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Securities code: 1980

Date issued: June 12, 2023

Start date of measures for electronic provision: June 2, 2023

To our shareholders:

Ichiro Fujisawa
Representative Director, President, and Corporate Officer
DAI-DAN CO., LTD.
1-9-25 Edobori, Nishi-ku, Osaka City

NOTICE OF THE 94TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 94th Ordinary General Meeting of Shareholders of DAI-DAN CO., LTD. (the “Company”), which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of the 94th 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.

Company website:

<https://www.daidan.co.jp/ir/shareholder/>

In addition to posting items subject to measures for electronic provision on the website above, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE).

TSE website (Listed Company Search):

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

To confirm the Company's convocation notice, access the website using the above URL, enter the issue name (DAI-DAN) or securities code “1980”, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:30 p.m. on Wednesday, June 28, 2023 (Japan Standard Time).

1. Date and Time: Thursday, June 29, 2023 at 10 a.m. (Japan Standard Time)

2. Place: 8F Ballroom “Naniwa,” Swissotel Nankai Osaka
5-1-60 Namba, Chuo-ku, Osaka City

3. Purposes:

Items to be reported:

1. Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the 94th Term (from April 1, 2022 to March 31, 2023)
2. The results of audit of the Consolidated Financial Statements for the 94th Term by the Accounting Auditors and the Board of Corporate Auditors

Items to be resolved:

- Proposal 1:** Appropriation of surplus
Proposal 2: Election of eight (8) Directors
Proposal 3: Election of one (1) substitute Corporate Auditor

4. Notes for exercising voting rights

- When voting rights are exercised multiple times
- (1) If voting rights are exercised by mailing the voting rights exercise form and via the Internet, the voting rights exercised via the Internet will be considered valid.
- (2) If voting rights are exercised multiple times via the Internet, only the last exercise of voting rights will be considered valid.
- When no indication is made for or against a proposal, it will be considered an indication of approval.

5. Changes to delivered items related to enforcement of the system for providing informational materials for the general meeting of shareholders in electronic format

The Company has changed the method of providing materials for the general meeting of shareholders (portions of the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, and Audit Report). Instead of delivering these in paper form, these will be posted on the Company website in accordance with the enforcement of the system for providing information in electronic format due to the revision of the Companies Act. Please access the URL shown in this notice to confirm the materials. We apologize for any inconvenience.

- In addition to the convocation notice, the Company provides reference documents in paper form for the general meeting of shareholders and excerpts from the business report in order to prevent confusion among shareholders.
- For shareholders who request the delivery of documents in paper form by the record date (March 31, 2023), the same contents as the convocation notice delivered in the past will be provided.
- The Company will decide whether to provide materials in paper form in the future after carefully considering the opinions of our shareholders and efforts to protect environment by saving paper resources.

- Based on the provisions of laws and regulations and Article 15 of the Articles of Incorporation, the following matters among the documents that are to be provided at the time of the convocation notice for the general meeting of shareholders are not included in the documents delivered to shareholders who request documents in paper form.

- (1) “Matters Concerning the Accounting Auditor” and “System for Ensuring the Proper Operation and Operational Status of the System” contained in the Business Report
- (2) "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements"
- (3) "Statement of Changes in Equity" and "Notes to Non-Consolidated Financial Statements"

The above information is posted on the Company website via the Internet.

- Consequently, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements included in the attached documents of this Notice of the Ordinary General Meeting of Shareholders are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditors and Corporate Auditors when preparing the Audit Report.
- If any changes are made to the items for which measures for providing information in electronic format, these will be posted on the Company website and the Tokyo Stock Exchange website.
- If future developments necessitate a major change in the way the General Meeting of Shareholders will be run, shareholders will be informed via the Company’s website.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Appropriation of surplus

The Company considers the return of profits to its shareholders to be its top management priority. The Company adopts the basic policy of ensuring the stable and continuous payment of cash dividends while establishing a sound financial position. The Company set a target of 30% or higher for dividend payout ratio in the Mid-Term Management Plan, “Stage 2030/Phase 1, a stage for getting things ready” that starts from the fiscal year 2021.

Taking into consideration the need to return profits commensurate with the strong performance in the fiscal year as well as a commemorative dividend as we celebrate the 120th anniversary of our founding in March 2023, the Company proposes an ordinary dividend of 55 yen per share as set forth below.

The Company has already paid an interim dividend of 45 yen per share; therefore, the annual dividend will total 100 yen per share.

Matters related to year-end dividends

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
55 yen per common share of the Company
(Ordinary dividend: 45 yen, Commemorative dividend: 10 yen)
Total amount of dividends: 1,182,502,255 yen
- (3) Effective date of distribution of dividends of surplus
June 30, 2023

Proposal 2: Election of eight (8) Directors

The tenures of all eight (8) currently serving Directors (including three (3) outside Directors) will expire at the close of this meeting. In that regard, the Company proposes the election of eight (8) Directors (including three (3) outside Directors).

Each candidate for Director was determined by the Board of Directors Meetings in response to a report from the Nomination and Compensation Committee, which is chaired by an outside Director and the majority of whose members are outside officers.

The candidates for Director are as follows:

No.	Name		Current position and responsibilities in the Company	Tenure as a Director
1	Shohei Kitano	Re-election	Representative Director, Chairman, and Corporate Officer	14 years
2	Ichiro Fujisawa	Re-election	Representative Director, President, and Corporate Officer	14 years
3	Yasuhiro Yamanaka	Re-election	Director, Senior Executive Corporate Officer General Manager of East Japan Division, and General Manager of Tokyo Head Office	3 years
4	Hisao Sasaki	Re-election	Director, Executive Corporate Officer Head of Technical Division and in charge of Engineering Division	3 years
5	Yasuo Kamei	Re-election	Director, Corporate Officer Head of General Administration Division	5 years
6	Fumio Matsubara	Re-election Outside Independent	Outside Director	8 years
7	Ikumi Sato	Re-election Outside Independent	Outside Director	2 years
8	Kenkichi Kosakai	Re-election Outside Independent	Outside Director	2 years

Outside: Candidate for outside Director

Independent: Candidate for independent officer

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p>Shohei Kitano (October 13, 1955) 67 years old Male</p> <p>Re-election Attendance at Board of Directors Meetings 19/19 times (100%)</p> <p>Attendance at Nomination and Compensation Committee Meetings 6 / 6 times (100%)</p>	<p>Apr. 1979 Joined the Company</p> <p>Apr. 2009 Corporate Officer, Deputy General Manager of Tokyo Head Office, and Manager of Administration Department</p> <p>June 2009 Director, Corporate Officer, Deputy General Manager of Tokyo Head Office, and Manager of Administration Department</p> <p>Apr. 2011 Director, Executive Corporate Officer, in charge of East Japan Area, and General Manager of Tokyo Head Office</p> <p>Apr. 2013 Representative Director, President, Corporate Officer, COO, and Head of Sales Division</p> <p>Apr. 2014 Representative Director, President, Corporate Officer, and COO</p> <p>Apr. 2017 Representative Director, President, Corporate Officer, in charge of Sales Division, and in charge of International Business</p> <p>Apr. 2018 Representative Director, Chairman, and Corporate Officer (present position)</p>	30,200
<p>[Reasons for nomination as candidate for Director]</p> <p>Shohei Kitano is familiar with a wide range of businesses including the Accounting Division. He assumed office as a Director of the Company in June 2009, served as Representative Director and President for five (5) years from April 2013, and has served as Representative Director and Chairman since April 2018, and is leading the management as a whole. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his re-election as a Director.</p>			
2	<p>Ichiro Fujisawa (October 19, 1956) 66 years old Male</p> <p>Re-election Attendance at Board of Directors Meetings 19/19 times (100%)</p> <p>Attendance at Nomination and Compensation Committee Meetings 6/6 times (100%)</p>	<p>Apr. 1979 Joined the Company</p> <p>Apr. 2009 Corporate Officer, Head of Industrial Facilities Division, and Manager of Technical Department</p> <p>June 2009 Director, Corporate Officer, Head of Industrial Facilities Division, and Manager of Technical Department</p> <p>Apr. 2010 Director, Corporate Officer, and Head of Technical Division</p> <p>Apr. 2011 Director, Executive Corporate Officer, and Head of Technical Division</p> <p>Oct. 2011 Director, Executive Corporate Officer, and Head of Technical Development Division</p> <p>Apr. 2013 Director, Senior Executive Corporate Officer, in charge of East Japan Area, and General Manager of Tokyo Head Office</p> <p>Apr. 2016 Director, Vice President, Corporate Officer, in charge of East Japan Area, General Manager of Tokyo Head Office, and Head of Technical Development Group</p> <p>Apr. 2018 Representative Director, President, and Corporate Officer (present position)</p>	27,500
<p>[Reasons for nomination as candidate for Director]</p> <p>Ichiro Fujisawa is familiar with a wide range of businesses including the Technical Development Division and Technical Construction Division, etc. He assumed office as a Director of the Company in June 2009, has served as Representative Director and President since April 2018, and is leading the Company with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his re-election as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p>Yasuhiro Yamanaka (August 25, 1962) 60 years old Male</p> <p>Re-election Attendance at Board of Directors Meetings 19/19 times (100%)</p>	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2011 Manager of Yokohama Branch</p> <p>Apr. 2012 Deputy Sales Coordination in Tokyo Head Office and Manager of Sales Department 4</p> <p>May 2015 Sales Coordination in Tokyo Head Office</p> <p>Apr. 2017 Corporate Officer and Head of Sales Division</p> <p>July 2017 Senior Corporate Officer and Head of Sales Division</p> <p>Apr. 2020 Executive Corporate Officer, General Manager of East Japan Division, and General Manager of Tokyo Head Office</p> <p>June 2020 Director, Executive Corporate Officer, General Manager of East Japan Division, and General Manager of Tokyo Head Office</p> <p>Apr. 2021 Director, Senior Executive Corporate Officer, General Manager of East Japan Division, and General Manager of Tokyo Head Office (present position)</p>	7,100
		<p>[Reasons for nomination as candidate for Director]</p> <p>Yasuhiro Yamanaka has a broad range of experience in the Sales Division and the Technical Construction Division. In his current role in charge of the East Japan Division, he is leading with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his re-election as a Director.</p>	
4	<p>Hisao Sasaki (September 7, 1965) 57 years old Male</p> <p>Re-election Attendance at Board of Directors Meetings 19/19 times (100%)</p>	<p>Apr. 1988 Joined the Company</p> <p>Apr. 2016 Head of Industrial Facilities Division</p> <p>Apr. 2017 Corporate Officer and Head of Industrial Facilities Division</p> <p>Apr. 2018 Senior Corporate Officer and Head of Technical Development Group</p> <p>Apr. 2019 Senior Corporate Officer and Head of Engineering Division</p> <p>Apr. 2020 Executive Corporate Officer and Head of Engineering Division</p> <p>June 2020 Director, Executive Corporate Officer, and Head of Engineering Division</p> <p>Apr. 2022 Director, Executive Corporate Officer, Head of Technical Division, and in charge of Engineering Division (present position)</p>	5,200
		<p>[Reasons for nomination as candidate for Director]</p> <p>Hisao Sasaki has many years of experience in the Technical Development Division. In his current role in charge of the Technical Division, he responds quickly to changes in the business environment. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his re-election as a Director.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p data-bbox="331 331 544 454">Yasuo Kamei (November 27, 1962) 60 years old Male</p> <p data-bbox="323 495 552 647">Re-election Attendance at Board of Directors Meetings 19/19 times (100%)</p>	<p data-bbox="612 264 975 293">Apr. 1986 Joined the Company</p> <p data-bbox="612 300 1214 360">Apr. 2013 Manager of Accounting Department, General Administration Division</p> <p data-bbox="612 367 1182 427">Apr. 2014 Manager of Administration Department at Tokyo Head Office</p> <p data-bbox="612 434 1182 524">Apr. 2018 Corporate Officer, Head of General Administration Division, and Manager of International Affairs Office</p> <p data-bbox="612 530 1214 620">June 2018 Director, Corporate Officer, Head of General Administration Division, and Manager of International Affairs Office</p> <p data-bbox="612 627 1182 714">Apr. 2019 Director, Corporate Officer, and Head of General Administration Division (present position)</p>	6,800
<p data-bbox="276 725 772 754">[Reasons for nomination as candidate for Director]</p> <p data-bbox="276 759 1437 875">Yasuo Kamei has many years of experience in the Accounting Division. He assumed office as a Director of the Company in June 2018, and in his current role in charge of the General Administration Division, he responds quickly to changes in the business environment. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his re-election as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
6	<p>Fumio Matsubara (March 20, 1950) 73 years old Male</p> <p><Candidate for outside Director> Re-election Outside Independent</p> <p>Attendance at Board of Directors Meetings 19/19 times (100%)</p> <p>Attendance at Nomination and Compensation Committee Meetings 7/7 times (100%)</p>	<p>Apr. 1973 Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>July 2004 Senior Executive Director, Development Bank of Japan</p> <p>July 2006 Director-General, Land and Water Resources Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Apr. 2008 Senior General Manager, Mizuho Research Institute Ltd. (currently Mizuho Research & Technologies, Ltd.)</p> <p>July 2009 Vice President, Japan Sewage Works Agency</p> <p>July 2011 Registered as an Attorney at Law Joined legal professional corporation Tokyo Asunaro Law Firm (present position)</p> <p>Aug. 2011 Commission, Construction Industry Transaction Improvement Organization</p> <p>June 2013 Executive Officer, Urban Renewal Fund Investment Corp. President, Sewerage Business Management Centre</p> <p>June 2015 Director, the Company (present position) [Significant concurrent positions outside the Company] Attorney at Law, legal professional corporation Tokyo Asunaro Law Firm</p>	0
<p>[Reasons for nomination as candidate for outside Director and outline of expected roles] Fumio Matsubara has acquired extensive experience as a government administrator, extensive insight into the construction industry and wide-ranging knowledge through his activities as an attorney at law. He has worked hard to strengthen management oversight functions, and based on his track record of positive opinions and suggestions about the Company's management, we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his re-election as an outside Director. In addition, after the election, he will be designated as a member of the Nomination and Compensation Committee.</p> <p>[Matters related to independence] On the assumption that he would assume office as the Company's outside Director, he served as a part-time Advisor for a period from June 2014 to June 2015, before assuming office as the Company's outside Director. Since his work was to provide advice from an outside perspective independent of the Company's management, and he did not receive a large amount of remuneration (less than 10 million yen), he meets the Company's criteria for independence of outside Directors. Therefore, the Company deems him to be independent as an outside Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	<p style="text-align: center;">Ikumi Sato (December 25, 1963) 59 years old Female</p> <p style="text-align: center;"><Candidate for outside Director> Re-election Outside Independent Attendance at Board of Directors Meetings 19/19 times (100%) Attendance at Nomination and Compensation Committee Meetings 7/7 times (100%)</p>	<p>Apr. 1990 Registered as an Attorney at Law</p> <p>Mar. 1992 Canceled the Registration of Tokyo Bar Association due to leaving for the U.S.</p> <p>Sept. 1995 Re-registered as an Attorney at Law (Daini Tokyo Bar Association) Registered as an Attorney at Law (New York State, U.S.)</p> <p>Mar. 2013 Joined Yabuki Law Offices</p> <p>Apr. 2017 Vice President, Daini Tokyo Bar Association</p> <p>Apr. 2018 Executive Governor, Japan Federation of Bar Associations</p> <p>Apr. 2019 Member, Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications (present position)</p> <p>June 2019 Corporate Auditor, the Company</p> <p>Jan. 2021 Joined Nozomi Sogo Attorneys at Law (present position)</p> <p>Apr. 2021 Managing Director, Japan Attorneys National Pension Fund (present position)</p> <p>June 2021 Director, the Company (present position)</p> <p>June 2022 Outside Corporate Auditor of TAIYO HOLDINGS CO., LTD. (present position)</p> <p>[Significant concurrent positions outside the Company] Attorney at Law, Nozomi Sogo Attorneys at Law Managing Director, Japan Attorneys National Pension Fund Outside Corporate Auditor of TAIYO HOLDINGS CO., LTD.</p>	0
<p>[Reasons for nomination as candidate for outside Director and outline of expected roles] Although Ikumi Sato has never been involved in corporate management other than as an outside officer in the past, she has abundant experience as an attorney at law, and extensive insight especially into the Intellectual Property Act and the Anti-Monopoly Act. She has worked hard to strengthen management oversight functions in her role as Outside Corporate Auditor. Based on her track record of positive opinions and suggestions about the Company's management, we have determined that she is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose her re-election as an outside Director. In addition, after the election, she will be designated as a member of the Nomination and Compensation Committee.</p> <p>[Matters related to independence] She meets the Company's criteria for independence of outside Directors.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
8	<p style="text-align: center;">Kenkichi Kosakai (August 9, 1953) 69 years old Male</p> <p style="text-align: center;"><Candidate for outside Director> Re-election Outside Independent</p> <p style="text-align: center;">Attendance at Board of Directors Meetings 18/19 times (95%)</p> <p style="text-align: center;">Attendance at Nomination and Compensation Committee Meetings 7/7 times (100%)</p>	<p>Apr. 1976 Joined Mitsubishi Chemical Industries Limited (currently Mitsubishi Chemical Corporation)</p> <p>June 2010 Member of the Board, Managing Executive Officer, Mitsubishi Tanabe Pharma Corporation</p> <p>Apr. 2014 Member of the Board Managing Executive Officer, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)</p> <p>Apr. 2015 Senior Managing Director Director of the Board, Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation)</p> <p>June 2015 Representative Corporate Executive Officer, Senior Managing Corporate Executive Officer, Chief Financial Officer, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)</p> <p>June 2016 Director of the Board, Mitsubishi Plastics, Inc. (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2017 Representative Corporate Executive Officer, Deputy Chief Executive Officer, and Chief Financial Officer, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)</p> <p>June 2017 Director of the Board, Representative Corporate Executive Officer, Deputy Chief Executive Officer, and Chief Financial Officer</p> <p>Apr. 2018 Director of the Board, Representative Corporate Executive Officer, Deputy Chief Executive Officer Director of the Board, Mitsubishi Chemical Corporation</p> <p>June 2018 Member of the Board, Taiyo Nippon Sanso Corporation</p> <p>Apr. 2019 Director of the Board, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)</p> <p>June 2019 Advisor</p> <p>Mar. 2021 Director, Shonan Country Club Co., Ltd. (present position)</p> <p>June 2021 Outside Audit & Supervisory Board Member, Nomura Research Institute, Ltd. (present position) Director, the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Outside Audit & Supervisory Board Member, Nomura Research Institute, Ltd.</p>	0

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
		<p>[Reasons for nomination as candidate for outside Director and outline of expected roles] Kenkichi Kosakai has experience of serving as Director of the Board, Representative Corporate Executive Officer, and Deputy Chief Executive Officer of Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation) and he has served in director positions at several listed companies. In addition to his abundant experience and extensive insight as a corporate manager, he has advanced and specialized insight in corporate finance as a person in charge of finance. Based on this, we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his re-election as an outside Director. In addition, after the election, he will be designated as a member of the Nomination and Compensation Committee.</p> <p>[Matters related to independence] He was working for Mitsubishi Chemical Corporation, and the Company has ordinary business relations with the company including orders of construction work. However, the Company deems him to be independent as an outside Director, since the transaction amount with the company accounts for only 0.42% of the Company's net sales, and thus he meets the Company's criteria for independence of outside Directors.</p>	

- Notes:
1. There is no special interest between the candidates and the Company.
 2. Fumio Matsubara, Ikumi Sato, and Kenkichi Kosakai are candidates for outside Director.
 3. Fumio Matsubara is currently an outside Director of the Company, and at the close of this meeting, his tenure as an outside Director will be eight (8) years. Ikumi Sato and Kenkichi Kosakai are currently outside Directors of the Company, and at the close of this meeting, their tenure as an outside Director will be two (2) years.
 4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Fumio Matsubara, Ikumi Sato, and Kenkichi Kosakai, who are currently outside Directors of the Company, to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damages under these agreements is up to the total of the minimum liability amount specified in Article 425, Paragraph 1 of the same Act. If the re-election of Fumio Matsubara, Ikumi Sato, and Kenkichi Kosakai is approved, the Company plans to renew the aforementioned agreements with them.
 5. The Company has entered into a directors and officers liability insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and the insurance contract will cover the legal indemnification and litigation expenses that will be borne by the insured, and it is scheduled to be renewed in September 2023. If the re-election of each of the above persons is approved, they will become the insured of the relevant insurance policy.
 6. The Company has submitted notification to the Tokyo Stock Exchange that Fumio Matsubara, Ikumi Sato, and Kenkichi Kosakai, who are currently outside Directors of the Company, have been designated as independent officers as provided for by the aforementioned exchange. If the re-election of Fumio Matsubara, Ikumi Sato, and Kenkichi Kosakai is approved, the Company plans to continue to appoint them as independent officers.

(Reference) Criteria for independence of outside Directors

The Company deems outside Directors or candidates for outside Director to be independent when they do not fall under any of the following items:

- (1) (i) A person who is an Executive Director, a Corporate Officer, or an employee, including a manager, of the Company or any of its subsidiaries (hereinafter referred to as an “Executing Person”), or who was an Executing Person of the Company or any of its subsidiaries for ten (10) years before assuming office
- (ii) A person who was a Director or a Corporate Auditor (excluding a person who used to be an Executing Person), of the Company or any of its subsidiaries at any time during the ten (10) years before assuming office, and who was an Executing Person of the Company or any of its subsidiaries for ten (10) years before assuming office as a Director or a Corporate Auditor
- (2) A person who is a major business partner of the Company or an Executing Person thereof
(A person who is a major business partner of the Company means a person who received payment of 2% or more of the annual consolidated net sales of the person from the Company for the most recent fiscal year.)
- (3) A major business partner of the Company or an Executing Person thereof
(A major business partner of the Company means a person who has made payment of 2% or more of the average annual consolidated net sales of the Company to the Company over the past three (3) fiscal years, or a person who has loaned the amount of 2% or more of the average total consolidated assets of the Company to the Company over the past three (3) fiscal years.)
- (4) A major shareholder of the Company (a person who directly or indirectly holds 10% or more of the total voting rights) or an Executing Person thereof
- (5) A person of a corporation where 10% or more of the total voting rights are directly or indirectly held by the Company or an Executing Person thereof
- (6) An attorney at law, a certified public accountant, a tax accountant or a consultant, etc. who receives a large amount of cash and other financial assets in addition to officer remuneration from the Company
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (7) A person who belongs to an organization such as a corporation or association including a law firm, an audit corporation, a tax accountant corporation or a consultant firm which receives a large amount of cash and other financial assets from the Company
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (8) A person, a director of an organization such a corporation or association, or any other Executing Person who receives a large amount of contribution or subsidy from the Company
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (9) An executive director, an executive officer or a corporate officer of the other company in which an Executive Director or a full-time Corporate Auditor of the Company concurrently serves as an outside director or an outside corporate auditor of the other company
- (10) A person who has fallen under any of the aforementioned items (2) to (9) during the past three (3) years
- (11) A spouse, or any relative within the second degree of relationship of a person falling under any of the aforementioned items (1) to (9) who is an important person
(An important person means a Director (excluding an outside Director), a Corporate Auditor (excluding an Outside Corporate Auditor), or an employee who is a senior manager equal to or higher than a Corporate Officer and a department manager.)

(Reference)

Management Structure after Approval of Proposal 2 (Planned)

Name	Position	Nomination and Compensation Committee	Areas of particular expertise and experience								
			Corporate management / Management strategy	Accounting / Finance	Technical construction	Design / R&D	Risk management / Governance	Sales / Marketing	Legal affairs / Auditing	Overseas	Knowledge of other fields
Shohei Kitano	Representative Director, Chairman, and Corporate Officer	•	•	•				•	•		
Ichiro Fujisawa	Representative Director, President, and Corporate Officer	•	•		•	•		•	•		
Yasuhiro Yamanaka	Director and Senior Executive Corporate Officer				•				•		
Hisao Sasaki	Director and Executive Corporate Officer				•	•			•		•
Yasuo Kamei	Director and Corporate Officer			•				•			
Fumio Matsubara	Director (Outside)	•								•	•
Ikumi Sato	Director (Outside)	•								•	•
Kenkichi Kosakai	Director (Outside)	•	•	•						•	•
Masaharu Takitani	Full-time Corporate Auditor (Outside)			•						•	•
Hideshi Osaki	Full-time Corporate Auditor			•						•	
Tomoya Tsubota	Corporate Auditor				•					•	
Hirofumi Kyutoku	Corporate Auditor (Outside)		•		•	•				•	•

Note: The above table, considering each person's experience and other factors, shows the areas in which they demonstrate their expertise more, and is not an exhaustive list of the areas of insight that they have.

Proposal 3: Election of one (1) substitute Corporate Auditor

To prepare for the case where the Company does not have the number of Outside Corporate Auditors stipulated by laws and regulations, the Company proposes the election of one (1) substitute Corporate Auditor for an Outside Corporate Auditor.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary and position (significant concurrent positions outside the Company)	Number of the Company's shares owned
<p style="text-align: center;">Takeshi Isokawa (February 6, 1973) 50 years old Male</p>	<p>Apr. 1999 Registered as an Attorney at Law (Osaka Bar Association) Joined Kitahama Partners</p> <p>Apr. 2003 Joined Global Law Office (present position)</p> <p>June 2005 Qualified as an Attorney at Law (New York State)</p> <p>Mar. 2007 Outside Director, Nissen Co., Ltd.</p> <p>June 2007 Outside Director, Nissen Holdings Co., Ltd.</p> <p>Dec. 2007 Outside Corporate Auditor, Nissen Co., Ltd. Outside Corporate Auditor, IMJ Corporation</p> <p>Dec. 2017 Outside Corporate Auditor, Real Co., Ltd.</p> <p>Apr. 2019 Vice President, Osaka Bar Association</p> <p>Apr. 2021 Director, Kinki Federation of Bar Associations</p> <p>[Significant concurrent positions outside the Company] Attorney at Law, Global Law Office</p>	0
<p>[Reasons for nomination as candidate for substitute Corporate Auditor] Takeshi Isokawa has experience as an attorney at law, and extensive insight especially into corporate law and M&A. In addition, he has a wealth of experience as an outside officer and the Company judges that he will adequately carry out his duties as an Outside Corporate Auditor.</p>		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Takeshi Isokawa is a candidate for substitute Outside Corporate Auditor. If Takeshi Isokawa assumes office as an Outside Corporate Auditor, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages as provided for in Article 423, Paragraph 1 of the same Act. The maximum amount of the liability for damages under this agreement is up to the total of the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
 3. The Company has entered into a directors and officers liability insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and the insurance contract will cover the legal indemnification and litigation expenses that will be borne by the insured, and it is scheduled to be renewed in September 2023. If Takeshi Isokawa assumes office as an Outside Corporate Auditor, he will become the insured of the relevant insurance policy.
 4. If Takeshi Isokawa assumes office as an Outside Corporate Auditor, the Company plans to submit notification to the Tokyo Stock Exchange that he has been designated as an independent officer as provided for by the aforementioned exchange.