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To All Shareholders

Securities Code 1884  
June 1, 2023  
(Commencement date for electronic provision measures: May 25, 2023)  
1-6-5 Shimbashi, Minato-ku, Tokyo  
The Nippon Road Co., Ltd.  
Representative Director and President Toshiyuki Ishii

## Notice of Convocation for the 118th Annual General Meeting of Shareholders

Dear Shareholders,

I would like to take this opportunity to thank you, our shareholder, for your support of The Nippon Road Co., Ltd (the “Company”). The 118th Annual General Meeting of Shareholders will be held as described below.

In convening this General Meeting of Shareholders, the Company has implemented electronic provision measures for information that comprises the content of the Reference Materials for the General Meeting of Shareholders (Matters for Electronic Provision Measures) and such materials are provided on the Company’s website as the “Notice of Convocation for the 118th Annual General Meeting of Shareholders.” Please view these materials by accessing the Company’s website below.

**The Company’s website (in Japanese):**

<https://www.nipponroad.co.jp/ir/stock/meeting/>



Apart from the Company’s website, the Matters for Electronic Provision Measures are also available on the website of the Tokyo Stock Exchange (TSE). Please view the TSE website (TSE Listed Company Search Service) below, input and search for “Nippon Road” in the “Issue name (company name)” field or for “1884” (the Company’s securities code) in the “Code” field, select “Basic information” then “Documents for public inspection/PR information,” and confirm the contents of the “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” field in the “Filed information available for public inspection” section.

**Tokyo Stock Exchange website (TSE Listed Company Search Service; in Japanese):**

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



Details

Date and Time	Friday, June 23, 2023 at 10:00 AM (JST)
Location	1-6-5 Shimbashi, Minato-ku, Tokyo <a href="#">The Nippon Road Co., Ltd. 10th Floor Conference Room</a>
Agenda for the Meeting	<p><b>Matters to be Reported</b></p> <ol style="list-style-type: none"> <li>1. Report on the content of the business report, and the consolidated financial statements, and report on the results of the audit of consolidated financial statements by the Accounting Auditors and the Board of Corporate Auditors for the 118th fiscal year (covering the period from April 1, 2022 to March 31, 2023).</li> <li>2. Report on the financial statements for the 118th fiscal year (covering the period from April 1, 2022 to March 31, 2023).</li> </ol> <p><b>Matters to be Resolved</b></p> <p>Proposal No. 1: Appointment of Eight Directors Proposal No. 2: Appointment of One Corporate Auditor Proposal No. 3: Revision of Compensation Amounts for Directors and Corporate Auditors</p>

END

## Reference Materials for the General Meeting of Shareholders

### Proposal No. 1 Appointment of Eight Directors


As of the conclusion of this General Meeting, the term of office of all six directors will expire. The Company requests the appointment of eight directors, increasing the current total by one director with the aim of strengthening the management structure, and one outside director with the aim of further strengthening management transparency and corporate governance.

The eight candidates are as follows:

Candidate Number	Name	Current Position	Number of Board of Directors Meetings Attended (FY2022)	Years in Office
1	Reappointment Toshiyuki Ishii	Representative Director President	100% (15/15 times)	7 years
2	New Appointment Masakazu Hyodo	Senior Managing Officer	— (Note 1)	—
3	Reappointment Kaoru Ito	Director Senior Managing Officer	100% (15/15 times)	4 years
4	Reappointment Toshihiko Kasai	Director Managing Officer	100% (15/15 times)	2 years
5	New Appointment Takeshi Takasugi	Managing Officer	— (Note 1)	—
6	Reappointment Outside Independent Taku Matsumoto	Outside Director	93% (14/15 times)	4 years
7	Reappointment Outside Independent Nozomu Morimura	Outside Director	100% (12/12 times) (Note 2)	1 year
8	New Appointment Outside Independent Fumiko Kosao	—	— (Note 1)	—

Notes: 1. As they are new candidates for director, there are no corresponding items.  
2. The number of Board of Directors meetings attended by Mr. Nozomu Morimura indicates the number of Board of Directors meetings held after his appointment as director during the 117th Ordinary General Meeting of Shareholders held on June 24, 2022.

Candidate Number <b>1</b>		<b>Toshiyuki Ishii</b> (Born February 26, 1958)	Reappointment Years in Office: 7 years Board of Directors Meetings Attended: 100% (15/15 times)
		Number of Company shares owned <b>2,900 shares</b>	
History, position and responsibility at the Company, and status of important concurrent positions		<p>April 1982    Joined the Company</p> <p>June 2016    Director and Executive Officer of the Company</p> <p>April 2017    Director and Managing Officer of the Company</p> <p>April 2019    Director and Senior Managing Officer of the Company</p> <p>April 2021    Representative Director, Executive Vice President of the Company</p> <p>April 2022    Representative Director and President of the Company (Current)</p>	
Reasons for Designation as a Candidate for Director		<p>Since joining the Company, Mr. Toshiyuki Ishii has been involved in the Company's construction business, and possesses abundant experience and highly specialized knowledge gained through his experience on work sites. He was promoted to director and executive officer in 2016, and then to Representative Director in 2021, and has since fulfilled his responsibilities with leadership and determination that he has exercised with the goal of improving the Group's corporate value.</p> <p>Based on these reasons, we ask that he be appointed once again as director.</p>	


Candidate Number <b>2</b>		<b>Masakazu Hyodo</b> (Born April 19, 1960)	New Appointment Years in Office: — Board of Directors Meetings Attended: —
		Number of Company shares owned <b>0 shares</b>	
History, position and responsibility at the Company, and status of important concurrent positions		<p>April 1984    Joined Shimizu Corporation</p> <p>April 2010    Manager of the Accounting Department of the Kyushu Branch of Shimizu Corporation</p> <p>April 2014    Deputy Director of the Hokkaido Branch of Shimizu Corporation</p> <p>April 2016    Manager of the Finance Department of Shimizu Corporation</p> <p>April 2019    Executive Officer and Manager of the Finance Department, and in Charge of Affiliates of Shimizu Corporation</p> <p>October 2020    Executive Officer in charge of Finance &amp; Accounting, and in charge of IR of Shimizu Corporation</p> <p>June 2021    Part-time Director of Seiwa Building Co., Ltd. (Scheduled to retire in June 2023)</p> <p>April 2023    Senior Managing Officer of the Company (Current)</p>	
Present Responsibility at the Company		Deputy General Manager of the Management Division	
Reasons for Designation as a Candidate for Director		<p>While working at Shimizu Corporation, Mr. Masakazu Hyodo worked as the Manager of the Finance Department and the Executive Officer in charge of finances, among other positions, and currently serves as Senior Managing Officer of the Company. Mr. Hyodo possesses broad experience and an abundance of specialized knowledge in the construction industry, and as he possesses both the expertise and abilities required of a director to enable the Company to work toward continuous growth and improvement of corporate value over the medium to long term, we have determined that he can appropriately fulfill this role, and we ask that you approve his appointment as a new director.</p>	

Candidate Number <b>3</b>		<b>Kaoru Ito</b> (Born February 12, 1963)	Reappointment Years in Office: 4 years Board of Directors Meetings Attended: 100% (15/15 times)
		Number of Company shares owned <b>2,900 shares</b>	
History, position and responsibility at the Company, and status of important concurrent positions		<p>April 1985    Joined the Company</p> <p>April 2015    General Manager of the Construction Department, Production and Technical Division of the Company</p> <p>April 2016    General Manager of the Chubu Branch of the Company</p> <p>April 2017    Executive Officer and General Manager of the Chubu Branch of the Company</p> <p>April 2019    Managing Officer and General Manager of the Business Division of the Company</p> <p>June 2019    Director and Managing Officer of the Company</p> <p>April 2022    Director and Senior Managing Officer of the Company (Current)</p>	
Present Responsibility at the Company		General Manager of the Business Division, and in Charge of Safety, Environment, Quality Control and Overseas Operation	
Reasons for Designation as a Candidate for Director		<p>Since joining the Company, Mr. Kaoru Ito has been involved in the Company's construction business, and possesses abundant experience and highly specialized knowledge gained through his experience on work sites. He was promoted to executive officer in 2017, and thereafter supervised the Sales Department as the Manager of the Sales Division, was promoted to director and executive officer in 2019, was promoted to director and Senior Managing Executive Officer in 2022, and has been contributing to efforts to continuously improve the Group's corporate value.</p> <p>Based on these reasons, we ask that he be appointed once again as director.</p>	

Candidate Number <b>4</b>		<b>Toshihiko Kasai</b> (Born April 3, 1965)	Reappointment Years in Office: 2 years Board of Directors Meetings Attended: 100% (15/15 times)
		Number of Company shares owned <b>1,700 shares</b>	
History, position and responsibility at the Company, and status of important concurrent positions		<p>April 1989 Joined the Company</p> <p>April 2013 Deputy General Manager of the Accounting Department of the Company</p> <p>April 2015 Representative Director and President of ND Leasing System Co., Ltd.</p> <p>April 2019 General Manager of the Corporate Planning Department of the Company</p> <p>April 2020 Executive Officer and General Manager of the Corporate Planning Department of the Company</p> <p>June 2021 Director, Executive Officer and General Manager of the Corporate Planning Department of the Company</p> <p>April 2023 Director and Managing Officer of the Company (Current)</p>	
Present Responsibility at the Company		General Manager of the Corporate Promotion Division of the Company	
Reasons for Designation as a Candidate for Director		<p>Since joining the Company, Mr. Toshihiko Kasai has served as the Deputy Manager of the Accounting Department, the Manager of the Corporate Planning Department of the Company, as well as the president of the Company's subsidiary, ND Leasing System Co., Ltd., thus granting him significant experience and expertise regarding finances, accounting, and management. Furthermore, he was promoted to executive officer in 2020, director and executive officer in 2021, then to director and managing officer in April 2023, and has contributed to the continuous improvement of the Group's corporate value.</p> <p>Based on these reasons, we ask that he be appointed once again as director.</p>	

Candidate Number <b>5</b>		<b>Takeshi Takasugi</b> (Born April 29, 1964)	New Appointment Years in Office: — Board of Directors Meetings Attended: —
		Number of Company shares owned <b>1,700 shares</b>	
History, position and responsibility at the Company, and status of important concurrent positions		<p>April 1988 Joined the Company</p> <p>April 2016 General Manager of the Kyushu Branch of the Company</p> <p>April 2017 Executive Officer and General Manager of the Kyushu Branch of the Company</p> <p>April 2019 Executive Officer and General Manager of the Kitakanto Branch of the Company</p> <p>April 2022 Managing Officer of the Company (Current)</p>	
Present Responsibility at the Company		General Manager of the Production and Technical Division of the Company	
Reasons for Designation as a Candidate for Director		<p>Since joining the Company, Mr. Takeshi Takasugi has been involved in the Company's construction business, and possesses abundant experience and highly specialized knowledge gained through his experience on work sites. He was promoted to executive officer in 2017, working as General Manager of the Kyushu Branch and General Manager of the Kitakanto Branch, and thereafter supervised the Construction Department as General Manager of the Production and Technical Division, developing the expertise and abilities required of a director. We have determined that he can appropriately fulfill this role as it works toward continuous growth and improvement of corporate value over the medium to long term, and we ask that you approve his appointment as a new director.</p>	

Candidate Number <b>6</b>		<b>Taku Matsumoto</b> (Born November 22, 1972)	Reappointment Years in Office: 4 years Board of Directors Meetings Attended: 93% (14/15 times)	Outside	Independent
		Number of Company shares owned <b>0 shares</b>			
History, position and responsibility at the Company, and status of important concurrent positions		<p>April 1999 Registered with the Daini Tokyo Bar Association</p> <p>May 2001 Joined TMI Associates</p> <p>March 2006 Qualified to practice law in the State of New York</p> <p>January 2007 Partner at TMI Associates</p> <p>April 2014 Representative of Yebisu Matsumoto Law Office (Current)</p> <p>September 2018 Outside Auditor of every, Inc. (Current)</p> <p>June 2019 Outside Director of the Company (Current)</p> <p>June 2021 Outside Auditor of Zenhoren Co., Ltd. (Current)</p> <p>June 2022 Outside Auditor of Ferrotec Holdings Corporation (Current)</p>			
Reason for Designation as a Candidate for Outside Director, and Overview of Expected Role		<p>Mr. Taku Matsumoto was selected as a candidate for outside director due to his expertise as an attorney, the broad experience his time as an attorney being involved in corporate acquisitions and scandals has given him, and the fact that his high degree of independence makes him an ideal candidate for supervising management of the Company from a neutral and objective standpoint. We expect that he will continue to fulfill his role in improving the transparency and supervisory functions of the Board of Directors, and we ask that you approve his continued appointment as outside director.</p> <p>Please note that Mr. Matsumoto has never been directly involved with corporate management outside of his experience as an outside officer, but based on the above reasons, we have determined that he will be able to appropriately fulfill his duties as an outside director.</p>			

Candidate Number <b>7</b>		<b>Nozomu Morimura</b> (Born July 10, 1957)	Reappointment Years in Office: 1 year Board of Directors Meetings Attended: 100% (12/12 times)	Outside	Independent
		Number of Company shares owned <b>0 shares</b>			

History, position and responsibility at the Company, and status of important concurrent positions	April 1980	Joined Toto Kiki, Ltd. (Currently TOTO Ltd.)
	April 2010	Executive Officer and President of the Nagoya Branch of TOTO Ltd.
	April 2013	Senior Executive Officer and Officer in Charge of the Sales Control Division of TOTO Ltd.
	June 2013	Director, Managing Executive Officer, and Officer in Charge of the Sales Control Division of TOTO Ltd.
	April 2016	Director, Senior Managing Executive Officer, Officer in Charge of the Sales Promotion Group, Customers, and Design, and Officer in Charge of the V Plan Japan Housing Business of TOTO Ltd.
	April 2017	Representative Director, Vice President and Executive Officer, Officer in Charge of Sales-Related Controls, Customers, Promotion of Culture, and the Internal Audit Office, and Officer in Charge of V Plan Marketing Reforms of TOTO Ltd.
	June 2020	Advisor of TOTO Ltd.
June 2022	Outside Director of the Company (Current)	

**Reason for Designation as a Candidate for Outside Director, and Overview of Expected Role** Mr. Nozomu Morimura was selected as a candidate for outside director due to his substantive experience, achievements, and expertise as a manager of listed corporations, and the fact that his high degree of independence makes him an ideal candidate for supervising management of the Company from a neutral and objective standpoint. We expect that he will continue to fulfill his role in improving the transparency and supervisory functions of the Board of Directors, and we ask that you approve his continued appointment as outside director.

Candidate Number <b>8</b>		<b>Fumiko Kosao</b>	New Appointment	Outside	Independent
		(Born April 17, 1954)	Years in Office: —	Board of Directors Meetings Attended: —	
		Number of Company shares owned	0 shares		









History, position and responsibility at the Company, and status of important concurrent positions	April 1973	Joined National Tax Agency
	July 2011	District Director of the Gyoda Tax Office of Kanto Shinetsu Regional Taxation Bureau
	July 2014	Director of the Nihonbashi Tax Office of Tokyo Regional Taxation Bureau
	August 2015	Registered as a Certified Tax Accountant Fumiko Kosao Certified Tax Accountant Office (Current)
	June 2016	External Auditor of Tobishima Corporation
	March 2017	External Director of CTI Engineering Co., Ltd. (Current)
	June 2017	Outside Director of Metawater Co., Ltd. (Current)
July 2020	Outside Director (Audit and Supervisory Committee Member) of Toell Co., Ltd. (Current)	

**Reason for Designation as a Candidate for Outside Director, and Overview of Expected Role** Ms. Fumiko Kosao was selected as a candidate for outside director due to her substantive experience and highly specialized knowledge as a tax accountant, and the fact that her high degree of independence makes her an ideal candidate for supervising management of the Company from a neutral and objective standpoint. We determined that her qualifications would help her improve the transparency and supervisory functions of the Board of Directors, and ask that you approve her appointment as a new outside director.  
Please note that Ms. Kosao has never been directly involved with corporate management outside of her experience as an outside officer, but based on the above reasons, we have determined that she will be able to appropriately fulfill her duties as an outside director.

- Notes: 1. There are no particular conflicts of interest between each of the candidates and the Company.
2. During the past 10 years, Mr. Masakazu Hyodo was an executive of Shimizu Corporation, the parent company of the Company. Please note that Mr. Hyodo's positions and responsibilities at Shimizu Corporation over the past 10 years are as set forth in the "History, position and responsibility at the Company, and status of important concurrent positions" field above.
3. Special Notes on Mr. Taku Matsumoto
- (1) He is a candidate for outside director. Note that the Company has submitted notification to the Tokyo Stock Exchange designating Mr. Matsumoto as an independent director as set forth by the TSE, and if his reappointment is approved, the Company will maintain this notification with the TSE.
- (2) Mr. Matsumoto is currently an outside director of the Company, and as of close of the General Meeting, he will have served as an outside director for the Company for four years.
- (3) An Executive or an officer of a specified associated service provider  
No applicable items.
4. Special Notes on Mr. Nozomu Morimura
- (1) He is a candidate for outside director. Note that the Company has submitted notification to the Tokyo Stock Exchange designating Mr. Morimura as an independent director as set forth by the TSE, and if his reappointment is approved, the Company will maintain this notification with the TSE.
- (2) Mr. Morimura is currently an outside director of the Company, and as of close of the General Meeting, he will have served as an outside director for the Company for one year.
- (3) An Executive or an officer of a specified associated service provider  
No applicable items.
5. Special Notes on Ms. Fumiko Kosao
- (1) She is a candidate for outside director. Note that if Ms. Kosao is elected, the Company plans to designate her as an independent director as set forth by the Tokyo Stock Exchange.
- (2) An Executive or an officer of a specified associated service provider  
No applicable items.
6. Limitation of Liability Agreements with Outside Directors
- If the reappointment of Mr. Taku Matsumoto and Mr. Nozomu Morimura and the appointment of Ms. Fumiko Kosao, who are candidates for outside director, are approved, in order to ensure that Mr. Taku Matsumoto, Mr. Nozomu Morimura, and Ms. Fumiko Kosao are able to sufficiently fulfill their expected roles as outside directors, and in accordance with Article 427, Paragraph 1 of the Companies Act and Article 24 of the Articles of Incorporation, the Company is planning to maintain the agreement to limit liability for damages with Mr. Matsumoto and Mr. Morimura, and to enter into such agreement with Ms. Kosao.
- An overview of the agreement is as follows:
- 1) Any liability for compensation of damages owed to the Company by an outside director's neglect of their duties shall be limited to the minimum liability limit set forth under Article 425, Paragraph 1 of the Companies Act.
- 2) The limitation on liability described above shall only apply where any duties performed by the outside director that are the cause of any liability were performed without knowledge and no gross negligence.
7. Directors and Officers Liability Insurance contracts with Directors
- The Company has entered into directors and officers liability insurance contracts with insurance companies. If the appointments of the director candidates are approved, each candidate shall be included as an insured party under said insurance contracts.
- Furthermore, insurance contracts stated above will be renewed with the same contents at the next timing of renewal.

(Reference)

Skill Matrix for Director Candidates

Name	Corporate management and management strategy	Knowledge of the industry (technological and sales)	Global experience	DX and research and development	Finances and accounting	Legal matters, compliance, and risk management	Human resources, labor, and personnel development	Sustainability
								
Toshiyuki Ishii	●	●	●	● (ICT)			●	●
Masakazu Hyodo			●		●	●		●
Kaoru Ito		●	●				●	●
Toshihiko Kasai				● (ICT and DX)	●			●
Takeshi Takasugi		●		● (ICT)			●	●
Taku Matsumoto	Outside Independent				●	●		
Nozomu Morimura	Outside Independent	●	●			●		
Fumiko Kosao	Outside Independent				●	●	●	

Note: The above list includes the areas each individual can best exercise their expertise in light of their respective experience and other factors, and is not meant to be a comprehensive list of all forms of expertise they may possess.


Proposal No. 2 Appointment of One Corporate Auditor

As of the conclusion of this General Meeting, the term of office corporate auditor Yuichi Yamamori will expire. The Company requests the appointment of one corporate auditor.

This proposal has received the approval of the Board of Corporate Auditors.

The candidate is as follows:

	Name	Current Position	Number of Board of Directors Meetings Attended Number of Board of Corporate Auditors Meetings Attended	Years in Office
Reappointment	Yuichi Yamamori	Outside Corporate Auditor	100% (15/15 times)	2 years
Outside			100% (15/15 times)	

	<b>Yuichi Yamamori</b> (Born January 16, 1960)		<b>Reappointment</b>	<b>Outside</b>
	Number of Company shares owned		0 shares	
<b>History, position and responsibility at the Company, and status of important concurrent positions</b>	April 1983	Joined The Dai-Ichi Kangyo Bank, Limited (Currently Mizuho Bank, Ltd.)		
	April 2007	General Manager of the System Operations Department of Mizuho Bank, Ltd.		
	May 2009	General Manager of the Customer Service Department of Mizuho Bank, Ltd. (Retired from Mizuho Bank, Ltd. in May 2011)		
	June 2011	Joined Mizuho Information & Research Institute, Inc. (Currently Mizuho Research & Technologies, Ltd.)		
		Deputy Director-General of the Outsourcing Group		
	July 2011	Managing Executive Officer of the Outsourcing Group of Mizuho Information & Research Institute, Inc.		
	June 2013	Executive Officer and General Manager of the System Planning Department of the System Group of Orient Corporation		
	April 2019	Managing Executive Officer and in charge of the IT System Group of Orient Corporation		
		Representative Director and President of System Orico Co., Ltd.		
	June 2021	Outside Corporate Auditor of the Company (Current)		
	June 2021	Advisor of Orient Corporation		
	August 2021	Special Advisor of IBM Japan Digital Services Company		
	June 2022	Part-time Corporate Auditor of Orico Forrent Insure Co., Ltd. (Current)		
<b>Reasons for Designation as a Candidate for Outside Corporate Auditor</b>	Mr. Yuichi Yamamori has utilized his advanced knowledge developed in a wide range of operational experience at financial institutions, among other positions, to adequately demonstrate audit functions regarding the execution of duties by directors and has been appropriately fulfilling his role. Based on these reasons, we ask that he be appointed once again as outside Corporate Auditor.			

Notes: 1. There is no particular conflict of interest between the candidate and the Company.

2. Special Notes on Mr. Yuichi Yamamori

(1) He is a candidate for outside corporate auditor.

(2) Mr. Yamamori is currently an outside corporate auditor of the Company, and as of close of the General Meeting, he will have served as an outside corporate auditor for the Company for two years.

3. Limitation of Liability Agreements with Outside Corporate Auditors

If the reappointment of Mr. Yuichi Yamamori, who is a candidate for outside corporate auditor, is approved, in order to ensure that Mr. Yamamori is able to sufficiently fulfill his expected role as outside corporate auditor, and in accordance with Article 427, Paragraph 1 of the Companies Act and Article 31 of the Articles of Incorporation, the Company is planning to maintain the agreement to limit liability for damages with Mr. Yamamori.

An overview of the agreement is as follows:

1) Any liability for compensation of damages owed to the Company by an outside corporate auditor's neglect of their duties shall be limited to the minimum liability limit set forth under Article 425, Paragraph 1 of the Companies Act.

2) The limitation on liability described above shall only apply where any duties performed by the outside corporate auditor that are the cause of any liability were performed without knowledge and no gross negligence.

4. Directors and Officers Liability Insurance contracts with Corporate Auditors

The Company has entered into directors and officers liability Insurance contracts with insurance companies. If the appointment of the corporate auditor candidate is approved, the candidate shall be included as an insured party under said insurance contracts.

Furthermore, insurance contracts stated above will be renewed with the same contents at the next timing of renewal.



### Proposal No. 3 Revision of Compensation Amounts for Directors and Corporate Auditors

The compensation amount for directors of the Company was approved to be 300 million yen or less per annum (of which, 20 million yen or less per annum for outside directors) at the 111th Annual General Meeting of Shareholders held on June 29, 2016, and the compensation amount for corporate auditors was approved to be 60 million yen or less per annum at the 104th Annual General Meeting of Shareholders held on June 26, 2009, and this has remained unchanged to this day.

At this time, in consideration of various factors including the additional duties and roles expected of directors and corporate auditors, enriching the management structure, and changes to the composition of the board of directors in line with strengthening corporate governance, the Company requests that compensation for directors be revised to 380 million yen or less per annum (of which, 40 million yen or less per annum for outside directors) and compensation for corporate auditors be revised to 70 million yen or less per annum. Additionally, as was the case before, compensation for directors shall include employee salaries for directors concurrently serving as employees.

Regarding this proposal, the Company has first consulted with the Executive Appointment Committee, comprised of the representative directors and independent outside directors and auditor. Said committee then made a report in consideration of the above circumstances, and as this proposal also is in conformity with policies such as the policy regarding determination of the content of individual compensation, etc., for directors of the Company, the Company has judged the content of this proposal to be reasonable.

Additionally, although there are currently six directors (of which, two outside directors) and four corporate auditors, if Proposal No. 1 and Proposal No. 2 are approved as originally proposed, there will be eight directors (of which, three outside directors) and the number of corporate auditors will continue to be four.

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