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(Stock Exchange Code 1852)
June 1, 2023

To Shareholders with Voting Rights:

Makoto Asanuma
Representative President
Asanuma Corporation
Main Office: 1-2-3 Minatomachi,
Naniwa-ku, Osaka

**NOTICE OF CONVOCATION OF
THE 88TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We would like to inform you that the 88th Annual General Meeting of Shareholders of Asanuma Corporation (the “Company”) will be held as described below.

Instead of attending the meeting in person, you can exercise your voting rights in advance via the Internet, etc. or in writing. Please review the attached Reference Documents for the General Meeting of Shareholders below (refer to “4. Matters Concerning the Measures for Electronic Provision”), and in accordance with the Instructions for the Exercise of Voting Rights, exercise your voting rights by 5:15 p.m. on Thursday, June 22, 2023, Japan time.

- 1. Date and Time:** Friday, June 23, 2023 at 10:00 a.m. Japan time
2. Place: Snowberry Banquet Room, 21st Floor, Hotel Monterey Grasmere Osaka
1-2-3 Minatomachi, Naniwa-ku, Osaka

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 88th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the Company’s 88th Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Eight (8) Directors
Proposal 3: Election of One (1) Audit & Supervisory Board Member

4. Matters Concerning the Measures for Electronic Provision

- (1) The Company has commenced measures for electronic provision, in regard to information that is the contents of the Reference Documents for General Meeting of Shareholders, etc., which are equivalent to the measures for electronic provision matters.

In regard to the Voting Rights Exercise Form, this document will not be subject to the measures for electronic provision matters, and will be enclosed with this Notice of Convocation.

- (2) In regard to information that is equivalent to the Reference Documents for General Meeting of Shareholders, etc., this information is listed in the following websites (a., b.) on the Internet. Please check either of the listed websites.

- a. The Company's website URL:

<https://www.asanuma.co.jp/ir/sokai.html> (in Japanese)

- b. The website URL for informational materials for the general meeting of shareholders:

<https://d.sokai.jp/1852/teiji/> (in Japanese)

The above information is also listed on the TSE website (Listed Company Search) (c.). You can also browse this information on the TSE website. On the TSE website, please search for the information in the following order: Using the Quick search function, type in Asanuma or the stock exchange code 1852 and click Search → “Basic information” → “Documents for public inspection/PR information” → “Click here for access” of “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting.”

- c. TSE website URL:

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

- (3) Notwithstanding the above (1) and (2), for shareholders who did not request the provision of physical documents, among the measures for electronic provision matters, the Company will send in written format the Reference Documents for the General Meeting of Shareholders.

5. Other Matters for Determination in the Convocation of the Annual General Meeting of Shareholders

- (1) If a voting right is exercised multiple times via the Internet, etc., we will consider the last vote to be the valid vote.
- (2) If a voting right is exercised both via the Internet, etc. and in writing, we will consider the Internet vote to be the valid vote.
- (3) In regard to a voting right that is exercised in writing, if there is no indication of a vote for or against each proposal, we will consider this to be an indication of approval.

- In regard to information that is contents of the Reference Documents for General Meeting of Shareholders, etc., which are equivalent to the measures for electronic provision matters, if there are any matters for amendment, the gist of such matters will be listed in the above 4.-(2) website, as the matters before the amendment and matters after the amendment.

Instructions for the Exercise of Voting Rights

- **Exercise of voting rights over the Internet, etc.**

Deadline: 5:15 p.m. on Thursday, June 22, 2023

Please access the voting website (<https://www.web54.net>) and **enter your vote for or against the proposals by the deadline** by following the instructions on the screen.

If exercising voting rights using a smartphone, **please use “Smart Exercise®.”**

For details, please refer to page 5 of the Japanese version.

- **Exercise of voting rights in writing**

Deadline: 5:15 p.m. on Thursday, June 22, 2023 (time of receipt)

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and **return it by mail so that it is received by the deadline.**

- **Exercise of voting rights by attending the meeting**

Date and time: Friday, June 23, 2023 at 10:00 a.m. Japan time

Please **submit** the enclosed Voting Rights Exercise Form **at the reception desk.**

- In light of the number of seats available being limited, we encourage you to exercise your voting rights in advance via the Internet, etc. or in writing.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders as one of its most important management initiatives, and to this end, maintains a basic policy of allocating dividends in line with its business performance by developing new technologies that are necessary for the future expansion of the business, while striving to sustain and reinforce the Company's competitiveness. With regard to the year-end dividend, the Company has taken various factors into consideration, including its financial condition and business performance.

Therefore, the Company proposes to pay for the fiscal year ended March 31, 2023 a year-end dividend of ¥191 per share.

1. Type of dividend property
Cash
2. Allotment of dividend property and their aggregate amount
¥191 per common share of the Company
Aggregate amount of dividends will be ¥3,080,080,516.
3. Effective date of dividends of surplus
June 26, 2023

Proposal 2: Election of Eight (8) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of eight (8) Directors.

If this Proposal is approved as originally proposed, more than one third of the Directors of the Company will be Independent Outside Directors.

In order to ensure the transparency and fairness of the decision-making process, the Proposal has been determined by resolution of the Board of Directors following deliberations by the Nomination and Compensation Committee, which is composed of a majority of Independent Outside Directors and chaired by the Lead Independent Outside Director.

Composition of the Board of Directors of the Company

The Company endeavors to appoint Directors so that the composition of the Board of Directors is well-balanced as a whole between knowledge, experience and competence, and at the same time, achieves both diversity and appropriate size.

The composition of Inside Directors (Directors other than Outside Directors) and Independent Outside Directors is as follows:

- **Composition of Inside Directors**

The Company has established a structure which is laid out in the Internal Rules of the Nomination and Compensation Committee to appoint six (6) Inside Directors consisting of Officer in charge of Building Construction Headquarters who is responsible for building construction segments, Officer in charge of Osaka Main Office who is responsible for building construction segments administered by Osaka Main Office, Officer in charge of Tokyo Main Office who is responsible for building construction segments administered by Tokyo Main Office, Officer in charge of Civil Construction Headquarters who is responsible for civil construction segments, Officer in charge of President's Office who is responsible for administration segments, alongside Representative President.

At this Annual General Meeting of Shareholders, the Company will propose five (5) candidates for Inside Directors.

- **Composition of Independent Outside Directors**

For the purpose of ensuring the transparency of corporate management and enhancing corporate governance, the Company has established a structure which is laid out in the Internal Rules of the Nomination and Compensation Committee to appoint three (3) Independent Outside Directors, and more than one third of the Directors of the Company are Independent Outside Directors. In addition, the Company has appointed one (1) Director who has management experience at other companies.

There is one (1) female Director.

Other Initiatives by the Company

The Company has adopted a policy to continue to reduce strategic shares and verifies the appropriateness of shareholdings of each individual issue at the regular meeting of the Board of Directors held at the beginning of each fiscal year. The balance of strategic shares was 13.3% of the Company's consolidated net assets at the end of March 2021, 8.8% at the end of March 2022, and 8.8 % at the end of March 2023, respectively.

In accordance with the Basic Sustainability Policy, for the purpose of actively addressing sustainability-related issues, the Company has established the Sustainability Promotion Committee, which is chaired by the C.E.O., under the Board of Directors. The Company collects and analyzes necessary data on the impact of climate change-related risks and opportunities on the Company's business activities, profitability, etc., and, in order to enhance the quality and quantity of disclosures, the Company makes disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the Company presents their voluntary and measurable goals related to the promotion of core human resources such as women, foreign nationals, and midcareer hires, and discloses their status in turn.

The Company has a Human Rights Policy to support international norms on human rights, and to fulfill the duty to respect human rights in business activities. This Policy was disclosed in (July 2022).

The Company also disclosed their Procurement Policy (in July 2022), in recognition that partnerships with partner companies, etc., and other procurement partners are essential. At the same time, the Company disclosed their Partnership Building Declaration (in October 2022) to build new partnerships by promoting partnerships, co-existence and co-prosperity with all supply chain partners and businesses with a focus on value creation.

The candidates for Directors are as follows:

No.	Name	Positions and Responsibilities at the Company	Attendance at Board of Directors' meetings	Attributes	Years served as Director	Membership in Nomination and Compensation Committee
1	Makoto Asanuma	Representative President, C.E.O.	17 out of 17	Reappointment Male	5	○
2	Morio Yamakoshi	Representative Director, Senior Managing Officer, Officer in charge of President's Office and Overseas Operations	16 out of 17	Reappointment Male	11	○
3	Kazuhiro Moriyama	Director, Senior Managing Officer, Officer in charge of Civil Construction Headquarters	17 out of 17	Reappointment Male	4	
4	Masahiro Fujisawa	Director, Managing Officer, Officer in charge of Building Construction Headquarters	16 out of 17	Reappointment Male	3	
5	Akihiro Toyota	Director, Managing Officer, Officer in charge of Osaka Main Office, Deputy Officer in charge of Building Construction Headquarters	17 out of 17	Reappointment Male	3	
6	Masafumi Fukuda	Director	17 out of 17	Reappointment Outside Director Independent Male	6	◎
7	Miwako Funamoto	Director	17 out of 17	Reappointment Outside Director Independent Female	4	○
8	Takuya Morikawa	Director	17 out of 17	Reappointment Outside Director Independent Male	3	○

Note: "◎" indicates the Chairperson of the Nomination and Compensation Committee.

Areas where each Director is expected to have expertise (skills matrix)

Name	Corporate Management, Management Strategy	Finance, Accounting, Capital Policy	Legal Affairs, Compliance, Risk Management	Personnel Affairs, Human Resources	Building Construction Business	Civil Construction Business	Overseas Operations	Technology, IT
Makoto Asanuma	●		●	●	●	●		●
Morio Yamakoshi	●	●	●	●			●	●
Kazuhiro Moriyama						●		●
Masahiro Fujisawa					●			
Akihiro Toyota					●			
Masafumi Fukuda					●	●		●
Miwako Funamoto			●					
Takuya Morikawa	●						●	

Note: When determining the composition of the Board of Directors, the Company appropriately combines the skills, etc. of Directors according to the management environment, business characteristics, and other factors. The skills matrix above presents a summary of the knowledge, experience, capabilities, and other characteristics of Directors, based on each Director's identification of the skills, etc. that they should possess, taking into consideration the Company's business strategies.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	[Reappointment] [Male] Makoto Asanuma (April 18, 1972)	<p>April 1996 Joined the Company</p> <p>June 2009 Assistant General Manager in charge of President's Office, General Manager, General Affairs Division</p> <p>April 2015 Executive Officer, Officer in charge of Renovation Division, General Manager, Renovation Marketing & Sales Division, Tokyo Main Office</p> <p>April 2016 Executive Officer, General Manager, Marketing & Sales Promotion Office, Building Construction Headquarters, in charge of Renovation and Real Estate</p> <p>April 2018 Executive Vice President, Officer in charge of Building Construction Headquarters</p> <p>June 2018 Representative President, C.E.O.</p> <p>May 2021 Director and President, Asanuma Construction Ltd., International</p> <p>April 2022 Representative Director and Chairman, ASANUMA TATEMONO K.K. (to present)</p> <p>[Significant concurrent positions] <ul style="list-style-type: none"> • Representative Director and Chairman, ASANUMA TATEMONO K.K. • Director and President, Asanuma Construction Ltd., International </p>	282,874
<p>[Reason for nomination as candidate for Director] Mr. Asanuma has been nominated as a candidate for Director for his background as set forth above and with his extensive experience in corporate management acquired through his years as Representative Director of the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	[Reappointment] [Male] Morio Yamakoshi (September 3, 1955)	<p>June 2002 Joined Sumitomo Mitsui Banking Corporation General Manager, Shinjuku Corporate Banking Dept. II</p> <p>June 2003 Senior Manager, Tokyo Head Office</p> <p>April 2004 General Manager, Nagoya Corporate Banking Dept. II</p> <p>April 2006 Senior Manager, Internal Audit Dept.</p> <p>June 2007 Joined the Company Executive Officer, in charge of Building Construction Marketing & Sales, Tokyo Main Office</p> <p>April 2012 Managing Officer, Deputy General Officer in charge of Business Headquarters</p> <p>June 2012 Director, Managing Officer, Deputy Officer in charge of Business Headquarters</p> <p>January 2013 Director, Managing Officer, Officer in charge of President's Office</p> <p>April 2015 Director, Managing Officer, Officer in charge of President's Office and Overseas Operations</p> <p>April 2017 Director, Senior Managing Officer, Officer in charge of President's Office and Overseas Operations</p> <p>June 2018 Representative Director, Senior Managing Officer, Officer in charge of President's Office and Overseas Operations</p> <p>October 2018 Director, SINGAPORE PAINTS & CONTRACTOR PTE. LTD.</p> <p>January 2022 Director, EVERGREEN ENGINEERING & CONSTRUCTION PTE. LTD. (to present)</p> <p>[Significant concurrent positions] <ul style="list-style-type: none"> • Director, SINGAPORE PAINTS & CONTRACTOR PTE. LTD. • Director, EVERGREEN ENGINEERING & CONSTRUCTION PTE. LTD. </p>	9,948
<p>[Reason for nomination as candidate for Director] Mr. Yamakoshi has been nominated as a candidate for Director for his background as set forth above and with recognition to his management experience and insight, acquired through his career in a financial institution, along with the fact that he has extensive knowledge in overall operations, mainly within the Company's Main Office and its Overseas Operations.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
3	[Reappointment] [Male] Kazuhiro Moriyama (June 2, 1955)	April 1974	Joined the Company	8,354
		April 2012	General Manager, Civil Engineering Division, Osaka Main Office	
		April 2014	Deputy Officer in charge of Osaka Main Office (in charge of Civil Engineering) General Manager, Civil Engineering Division, Osaka Main Office	
		April 2015	Deputy Officer in charge of Civil Construction Headquarters	
		April 2016	Executive Officer, Deputy Officer in charge of Civil Construction Headquarters	
		April 2018	Managing Officer, Officer in charge of Civil Construction Headquarters	
		June 2019	Director, Managing Officer, Officer in charge of Civil Construction Headquarters	
		April 2020	Director, Senior Managing Officer, Officer in charge of Civil Construction Headquarters (to present)	
[Reason for nomination as candidate for Director] Mr. Moriyama has been nominated as a candidate for Director for his background as set forth above and because he has extensive experience in overall operations and management, mainly within the Company's civil construction business.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
4	[Reappointment] [Male] Masahiro Fujisawa (May 15, 1959)	April 1982	Joined the Company	4,536
		October 2011	General Manager, Marketing & Sales Section No.3, Tokyo Main Office	
		April 2012	General Manager, Marketing & Sales Section No.2 and No.3, Tokyo Main Office	
		April 2013	Deputy Officer in charge of Tokyo Main Office (in charge of Building Construction Marketing & Sales), Building Construction Headquarters	
		April 2016	Executive Officer, Deputy Officer in charge of Tokyo Main Office (in charge of Building Construction Marketing & Sales), Building Construction Headquarters	
		April 2018	Executive Officer, Deputy Officer in charge of Building Construction Headquarters, General Manager, Marketing & Sales Promotion Office, Building Construction Headquarters	
		April 2019	Managing Officer, Officer in charge of Tokyo Main Office, Deputy Officer in charge of Building Construction Headquarters, General Manager, Marketing & Sales Promotion Office, Building Construction Headquarters	
		June 2020	Director, Managing Officer, Officer in charge of Tokyo Main Office, Deputy Officer in charge of Building Construction Headquarters, General Manager, Marketing & Sales Promotion Office, Building Construction Headquarters	
		April 2021	Director, Managing Officer, Officer in charge of Tokyo Main Office, Deputy Officer in charge of Building Construction Headquarters	
March 2023	Director, Managing Officer, Officer in charge of Building Construction Headquarters (to present)			
[Reason for nomination as candidate for Director] Mr. Fujisawa has been nominated as a candidate for Director for his background as set forth above and because he has extensive experience in overall operations and management, mainly within the building construction business of the Company.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	[Reappointment] [Male] Akihiro Toyota (February 15, 1959)	<p>April 1981 Joined the Company</p> <p>October 2010 General Manager, Marketing & Sales Division, Hiroshima Branch</p> <p>April 2013 Deputy Officer in charge of Osaka Main Office (in charge of Marketing & Sales)</p> <p>November 2014 Deputy Officer in charge of Osaka Main Office (in charge of Marketing & Sales), Building Construction Headquarters</p> <p>April 2015 Executive Officer, Deputy Officer in charge of Osaka Main Office (in charge of Marketing & Sales), Building Construction Headquarters</p> <p>April 2019 Managing Officer, Officer in charge of Osaka Main Office, Deputy Officer in charge of Building Construction Headquarters</p> <p>June 2020 Director, Managing Officer, Officer in charge of Osaka Main Office, Deputy Officer in charge of Building Construction Headquarters (to present)</p>	5,236
<p>[Reason for nomination as candidate for Director] Mr. Toyota has been nominated as a candidate for Director for his background as set forth above and because he has extensive experience in overall operations and management, mainly within the building construction business of the Company's Osaka Main Office.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	[Reappointment] [Outside Director] [Independent Officer] [Male] Masafumi Fukuda (August 25, 1944)	<p>April 1971 Joined the Ministry of Construction (current Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>October 1999 Director-General, Shikoku Region Construction Bureau (current Shikoku Regional Development Bureau, Ministry of Construction)</p> <p>November 2001 Director, Water Resources Development Public Corporation (current Japan Water Agency)</p> <p>May 2008 Head Director, Shikoku Kensetsu Kosaikai Inc Association (current Shikoku Create Association)</p> <p>June 2017 Advisor, Shikoku Create Association</p> <p>June 2017 Outside Director of the Company (to present)</p> <p>[Significant concurrent positions] • Advisor, Shikoku Create Association</p>	-
<p>[Reason for nomination as candidate for Outside Director and reason why the Company has determined that he is capable of properly performing duties as Outside Director] Mr. Fukuda has been nominated as a candidate for Outside Director for his background as set forth above and because the Company believes that he would be able to put forward his points of view at meetings of the Board of Directors from an independent standpoint, even though he has no experience in being involved in company management in the past except as an outside director or an outside corporate auditor.</p> <p>[Expected roles] The Company believes that Mr. Fukuda would be able to properly fulfill the roles expected of him in order to improve corporate value, since he has extensive knowledge, expertise and experience acquired from having been involved in the construction field for many years.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	[Reappointment] [Outside Director] [Independent Officer] [Female] Miwako Funamoto (July 30, 1979)	February 2014 Admitted to the bar Joined Risolute Law Office April 2015 Committee Member, Special Committee on Tax Matters, Tokyo Bar Association June 2019 Outside Director of the Company January 2020 Joined Toranomon Daiichi Law Office March 2023 Outside Auditor, Carseven Digifield Co., Ltd. (to present) [Significant concurrent positions] • Attorney-at-law (Toranomon Daiichi Law Office) • Outside Auditor, Carseven Digifield Co., Ltd. • Outside Director, AZ-COM MARUWA Holdings Inc. (scheduled to assume the office in June 2023)	-
<p>[Reason for nomination as candidate for Outside Director and reason why the Company has determined that she is capable of properly performing duties as Outside Director] Ms. Funamoto has been nominated as a candidate for Outside Director for her background as set forth above and because the Company believes that she would be able to put forward her points of view at meetings of the Board of Directors from an independent standpoint, even though she has no experience in being involved in company management in the past except as an outside director or an outside corporate auditor.</p> <p>[Expected roles] The Company believes that Ms. Funamoto would be able to properly fulfill the roles expected of her in order to improve corporate value, since she has expertise as an attorney-at-law and extensive experience in corporate legal affairs.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	[Reappointment] [Outside Director] [Independent Officer] [Male] Takuya Morikawa (October 7, 1959)	April 1982 Joined KOKUYO Co., Ltd. June 2005 Director of the Board, KOKUYO Co., Ltd. Representative Director and President, KOKUYO S&T Co., Ltd. April 2015 Group Senior Executive Officer, KOKUYO Co., Ltd. January 2019 Executive Vice President, Special Officer June 2020 Outside Director of the Company April 2021 Representative Director and President, Wakiprintpia Co., Ltd. April 2021 Advisor, NETSQUARE CO., Ltd. June 2022 Outside Director, ITOCHU ENEX CO., LTD. (to present) [Significant concurrent positions] • Representative Director and President, Wakiprintpia Co., Ltd. • Advisor, NETSQUARE CO., Ltd. • Outside Director, ITOCHU ENEX CO., LTD.	-
<p>[Reason for nomination as candidate for Outside Director] Mr. Morikawa has background as set forth above and has worked for one of the customers of the Company (KOKUYO Co., Ltd.). However, the transaction value between the two companies is insignificant since the transaction value during the most recent business year is less than 1% of consolidated net sales of both companies. Accordingly, Mr. Morikawa has been nominated as a candidate for Outside Director because the Company believes that he would be able to put forward his points of view at meetings of the Board of Directors from an independent standpoint.</p> <p>[Expected roles] The Company believes that Mr. Morikawa would be able to properly fulfill the roles expected of him in order to improve corporate value, since he has extensive knowledge, expertise and experience acquired from having been involved in the management of major domestic stationery and furniture makers for many years.</p>			

[Notes on the candidates for Directors]

1. Special interests between the candidates and the Company
There are no special interests between each of the candidates and the Company.
2. Items related to candidates for Outside Directors
Of the candidates for Directors, Mr. Masafumi Fukuda, Ms. Miwako Funamoto, and Mr. Takuya Morikawa are candidates for Outside Directors. The Company has designated them as Independent Officers and has notified the Tokyo Stock Exchange as such. Mr. Fukuda, Ms. Funamoto, and Mr. Morikawa will have served as Outside Director of the Company for six years, four years, and three years, respectively at the conclusion of this year's Annual General Meeting of Shareholders.
3. A summary of the limitation of liability agreement between the Company and candidates for Outside Directors
The Company has concluded limitation of liability agreements with candidates for Outside Directors to limit their liability to the amount stipulated by laws and regulations so that they may fully perform their duties as Outside Directors. The Company plans to continue the agreements if the candidates are elected as Outside Directors.
4. A summary of the indemnity agreement between the Company and candidates for Directors
The Company has concluded an agreement with each of the candidates for Directors to stipulate that the Company indemnifies each of them for the costs stipulated in Article 430-2, Paragraph 1, Item (i) of the Companies Act and the losses stipulated in Item (ii) of the same Paragraph to the extent stipulated by laws and regulations. If this Proposal is approved as originally proposed, the agreement will continue to be in effect with each of the candidates for Directors.
5. A summary of the directors and officers liability insurance contract that insures candidates for Directors
The Company has concluded a directors and officers liability insurance contract with an insurance company to insure Directors. The insurance covers any compensation for damages and litigation costs that are to be borne by the insured in the event of claims made against them during the insurance period for actions taken (or inaction) in the course of their duties at the Company. If the candidates for Directors are elected and assume the office of Director, each of them will be insured under the insurance contract. In addition, the period of this insurance contract is one (1) year, and the Company intends to renew the insurance contract with the same content, subject to a resolution by the Board of Directors prior to the expiration of the contract period.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Yuichi Sasaki will expire at the conclusion of this year's Annual General Meeting of Shareholders. Therefore, the Company proposes the election of one (1) Audit & Supervisory Board Member. The Audit & Supervisory Board has previously given its approval to this Proposal. If this Proposal is approved and adopted as originally proposed, three out of four (i.e., the majority of) Audit & Supervisory Board Members of the Company will be Independent Outside Audit & Supervisory Board Members.

In order to ensure the transparency and fairness of the decision-making process, the Proposal has been determined by resolution of the Board of Directors following deliberations by the Nomination and Compensation Committee, which is composed of a majority of Independent Outside Directors and chaired by the Lead Independent Outside Director.

The candidate is as follows:

Name (Date of birth)	Past experience and positions	Number of shares of the Company held
[Reappointment] [Male] Yuichi Sasaki (February 7, 1961)	April 1983 Joined the Company April 2008 General Manager, Information Systems Office, Head Office October 2015 General Manager, Auditing Office General Manager, Compliance Office April 2018 General Manager, Compliance Office June 2019 Full-time Audit & Supervisory Board Member (to present)	800
[Reason for nomination as candidate for Audit & Supervisory Board Member] Mr. Sasaki has been nominated as a candidate for Audit & Supervisory Board Member for his background as set forth above and because he has extensive experience in risk management of overall operations and management, mainly within the audit and compliance segments of the Company.		

- Notes:
1. There are no special interests between the Company and Mr. Sasaki.
 2. The Company has concluded an agreement with Mr. Sasaki to stipulate that the Company indemnifies him for the costs stipulated in Article 430-2, Paragraph 1, Item (i) of the Companies Act and the losses stipulated in Item (ii) of the same Paragraph to the extent stipulated by laws and regulations. If this Proposal is approved as originally proposed, the agreement will continue to be in effect with Mr. Sasaki.
 3. The Company has concluded a directors and officers liability insurance contract with an insurance company to insure Audit & Supervisory Board Members. The insurance covers any compensation for damages and litigation costs that are to be borne by the insured in the event of claims made against them during the insurance period for actions taken (or inaction) in the course of their duties at the Company. If Mr. Sasaki is elected and assumes the office of Audit & Supervisory Board Member, he will be insured under the insurance contract. In addition, the period of this insurance contract is one (1) year, and the Company intends to renew the insurance contract with the same content, subject to a resolution by the Board of Directors prior to the expiration of the contract period.

(Reference)

If this Proposal is approved as originally proposed, the composition of the Audit & Supervisory Board will be as follows:

Name	Positions at the Company	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings	Attributes	Years served as Audit & Supervisory Board Member
Yuichi Sasaki	Full-time Audit & Supervisory Board Member	17 out of 17	13 out of 13	Reappointment Male	4
Yoshiaki Nakagawa	Audit & Supervisory Board Member	15 out of 17	13 out of 13	Incumbent Outside Audit & Supervisory Board Member Independent Officer Male	3
Tomoko Kimura	Audit & Supervisory Board Member	17 out of 17	13 out of 13	Incumbent Outside Audit & Supervisory Board Member Independent Officer Female	2
Hiroshi Daikuya	Audit & Supervisory Board Member	12 out of 14	9 out of 11	Incumbent Outside Audit & Supervisory Board Member Independent Officer Male	1

Note: As Mr. Daikuya assumed the office on June 22, 2022 (on the date of the 87th Annual General Meeting of Shareholders), the number of times he attended the Board of Directors' meetings and the Audit & Supervisory Board meetings is different from that of the other Audit & Supervisory Board Members.

Areas where each Audit & Supervisory Board Member is expected to have expertise (skills matrix)

Name	Corporate Management, Management Strategy	Finance, Accounting, Capital Policy	Legal Affairs, Compliance, Risk Management	Personnel Affairs, Human Resources	Building Construction Business	Civil Construction Business	Overseas Operations	Technology, IT
Yuichi Sasaki			●					●
Yoshiaki Nakagawa	●	●		●			●	
Tomoko Kimura			●					
Hiroshi Daikuya	●	●						

Note: When determining the composition of the Audit & Supervisory Board, the Company appropriately combines the skills, etc. of Audit & Supervisory Board Members according to the management environment, business characteristics, and other factors. The skills matrix above presents a summary of the knowledge, experience, capabilities, and other characteristics of Audit & Supervisory Board Members, based on each Audit & Supervisory Board Member's identification of the skills, etc. that they should possess, taking into consideration the Company's business strategies.

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Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of Yen)

Description	Amount	Description	Amount
ASSETS		LIABILITIES	
Current assets	76,719	Current liabilities	35,190
Cash and deposits	11,895	Accounts payable for construction contracts	15,333
Notes receivable, accounts receivable from completed construction contracts and other	61,163	Short-term borrowings	1,808
Costs on construction contracts in progress	1,335	Accounts payable - other	204
Other inventories	60	Income taxes payable	1,583
Accounts receivable - other	1,790	Advances received on construction contracts in progress	4,638
Other	488	Suspense receipt of consumption taxes	4,588
Allowance for doubtful accounts	(13)	Provision for warranties for completed construction	573
		Provision for loss on construction contracts	38
		Other	6,421
Non-current assets	16,315	Non-current liabilities	13,176
Property, plant and equipment	5,283	Bonds payable	1,640
Buildings and structures	3,086	Long-term borrowings	6,884
Land	1,607	Deferred tax liabilities	213
Other	589	Retirement benefit liability	4,292
Intangible assets	3,131	Other	146
Software	482	Total liabilities	48,367
Software in progress	256	NET ASSETS	
Goodwill	1,067	Shareholders' equity	42,646
Customer-related intangible assets	1,224	Share capital	9,614
Other	101	Capital surplus	2,186
Investments and other assets	7,900	Retained earnings	30,919
Investment securities	4,732	Treasury shares	(73)
Retirement benefit asset	1,220	Accumulated other comprehensive income	1,352
Deferred tax assets	970	Valuation difference on available-for-sale securities	1,103
Other	1,492	Foreign currency translation adjustment	486
Allowance for doubtful accounts	(515)	Remeasurements of defined benefit plans	(237)
		Non-controlling interests	668
		Total net assets	44,667
Total assets	93,034	Total liabilities and net assets	93,034

Consolidated Statement of Income

(April 1, 2022 - March 31, 2023)

(Millions of Yen)

Description	Amount	
Net sales		
Net sales of completed construction contracts	141,758	
Sales in other businesses	2,678	144,436
Cost of sales		
Cost of sales of completed construction contracts	127,416	
Cost of sales in other businesses	1,880	129,296
Gross profit		
Gross profit on completed construction contracts	14,341	
Gross profit - other business	797	15,139
Selling, general and administrative expenses		9,447
Operating profit		5,691
Non-operating income		
Interest and dividend income	113	
Foreign exchange gains	163	
Share of profit of entities accounted for using equity method	3	
Subsidy income	57	
Other	151	488
Non-operating expenses		
Interest expenses	105	
Guarantee commission	42	
Commission expenses	106	
Other	7	262
Ordinary profit		5,918
Extraordinary income		
Gain on sale of non-current assets	760	
Other	0	760
Extraordinary losses		
Loss on retirement of non-current assets	1	
Loss on valuation of investment securities	16	
Loss on valuation of other investments	10	
Impairment losses	145	173
Profit before income taxes		6,505
Income taxes-current	2,111	
Income taxes-deferred	(12)	2,099
Profit		4,406
Profit attributable to non-controlling interests		206
Profit attributable to owners of parent		4,200