achievement of performance targets based on the Regulations on Share-based Remuneration for Officers. The total number of points granted to Directors, etc. during each fiscal year may not exceed 51,000 points (21,400 points for Directors) This has been decided by comprehensively taking into account the current level of remuneration provided to officers, the trend and outlook in the number of Directors, etc., and other factors, and the Company judges it is appropriate.

Each point granted to the Directors, etc. shall be converted into one common share of the Company at the time of the provision of the Company Shares, etc. as explained in (7) below (provided, however, that in the case where the Company shares become the subject of a share split, allotment of shares without contribution, or consolidation of shares, etc. after the approval of this proposal, the upper limit of the number of points and accumulated number of points granted, or the conversion rate shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc.).

It should be noted that the ratio of Company shares equivalent to the maximum number of points granted to Directors, etc. during each fiscal year (51,000 shares) to the total number of shares issued (as of March 31, 2022 after deducting the treasury shares) is approximately 0.15%.

The number of points for Directors, etc. used as the basis for the provision of the Company Shares, etc. described in (7) below shall be the number of points earned by multiplying the accumulated points granted to Directors, etc. by the time of their retirement by the designated coefficient (which shall never exceed one point) set for each reason for retirement, in principle (hereinafter referred to as the "Defined Number of Points" for the points calculated in this manner).

(7) Distribution of Company Shares, etc. and the specific calculation method for the amount of remuneration, etc.

If a Director, etc. retires and fulfills the beneficiary requirements stipulated in the Regulations on Share-based Remuneration for Officers, the Director, etc. shall receive the Company shares from the Trust after his/her retirement in accordance with the stipulated Defined Number of Points as explained in (6) above, in principle, by completion of the prescribed procedures to become a beneficiary. However, if the requirements stipulated in the Share-based Remuneration for Officers have been fulfilled, the Trust will distribute an amount of money equivalent to the market value of the Company shares at a constant rate instead of the provision of the Company shares. The Trust may sell off Company shares to distribute monetary benefits.

It should be noted that the Company may revoke the rights of Directors, etc. who have been granted points from using those points in cases where said Director, etc. is dismissed by approval at the Ordinary General Meeting of Shareholders or the Board of Directors, terminated due to illegal conduct during their tenure, or found to have acted in an inappropriate manner which has caused damage to the Company.

The amount of remuneration, etc. received by the Directors, etc. is determined on the basis of multiplying the total number of points granted to Directors, etc. by the carry amount per share of the common Company stock held in the Trust (however, the Company shares shall be rationally adjusted in the event of a stock split, allotment of shares without contribution, or a consolidation of sales, etc. in proportion to the relevant ratio, etc.). In rare cases when the distribution of an amount of money equivalent to the value of Company shares has been approved, the amount shall be calculated for this monetary payment of benefits in accordance with the Regulations on Share-based Remuneration for Officers.

(8) Exercise of voting rights

In accordance with the instructions from the Trust administrator, the Trust shall not exercise the voting rights for the Company shares within the Trust account without exception. This is intended to ensure the neutrality in the Company's management in relation to the exercise of voting rights of the Company's shares within the Trust account.

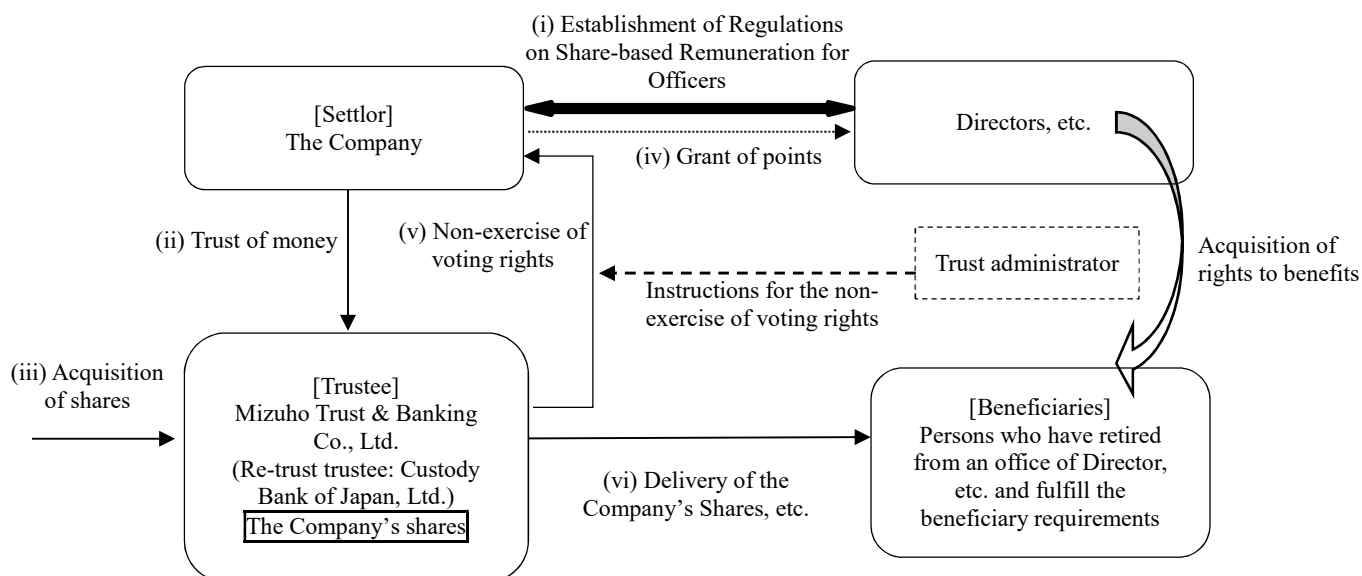
(9) Treatment of dividends

The Trust shall receive dividends from the Company shares held in the Trust account to use for funds to acquire Company shares and to pay the Trust fees, etc. of the trustee of the Trust. Upon any termination of the Trust, dividends, etc. remaining in the Trust shall be distributed to Directors, etc. in office at that point in time, proportionally depending on the number of points respectively held, as stipulated by the Regulations on Share-based Remuneration for Officers.

(10) Treatment upon termination of the Trust

The Trust shall terminate upon the delisting of the Company shares or abolition of the Regulations on Share-based Remuneration for Officers, or in certain other cases. The Company plans to acquire all the Company shares included in the remaining assets of the Trust without compensation upon termination of the trust and to then dispose of said Company shares by resolution of the Board of Directors. As for the monetary portion of the residual assets of the Trust at the time of the termination of the Trust, the amount remaining after deducting the amount to be contributed to Directors, etc. according to (9) above shall be provided to the Company.

[Reference: Structure of the Plan]



- (i) The Company will establish the “Regulations on Share-based Remuneration for Officers” within the scope of the framework approved in this proposal.
- (ii) The Company will entrust the money within the limit of the approval of this proposal.
- (iii) The money entrusted as described in (2) will be used by the Trust as financial funds to acquire the Company shares through the stock market on which the Company shares are listed or by way of subscribing to the disposition of the Company treasury shares.
- (iv) The Company grants points to Directors, etc. in accordance with the “Regulations on Share-based Remuneration for Officers.”
- (v) In accordance with the instruction of the trust administrator independent of the Company, the Trust shall not exercise the voting rights for the Company’s shares within the Trust account.
- (vi) The Trust will provide the persons who have retired as Directors, etc. and fulfill the beneficiary requirements stipulated in

<Reference: Policy for determining the remuneration, etc. of each Director after the introduction of the Plan>

If Proposal No. 6 before the Ordinary General Meeting of Shareholders today is approved as per the original text, the Board of Directors have approved the changes below to the policy on determining the remuneration, etc. of each Director in “(4) Policy on determining details of remuneration, etc.” (Japanese only) at the meeting held on May 13, 2022.

- A. A fixed salary shall be calculated based on position and role and paid once a month as monthly remuneration.
- B. Performance-linked remuneration shall consist of a “bonus” paid once at a designated time each year as an incentive based on short-term performance and “share-based remuneration” from a trust for non-monetary remuneration in which points are granted once at a designated time each year as an incentive for improvement in medium- to long-term performance and enhancement of corporate value to then distribute Company shares equivalent to the cumulative points upon retirement. The indicators for performance-linked remuneration shall be the numerical targets set by the medium-term management plan (net sales, operating profit, ROE, and total payout ratio) and said remuneration shall be calculated after taking into account achievements in the safety and quality level, which are important Company issues, and the performance results of each individual. The results of each individual shall be evaluated according to the progress of achieving management challenges and other targets set for each domain of which a Director, etc. is in charge.
- C. Fixed remuneration, short-term performance-based remuneration (bonuses), and medium to long-term performance-linked remuneration (share-based remuneration) shall consist by and large of a 6:3:1 ratio.
- D. Outside Directors shall only receive fixed remuneration and not performance-linked remuneration due to their stance independent from business execution.
- E. In accordance with a resolution by the Board of Directors, the Representative Director and President shall assume responsibilities with respect to the specific details of all remuneration as the corporate officer who has a comprehensive understanding of business performance throughout the entire Company and can evaluate each Director. The Nomination and Remuneration Committee shall listen and consult with the Representative Director and President as an advisory body of the Board of Directors to ensure the Representative Director and President properly exercises this authority. After assuming these responsibilities, the Representative Director and President must make decisions on remuneration based on feedback from the Nomination and Remuneration Committee.