

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.

Securities Code: 1899

Start date of measures for electronic provision: March 3, 2023

Date of sending by postal mail: March 10, 2023

To Shareholders:

Masanori Araaki, President & Representative Director

Fukuda Corporation

3-10, Ichibanboridoricho, Chuo-ku, Niigata-shi, Niigata

Notice of the 96th Annual General Meeting of Shareholders

Fukuda Corporation (the “Company”) will hold its 96th Annual General Meeting of Shareholders (the “General Meeting of Shareholders”) as described below.

When convening the General Meeting of Shareholders, the Company takes a measure for the electronic provision of information that is contained in the reference documents for the general meeting of shareholders, etc. (matters for which the Company takes the measure for electronic provision), and posts this information as “Notice of the 96th Annual General Meeting of Shareholders” on the Company’s website. Please access the Company’s website by using the internet address shown below to review the information.

The Company’s website: <https://www.fkd.co.jp/topics/ir/?y=2023> (in Japanese only)

In addition to posting matters for which the Company takes the measure for electronic provision on the website listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the internet address shown below, enter the issue name (company name) or securities code, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese only)

In the interest of preventing the spread of novel coronavirus disease (COVID-19), we sincerely request that you remain mindful of your health and furthermore ask that elderly people, those with underlying medical conditions and other such individuals consider the option of exercising their voting rights in writing or via the Internet, etc. beforehand, rather than pushing themselves to attend the General Meeting of Shareholders.

Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the Instructions for Exercising Voting Rights by no later than Monday, March 27, 2023, at 5:30 p.m. (JST).

1. Date and time: Tuesday, March 28, 2023 at 10 a.m. (The reception desk will open at 9 a.m. (JST).)

2. Venue: Hisho Meeting Room on the third floor in ANA Crowne Plaza Niigata

11-20, Bandai 5-chome, Chuo-ku, Niigata-shi, Niigata

In the interest of preventing the spread of COVID-19, the amount of seating in the venue will be very limited compared with that of usual years due to the need for social distancing. Therefore, please note that you may not be able to enter the meeting room even if you visit the venue on the day.

3. Purpose of the Meeting

Matters to be reported:

1. Reports for Business Report, Consolidated Financial Statements, and audit results of Consolidated Financial Statements by the accounting auditor and the Audit & Supervisory Board for the 96th fiscal year (from January 1, 2022 to December 31, 2022)
2. Reports for Non-consolidated Financial Statements for the 96th fiscal year (from January 1, 2022 to December 31, 2022)

Matters to be resolved:

- Proposal No. 1** Amendment to the Articles of Incorporation
- Proposal No. 2** Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3** Election of Three Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4** Election of One Substitute Director Who Is Audit and Supervisory Committee Member
- Proposal No. 5** Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 6** Determination of Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 7** Determination of Maximum Amount of Performance-Linked Share-Based Remuneration for Directors (Excluding Directors and Outside Directors Who Are Audit and Supervisory Committee Members)

4. Instructions for Exercising Voting Rights, etc.

Please refer to Instructions for Exercising Voting Rights.

1. In the event that there is no indication of a vote of approval or disapproval on a proposal on the Form for Exercising Voting Rights if you are exercising your voting rights in writing (by post), it will be treated as a vote of approval.
2. If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.
3. Please note that your online vote will prevail should you exercise your voting rights both via the Internet and in writing (by post) regardless of the date and time of arrival.
4. If you are attending the meeting in person, please submit the Form for Exercising Voting Rights, which has been sent together with this Notice, to the reception desk.

If you are exercising your voting rights by proxy, one other shareholder with the voting rights of the Company may attend the General Meeting of Shareholders as your proxy. In this case, please have your proxy submit a form proving that you give power of attorney to that person.

5. Documents including the matters for which the Company takes the measure for electronic provision will be sent together with this Notice to shareholders who have requested issuance of paper-based documents. However, these documents will exclude the following matters in accordance with laws and regulations and Article 14 of the Articles of Incorporation of the Company.
 - (1) “Overview of System for Ensuring Appropriateness of Operations and the Operational Status of Such System” in the Business Report
 - (2) “Consolidated Statement of Changes in Equity” in the Consolidated Financial Statements
 - (3) “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
 - (4) “Non-consolidated Statement of Changes in Equity” in the Non-consolidated Financial Statements
 - (5) “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements

Note: The matters listed above are available in Japanese only.

Consequently, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements presented in these documents are a portion of the documents subject to audit by the accounting auditor and the Audit & Supervisory Board Members when preparing their respective audit reports.

6. If revisions to the matters for which the Company takes the measure for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s aforementioned website and the TSE website.

Instructions for Exercising Voting Rights

Exercising voting rights at the Company's General Meeting of Shareholders is an important right of shareholders. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.

There are three methods to exercise your voting rights as indicated below.

Attending the General Meeting of Shareholders

You are kindly requested to exercise your voting rights by submitting the Form for Exercising Voting Rights, which has been sent together with this Notice, to the reception desk at the meeting.

Date and time: Tuesday, March 28, 2023 at 10 a.m. (The reception desk will open at 9 a.m. (JST).)

Exercising voting rights by postal mail

You are kindly requested to indicate your vote of approval or disapproval of each proposal on the Form for Exercising Voting Rights, which has been sent together with this Notice, and to return the completed voting form to the Company. You do not need to affix a stamp.

Deadline for exercise of voting rights: The Company must receive the form by no later than Monday, March 27, 2023 at 5:30 p.m. (JST).

Exercise voting rights via the Internet

Please indicate whether you approve or disapprove of each proposal by following the instructions on the next page.

Deadline for exercise of voting rights: All data entry to be completed no later than Monday, March 27, 2023 at 5:30 p.m. (JST).

How to Fill Out Your Form for Exercising Voting Rights

Filling Out Your Form for Exercising Voting Rights

Proposals No. 1, No. 4, No. 5, No. 6 and No. 7

If you approve of them: Circle "Approve."

If you disapprove of them: Circle "Disapprove."

Proposals No. 2 and No. 3

If you approve of all candidates: Circle "Approve."

If you disapprove of all candidates: Circle "Disapprove."

If you disapprove of some of the candidates: Circle "Approve" and enter the candidate number(s) that you disapprove of in the column below.

Please note that your online vote will prevail should you exercise your voting rights both in writing (by post) and via the Internet. If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.

Information about Exercising Your Voting Rights via the Internet

Scanning the QR Code

You can log in to the website for the exercise of voting rights without entering the login ID or temporary password printed on the Form for Exercising Voting Rights.

1. Please scan the QR Code provided on the Form for Exercising Voting Rights.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Note that you can log in to the website only once by using the QR Code. If you wish to redo your vote or exercise your voting rights without using the QR Code, please refer to “Entering login ID and temporary password” below.

Entering login ID and temporary password

Website for exercising voting rights: <https://evote.tr.mufg.jp/> (in Japanese only)

1. Please access the website for exercising voting rights.

2. Enter your “login ID” and “temporary password” printed on the Form for Exercising Voting Rights and click.

3. Register a new password.

4. Indicate your approval or disapproval by following the instructions on the screen.

In case you need instructions for how to operate your personal computer or smartphone in order to exercise your voting rights via the Internet, please contact:	Stock Transfer Agency (Help Desk), Mitsubishi UFJ Trust and Banking Corporation 0120-173-027 (Business hours: 9 a.m. to 9 p.m. (JST), toll-free)
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Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

(Reference Documents for the General Meeting of Shareholders)
Proposals and Reference Information

Proposal No. 1 Amendment to the Articles of Incorporation

1. Reasons for the proposal

The Company will transition to the company with audit and supervisory committee for the sake of further improving managerial transparency and enabling swifter decision-making by strengthening the supervisory function of its Board of Directors and enhancing corporate governance.

Accordingly, the Company proposes to make the necessary changes to the Articles of Incorporation of the Company. The changes include establishment of new provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members, and deletion of provisions concerning the Audit & Supervisory Board and Audit & Supervisory Board Members.

The amendment to the Articles of Incorporation will take effect at the conclusion of the General Meeting of Shareholders.

2. Details of the amendments

The details of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 18 (Number of Directors)</p> <p>The Company shall have not more than 15 Directors.</p> <p>(Newly established)</p>	<p>Article 18 (Number of Directors)</p> <p><u>1.</u> The Company shall have not more than 15 Directors_ <u>(excluding those who are Audit and Supervisory Committee Members).</u></p> <p><u>2.</u> <u>The Company shall have not less than three Directors who are Audit and Supervisory Committee Members (“Audit and Supervisory Committee Members”).</u></p>
<p>Article 19 (Election of Directors)</p> <p>1. Directors shall be elected at a general meeting of shareholders by its resolution.</p> <p>2. Resolutions to elect Directors shall be adopted by a majority of the voting rights held by shareholders present at the general meeting of shareholders who represent not less than one-third of the voting rights of the shareholders who are entitled to exercise voting rights.</p> <p>3. Resolutions for the election of Directors shall not be conducted by cumulative voting.</p>	<p>Article 19 (Election of Directors)</p> <p>1. Directors shall be elected at a general meeting of shareholders by its resolution <u>in a manner that involves distinguishing between Audit and Supervisory Committee Members and other Directors.</u></p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p>
<p>Article 20 (Terms of Office of Directors)</p> <p>The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p>	<p>Article 20 (Terms of Office of Directors)</p> <p><u>1.</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>2. Notwithstanding the provision of the preceding paragraph, the term of office of an Audit and Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within two years after the election of the Audit and Supervisory Committee Member.</u></p> <p><u>3. The term of office of an Audit and Supervisory Committee Member who is elected as a substitute (“substitute Audit and Supervisory Committee Member”) shall continue until the time when the term of office of the Audit and Supervisory Committee Member who retired from office is to expire.</u></p> <p><u>4. The effective period of a resolution for the election of a substitute Audit and Supervisory Committee Member elected in accordance with Article 329, paragraph (3) of the Companies Act shall continue until the commencement of the annual general meeting of shareholders for the last business year out of the business years terminating within two years after the election, unless such period is otherwise reduced by such resolution.</u></p>
<p>Article 21 (Representative Directors and Directors With Special Titles)</p> <p>1. The Company shall appoint Representative Director(s) by the resolution of the Board of Directors. The Representative Director(s) shall represent the Company and execute the business of the Company.</p> <p>2. The Board of Directors may, by its resolution, appoint one Director and President, one Director and Chairman, one Director and Vice Chairman, and one Director and Vice President.</p>	<p>Article 21 (Representative Directors and Directors With Special Titles)</p> <p>1. The Company shall appoint Representative Director(s) <u>from among the Directors who are not Audit and Supervisory Committee Members</u> by the resolution of the Board of Directors. The Representative Director(s) shall represent the Company and execute the business of the Company.</p> <p>2. The Board of Directors may, by its resolution, appoint one Director and President, one Director and Chairman, one Director and Vice Chairman, and one Director and Vice President <u>from among the Directors who are not Audit and Supervisory Committee Members.</u></p>
<p>Article 23 (Convener and Chairmanship of Meeting of the Board of Directors)</p> <p>1. Unless otherwise provided for by laws and regulations, the Director and President shall convene meetings of the Board of Directors and chair the meetings. In cases where the Director and President is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall take his/her place.</p> <p>2. When a meeting of the Board of Directors is convened, a notice shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> at least five days before the day of the meeting; provided, however, that this period may be reduced in case of an emergency.</p>	<p>Article 23 (Convener and Chairmanship of Meeting of the Board of Directors)</p> <p>1. (Unchanged)</p> <p>2. When a meeting of the Board of Directors is convened, a notice shall be dispatched to each Director at least five days before the day of the meeting; provided, however, that this period may be reduced in case of an emergency.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 24 (Omission of Resolutions of the Board of Directors)</p> <p>The Company deems a matter for resolution of the Board of Directors to have been approved by resolution of the Board of Directors when all Directors have approved such matter for resolution either in writing or by electromagnetic record. <u>However, this is not limited to when an objection is raised by any Audit & Supervisory Board Members.</u></p>	<p>Article 24 (Omission of Resolutions of the Board of Directors)</p> <p>The Company deems a matter for resolution of the Board of Directors to have been approved by resolution of the Board of Directors when all Directors have approved such matter for resolution either in writing or by electromagnetic record.</p>
<p>(Newly established)</p>	<p><u>Article 25 (Delegation of Decisions on Business Execution to Directors)</u></p> <p><u>The Company may, pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, delegate to Directors all or part of decisions on execution of important business (excluding matters listed under respective items of paragraph (5) of said Article) by resolution of the Board of Directors.</u></p>
<p>Article 25 – Article 26 (text omitted)</p>	<p>Article 26 – Article 27 (unchanged)</p>
<p>Chapter V <u>Audit & Supervisory Board Members and the Audit & Supervisory Board</u></p>	<p>Chapter V <u>Audit and Supervisory Committee</u></p>
<p>Article 27 (Establishment of <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u>)</p> <p>The Company shall have <u>Audit & Supervisory Board Members and Audit & Supervisory Board.</u></p>	<p>Article 28 (Establishment of <u>Audit and Supervisory Committee</u>)</p> <p>The Company shall have <u>Audit and Supervisory Committee.</u></p>
<p>Article 28 (Number of <u>Audit & Supervisory Board Members</u>)</p> <p><u>The Company shall have not less than three Audit & Supervisory Board Members.</u></p>	<p>(Deleted)</p>
<p>Article 29 (Election of <u>Audit & Supervisory Board Members</u>)</p> <p>1. <u>Audit & Supervisory Board Members shall be elected at a general meeting of shareholders by its resolution.</u></p> <p>2. <u>Resolutions to elect Audit & Supervisory Board Members shall be adopted by a majority of the voting rights held by shareholders present at the general meeting of shareholders who represent not less than one-third of the voting rights of the shareholders who are entitled to exercise voting rights.</u></p>	<p>(Deleted)</p>
<p>Article 30 (Terms of Office of <u>Audit & Supervisory Board Members</u>)</p> <p>1. <u>The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>2. The term of office of an Audit & Supervisory Board Member who is elected as a substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the time when the term of office of the Audit & Supervisory Board Member who retired from office is to expire.</u></p>	
<p><u>Article 31 (Full-Time Audit & Supervisory Board Members)</u> <u>The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.</u></p>	(Deleted)
<p><u>Article 32 (Convening of Meetings of the Audit & Supervisory Board)</u> When a meeting of the <u>Audit & Supervisory Board</u> is convened, a notice shall be dispatched to each <u>Audit & Supervisory Board Member</u> at least five days before the day of the meeting; provided, however, that this period may be reduced in case of an emergency.</p>	<p><u>Article 29 (Convening of Meetings of the Audit and Supervisory Committee)</u> When a meeting of the <u>Audit and Supervisory Committee</u> is convened, a notice shall be dispatched to each <u>Audit and Supervisory Committee Member</u> at least five days before the day of the meeting; provided, however, that this period may be reduced in case of an emergency.</p>
<p><u>Article 33 (Regulations of the Audit & Supervisory Board)</u> Matters concerning the <u>Audit & Supervisory Board</u> shall be governed by the Regulations of the <u>Audit & Supervisory Board</u> established by the <u>Audit & Supervisory Board</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p>	<p><u>Article 30 (Regulations of the Audit and Supervisory Committee)</u> Matters concerning the <u>Audit and Supervisory Committee</u> shall be governed by the Regulations of the <u>Audit and Supervisory Committee</u> established by the <u>Audit and Supervisory Committee</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p>
<p><u>Article 34 (Exemption of Audit & Supervisory Board Members From Liability)</u></p>	(Deleted)
<p><u>1. The Company may exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from their liability for damages under Article 423, paragraph (1) of the Companies Act by a resolution of the Board of Directors to the extent permitted by laws and regulations.</u></p> <p><u>2. The Company may enter into an agreement with an Audit & Supervisory Board Member limiting his/her liability for damages provided for in Article 423, paragraph (1) of the Companies Act. However, the maximum amount of liability for damages under this agreement shall be the minimum liability amount provided for under laws and regulations.</u></p>	
<p>Article <u>35</u> – Article <u>40</u> (text omitted) (Supplementary Provisions) (Newly established)</p>	<p>Article <u>31</u> – Article <u>36</u> (unchanged) (Supplementary Provisions)</p>
	<p><u>1. The Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from their liability for damages prescribed in Article 423, paragraph (1) of the Companies Act concerning actions taken prior to conclusion of the 96th Annual General Meeting of Shareholders to the extent permitted by laws and regulations.</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>2. Agreements limiting liability for damages provided for in Article 423, paragraph (1) of the Companies Act concerning actions of Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) taken prior to conclusion of the 96th Annual General Meeting of Shareholders are as prescribed in Article 34, paragraph (2) of the Articles of Incorporation prior to amendment by resolution of the 96th Annual General Meeting of Shareholders.</u></p>

Proposal No. 2 Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The Company will transition to the company with audit and supervisory committee, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation.”

Accordingly, the Company requests approval for the election of eight new Directors (excluding Directors who are Audit and Supervisory Committee Members) given that the terms of office of Directors (eight) will expire at the conclusion of the General Meeting of Shareholders.

This proposal shall take effect when Proposal No. 1 “Amendment to the Articles of Incorporation” comes into effect. The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

Candidate No.	Name	Present position and responsibility, etc.	Attributes
1	Katsuyuki Fukuda	Chairman & Representative Director Chairman of the Board	Re-election
2	Masanori Araaki	President & Representative Director President of the Board	Re-election
3	Hideaki Saito	Director Managing Executive Officer (General Manager of Department of Civil Engineering)	Re-election
4	Yutaka Yamaga	Director Managing Executive Officer (General Manager of Department of Building)	Re-election
5	Shinichi Otsuka	Director Managing Executive Officer (General Manager of Tokyo Main Branch)	Re-election
6	Toshio Omi	Executive Officer (Deputy General Manager of Department of Business Administration and General Manager of Department of Corporate Planning)	New election
7	Jumatsu Eizuka	President and Representative Director of The Daishi JCB Card Co., Ltd. President and Representative Director of The Daishi DC Card Co., Ltd. President and Representative Director of The Hokuetsu Card Co., Ltd.	New election Outside Independent
8	Sayuri Uehara	Director, General Manager of Corporate Management Promotion Headquarters, and Head of Corporate Management Promotion Office of Television Niigata Network Co., Ltd.	New election Outside Independent

Re-election: Candidate for Director to be re-elected

New election: Candidate for Director to be newly elected

Outside: Candidate for Outside Director

Independent: Independent officer as defined by the securities exchange, etc.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Katsuyuki Fukuda (August 25, 1955) Re-election	<p>Apr. 1979 Joined The Industrial Bank of Japan, Limited</p> <p>Mar. 1990 Joined FUKUDA ROAD CONSTRUCTION CO., LTD.</p> <p>Mar. 1997 President and Representative Director</p> <p>Mar. 2003 Joined the Company President & Representative Director</p> <p>May 2003 Chairman and Representative Director of FUKUDA ROAD CONSTRUCTION CO., LTD.</p> <p>Mar. 2005 President & Representative Director, and President of the Board of the Company</p> <p>Mar. 2009 Chairman & Representative Director, and Chairman of the Board (current position)</p>	232,875
<p>Reasons for nomination as candidate for Director</p> <p>Katsuyuki Fukuda joined The Industrial Bank of Japan, Limited in 1979, and joined FUKUDA ROAD CONSTRUCTION CO., LTD. in 1990. After serving as President and Representative Director of FUKUDA ROAD CONSTRUCTION CO., LTD., he was appointed as President & Representative Director of the Company in 2003 and as Chairman & Representative Director of the Company in 2009. He possesses experience nurtured in a financial institution and a wealth of experience and knowledge as a corporate executive. The Company has concluded that his competencies will be reflected in important decision-making and appropriate supervision of the management, through which he will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. As such, we hereby nominate him as a candidate for Director and request that he be elected accordingly.</p>			
2	Masanori Araaki (January 24, 1959) Re-election	<p>Apr. 1982 Joined the Company</p> <p>Jan. 2002 General Manager of Department of Business Administration of Niigata Main Branch</p> <p>Jan. 2011 Executive Officer, Deputy General Manager of the Overseeing Business Headquarters, and General Manager of Department of Business Administration</p> <p>Mar. 2015 Managing Executive Officer and General Manager of Tohoku Branch</p> <p>Jan. 2017 Managing Executive Officer and General Manager of Sales Headquarters</p> <p>Mar. 2017 Director, Managing Executive Officer, General Manager of Sales Headquarters, General Manager of Infrastructure Proposal Division, and in charge of Corporate Relations</p> <p>Mar. 2019 President & Representative Director, and President of the Board (current position)</p>	3,100
<p>Reasons for nomination as candidate for Director</p> <p>Masanori Araaki has been in responsible positions of administration for many years in the Company and possesses a wealth of experience and knowledge and a high level of expertise. He served in numerous key positions such as General Manager of Tohoku Branch and was appointed as Director and Managing Executive Officer in 2017 and as President & Representative Director in 2019, taking charge of managing the Company.</p> <p>The Company has concluded that his competencies will be reflected in important decision-making and appropriate supervision of the management, through which he will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. As such, we hereby nominate him as a candidate for Director and request that he be elected accordingly.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Hideaki Saito (April 14, 1960) Re-election	<p>Apr. 1984 Joined the Company</p> <p>Jan. 2016 General Manager in charge of Department of Civil Engineering of Niigata Main Branch</p> <p>Jan. 2018 General Manager of Department of Civil Engineering of Tokyo Main Branch</p> <p>Jan. 2019 Deputy General Manager of Tokyo Main Branch and General Manager of Department of Civil Engineering of Tokyo Main Branch</p> <p>Jan. 2020 Executive Officer and Deputy General Manager of Department of Civil Engineering</p> <p>Mar. 2020 Director, Executive Officer, and General Manager of Department of Civil Engineering</p> <p>Mar. 2022 Director, Managing Executive Officer, and General Manager of Department of Civil Engineering (current position)</p>	900
<p>Reasons for nomination as candidate for Director</p> <p>Hideaki Saito has been in responsible positions of civil engineering for many years in the Company and possesses a wealth of hands-on experience and knowledge and a high level of expertise. He served in numerous key positions such as Deputy General Manager of the Tokyo Main Branch and has taken charge of managing the Company as Director and Executive Officer since 2020.</p> <p>The Company has concluded that his competencies will be reflected in important decision-making and appropriate supervision of the management, through which he will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. As such, we hereby nominate him as a candidate for Director and request that he be elected accordingly.</p>			
4	Yutaka Yamaga (October 22, 1962) Re-election	<p>Apr. 1981 Joined the Company</p> <p>Jan. 2015 General Manager in charge of Department of Building of Kyushu Branch and Center Manager of Kyushu Service Center of Department of Building of Kyushu Branch</p> <p>Jan. 2020 Executive Officer and Deputy General Manager of Department of Building</p> <p>Mar. 2021 Director, Executive Officer, and General Manager of Department of Building</p> <p>Mar. 2022 Director, Managing Executive Officer, and General Manager of Department of Building (current position)</p>	1,500
<p>Reasons for nomination as candidate for Director</p> <p>Yutaka Yamaga has been in responsible positions of construction for many years in the Company and possesses a wealth of hands-on experience and knowledge and a high level of expertise. He served in numerous key positions, such as General Manager in charge of Department of Building of Kyushu Branch, and has taken charge of managing the Company as Director and Executive Officer since 2021.</p> <p>The Company has concluded that his competencies will be reflected in important decision-making and appropriate supervision of the management, through which he will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. As such, we hereby nominate him as a candidate for Director and request that he be elected accordingly.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
5	Shinichi Otsuka (June 25, 1962) Re-election	Apr. 1985 July 2009 Jan. 2011 Mar. 2012 Jan. 2017 Mar. 2019 Mar. 2022	Joined the Company General Manager of Examination Division Executive Officer and General Manager of Department of Corporate Planning of Business Administration Headquarters Senior Executive Officer and General Manager of Department of Corporate Planning of Business Administration Headquarters Senior Executive Officer and General Manager of Tohoku Branch Director, Executive Officer, and General Manager of Tokyo Main Branch Director, Managing Executive Officer, and General Manager of Tokyo Main Branch (current position)	1,300
		<p>Reasons for nomination as candidate for Director</p> <p>Shinichi Otsuka has been in responsible positions of administration for many years in the Company and possesses a wealth of experience and knowledge and a high level of expertise. He served in numerous key positions such as General Manager of Tohoku Branch and has taken charge of managing the Company as Director and Executive Officer since 2019.</p> <p>The Company has concluded that his competencies will be reflected in important decision-making and appropriate supervision of the management, through which he will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. As such, we hereby nominate him as a candidate for Director and request that he be elected accordingly.</p>		
6	Toshio Omi (December 31, 1966) New election	Apr. 1989 Apr. 2014 Jan. 2017 Mar. 2021	Joined the Company General Manager in charge of Department of Business Administration of Tohoku Branch General Manager in charge of Department of Corporate Planning Executive Officer, Deputy General Manager of Department of Business Administration, and General Manager of Department of Corporate Planning (current position)	400
		<p>Reasons for nomination as candidate for Director</p> <p>Toshio Omi has been in responsible positions of administration for many years in the Company and possesses a wealth of experience and knowledge and a high level of expertise. He served in numerous key positions such as General Manager of Department of Corporate Planning and has taken charge of managing the Company as Executive Officer since 2021.</p> <p>The Company has concluded that his competencies will be reflected in important decision-making and appropriate supervision of the management, through which he will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. As such, we hereby nominate him as a candidate for Director and request that he be elected accordingly.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
7	Jumatsu Eizuka (April 2, 1958) New election Outside Independent	Apr. 1981	Joined The Daishi Bank, Ltd.	0
		June 2017	Managing Director	
		June 2020	President and Representative Director of The Daishi JCB Card Co., Ltd. and The Daishi DC Card Co., Ltd. (current position)	
		June 2022	President and Representative Director of The Hokuetsu Card Co., Ltd. (current position)	
<p>Reasons for nomination as candidate for Outside Director and expected roles if elected</p> <p>Jumatsu Eizuka has a wealth of knowledge, experience and capabilities through serving as a management executive of financial institutions, and we expect that he will express objective and neutral opinions transcending industrial boundaries. The Company has concluded that his competencies will be reflected in important decision-making and appropriate supervision of the management, through which he will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. As such, we hereby nominate him as a candidate for Outside Director and request that he be elected accordingly.</p> <p>Matters concerning independence</p> <p>Mr. Eizuka satisfies the requirements for an independent officer as provided for in the regulations of the Tokyo Stock Exchange.</p>				
8	Sayuri Uehara (June 21, 1964) New election Outside Independent	Apr. 1988	Joined Television Niigata Network Co., Ltd.	0
		July 2020	Head of Corporate Planning Office of Corporate Management Promotion Headquarters and Head of Work Style Reform Promotion Office	
		June 2021	Director of TeNY Service Co., Ltd.	
		Apr. 2022	Director, Head of Corporate Management Promotion Office of Corporate Management Promotion Headquarters of Television Niigata Network Co., Ltd.	
		June 2022	Director, General Manager of Corporate Management Promotion Headquarters, and Head of Corporate Management Promotion Office (current position)	
<p>Reasons for nomination as candidate for Outside Director and expected roles if elected</p> <p>Sayuri Uehara has a wealth of knowledge, experience and capabilities through serving as a corporate executive and we expect that she will express objective and neutral opinions transcending industrial boundaries. The Company has concluded that her competencies will be reflected in important decision-making and appropriate supervision of the management, through which she will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value. As such, we hereby nominate her as a candidate for Outside Director and request that she be elected accordingly.</p> <p>Matters concerning independence</p> <p>Ms. Uehara satisfies the requirements for an independent officer as provided for in the regulations of the Tokyo Stock Exchange.</p>				

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. If the election of Jumatsu Eizuka and Sayuri Uehara is approved, and they assume their respective office, the Company plans to notify the Tokyo Stock Exchange that they are independent officers.
 3. If the election of Jumatsu Eizuka and Sayuri Uehara is approved, the Company plans to enter into agreements with them to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.
 4. The Company has concluded with an insurance company a directors and officers liability insurance policy, stipulated by Article 430-3, paragraph (1) of the Companies Act. The insurance policy covers damages and court costs that the insured, including Directors, may be legally liable for and is renewed every year. The full amount of the insurance premiums is borne by the Company. If each candidate is elected and assumes the position of Director, they will be included in the insured of the relevant insurance policy.

Proposal No. 3 Election of Three Directors Who Are Audit and Supervisory Committee Members

The Company will transition to the company with audit and supervisory committee, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation.”

Accordingly, the Company requests approval for the election of three new Directors who are Audit and Supervisory Committee Members. The consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal shall take effect when Proposal No. 1 “Amendment to the Articles of Incorporation” comes into effect.

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

Candidate No.	Name	Present position and responsibility, etc.	Attributes
1	Katsuhiko Iwasaki	Director Executive Officer (General Manager of Department of Business Administration and in charge of Business Governance, IR, Real Estate Business and THAI FUKUDA)	New election
2	Yoshinao Nakata	Outside Director Certified public tax accountant of Yoshinao Nakata Public Tax Accountant Office	New election Outside Independent
3	Yoshihiro Wakatsuki	Representative Partner of Aoyama Law Office Outside Director (Audit and Supervisory Committee Member) of Snow Peak, Inc. Outside Director (Audit and Supervisory Committee Member) of SEIHYO Co., Ltd.	New election Outside Independent

New election: Candidate for Director to be newly elected

Outside: Candidate for Outside Director

Independent: Independent officer as defined by the securities exchange, etc.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Katsuhiko Iwasaki (December 13, 1962) New election	<p>Apr. 1985 Joined the Company</p> <p>Jan. 2011 General Manager in charge of Department of Business Administration of Tokyo Main Branch</p> <p>Jan. 2016 General Manager of Legal Examination Division</p> <p>Jan. 2017 Executive Officer, General Manager of Department of General Affairs and Personnel of Department of Business Administration, and General Manager of Legal Examination Division of Department of General Affairs and Personnel of Department of Business Administration</p> <p>Jan. 2020 Executive Officer and Deputy General Manager of Department of Business Administration</p> <p>Mar. 2021 Director, Executive Officer, General Manager of Department of Business Administration and in charge of Business Governance, IR and Real Estate Business</p> <p>Mar. 2022 Director, Executive Officer, General Manager of Department of Business Administration and in charge of Business Governance, IR, Real Estate Business and THAI FUKUDA (current position)</p>	1,300
<p>Reasons for nomination as candidate for Director who is Audit and Supervisory Committee Member</p> <p>Katsuhiko Iwasaki has served as Director and in other key positions for many years in the Company and possesses a wealth of experience and a high level of insights regarding the Company as a whole. The Company judges he will furnish opinions from an objective and neutral standpoint by leveraging his competencies, and that he will appropriately fulfill his duties as a Director who is an Audit and Supervisory Committee Member. As such, we hereby nominate him as a candidate for Director who is an Audit and Supervisory Committee Member and request that he be elected accordingly.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p>Yoshinao Nakata (April 29, 1955) New election Outside Independent</p>	<p>Apr. 1979 Employed by Kanto Shinetsu Regional Taxation Bureau</p> <p>July 1996 Chief of Administration and Legal Section of Personnel Division of Commissioner's Secretariat of National Tax Agency</p> <p>July 2006 Internal Inspector of Kanto Shinetsu Regional Taxation Bureau of Commissioner's Secretariat of National Tax Agency</p> <p>July 2009 District Director of Sado Tax Office</p> <p>July 2015 District Director of Tokorozawa Tax Office</p> <p>Aug. 2016 Registered as a certified public tax accountant Tokyo Certified Public Tax Accountants' Association Shibuya</p> <p>Aug. 2016 Certified public tax accountant of Yoshinao Nakata Public Tax Accountant Office (current position)</p> <p>Mar. 2017 Outside Director of the Company (current position)</p>	400
<p>Reasons for nomination as Outside Director who is Audit and Supervisory Committee Member and expected roles if elected</p> <p>Yoshinao Nakata has been serving as an Outside Director since 2017. We seek to have him apply his wealth of experience and high level of insights as a certified public tax accountant from the Regional Taxation Bureau to management of the Company. As such, we request that he be elected as an Outside Director who is Audit and Supervisory Committee Member. After being elected, we expect that he will leverage his specialized expertise as a certified public tax accountant and that he will endeavor to strengthen the supervisory function of overall management and the supervisory function of conflicts of interest mainly from a taxation perspective.</p> <p>Matters concerning independence</p> <p>Mr. Nakata satisfies the requirements for an independent officer as provided for in the regulations of the Tokyo Stock Exchange.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Yoshihiro Wakatsuki (February 19, 1974) New election Outside Independent	<p>Apr. 2000 Joined Tetsuya Sunada Law Office</p> <p>Apr. 2003 Representative Partner of Niigata Aoyama Law Office</p> <p>Apr. 2006 Vice Chairman of Niigata Bar Association</p> <p>Oct. 2008 Associate Professor of Graduate School of Practical Law of Niigata University</p> <p>Mar. 2014 Representative Partner of Niigata Aoyama Law Office, Inc (currently, Aoyama Law Office) (current position)</p> <p>Apr. 2017 Associate Professor of Faculty of Law of Niigata University</p> <p>May 2018 Outside Audit & Supervisory Board Member of SEIHYO Co., Ltd.</p> <p>Mar. 2020 Outside Director (Audit and Supervisory Committee Member) of Snow Peak, Inc. (current position)</p> <p>Apr. 2021 Chairman of Niigata Bar Association</p> <p>May 2022 Outside Director (Audit and Supervisory Committee Member) of SEIHYO Co., Ltd. (current position)</p>	0
<p>Reasons for nomination as Outside Director who is Audit and Supervisory Committee Member and expected roles if elected</p> <p>We seek to have Yoshihiro Wakatsuki apply his wealth of experience and high level of insights as a legal professional to management of the Company. As such, we request that he be elected as an Outside Director who is Audit and Supervisory Committee Member. After being elected, we expect that he will leverage his specialized expertise as an attorney and that he will endeavor to strengthen the supervisory function of overall management and the supervisory function of conflicts of interest mainly from a legal perspective.</p> <p>Matters concerning independence</p> <p>Mr. Wakatsuki satisfies the requirements for an independent officer as provided for in the regulations of the Tokyo Stock Exchange.</p>			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Yoshinao Nakata is currently an Outside Director of the Company. At the conclusion of the General Meeting of Shareholders, Yoshinao Nakata will have been in his position for six years.
 3. If the election of Yoshinao Nakata and Yoshihiro Wakatsuki is approved, and they assume their respective office, the Company plans to notify the Tokyo Stock Exchange that they are independent officers.
 4. If the election of Katsuhiko Iwasaki, Yoshinao Nakata and Yoshihiro Wakatsuki is approved, the Company plans to enter into agreements with them to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.
 5. The Company has concluded with an insurance company a directors and officers liability insurance policy, stipulated by Article 430-3, paragraph (1) of the Companies Act. The insurance policy covers damages and court costs that the insured, including Directors, may be legally liable for and is renewed every year. The full amount of the insurance premiums is borne by the Company. If each candidate is elected and assumes the position of Director, they will be included in the insured of the relevant insurance policy.

(Reference information)

Expertise and experience of candidates for Director

Name	Corporate planning	Finance & accounting	Legal & risk	Civil engineering business	Construction business	Sales & marketing	Human resources	Technology & IT
Katsuyuki Fukuda	●					●	●	
Masanori Araaki	●	●				●	●	
Hideaki Saito				●				●
Yutaka Yamaga					●			●
Shinichi Otsuka	●	●	●			●		●
Toshio Omi	●	●						
Jumatsu Eizuka	●	●				●	●	
Sayuri Uehara	●						●	
Katsuhiko Iwasaki		●	●				●	●
Yoshinao Nakata		●	●				●	
Yoshihiro Wakatsuki			●				●	

* The above list does not reflect all knowledge, experience and competencies of candidates for Director.

Proposal No. 4 Election of One Substitute Director Who Is Audit and Supervisory Committee Member

The Company will transition to the company with audit and supervisory committee, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation.”

Accordingly, the Company requests approval for the election of one substitute Director who is Audit and Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

The candidate for substitute Director who is Audit and Supervisory Committee Member is as below. Kazutomo Tsurui is the candidate for a substitute Outside Director who is Audit and Supervisory Committee Member.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

Name	Present position, etc.	Attributes
Kazutomo Tsurui	President and Representative Director of TSURUI SANGYO Corporation	Outside Independent
	President and Representative Director of HOKURIKU GAS CO., LTD.	
	Director of SECOM JOSHINETSU CO., LTD.	
	Outside Director (Audit and Supervisory Committee Member) of The Daishi Hokuetsu Bank, Ltd.	

Outside: Candidate for Outside Director who is Audit and Supervisory Committee Member

Independent: Independent officer as defined by the securities exchange, etc.

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Kazutomo Tsurui (October 27, 1971) Outside Independent	<p>Apr. 1995 Joined Ministry of International Trade and Industry (the current Ministry of Economy, Trade, and Industry)</p> <p>June 2004 Managing Director of TSURUI SANGYO Corporation</p> <p>June 2006 Director of HOKURIKU GAS CO., LTD.</p> <p>June 2011 President and Representative Director of TSURUI SANGYO Corporation (current position)</p> <p>June 2012 Vice President and Representative Director of HOKURIKU GAS CO., LTD.</p> <p>June 2015 Director of SECOM JOSHINETSU CO., LTD. (current position)</p> <p>Apr. 2017 President and Representative Director of HOKURIKU GAS CO., LTD. (current position)</p> <p>June 2022 Outside Director (Audit and Supervisory Committee Member) of The Daishi Hokuetsu Bank, Ltd. (current position)</p>	0
<p>Reasons for nomination as candidate for substitute Outside Director who is Audit and Supervisory Committee Member Kazutomo Tsurui has a wealth of experience and a high level of insights from having served as a corporate executive. The Company judges he will appropriately fulfill his duties as an Outside Director from an objective and neutral standpoint by leveraging his competencies. As such, we hereby nominate him as a candidate for substitute Outside Director who is Audit and Supervisory Committee Member and request that he be elected accordingly.</p> <p>Matters concerning independence Mr. Tsurui satisfies the requirements for an independent officer as provided for in the regulations of the Tokyo Stock Exchange.</p>		

- (Notes)
1. There is no special interest between the candidate for substitute Outside Director who is Audit and Supervisory Committee Member and the Company.
 2. If Kazutomo Tsurui is elected as an Outside Director who is Audit and Supervisory Committee Member, the Company plans to notify the Tokyo Stock Exchange that he is an independent officer.
 3. If Kazutomo Tsurui is elected as an Outside Director who is Audit and Supervisory Committee Member, the Company plans to entered into an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.
 4. The Company has concluded with an insurance company a directors and officers liability insurance policy, stipulated by Article 430-3, paragraph (1) of the Companies Act. The insurance policy covers damages and court costs that the insured may be legally liable for. If Kazutomo Tsurui assumes the position of Outside Director who is Audit and Supervisory Committee Member, he will be included in the insured of the relevant insurance policy.

Proposal No. 5 Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The remuneration amount for Directors of the Company has been set at not more than 450 million yen per year as resolved at the 89th Annual General Meeting of Shareholders held on March 29, 2016, which remains in effect.

Meanwhile, the Company will transition to the company with audit and supervisory committee, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation.”

In seeking to set a new remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) accompanying its transition to the company with audit and supervisory committee, the Company accordingly proposes to abolish current provisions concerning the remuneration amount for Directors and proposes to set the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) to not more than 450 million yen per year (of which, the amount for Outside Directors is not more than 30 million yen per year), taking into account the economic landscape and other considerations.

If this proposal is approved, we intend to amend policy for decisions pertaining to content regarding remuneration, etc. for individual Directors presented on page 39 of the Business Report ([in Japanese only](#)) at a meeting of the Board of Directors held subsequent to conclusion of this General Meeting of Shareholders, in order to ensure consistency with the approved content. This will involve changing portions of the policy where “Directors” are the eligible party to “Directors (excluding Directors who are Audit and Supervisory Committee Members).”

This proposal entails determining a maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) within a reasonable range upon taking into account factors that include the economic landscape, the Company’s size, the number of Directors, and levels set by other companies. Moreover, in terms of our plans to amend policy for decisions pertaining to content regarding remuneration, etc. for individual Directors, as mentioned above, we deem that this proposal is necessary and appropriate for determining content regarding remuneration, etc. for individual Directors in alignment with the policy subsequent to such changes.

Furthermore, we propose that the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) not include the portion of employee salaries of Directors who concurrently serve as employees. There will be eight Directors (excluding Directors who are Audit and Supervisory Committee Members), two of whom are Outside Directors, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation” and Proposal No. 2 “Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” as originally proposed.

This proposal shall take effect when Proposal No. 1 “Amendment to the Articles of Incorporation” comes into effect.

Proposal No. 6 Determination of Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members

The Company will transition to the company with audit and supervisory committee, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation.”

Accordingly, the Company proposes to set the remuneration amount for Directors who are Audit and Supervisory Committee Members to not more than 40 million yen per year, taking into account the duties and responsibilities of Directors who are Audit and Supervisory Committee Members accompanying the transition to the company with audit and supervisory committee.

We deem that content of this proposal is necessary and appropriate since the proposal determines a maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members within a reasonable range upon taking into account factors that include duties of Directors who are Audit and Supervisory Committee Members and remuneration levels of Directors (excluding Directors who are Audit and Supervisory Committee Members).

There will be three Directors who are Audit and Supervisory Committee Members, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation” and Proposal No. 3 “Election of Three Directors Who Are Audit and Supervisory Committee Members” as originally proposed.

This proposal shall take effect when Proposal No. 1 “Amendment to the Articles of Incorporation” comes into effect.

Proposal No. 7 Determination of Maximum Amount of Performance-Linked Share-Based Remuneration for Directors (Excluding Directors and Outside Directors Who Are Audit and Supervisory Committee Members)

1. Reasons for the proposal and rationale for the proposed remuneration

At its 89th Annual General Meeting of Shareholders held on March 29, 2016, the Company gained approval of its proposal (the “Original Resolution”) to adopt its Board Benefit Trust (BBT) share-based remuneration plan (the “Plan”) for Directors (excluding Outside Directors), which remains in effect. Meanwhile, the Company requests approval to abolish the current maximum amount of remuneration pertaining to the Plan for Directors and to reestablish the maximum amount of remuneration pertaining to the Plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) accompanying its transition to the company with audit and supervisory committee, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation” as originally proposed. Specifically, the Company requests approval regarding the specific calculation method for the maximum limit of remuneration, etc. and content thereof pertaining to the Plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) within the maximum limit established separately from the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) in alignment with its request for approval of Proposal No. 5.

This proposal serves a procedural purpose accompanying transition to the company with audit and supervisory committee and content regarding the maximum amount of remuneration pertaining to the Plan has been deemed appropriate given that this proposal is substantially equivalent to that approved at the 89th Annual General Meeting of Shareholders held on March 29, 2016, and because it also conforms with the policy on decisions regarding the content of remuneration, etc. for individual Directors of the Company. In addition, six Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) shall be eligible for the Plan, subject to approval and adoption of Proposal No. 1 “Amendment to the Articles of Incorporation” and Proposal No. 2 “Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” as originally proposed.

This proposal shall take effect when Proposal No. 1 “Amendment to the Articles of Incorporation” comes into effect.

2. Method for calculating amount of remuneration, etc. and content thereof, etc. under the Plan

(1) Outline of the Plan

The Plan is a performance-linked share-based remuneration plan under which the Company’s shares are acquired through a trust (the “Trust”) using money contributed by the Company as the financial funds, and whereby the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (the “Company’s Shares, etc.”) are to be delivered to the Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and Executive Officers (the “Directors, etc.”) through the trust in accordance with the Share Delivery Regulations for Officers established by the Board of Directors of the Company. The Directors, etc. shall receive delivery of the Company’s Shares, etc. upon their retirement, in principle.

(2) Persons eligible for the Plan

The Company’s Directors (Directors who are Audit and Supervisory Committee Members and Outside Directors are not eligible for the Plan) and Executive Officers

(3) Trust amount

Specifically, under the Original Resolution, the Company adopted the Plan over the three business years extending from the business year ended December 31, 2016 through the business year ended December 31, 2018 (the “Initial Period,” with the Initial Period and each three consecutive business years following the Initial Period respectively referred to as an “Applicable Period”), as well as each Applicable Period thereafter. The Company accordingly established the Trust, which entailed contributing money as the financial funds for enabling the Trust to acquire the Company’s shares for the purpose of delivering the Company’s shares, etc. to the Directors, etc., with the Company contributing money amounting to 61,655 thousand yen for the Initial

Period and money amounting to 50,740 thousand yen for the Applicable Period extending from the business year ended December 31, 2019 through the business year ended December 31, 2021.

Accompanying the transition to the company with audit and supervisory committee, the Trust now seeks to ensure continuity of the trust whose beneficiaries are to consist of eligible officers who meet the beneficiary requirements.

In principle, the Company shall make to the Trust additional contributions of funds deemed necessary for the Trust to acquire in advance a number of shares that are reasonably expected to be necessary for delivering the Company's Shares, etc. for each Applicable Period until the termination of the Plan. As described in (5) below, the maximum number of points given to Directors, etc. under the Plan shall not exceed 25,000 points (equivalent to 5,000 shares after the consolidation of shares conducted on July 1, 2017) in any fiscal year. Therefore, the Company will contribute the funds projected as being reasonably necessary to acquire 15,000 shares for the Applicable Period to the Trust. For reference, when the closing price on February 20, 2023 is applied, the necessary funds stated above shall be approximately 66 million yen.

When the Company decides to make additional contributions, it shall make a disclosure in a timely and appropriate manner.

(4) Acquisition method of the Company's shares

The Trust shall acquire the Company's shares through the stock market, etc. on which the Company's shares are listed or by way of subscribing to the disposition of the Company's treasury shares, using the funds contributed in accordance with (3) above as the financial funds.

The details of the acquisition of the Company's shares by the Trust shall be disclosed in a timely and appropriate manner.

(5) Method for calculating the number of the Company's shares to be delivered to the Directors, etc. and maximum limit on the number of the Company's shares to be delivered to the Directors, etc.

In each business year, the Company shall grant each of the Directors, etc. a number of points calculated in accordance with the extent to which they have achieved performance targets, on the basis of base points determined in accordance with positions of each of the Directors, etc. pursuant to the Share Delivery Regulations for Officers. The total number of points to be granted to the Company's Directors, etc. per business year shall amount to a maximum of 25,000 points (of which, 15,000 points are for Directors of the Company). This has been decided by comprehensively taking into account the current level of remuneration provided to officers of the Company, the trend and outlook in the number of the Directors, etc., and other such factors, and has been deemed as appropriate by the Company.

The points granted to the Directors, etc. will be converted on the ratio of 1 point: 0.2 common shares of the Company when the shares are delivered as described in (6) below based on the consolidation of shares as of July 1, 2017. (Note, however, that if there is a share split, allotment of shares without contribution, consolidation of shares, etc. after this proposal is approved by the shareholders at the General Meeting of Shareholders, the conversion ratio will be adjusted in a reasonable manner proportionate to the relevant ratio, etc.).

The number of points used as the basis for calculating the number of shares to be delivered shall be calculated by determining the cumulative number of points granted to the Director, etc. up to the time of his/her retirement and multiplying that number by a predetermined coefficient (one or less) set for different reasons of severance (the points hereby calculated hereinafter referred to as the "Defined Number of Points").

(6) Delivery of shares and method for calculating amount of remuneration, etc.

In cases where a Director, etc. retires and has met the beneficiary requirements stipulated in the Share Delivery Regulations for Officers, the Director, etc. may receive delivery of a number of the Company's shares from the Trust after his/her retirement in alignment with the Defined Number of Points determined in accordance with the method presented in (5) above, by completing the prescribed beneficiary vesting procedures. However, if requirements stipulated in the Share Delivery Regulations for Officers have been met, a certain proportion of monetary payment equivalent to the market value of the Company's shares may be received in lieu of delivery of such shares. The Trust may sell the Company's shares in order to provide monetary payment.

The basis for the amount of remuneration, etc. to be received by Directors shall be an amount determined by multiplying the total number of points granted to each Director, etc. at the time of granting points by the book value of one share of the Company's shares held by the Trust (provided, however, in cases where the Company's shares become subject to a share split, allotment of share without contribution, or consolidation of shares, etc., reasonable adjustments shall be made in proportion to the relevant ratio, etc.). In cases where money is provided in exceptional circumstances in accordance with the provisions of the Share Delivery Regulations for Officers, such amount shall be added to the amount of remuneration, etc., if deemed appropriate.