

Translation: Please note that the following purports to be an accurately translated excerpt of the original Japanese version prepared for the convenience of investors outside Japan. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Securities Code: 1885
June 13, 2022

To Those Shareholders with Voting Rights

TOA CORPORATION
3-7-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
Masaki Akiyama
Chairman and Representative Director

NOTICE OF THE 132nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to the 132nd Ordinary General Meeting of Shareholders (the “Meeting”) of TOA CORPORATION (the “Company”).

In order to avoid the risk of COVID-19 infection at the Annual General Meeting of Shareholders, **it is strongly recommended that you refrain from attending the meeting in person, and instead exercise your voting rights in advance via either by mail or via the Internet** regardless of your health condition.

The Company respectfully requests you to review the “Reference Document Concerning the General Meeting of Shareholders” and exercise your voting rights before 5:30 p.m., Japan Standard Time (JST) on Tuesday, June 28, 2022:

- 1. Date and Time:** Wednesday, June 29, 2022, at 10:00 a.m., JST
(The reception will begin at 9:00 a.m.)
- 2. Venue:** PARK TOWER HALL, 3rd Floor, SHINJUKU PARK TOWER
at 3-7-1, Nishi-shinjuku, Shinjuku-ku, Tokyo, Japan
(Please refer to the map of the Meeting venue at the end of this document.)
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Consolidated Financial Statements for the Company’s 132nd Fiscal Year (from April 1, 2021, to March 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 132nd Fiscal Year (from April 1, 2021, to March 31, 2022)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Eight (8) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 4:** Revision of Amount of Remuneration, etc., for the Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 5:** Revision of Amount of Remuneration, etc., for Directors who are Audit and Supervisory Committee Members
- Proposal No. 6:** Revision of Performance Linked Remuneration, etc., for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members, and Other Directors Who Are External Directors)

4. Other Matters related to the Meeting

Shareholders who will be absent from the Meeting may exercise voting rights by nominating an agent who is also a shareholder with voting rights. In this situation, a document verifying the power of attorney shall be submitted to the Company.

- Shareholders who attend the Meeting in person are requested to submit the enclosed voting form at the reception.
- Among the documents to be provided with this Notice, Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are available on the Company website, and are not included in the attachment for matters to be reported in accordance with the provisions of laws and regulations and Article 17 of the Articles of Incorporation.
Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements, together with the attachments to the matters to be reported, are subject to audit by the Accounting Auditor and the Audit & Supervisory Committee.
- In case a revision becomes necessary for matters stated on the reference materials for the Meeting or the Notes to Consolidated and Non-Consolidated Financial Statements, the contents of the revision will be posted on the Company website.
- Company website: <https://www.toa-const.co.jp/> (Japanese), <https://www.toa-const.co.jp/eng/> (English)

[Reference Materials for the General Meeting of Shareholders]

Proposals and References

Proposal No. 1 Appropriation of Surplus

The Company's fundamental policy on appropriation of retained earnings is to return profits based on the results of our performance, while putting priority on continuously providing stable dividends. In addition, we are aiming for dividend payout ratio of 20%-30% during the Medium Term Management Plan from FY2020 to FY2022 as an indicator of the return to shareholders.

The Company proposes appropriation of surplus as follows in consideration of business results for the fiscal year under review and future business environment, etc.

Year-end Dividend

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property to shareholders and total amount thereof
¥90 per common stock of the Company
¥1,973,408,220 in total
- (3) Effective date of dividend payment
June 30, 2022

Proposal No. 2 Partial Amendments to the Articles of Incorporation

(1) Reason for Amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) is to be enforced on September 1, 2022. Accordingly, provisions will be established that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically, and that the scope of matters to be included in the paper copy to be sent to shareholders who have requested it will be limited.

In addition, the provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. will become unnecessary and will therefore be deleted. In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.


(2) Contents of Amendments

Contents of the amendments are as follows.

(Underlined parts are amended.)


Current Articles of Incorporation	Proposed Amendments
<p><u>(Disclosure and deemed offering of documents for shareholder’s meetings on the Internet)</u> <u>Article 17.</u> <u>When convening a shareholder’s meeting, the Company may be deemed to have provided shareholders with information on items required to be disclosed or indicated in documents for shareholder’s meetings, business reports, financial documents, and consolidated financial documents by disclosing said items on the Internet as required by the ordinance of the Ministry of Justice.</u></p> <p>(Newly Established)</p>	<p>(deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 17</u> The Company shall, when convening a <u>general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>


Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="823 219 1104 248"><u>Supplementary provisions</u></p> <ol style="list-style-type: none"> <li data-bbox="823 253 1398 501">1. <u>The deletion of Article 17 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) and establishment of the proposed Article 17 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022.</u> <li data-bbox="823 506 1398 792">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) shall remain in force with respect to a general meeting of shareholders to be held by the end of February 2023.</u> <li data-bbox="823 797 1398 976">3. <u>These supplementary provisions shall be deleted on March 1, 2023, or after the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<div data-bbox="215 295 427 331" style="border: 1px solid black; padding: 2px;">New appointment</div> <p data-bbox="215 347 427 430">Takeshi Hayakawa (June 12, 1965)</p> 	<p data-bbox="470 291 1220 324">April 1989 Joined the Company</p> <p data-bbox="470 331 1220 398">April 2015 General Manager of Engineering Department, Osaka Branch Office</p> <p data-bbox="470 405 1220 517">October 2016 General Manager of Civil Engineering Department, Civil Engineering General Headquarters</p> <p data-bbox="470 524 1220 557">April 2020 Branch Manager of Osaka Branch Office</p> <p data-bbox="470 564 1220 631">April 2021 Executive Officer and Branch Manager, Osaka Branch Office</p> <p data-bbox="470 638 1220 705">April 2022 Executive Officer and President (to present)</p>	1,500 shares
<p data-bbox="188 721 790 754">Reason for Nomination as Candidate for Director</p> <p data-bbox="188 761 1471 828">Mr. Takeshi Hayakawa has strong leadership with ability to take initiatives based on abundant experience at worksites and management experience at the forefront of worksites.</p> <p data-bbox="188 835 1471 945">The Company thus believes that he is capable of appropriately performing the duties of Directors of the Company to instruct and supervise the whole Group as the new leader to achieve medium- to long-term increase in the corporate value of the Group. Accordingly, the Company hereby proposes his appointment as a Director.</p>			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p data-bbox="213 869 426 947">Shigetoshi Kurosu (May 8, 1954)</p> 	<p data-bbox="472 286 1257 1798"> April 1978 Joined the Company April 2006 General Manager of Administration Department April 2008 General Manager of Accounting Department, Administration General Headquarters April 2012 Executive Officer (General Manager of Accounting Department, Administration General Headquarters) April 2013 Executive Officer (Deputy Head of Administration General Headquarters and General Manager of Accounting Department) April 2015 Managing Executive Officer (Deputy Head of Administration General Headquarters and General Manager of Accounting Department) April 2016 Managing Executive Officer (Head of Administration General Headquarters) June 2016 Director and Managing Executive Officer (Head of Administration General Headquarters, Responsible for Management Planning Department, and Internal Audit Department) August 2016 Director and Managing Executive Officer (Head of Administration General Headquarters, General Manager of Management Planning Department, Responsible for CSR Promotion Department and Internal Audit Department) April 2017 Director and Senior Executive Officer (Head of Administration General Headquarters, Responsible for Management Planning Department, CSR Promotion Department, and Internal Audit Department) July 2017 Director and Senior Executive Officer (Head of Administration General Headquarters, Responsible for Management Planning Department, CSR Promotion Department, Internal Audit Department, and Recurrence Prevention Department) April 2018 Representative Director and Senior Executive Officer (Head of Administration General Headquarters, Responsible for Management Planning Department, CSR Promotion Department, Internal Audit Department, and Recurrence Prevention Department) April 2019 Representative Director and Executive Vice President (Responsible for Administration General Headquarters, Management Planning Department, CSR Promotion Department, Internal Audit Department, and Recurrence Prevention Department) June 2019 Representative Director and Executive Vice President (Responsible for Management Planning Department, CSR Promotion Department, Internal Audit Department, and Recurrence Prevention Department) </p>	7,400 shares


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
		<p>April 2021 Representative Director and Executive Vice President (Responsible for Management Planning Department, ESG Promotion Department, Internal Audit Department, and Recurrence Prevention Department)</p> <p>April 2022 Representative Director and Executive Vice President (Responsible for Management Planning General Headquarters, Administration General Headquarters, Internal Audit Department, Secretarial Office) (to present)</p>	
<p>Reason for Nomination as Candidate for Director</p> <p>Mr. Shigetoshi Kurosu has strong leadership with ability to take initiatives based on his administrative experiences, having belonged to administrative business unit for considerable period of time after joining the Company including administration and accounting business units.</p> <p>The Company thus believes that he is capable of appropriately performing the duties of Directors of the Company to instruct and supervise the whole Group as a leader to achieve medium- to long-term increase in the corporate value of the Group. Accordingly, the Company hereby proposes his appointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p data-bbox="220 517 422 600">Yoshika Hirose (January 7, 1960)</p> 	<p data-bbox="472 286 1257 1102"> April 1983 Joined the Company August 1993 Project Manager of Construction Site Office, Osaka Branch Office March 2006 Building Construction Manager of Building Construction Section, Building Construction Department, Osaka Branch Office April 2008 General Manager of Building Construction Department, Osaka Branch Office April 2015 General Manager of Construction Department, Building Construction General Headquarters April 2017 Executive Officer and Head of Building Construction General Headquarters June 2018 Director and Executive Officer (Head of Building Construction General Headquarters) April 2019 Director and Managing Executive Officer (Head of Building Construction General Headquarters) April 2022 Director and Senior Executive Officer (Head of Building Construction General Headquarters, responsible for Research and Development Center) (to present) </p>	<p data-bbox="1315 674 1460 707">3,000 shares</p>
<p data-bbox="188 1111 786 1137">Reason for Nomination as Candidate for Director</p> <p data-bbox="188 1146 1471 1256">Mr. Yoshika Hirose has strong leadership with ability to take initiatives based on his abundant worksite and management experiences, having belonged to building construction business units for considerable period of time after joining the Company.</p> <p data-bbox="188 1263 1471 1408">The Company thus believes that he is capable of continuing to appropriately perform the duties of Directors of the Company to instruct and supervise the whole Group as the leader of the building construction business to achieve medium- to long-term increase in the corporate value of the Group. Accordingly, the Company hereby proposes his appointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<div data-bbox="215 526 422 560" style="border: 1px solid black; padding: 2px;">New appointment</div> <p data-bbox="215 582 422 660">Masato Honda (March 31, 1962)</p> 	<p data-bbox="470 286 1252 320">April 1984 Joined the Company</p> <p data-bbox="470 331 1252 432">April 2006 General Manager of West Japan Design Section, Design Department, Civil Engineering General Headquarters</p> <p data-bbox="470 443 1252 521">April 2007 Leader of Land Group, Design Department, Civil Engineering General Headquarters</p> <p data-bbox="470 533 1252 633">April 2009 Leader of Land Group and Deputy General Manager of Design Department, Civil Engineering General Headquarters</p> <p data-bbox="470 645 1252 723">April 2012 Manager of Design Department and Head of Civil Engineering General Headquarters</p> <p data-bbox="470 734 1252 768">April 2015 Branch Manager, Chugoku Branch Office</p> <p data-bbox="470 779 1252 813">April 2016 Branch Manager, Yokohama Branch Office</p> <p data-bbox="470 824 1252 902">April 2018 Executive Officer and Branch Manager, Yokohama Branch Office</p> <p data-bbox="470 913 1252 992">April 2019 Executive Officer and Branch Manager, Tokyo Branch Office</p> <p data-bbox="470 1003 1252 1081">April 2020 Managing Executive Officer and Branch Manager, Tokyo Branch Office</p> <p data-bbox="470 1093 1252 1171">April 2022 Senior Executive Officer, Head of Management Planning General Headquarters, General Manager of Management Planning Department) (to present)</p>	3,600 shares
<p data-bbox="188 1193 790 1227">Reason for Nomination as Candidate for Director</p> <p data-bbox="188 1238 1471 1305">Mr. Masato Honda has strong leadership with ability to take initiatives based on his management experience at the forefront of worksites and as senior management of the Company.</p> <p data-bbox="188 1317 1471 1449">The Company thus believes that he is capable of appropriately performing the duties of Directors of the Company to instruct and supervise the whole Group as the leader of the management planning business unit to achieve medium- to long-term increase in the corporate value of the Group. Accordingly, the Company hereby proposes his appointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	<div data-bbox="215 347 422 392" style="border: 1px solid black; padding: 2px;">New appointment</div> <p data-bbox="231 403 406 481">Isao Takahashi (July 27, 1959)</p> 	<p data-bbox="470 291 1252 817"> April 1985 Joined the Company August 2012 General Manager of Civil Engineering Department, Osaka Branch Office March 2013 Deputy Branch Manager and General Manager of Civil Engineering Department, Osaka Branch Office April 2014 Deputy Branch Manager of Osaka Branch Office April 2016 Branch Manager of Kyushu Branch Office April 2019 President and Representative Director, Shinko Corporation June 2021 Managing Executive Officer (Responsible for Civil Engineering General Headquarters) April 2022 Senior Executive Officer (Head of Civil Engineering General Headquarters, Responsible for Construction Works) (to present) </p>	2,400 shares
<p data-bbox="188 833 790 862">Reason for Nomination as Candidate for Director</p> <p data-bbox="188 869 1471 974">Mr. Isao Takahashi has strong leadership with ability to take initiatives based on his abundant worksite and management experiences, having belonged to the civil engineering business unit for a considerable time since joining the Company.</p> <p data-bbox="188 981 1471 1126">The Company thus believes that he is capable of appropriately performing the duties of Directors of the Company to instruct and supervise the whole Group as the leader of the civil engineering business unit to achieve medium- to long-term increase in the corporate value of the Group. Accordingly, the Company hereby proposes his appointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	<div data-bbox="215 291 422 324" style="border: 1px solid black; padding: 2px;">New appointment</div> <p data-bbox="199 347 438 425">Takeshi Nakao (September 27, 1967)</p> 	<p data-bbox="470 291 1252 705"> April 1991 Joined the Company April 2015 Deputy General Manager of Personnel Department and Manager of Personnel Section, Administration General Headquarters April 2016 General Manager of Administration Department, Yokohama Branch Office April 2017 General Manager of Personnel Department, Administration General Headquarters April 2019 General Manager of Management Planning Department April 2022 Executive Officer (Head of Administration General Headquarters) (to present) </p>	1,200 shares
<p data-bbox="188 716 790 750">Reason for Nomination as Candidate for Director</p> <p data-bbox="188 750 1471 862">Mr. Takeshi Nakao has strong leadership with ability to take initiatives based on his experiences having belonged to administration business unit for considerable period of time after joining the Company, including administration, personnel, and management planning business units.</p> <p data-bbox="188 862 1471 1008">The Company thus believes that he is capable of appropriately performing the duties of Directors of the Company to instruct and supervise the whole Group as a leader of the administration business unit to achieve medium- to long-term increase in the corporate value of the Group. Accordingly, the Company hereby proposes his appointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p data-bbox="199 622 443 654"><u>Independent Director</u></p> <p data-bbox="199 676 443 757">Shiro Kuniya (February 22, 1957)</p> 	<p data-bbox="475 291 1257 1169"> April 1982 Registered as attorney-at-law (Osaka Bar Association) April 1982 Joined Oh-Ebashi Law Offices (currently Oh-Ebashi LPC & Partners) May 1987 Registered as attorney-at-law at New York Bar Association June 1997 External Corporate Auditor of Sunstar Inc. April 2002 Managing Partner of Oh-Ebashi LPC & Partners (to present) June 2006 External Corporate Auditor of NIDEC CORPORATION March 2012 External Director of NEXON Co., Ltd. June 2012 External Director of EBARA CORPORATION June 2013 External Director of Sony Financial Holdings Inc. June 2013 External Corporate Auditor of Takeda Pharmaceutical Company Limited June 2016 External Director and Audit & Supervisory Committee Member of Takeda Pharmaceutical Company Limited March 2018 External Director (Audit & Supervisory Committee Member) of NEXON Co., Ltd. (to present) June 2019 External Director of Takeda Pharmaceutical Company Limited (scheduled to resign in June 2022) June 2021 Independent Director of the Company (to present) </p> <p data-bbox="475 1176 1257 1361"> [Significant concurrent positions] Managing Partner of Oh-Ebashi LPC & Partners External Director who is an Audit & Supervisory Committee Member of NEXON Co., Ltd. External Director of Takeda Pharmaceutical Company Limited </p>	0 shares
<p data-bbox="188 1370 1343 1402">Reason for Nomination as Candidate for Independent Director and Overview of Expected Roles</p> <p data-bbox="188 1408 1476 1818">Mr. Shiro Kuniya has abundant experience and profound insight on corporate legal affairs and international legal affairs as a legal professional, having served as Managing Partner of Oh-Ebashi LPC & Partners and a New York State licensed attorney-at-law. He has also served as External Corporate Auditor and External Director at other companies for many years and has therefore gained global and advanced knowledge on corporate management. The Company thus believes that he is more than capable of fulfilling the role and of enhancing supervision over the execution of duties by Directors of the Company. Accordingly, the Company hereby proposes his appointment as an Independent Director. If his reappointment is approved, the Company expects him to make decisions on important managerial issues, such as the expansion of international territories through the potential enhancement of alliances with local partners, and to appropriately perform his duties of supervising business execution for the Company. He will have served one year as an Independent Director at the close of this General Meeting of Shareholders.</p>			

(Notes)

1. There are no special interests between any of the candidates and the Company.
2. Directors' and officers' liability insurance contract
The Company has concluded with an insurance company a directors and officers liability insurance contract to cover legal damages or other expenses that might arise due to an act committed by the insured in the course of their respective duties. If the reappointment of each candidate for Director is approved, he will be included as the insured under this insurance policy. The term of the said contract is one (1) year, and the Company plans to renew it with a resolution by the Board of Directors before it expires. Insurance premiums for the said contract are all borne by the Company.
3. Mr. Shiro Kuniya is a candidate for the position of Independent Director.
4. Independence of Outside Director
The Company does not have special relationships with Oh-Ebashi LPC & Partners, where Mr. Shiro Kuniya serves as Managing Partner, or NEXON Co., Ltd., and Takeda Pharmaceutical Company Limited, where he serves as External Director. The Company has notified the Tokyo Stock Exchange, Inc. (TSE) and Sapporo Securities Exchange (SSE) about his appointment as Independent Officer as prescribed in the TSE/SSE regulations.
5. Liability limitation contract
The Company has, pursuant to Article 427, Paragraph (1) of the Companies Act, concluded a contract with Directors who do not execute business which sets a certain limit to their liability as provided in Article 423, Paragraph (1) of the said Act, if they have incurred any liability in the course of executing their duties in good faith and without gross negligence. The maximum amount of liability under this contract will be the minimum liability amount stipulated by laws and regulations.
If Mr. Shiro Kuniya's reappointment is approved, the Company plans to continue the said contract with him.

[Reference] Skills Matrix

	Corporate management	Safety/Environment/Quality	Finance/Accounting	Technology	Sales*1	Legal affairs*2	Global	HR development*3	Audit & Supervisory Committee Member	Nomination & Remuneration Advisory Committee Member	Management Council
Masaki Akiyama	○	○		○			○			○	○
Takeshi Hayakawa [New]	○	○		○	○		○				◎
Shigetoshi Kurosu	○		○			○		○		○	○
Yoshika Hirose		○		○	○						○
Masato Honda [New]	○	○		○	○						○
Isao Takahashi [New]		○		○	○						○
Takeshi Nakao [New]	○		○			○		○			○
Shiro Kuniya [External] [Independent]	○					○	○				
Nobuyuki Ogawa			○			○			◎		○
Masahiko Okamura [External] [Independent]	○				○		○		○	◎	
Kosei Watanabe [External] [Independent]	○					○	○		○	○	
Michi Handa (Michi Sasano) [External] [Independent]	○		○			○	○	○	○	○	

Note: The above matrix is not an exhaustive summary of the knowledge and experience of each Director.

*1 Sales: Sales, marketing

*2 Legal affairs: Legal affairs, risk management

*3 HR development: Human resource development, diversity

◎: Committee/council chair

Fourth Item of Business: Revision of Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Amount of remuneration for Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same in this proposal) is up to 25 million yen per month, as resolved at the 129th Ordinary General Meeting of Shareholders held on June 27, 2019.

In this proposal, the Company requests approval to revise the amount of remuneration for Directors from up to 25 million yen per month to up to 300 million yen per year (including up to 25 million yen for Outside Directors), so that the Company may provide a (monetary) short-term incentive remuneration to Directors (excluding Outside Directors) once a year, in addition to the existing monetary remuneration paid monthly, within the limits of the current monthly amount of remuneration converted into a yearly amount.

By introducing this short-term incentive remuneration, the Company aims to further motivate its Directors toward achieving the Long-Term Vision TOA2030 and in turn increase its corporate value, through a remuneration system that provides rewards based on fair and equitable assessment of responsibilities and results derived from each Director's endeavoring to achieve goals for a fiscal year. The Company therefore believes the contents of this proposal are necessary, reasonable, and appropriate.

The Nomination & Remuneration Committee, a majority of whose members comprises Outside Directors who are Audit & Supervisory Committee Members and which is chaired by an Outside Director who is an Audit & Supervisory Committee Member, deliberated on the contents of this proposal, and the Board of Directors finalized them based on reports from the Nomination & Remuneration Committee. As such, the Company believes fairness, objectivity, and transparency are ensured in the decision-making process on the remuneration system and results thereof, and would like to request approval for the Board of Directors to determine the amount of short-term incentive remuneration to be paid to Directors within the maximum amount to be established. As the first payment of short-term incentive remuneration using the remuneration limit to be revised as above, the Company would pay remuneration after the close of this General Meeting of Shareholders for its 132nd fiscal year (from April 1, 2021 to March 31, 2022) to Directors (excluding Outside Directors) who were in office as of the end of that fiscal year.

Directors who are within the scope of this revision of amount of remuneration are eight Directors who were in office as of the end of the 132nd fiscal year (currently seven Directors, including one Outside Director). If the third item of business is approved as originally proposed, the number of Directors will be eight, including one Outside Director.

Fifth Item of Business: Revision of Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members

Amount of remuneration for Directors of the Company who are Audit & Supervisory Committee Members is up to 8 million yen per month, as resolved at the 129th Ordinary General Meeting of Shareholders held on June 27, 2019. Given that the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) would be revised to a yearly amount if the fourth item of business is approved as originally proposed, the Company requests approval to also revise the amount of remuneration for Directors who are Audit & Supervisory Committee Members to up to 96 million yen per year, which is the monthly amount converted into a yearly amount.

The Audit & Supervisory Committee has given its consent to the contents of this proposal. Because this would enable the Company to employ more flexible and responsive remuneration system, the Company believes the contents of this proposal are necessary, reasonable, and appropriate.

The Company currently has four Directors who are Audit & Supervisory Committee Members, including three Outside Directors.

Sixth Item of Business: Revision of Performance-linked Stock-based Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors Who Are Not Audit & Supervisory Committee Members)

(1) Reasons for proposal

At the 129th Ordinary General Meeting of Shareholders held on June 27, 2019, the Company obtained approval to introduce a performance-linked stock-based remuneration plan called the Board Benefit Trust (hereinafter the “Plan”) for its Directors (excluding Directors who are Audit & Supervisory Committee Members as well as Outside Directors who are not Audit & Supervisory Committee Members; hereinafter the same in this proposal unless otherwise noted) and Executive Officers who are not concurrently serving as Directors (Directors as well as Executive Officers who are not concurrently serving as Directors hereinafter collectively referred to as “Directors, etc.”), which remains in effect today.

This Plan was introduced to further motivate Directors, etc. toward contributing to improvements in business results and increases of corporate value over a medium to long term by further clarifying the link between remuneration for Directors, etc. and the Company’s business results and value of its shares and having Directors, etc. share with shareholders both the benefits of increasing stock prices and the risk of falling stock prices. Given the lapse of the initial target period (three fiscal years from the fiscal year ended March 31, 2020 through the fiscal year ended March 31, 2022) set when the Plan was introduced, on this occasion, the Company would like to reestablish a remuneration framework pertaining to the Plan for a target period (three fiscal years from the fiscal year ending March 31, 2023 through the fiscal year ending March 31, 2025) and each of the subsequent three-year periods that begin after the lapse of the target period. The remuneration framework to be established under this proposal is separate from the amount of remuneration for Directors that would be revised to up to 300 million yen per year (including up to 25 million yen for Outside Directors) if the fourth item of business is approved as originally proposed.

Under this proposal, the Company aims to further motivate Directors, etc. toward contributing to increases in corporate value and value of its shares, through enhanced correlation between remuneration for Directors, etc. and the Company’s business results and value of its shares. To do so, the Company would like to increase the weight of this Plan, which is a medium- to long-term incentive, in total remuneration. Specifically, the Company requests approval to increase the maximum number of points to be granted to Directors, etc. for each fiscal year from 33,400 points (including 12,200 points for Directors) to 60,800 points (including 21,800 points for Directors); set the maximum number of points for the target period (three fiscal years from the fiscal year ending March 31, 2023 through the fiscal year ending March 31, 2025) and each of the subsequent three-year periods that begin after the lapse of the target period to 182,400 points (including 65,400 points for Directors); and set the maximum number of the Company’s shares to be acquired by a trust established under the Plan to 182,400 shares.

The Company believes the contents of this proposal are necessary, reasonable, and appropriate, as they would further motivate Directors, etc. toward contributing to increases in corporate value and value of its shares, thereby leading to further improvements in corporate business results.

The Nomination & Remuneration Committee, a majority of whose members comprises Outside Directors who are Audit & Supervisory Committee Members and which is chaired by an Outside Director who is an Audit & Supervisory Committee Member, deliberated on the contents of this proposal, and the Board of Directors finalized them based on reports from the Nomination & Remuneration Committee. If

the third item of business is approved as originally proposed, the number of Directors eligible for the Plan will be seven.

(2) Amount of remuneration pertaining to the Plan and reference information

1) Outline of the Plan

This Plan is a performance-linked stock-based remuneration plan, under which the Company's shares are acquired through a trust (the trust established under the Plan hereinafter referred to as the "Trust") using funds contributed by the Company and the Company's shares and cash equivalent to the market value of the Company's shares (hereinafter the "Company Shares, etc.") are delivered to Directors, etc. through the Trust pursuant to the Executive Share Delivery Regulations established by the Company. In principle, Directors, etc. receive Company Shares, etc. upon their retirement from office.

2) Recipients eligible for the Plan

Directors (Directors who are Audit & Supervisory Committee Members as well as Outside Directors who are not Audit & Supervisory Committee Members are outside the scope of this Plan.) and Executive Officers who are not concurrently serving as Directors.

3) Trust period

From August 2019 (when the Plan was introduced) through the termination of the Trust (There is no specific end date specified for the trust period of the Trust, and the Trust will be maintained as long as the Plan continues. The Plan will be terminated in case of events such as delisting of the Company's shares or abolishment of the Executive Share Delivery Regulations.).

4) Trust amount (amount of remuneration)

Subject to this proposal being approved, the Company will contribute funds for acquiring the Company's shares to the Trust during the target period (three fiscal years from the fiscal year ending March 31, 2023 through the fiscal year ending March 31, 2025) and each of the subsequent three-year periods that begin after the lapse of the target period. In principle, every three fiscal years until the Plan is terminated, the Company will contribute funds for acquiring the Company's shares to the Trust. For reference, if the closing price on May 12, 2022 of 2,790 yen is applied, funds required for the above acquisition of shares would be approximately 509 million yen (including approximately 183 million yen for Directors). The amount of actual funds to be contributed to the Trust by the Company will include the expected amount of necessary expenses such as trust fees, in addition to the abovementioned funds for acquiring shares.

If the Company decides to make additional contributions, relevant details will be appropriately disclosed in a timely manner.

5) Means of acquiring the Company's shares and number of shares to be acquired

The Trust will acquire the Company's shares through stock exchange markets or by receiving treasury shares disposed of by the Company, using funds contributed as per the above 4). The maximum number of the Company's shares to be acquired during the target period (three fiscal years from the fiscal year ending March 31, 2023 through the fiscal year ending March 31, 2025) will be 182,400 shares. In principle, for each period of three fiscal years after the lapse of the target period until the Plan is terminated, the Trust will acquire additional shares in the Company up to 182,400

shares (including 65,400 shares for Directors). However, when making such additional acquisitions, if there are any shares in the Company (excluding shares corresponding to points granted to Directors, etc. for target periods prior to the acquisition that have not been delivered to Directors, etc.) and money remaining as trust assets (hereinafter “Remaining Shares, etc.”), the total number of Remaining Shares, etc. and additional shares to be acquired shall not exceed 182,400 shares (including 65,400 shares for Directors).

Whenever the Trust acquires the Company’s shares, relevant details will be appropriately disclosed in a timely manner.

6) Method of calculating the number of Company Shares, etc. to be delivered to Directors, etc.

Directors, etc. will be granted points for each fiscal year in a number to be determined by taking into account their position, attainment of business results, and other factors pursuant to the Executive Share Delivery Regulations.

(Formula) Base points for each position × Performance-linked multiplier (*1)

(*1) Performance-linked multiplier will be determined within the range of 0% to 150% using a predetermined formula based on the degree of attainment of targets for evaluation items stipulated in the Executive Share Delivery Regulations (orders received, consolidated operating profit, consolidated profit, stock price relative to TOPIX), with 100% as the standard amount.

The total number of points to be granted to Directors, etc. for each fiscal year will be up to 21,800 points for Directors and up to 39,000 points for Executive Officers who are not concurrently serving as Directors. Accordingly, the maximum total number of points to be granted for three fiscal years will be 182,400 points. The Board of Directors has determined this number by comprehensively taking into account the current level of remuneration for Directors, etc., trends in the number of Directors, etc., future outlook, and other factors, and the Company believes it is appropriate.

Points granted to Directors, etc. will be converted into common shares in the Company at a rate of one share per point when Company Shares, etc. are delivered as per 7) below (provided, however, that in case of a share split, gratis allotment of shares, share consolidation, etc. of the Company’s shares after obtaining approval of this proposal, the maximum number of points as well as the number of points granted or the conversion rate will be reasonably adjusted according to the relevant ratio, etc.).

Number of points held by Directors, etc. that forms the basis for delivering Company Shares, etc. as per 7) below will be, in principle, the cumulative number of points granted to such Directors, etc. by the time of their retirement (points calculated in this manner hereinafter referred to as the “Finalized Points”).

7) Delivery of Company Shares, etc.

When a Director, etc. retires, if they meet the beneficiary requirements stipulated in the Executive Share Delivery Regulations, such Director, etc., upon carrying out a certain procedure for finalizing the beneficiary, will receive a delivery of the Company’s shares in a number based on Finalized Points determined in principle in accordance with the above 6) from the Trust after their retirement. However, if certain requirements stipulated in the Executive Share Delivery Regulations

are met, for a certain portion of the shares, they will receive a payment of cash equivalent to the market value of the Company's shares in lieu of a delivery of the Company's shares. The Trust may sell the Company's shares to make monetary payments.

8) Exercise of voting rights

Voting rights pertaining to the Company's shares held in the Trust account will not be exercised at all, pursuant to instructions of the trust administrator. By adopting this policy, the Trust intends to remain neutral to business management of the Company in terms of exercise of voting rights pertaining to the Company's shares held in the Trust account.

9) Handling of dividends

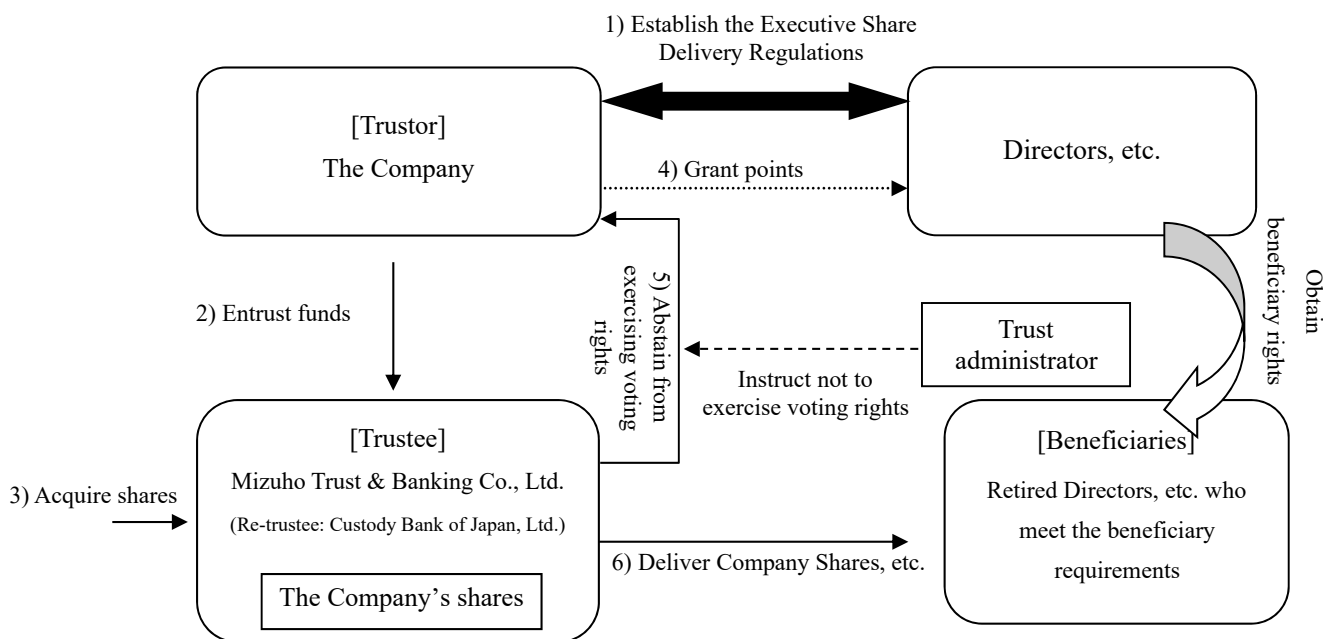
Dividends pertaining to the Company's shares held in the Trust account will be received by the Trust, and used as funds for acquiring the Company's shares and for trust fees paid to the trustee of the Trust and other expenses related to the Trust. If the Trust is terminated, dividends, etc. remaining within the Trust will be paid to Directors, etc. who are in office at the time, prorated according to the number of points held by each Director, etc., pursuant to the provisions of the Executive Share Delivery Regulations.

10) Handling when the Trust is terminated

The Trust will be terminated in case of events such as delisting of the Company's shares or abolishment of the Executive Share Delivery Regulations.

Among remaining assets of the Trust at the time of termination of the Trust, all of the Company's shares (excluding shares to be delivered to executives in accordance with the above 7)) is planned to be acquired by the Company free of charge, then cancelled by a resolution of the Board of Directors. Among remaining assets of the Trust at the time of termination of the Trust, remaining money after deducting the dividends, etc. to be paid to Directors, etc. in accordance with the above 9) will be paid to the Company.

<Reference: Structure of the Plan>



- 1) The Company establishes the Executive Share Delivery Regulations within the framework approved under this proposal.
- 2) The Company entrusts funds within the scope approved under this proposal.
- 3) The Trust, using the funds entrusted in 2), acquires the Company's shares through stock exchange markets or by receiving treasury shares disposed of by the Company.
- 4) The Company grants points to Directors, etc. pursuant to the Executive Share Delivery Regulations.
- 5) The Trust, in accordance with instructions of the trust administrator who is independent from the Company, abstains from exercising voting rights pertaining to the Company's shares within the Trust account.
- 6) The Trust delivers the Company's shares to retired Directors, etc. who meet the beneficiary requirements stipulated in the Executive Share Delivery Regulations (hereinafter the "Beneficiaries") according to the number of points that have been granted to each Beneficiary. However, if a Director, etc. meets certain requirements stipulated in the Executive Share Delivery Regulations, for a certain portion of the points, the Trust will pay cash equivalent to the market value of the Company's shares instead.