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(Securities Code 1813)

June 4, 2024

(Commencement of measures for electronic provision: May 31, 2024)

To Shareholders with Voting Rights:

Shinya Okuda
President and Representative Director
Fudo Tetra Corporation
7-2, Nihonbashi-Koami-cho Chuo-ku,
Tokyo, Japan

NOTICE OF THE 78TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

Notice is hereby given that the 78th Annual General Meeting of Shareholders of Fudo Tetra Corporation (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision) electronically. The Company is posting the matters subject to measures for electronic provision as the “NOTICE OF THE 78TH ANNUAL GENERAL MEETING OF SHAREHOLDERS” on the Company’s website on the Internet. Please access the following Company’s website to review the information.

The Company’s website:

<https://www.fudotetra.co.jp/ir/stockholder/meeting-description/>

In addition to the above website, the Company is posting the matters subject to measures for electronic provision on the following website on the Internet.

Tokyo Stock Exchange (TSE) website (Listed Company Search):

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

(Please access the above website, enter “Fudo Tetra” in the “Issue name [company name]” field or the Company’s securities code “1813” in the “Code” field to run a search, and select “Basic information” and then “Documents for public inspection/PR information” to confirm the details in the section of “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”)

Instead of attending the meeting in person, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Thursday, June 20, 2024, Japan time.

- 1. Date and Time:** Friday, June 21, 2024 at 10:00 a.m. Japan time
(The reception is scheduled to begin at 9:00 a.m.)
- 2. Place:** Hall on the 8th floor of Tokyo Shoken Kaikan located at
1-5-8, Nihonbashi-Kayaba-cho, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 78th Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company's 78th Fiscal Year (April 1, 2023 - March 31, 2024)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Seven (7) Directors Not Serving as Audit and Supervisory Committee Members
- Proposal No. 3:** Election of Four (4) Directors Serving as Audit and Supervisory Committee Members
- Proposal No. 4:** Continuation and Partial Revision of Performance-linked Stock-based Compensation Plan for Directors

4. Decisions concerning Convocation

- (1) If you vote both in writing on the Voting Rights Exercise Form and via the Internet, only the vote placed via the Internet will be valid.
 - (2) If you submit your vote multiple times via the Internet, etc., only the last vote exercised will be valid.
 - (3) If we receive the Voting Rights Exercise Form which has no indication of either approval or disapproval on any of the proposals, we will regard such proposals as being approved.
- The documents that we are sending to shareholders who have not requested the delivery of documents in a paper form include matters pertaining to the Reference Documents for the General Meeting of Shareholders in addition to the "NOTICE OF THE 78TH ANNUAL GENERAL MEETING OF SHAREHOLDERS."
 - The documents that we are sending to shareholders who have requested the delivery of documents in a paper form do not include the following matters in accordance with the provisions of laws and regulations as well as the Company's Articles of Incorporation. Please note that the Audit and Supervisory Committee and the Accounting Auditor have audited the documents including the following matters.
 - (1) Notes to the Consolidated Financial Statements in the Consolidated Financial Statements
 - (2) Notes to the Non-consolidated Financial Statements in the Non-consolidated Financial Statements
 - The numbers of the pages, items, and reference pages, which are stated in the documents delivered to you, are the same as those of the matters subject to measures for electronic provision.
 - Should any item contained in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements or other matters subject to measures for electronic provision require revisions, the revised version will be posted on each of the websites on which they are posted.
 - The "Notice of Resolution" and "Report" on business that is for shareholders, which had previously been sent in writing after the General Meeting of Shareholders, will be provided by posting them on the Company's website starting this year with the aim of reducing the amount of paper used in consideration of the global environment.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company considers returning profits to the shareholders and strengthening its management foundation to be vital business tasks, and has taken a fundamental policy of continuing shareholder return in a stable manner.

Based on this, in the basic capital policy under the Mid-term Management Plan (2021-2023), the Company is committed to pursuing both growth investment and shareholder return at the same time in allocating cash, and has set a target of achieving a consolidated dividend payout ratio of approximately 40% for the return of profits.

Under these policies and objectives, the Company proposes year-end dividends for the 78th fiscal year as follows.

If this proposal is approved, a consolidated dividend payout ratio will be 45.5%.

- Matters concerning the year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Matters concerning the allotment of dividend property and the total amount
60 yen per share of common stock of the Company
Total amount of 918,041,340 yen
 - (3) Effective date of distribution of surplus
June 24, 2024

Proposal No. 2: Election of Seven (7) Directors Not Serving as Audit and Supervisory Committee Members

The terms of office of all seven (7) current Directors not serving as Audit and Supervisory Committee Members will expire at the conclusion of this year's General Meeting of Shareholders. Accordingly, the election of seven (7) Directors not serving as Audit and Supervisory Committee Members is proposed.

The candidates for Directors not serving as Audit and Supervisory Committee Members are as follows:

No.	Name	Positions and responsibilities at the Company	Years in office	Attendance at meetings of Board of Directors:
1	Yuji Takehara Reappointment Male	Chairman and Representative Director	20 years 3 months	100% (16/16)
2	Shinya Okuda Reappointment Male	President and Representative Director	13 years	100% (16/16)
3	Jun Ohbayashi Reappointment Male	Director and Executive Vice President General Manager, Soil Improvement Business Unit	6 years	100% (16/16)
4	Akihiko Tadano Reappointment Male	Director and Managing Executive Officer General Manager, Civil Engineering Business Unit	2 years	100% (16/16)
5	Chihiro Niiyama Reappointment Male	Director and Managing Executive Officer General Manager, Block Environment Business Unit	2 years	100% (16/16)
6	Yoji Kawachi Reappointment Male	Director and Managing Executive Officer General Manager, Administration Unit	1 year	100% (13/13)
7	Mari Osawa Reappointment Female Outside Director Independent Officer	Outside Director	4 years	100% (16/16)

(Notes)

The Director candidates' positions and responsibilities at the Company stated above are as of the time of this General Meeting of Shareholders.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	<p data-bbox="199 403 399 470">Yuji Takehara (July 31, 1950)</p> <p data-bbox="231 504 367 560">Reappointment Male</p> <p data-bbox="199 582 399 683">20 years and 3 months in office as Director (as of the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="199 716 399 795">Attendance at meetings of Board of Directors: 100% (16/16)</p>	<p data-bbox="430 268 558 291">March 1973</p> <p data-bbox="430 302 558 324">May 2003</p> <p data-bbox="430 336 558 358">June 2003</p> <p data-bbox="430 369 558 392">April 2004</p> <p data-bbox="430 425 558 448">March 2006</p> <p data-bbox="430 459 558 481">April 2007</p> <p data-bbox="430 515 558 537">June 2009</p> <p data-bbox="430 571 558 593">June 2010</p> <p data-bbox="430 627 558 649">April 2018</p>	<p data-bbox="1308 582 1420 604">16,614</p>	
		<p data-bbox="430 660 1276 728">[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p data-bbox="430 728 1276 929">He has a wealth of experience and specialist knowledge from holding the posts of General Manager of the Geo Engineering Business Unit (currently Soil Improvement Business Unit), General Manager of the Civil Engineering Business Unit, and President and Representative Director. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business, his assuming the post of Chairman of the Board of Directors, and his appropriate operation of the Board of Directors as Chairman and Representative Director.</p>		
2	<p data-bbox="199 1019 399 1086">Shinya Okuda (January 9, 1955)</p> <p data-bbox="231 1120 367 1176">Reappointment Male</p> <p data-bbox="199 1220 399 1321">13 years in office as Director (as of the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="199 1355 399 1433">Attendance at meetings of Board of Directors: 100% (16/16)</p>	<p data-bbox="430 929 558 952">March 1980</p> <p data-bbox="430 963 558 985">October 2007</p> <p data-bbox="430 1019 558 1041">June 2008</p> <p data-bbox="430 1052 558 1075">May 2009</p> <p data-bbox="430 1108 558 1131">June 2010</p> <p data-bbox="430 1142 558 1164">April 2011</p> <p data-bbox="430 1176 558 1198">June 2011</p> <p data-bbox="430 1209 558 1232">June 2015</p> <p data-bbox="430 1265 558 1288">April 2018</p>	<p data-bbox="1308 1209 1420 1232">8,707</p>	
		<p data-bbox="430 1288 1276 1355">[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p data-bbox="430 1355 1276 1523">He has a wealth of experience and specialist knowledge from holding the posts of Deputy General Manager of the Tokyo Main Office and General Manager of the Soil Improvement Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has assumed command of management as President and Representative Director and appropriately engaged in operating the Board of Directors.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p>Jun Ohbayashi (March 24, 1961)</p> <p>Reappointment Male</p> <p>6 years in office as Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 100% (16/16)</p>	<p>March 1984 Joined the Company</p> <p>June 2008 General Manager, Sales Department-2, Tokyo Main Office</p> <p>May 2009 General Manager, Technology Department, Soil Improvement Business Unit</p> <p>April 2016 Executive Officer, Deputy General Manager, Soil Improvement Business Unit, and General Manager, Technology Department, Soil Improvement Business Unit</p> <p>April 2018 Managing Executive Officer and General Manager, Soil Improvement Business Unit (current position)</p> <p>June 2018 Director (current position)</p> <p>April 2024 Executive Vice President (current position)</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p>He has a wealth of experience and specialist knowledge from holding the posts of General Manager of Sales Department-2, Tokyo Main Office, General Manager of Technology Department, Soil Improvement Business Unit, and General Manager of Soil Improvement Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director.</p>	7,019
4	<p>Akihiko Tadano (May 10, 1958)</p> <p>Reappointment Male</p> <p>2 years in office as Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 100% (16/16)</p>	<p>March 1984 Joined the Company</p> <p>October 2007 General Manager, Sales Planning Department, Sales Management Department, Construction Unit</p> <p>June 2010 General Manager, Sales Department, Civil Engineering Department, and General Manager, Comprehensive Assessment and Measures Office, Technology Department</p> <p>April 2012 General Manager, Technology Department, Civil Engineering Business Unit</p> <p>April 2016 Executive Officer, Deputy General Manager, Civil Engineering Business Unit</p> <p>April 2019 Deputy General Manager, Tokyo Main Office</p> <p>April 2020 General Manager, Tokyo Main Office</p> <p>April 2021 Managing Executive Officer (current position)</p> <p>April 2022 General Manager, Civil Engineering Business Unit (current position)</p> <p>June 2022 Director (current position)</p> <p>April 2024 General Manager, Sales Department, Civil Engineering Business Unit (current position)</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p>He has a wealth of experience and specialist knowledge from holding the posts of General Manager, Sales Department, Civil Engineering Department, General Manager, Technology Department, Civil Engineering Business Unit, General Manager, Tokyo Main Office, and General Manager, Civil Engineering Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director.</p>	6,464

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<p>Chihiro Niiyama (January 12, 1962)</p> <p>Reappointment Male</p> <p>2 years in office as Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 100% (16/16)</p>	<p>April 1984 Joined Nippon Tetrapod Co., Ltd.</p> <p>April 2015 General Manager in charge of Construction Department, Civil Engineering Business Unit, the Company</p> <p>April 2018 General Manager, Corporate Planning Department</p> <p>April 2020 Executive Officer</p> <p>April 2021 General Manager, Block Environment Business Unit (current position)</p> <p>April 2022 Managing Executive Officer (current position)</p> <p>June 2022 Director, (current position)</p> <p>April 2023 General Manager, the Technical Research Institute</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager in charge of Construction Department, Civil Engineering Business Unit, General Manager, Corporate Planning Department, General Manager, Block Environment Business Unit, and General Manager, the Technical Research Institute. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director.</p>	3,140
6	<p>Yoji Kawachi (January 8, 1960)</p> <p>Reappointment Male</p> <p>1 year in office as Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 100% (13/13)</p>	<p>June 1992 Joined the Company</p> <p>June 2010 General Manager in charge of General Affairs & Human Resources Department, Administration Unit</p> <p>April 2020 Executive Officer, General Manager, General Affairs & Human Resources Department, Administration Unit</p> <p>April 2021 Deputy General Manager, Administration Unit</p> <p>April 2023 Managing Executive Officer (current position) and General Manager, Administration Unit (current position)</p> <p>June 2023 Director (current position)</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager, General Affairs & Human Resources Department, Administration Unit, Deputy General Manager, Administration Unit, and General Manager, Administration Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director.</p>	3,774

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	<p>Mari Osawa (April 4, 1953)</p> <p>Reappointment Female Outside Director Independent Officer</p> <p>4 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 100% (16/16)</p>	<p>April 1998 Professor, Institute of Social Science, The University of Tokyo (currently National University Corporation, The University of Tokyo)</p> <p>April 2015 Director, Institute of Social Science, National University Corporation, The University of Tokyo</p> <p>April 2018 Executive Director and Vice President</p> <p>June 2019 Professor Emeritus (current position)</p> <p>June 2020 Director, the Company (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director not serving as Audit and Supervisory Committee Member and an outline of the expected role] While she has not engaged in corporate management in other ways than by serving as an outside officer, she has a high level of knowledge as a university professor and is recognized for her achievements in research on governance. The Company renominate her as candidate for Outside Director due to the fact that as an Independent Outside Director of the Company she has expressed her opinions from an independent and objective standpoint in Board of Directors meetings and fulfilled her duties appropriately by giving beneficial advice, as well as the fact that she meets the “Independence Standards for Outside Directors” stipulated by the Company. After her election, she is expected to appropriately supervise and advise the Company on overall management, primarily from a governance researcher’s perspective as well as from an independent and objective standpoint, drawing on her high level of knowledge as a university professor and her achievements in governance research.</p>	0

(Notes)

1. There are no special interests between the candidates and the Company.
2. The number of the Company’s shares each candidate holds includes shares of stock in officer’s shareholding association.
3. Ms. Mari Osawa is a candidate for Outside Director.
4. The Company has registered the candidate Ms. Mari Osawa as an independent officer as stipulated by Tokyo Stock Exchange, Inc. If she is reelected as an Outside Director at this General Meeting of Shareholders, the Company plans to continue to register her as an independent officer.
5. The opinion of the Audit and Supervisory Committee on the appointment, etc. of Directors not serving as Audit and Supervisory Committee Members is as follows.
In the Audit and Supervisory Committee, in view of the opinions of the three Outside Directors serving as Audit and Supervisory Committee Members in attendance at the “Nomination and Compensation Advisory Committee,” the proposal was deliberated according to standards established by the Board of Directors, such as the “Idea behind the composition and scale of the Board of Directors of the Company” and the “Policy and procedures of the Company regarding the nomination of candidates for Directors,” and as a result, the Audit and Supervisory Committee reached the conclusion that there were no particular matters of note.
6. The Company stipulates in Article 29, Paragraph 2 of the current Articles of Incorporation that the Company may conclude agreements with Directors (excluding Executive Directors, etc. as defined in Article 2, Item 15-1 of the Companies Act) to limit their liability for damages caused by negligence of their duties. Pursuant to this provision, the Company and the candidate Ms. Mari Osawa have concluded the liability limitation agreement that stipulates that “in the event that the Director (excluding Executive Directors, etc. as defined in Article 2, Item 15-1 of the Companies Act) causes damage to the Company due to his or her negligence of duty, the Director shall be liable for damages to the Company up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Director has acted in good faith and without gross delinquency in performing his or her duty.” If the reelection of the candidate Ms. Mari Osawa is approved, the Company plans to continue with said liability limitation agreement.
7. The Company has entered into a directors and officers liability insurance policy, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The policy covers damages that may arise due to the insured assuming liability for the execution of their duties or receiving claims related to the pursuit of such liability. Each candidate for Director, if elected, will be insured by the policy. Also, the Company plans to renew the policy with the same terms and conditions at the time of next renewal. For an overview of the insurance policy, please refer to page 39 of the Business Report.

Proposal No. 3: Election of Four (4) Directors Serving as Audit and Supervisory Committee Members

The terms of office of all four (4) current Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this year's General Meeting of Shareholders. Accordingly, the election of four (4) Directors serving as Audit and Supervisory Committee Members is proposed.

The consent of the Audit and Supervisory Committee has been obtained regarding this proposal.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name	Positions and responsibilities at the Company	Years in office	Attendance at meetings of Board of Directors:
1	Kumiko Miura New appointment Female	Executive Officer Assistant to President	—	—
2	Kiyoyuki Kuroda Reappointment Male Outside Director Independent Officer	Outside Director Audit and Supervisory Committee Member	6 years	100% (16/16)
3	Masaji Suzuki Reappointment Male Outside Director Independent Officer	Outside Director Audit and Supervisory Committee Member	2 years	100% (16/16)
4	Kiyoshi Maeda New appointment Male Outside Director Independent Officer		—	—

(Notes)

The Director candidates' positions and responsibilities at the Company stated above are as of the time of this General Meeting of Shareholders.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	<p>Kumiko Miura (January 19, 1962)</p> <p>New appointment Female</p> <p>Years in office as Director —</p> <p>Attendance at meetings of Board of Directors: —</p> <p>Attendance at meetings of Audit and Supervisory Committee: —</p>	<p>March 1984 April 2016</p> <p>April 2020</p> <p>April 2024</p>	<p>Joined the Company</p> <p>General Manager, Administration Department, Soil Improvement Business Unit</p> <p>Executive Officer (current position), Deputy General Manager, Soil Improvement Business Unit, and General Manager, Administration Department, Soil Improvement Business Unit</p> <p>Assistant to President(current position)</p> <p>[Reasons for nomination as a candidate for Director serving as Audit and Supervisory Committee Member] She has a wealth of experience and specialist knowledge from holding the posts of General Manager, Administration Department, Soil Improvement Business Unit, and Deputy General Manager, Administration Department, Soil Improvement Business Unit. The Company nominates her as a new candidate for Director serving as Audit and Supervisory Committee Member due to her familiarity with the Company's overall business.</p>	2,533
2	<p>Kiyoyuki Kuroda (January 12, 1970)</p> <p>Reappointment Male</p> <p>Outside Director Independent Officer</p> <p>6 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 100% (16/16)</p> <p>Attendance at meetings of Audit and Supervisory Committee: 100% (13/13)</p>	<p>April 1996 May 2002 November 2005 June 2009 June 2018 May 2019</p> <p>(Significant concurrent positions) Partner, Miyake & Partners External director, WDB Holdings Co., Ltd.</p>	<p>Registered as a lawyer, joined The Miyake Joint Partnership Law Office (currently Miyake & Partners)</p> <p>Partner, The Miyake Joint Partnership Law Office</p> <p>External statutory auditor, WDB Co., Ltd. (currently WDB Holdings Co., Ltd.)</p> <p>External director, WDB Co., Ltd. (currently WDB Holdings Co., Ltd.) (current position)</p> <p>Director (Audit and Supervisory Committee Member) (current position)</p> <p>Partner, Miyake & Partners (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and the summary of expected roles] While he has not engaged in corporate management in other ways than by serving as an outside officer, he has specialist knowledge and a wealth of work experience as a lawyer, and also engages in corporate management as outside director of a listed company. As an Independent Outside Director of the Company, he has expressed his opinions from an independent and objective standpoint and provided valuable advice in Board of Directors meetings, etc. and engaged in the operation of the Audit and Supervisory Committee as its member, fulfilling his duties appropriately. He also meets the "Independence Standards for Outside Directors" stipulated by the Company. Accordingly, the Company renominates him as candidate for Outside Director serving as Audit and Supervisory Committee Member. After his election, he is expected to appropriately supervise and advise the Company on overall management, primarily from the perspective of a lawyer as well as from an independent and objective standpoint, drawing on his specialist knowledge and wealth of work experience as a lawyer.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p>Masaji Suzuki (December 6, 1954)</p> <p>Reappointment Male Outside Director Independent Officer</p> <p>2 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 100% (16/16)</p> <p>Attendance at meetings of Audit and Supervisory Committee: 100% (13/13)</p>	<p>November 1976 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>March 1980 Registered as a certified public accountant</p> <p>July 1990 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>July 2001 Executive Board Member, the Japanese Institute of Certified Public Accountants</p> <p>July 2013 Deputy President, the Japanese Institute of Certified Public Accountants</p> <p>January 2020 Representative, Suzuki Masaji Certified Public Accountant Office (current position)</p> <p>March 2022 Outside Auditor, Kitoku Shinryo Co., Ltd. (current position)</p> <p>April 2022 Director serving as Audit and Supervisory Committee Member, the Company (current position)</p> <p>(Significant concurrent position) Outside Auditor, Kitoku Shinryo Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and the summary of expected roles] While he has not engaged in corporate management in other ways than by serving as an outside officer, he has specialized knowledge and abundant practical experience as a certified public accountant. The Company renominates him as candidate for Outside Director due to the fact that as an Independent Outside Director of the Company he has expressed his opinions from an independent and objective standpoint in Board of Directors meetings and fulfilled his duties appropriately by giving beneficial advice and properly engaging in management of the Audit and Supervisory Committee as one of its members, as well as the fact that he meets the “Independence Standards for Outside Directors” stipulated by the Company. After his election, he is expected to appropriately supervise and advise the Company on overall management, primarily from a certified public accountant’s perspective as well as from an independent and objective standpoint, drawing on his specialized knowledge and abundant practical experience as a certified public accountant.</p>	0
4	<p>Kiyoshi Maeda (July 9, 1954)</p> <p>New appointment Male Outside Director Independent Officer</p> <p>Years in office as Outside Director —</p> <p>Attendance at meetings of Board of Directors: —</p> <p>Attendance at meetings of Audit and Supervisory Committee: —</p>	<p>April 1977 Joined Mitsubishi Corporation</p> <p>April 2005 General Manager, Strategic Planning Office, Materials Division</p> <p>June 2008 Executive Officer and General Manager, Forestry Department, Mitsubishi Paper Mills Limited</p> <p>June 2010 Senior Executive Officer, General Manager, Materials Department and General Manager, Forestry Department</p> <p>June 2013 Senior Executive Officer, General Manager, President’s Office</p> <p>June 2015 Managing Executive Officer</p> <p>June 2016 Senior Managing Executive Officer</p> <p>April 2020 Professor, Faculty of Economics, Teikyo University (current position)</p> <p>(Significant concurrent position) Professor, Faculty of Economics, Teikyo University</p> <p>[Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and the summary of expected roles] The Company nominates him as candidate for Outside Director serving as Audit and Supervisory Committee Member due to the fact that he has served as an officer of companies, has abundant experience in corporate management, has a high level of knowledge as a university professor, and meets the “Independence Standards for Outside Directors” stipulated by the Company. After his election, he is expected to appropriately supervise and advise the Company on overall management, primarily from a perspective of a former officer of companies as well as from an independent and objective standpoint, drawing on his abundant knowledge as a former officer of companies and a high level of knowledge as a university professor.</p>	0

(Notes)

1. There are no special interests between the candidates and the Company.
2. The number of the Company's shares each candidate holds includes shares of stock in officer's shareholding association.
3. Mr. Kiyoyuki Kuroda, Mr. Masaji Suzuki, and Mr. Kiyoshi Maeda are candidates for Outside Director.
4. The Company has registered the candidates Mr. Kiyoyuki Kuroda and Mr. Masaji Suzuki as independent officers as stipulated by Tokyo Stock Exchange, Inc. If they are elected as Outside Director at this General Meeting of Shareholders, the Company plans to continue to register them as independent officers. Also, if the candidate Mr. Kiyoshi Maeda is elected as Outside Director, the Company plans to register him as an independent officer as stipulated by Tokyo Stock Exchange, Inc.
5. The term of office of Mr. Kiyoyuki Kuroda as Outside Director serving as Audit and Supervisory Committee Member will have been six years at the conclusion of this General Meeting.
6. The term of office of Mr. Masaji Suzuki as Outside Director serving as Audit and Supervisory Committee Member will have been two years at the conclusion of this General Meeting.
7. The Company stipulates in Article 29, Paragraph 2 of the current Articles of Incorporation that the Company may conclude agreements with Directors (excluding Executive Directors, etc. as defined in Article 2, Item 15-1 of the Companies Act) to limit their liability for damages caused by negligence of their duties. Pursuant to this provision, the Company and the candidates Mr. Kiyoyuki Kuroda and Mr. Masaji Suzuki have concluded the liability limitation agreement that stipulates that "in the event that the Director (excluding Executive Directors, etc. as defined in Article 2, Item 15-1 of the Companies Act) causes damage to the Company due to his or her negligence of duty, the Director shall be liable for damages to the Company up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Director has acted in good faith and without gross delinquency in performing his or her duty." If the reelection of the candidate Mr. Kiyoyuki Kuroda and Mr. Masaji Suzuki is approved, the Company plans to continue with said liability limitation agreement. If the election of the candidate Ms. Kumiko Miura and Mr. Kiyoshi Maeda is approved, the Company plans to conclude said liability limitation agreement.
8. The Company has entered into a directors and officers liability insurance policy, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The policy covers damages that may arise due to the insured assuming liability for the execution of their duties or receiving claims related to the pursuit of such liability. Each candidate for Director, if elected, will be insured by the policy. Also, the Company plans to renew the policy with the same terms and conditions at the time of next renewal. For an overview of the insurance policy, please refer to page 39 of the Business Report.

[Reference]

If Proposal No. 2 and Proposal No. 3 are approved as originally proposed, the composition of the Board of Directors is scheduled to be as shown below.

The total number of Directors of the Company is eleven (11) which includes four (4) Independent Outside Directors, and Independent Outside Directors account for 36.4% of all Directors.

Name	Positions and responsibilities at the Company	Representative Director	Audit and Supervisory Committee Member	Outside Director	Independent Officer	Nomination and Compensation Advisory Committee Member
Yuji Takehara (*1)	Chairman and Representative Director	X				
Shinya Okuda	President and Representative Director	X				X
Jun Ohbayashi	Director and Executive Vice President General Manager, Soil Improvement Business Unit					
Akihiko Tadano	Director and Managing Executive Officer General Manager, Civil Engineering Business Unit and General Manager, Sales Department					
Chihiro Niiyama	Director and Managing Executive Officer General Manager, Block Environment Business Unit					
Yoji Kawachi	Director and Managing Executive Officer General Manager, Administration Unit					
Mari Osawa	Outside Director			X	X	X
Kumiko Miura (*2)	Director and Standing Audit and Supervisory Committee Member		X			
Kiyoyuki Kuroda (*3)	Outside Director and Audit and Supervisory Committee Member		X	X	X	X
Masaji Suzuki	Outside Director and Audit and Supervisory Committee Member		X	X	X	X
Kiyoshi Maeda	Outside Director and Audit and Supervisory Committee Member		X	X	X	X

*1. Chairman of the Board of Directors

*2. Chairman of the Audit and Supervisory Committee

*3. Chairman of the Nomination and Compensation Advisory Committee

Particularly important knowledge, experience and capability that Directors are expected to possess:								
Name	Corporate management Management strategy	Sales Industry knowledge	Overseas business	Research and development IT	Finance Accounting	Human resources, Labor management, Labor safety and health	Legal affairs, Compliance, Risk management	Environment (E) Society (S) Governance (G)
Yuji Takehara	X	X	X	X		X	X	
Shinya Okuda	X	X	X	X		X	X	
Jun Ohbayashi	X	X	X	X		X		
Akihiko Tadano		X		X				
Chihiro Niiyama		X						
Yoji Kawachi					X		X	X
Mari Osawa								X
Kumiko Miura					X			
Kiyoyuki Kuroda						X	X	X
Masaji Suzuki					X			X
Kiyoshi Maeda	X		X					X

Proposal No. 4: Continuation and Partial Revision of Performance-linked Stock-based Compensation Plan for Directors

At the 70th Annual General Meeting of Shareholders held on June 23, 2016, the Company adopted a performance-linked stock-based compensation plan (hereinafter referred to as the “Plan”) for the Company’s Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members; the same shall apply below in this proposal) with the approval of the shareholders, and since then, partial revisions of the Plan have been made, with the approval of the shareholders at the 73rd Annual General Meeting of Shareholders held on June 21, 2019 and the 76th Annual General Meeting of Shareholders held on June 24, 2022.

Although the two fiscal years covered by the Plan (from the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2024) have come to an end, we would like to partially revise the content of the Plan in order to continue with the Plan after the fiscal year ending March 31, 2025. Thus, we would like to ask for your approval of this proposal.

The purpose of the Plan is to clarify the ways in which the compensation for Directors is linked to the Company’s performance and shareholder value, and to increase the incentive for Directors to continuously achieve management targets under appropriate risk-taking. We believe that based on the content of the Company’s policy on determining the compensation, etc. for Directors, it is appropriate to continue and revise the Plan because it is necessary and reasonable as a framework for compensation.

The number of Directors eligible for the Plan will increase to six if Proposal No. 2 “Election of Seven (7) Directors Not Serving as Audit and Supervisory Committee Members” is approved as originally proposed, and the Company plans to introduce a performance-linked stock-based compensation plan similar to the Plan for the Company’s executive officers.

1. Content and reasons for the revision of the Plan

The Plan aims not only to achieve the Company’s current Mid-term Management Plan (2024-2026) but also to revise the maximum amount of money to be contributed, the maximum number of shares to be delivered, and the conditions for achieving business performance, thus enhancing motivation to contribute to increasing stock prices and medium- to long-term corporate value and inducing the Directors of the Company to more consciously share their interests with shareholders regarding the benefits and risks of stock price fluctuations.

2. Amount and content of compensation, etc. under the revised Plan

(1) Outline of the Plan

Under this stock-based compensation plan, a trust established by the Company acquires Company shares using the money contributed by the Company as a source of funds, and the trust implements the delivery and payment (hereinafter referred to as “delivery, etc.”) of the Company shares and the money equivalent to the converted value of the Company shares (hereinafter referred to as the “Company shares, etc.”) to the Directors (Details are as shown in (2) and later below).

1) Persons eligible for the delivery, etc. of the Company shares, etc. under this proposal	- Directors of the Company (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members)
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2) Impact of the Company shares on the total number of issued shares under this proposal	
Maximum amount of money the Company can contribute (Details are as shown in (2) below.)	- Total of 247 million yen for three fiscal years
Maximum number of Company shares to be acquired by Directors and method of acquisition thereof (Details are as shown in (3) below.)	- The maximum number of points awarded to Directors during the trust period is 1,260,000 points (equivalent to 126,000 shares of Company shares) for three fiscal years. - The ratio of 42,000 shares, which is the average of Company shares, etc. per fiscal year to be acquired by the above Directors, to the total number of Company shares issued (as of March 31, 2024/after deduction of treasury stock) is approximately 0.3%. - Company shares will not be diluted as they are planned to be acquired from the stock market.

<p>3) Conditions for performance achievement (Details are as shown in (3) below.)</p>	<p>- Vary according to the degree of achievement of the Company's performance indexes (ROE, relative TSR, etc.) against the target values during the target period. - The performance-linked coefficient is determined in the range of 0 to 200%.</p>
<p>4) Timing of delivery, etc. of Company shares, etc. to Directors (Details are as shown in (4) below.)</p>	<p>- At the time of retirement</p>

(2) Maximum amount of money the Company can contribute

The period covered by the Plan shall be three fiscal years (hereinafter referred to as the “Target Period”) from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027.

During the Target Period, the Company shall contribute a total of up to 247 million yen to a trust in which the beneficiaries shall be Directors who meet the beneficiary requirements (hereinafter referred to as the “Trust”) for a period of three years. The Trust acquires Company shares from the stock market using the money entrusted as a source of capital in accordance with the instructions of the trust administrator. During the trust period, the Company shall provide points to a Director (as described in (3) below) and implements the delivery, etc. of the Company shares, etc. equivalent to the cumulative value of the points (hereinafter referred to as the “Cumulative Number of Points”) awarded at the time of retirement of the Director (at the time of death in case the Director dies; the same shall apply below).

At the expiration of the trust period of the Trust, the Trust may be continued by changing the trust agreement and making an additional trust. In such a case, the trust period shall be extended for three years, and the three fiscal years after the extension of the trust period shall be covered. The Company shall make additional contributions up to 247 million yen for each extended trust period, and shall continue the granting of points and the delivery, etc. of Company shares, etc. to Directors during the extended trust period.

On the last day of the trust period prior to the extension for an additional trust, the Company shares remaining in the trust assets (excluding those equivalent to points granted to Directors, the delivery, etc. of which has not yet been implemented) and money remaining therein (hereinafter referred to as “Residual Shares, etc.”) shall be transferred to the trust to be extended.

(3) Method of calculating the number of Company shares to be acquired by Directors and the maximum thereof

The number of Company shares to be delivered to Directors (including the number of shares subject to conversion into cash; the same shall apply below) shall be determined based on the Cumulative Number of Points specified below. Please note that 1 point shall be counted as 0.1 shares, and if the Company shares belonging to the Trust increase or decrease due to a stock split, allotment of shares without contribution, reverse stock split, etc., the Company shall adjust the number of Company shares to be delivered per point according to the rate of increase or decrease.

In June of each year during the trust period, Directors are awarded points obtained by accumulating the basic points predetermined for each position, which are calculated by the formula below, and multiplying them, after the Target Period is over, by a performance-linked coefficient that varies according to the degree of achievement of business performance during the Target Period.

The performance-linked coefficient varies in the range of 0 to 200%, and measures such as ROE and relative TSR are used to evaluate the degree of achievement of business performance.

(Calculation formula for basic points)

The basic amount by position divided by the average closing price of Company shares on the Tokyo Stock Exchange in the month preceding the month in which the Target Period begins (rounded down to the nearest decimal point)

(Calculation formula for points awarded)

The basic points multiplied by the performance-linked coefficient

Those who satisfy the beneficiary requirements shall be granted Company shares, etc. from the Trust equivalent to the Cumulative Number of Points calculated in accordance with the above formula.

The maximum number of points awarded to Directors during the trust period is 1,260,000 points (equivalent to 126,000 Company shares) for three fiscal years, and the maximum number of Company shares acquired by the Trust for the purpose of implementing the delivery, etc. thereof to Directors is 126,000 shares (equivalent to 1,260,000 points) for three fiscal years. The maximum number of shares is determined based on the maximum amount of trust funds in (2) above and with reference to the most recent stock price.

Please note that in the event that the Trust is continued pursuant to (2) above, the maximum number of shares to be issued during the extended trust period of three years shall be 126,000 shares (equivalent to 1,260,000 points).

(4) Timing of delivery, etc. of Company shares, etc. to Directors

A Director who satisfies the beneficiary requirements shall be granted Company shares, etc. from the Trust equivalent to the Cumulative Number of Points calculated in accordance with the above formula. Here,

the Director shall receive Company shares equivalent to 70% of the accumulated points granted up to the time of retirement (rounded down to the nearest unit of shares) and, with the remainder converted into cash within the Trust, shall receive a monetary benefit of an amount equivalent to the converted value.

In the event of the death of a Director during the trust period, the number of Company shares corresponding to the Cumulative Number of Points at that time shall be converted into cash within the Trust, and an heir/heirs of the Director shall receive a monetary benefit of an amount equivalent to the converted value.

However, the Director who falls under cases such as a serious violation of the duties of a Director, shall not receive the delivery, etc. of Company shares, etc.

(5) Voting rights related to Company shares within the Trust

Voting rights shall not be exercised for Company shares within the Trust (that is, Company shares before the delivery, etc. to the Directors pursuant to (4) above) to ensure neutrality to management.

(6) Other matters concerning the Plan

Other matters concerning the Plan shall be determined by the Board of Directors each time a trust agreement is amended or an additional contribution is made to the Trust.

Note: The opinion of the Audit and Supervisory Committee on the compensation, etc. of Directors not serving as Audit and Supervisory Committee Members is as follows.

In the Audit and Supervisory Committee, in view of the opinions of the three Outside Directors serving as Audit and Supervisory Committee Members in attendance at the "Nomination and Compensation Advisory Committee," the proposal was deliberated according to standards established by the Board of Directors, such as the "Policy and procedures of the Company for determining the compensation for Directors," and as a result, the Audit and Supervisory Committee reached the conclusion that there were no particular matters of note.

(Reference) Matters Concerning Corporate Governance (As of March 31, 2024)

1. Basic management policy

The Company’s mission is to continuously contribute to society through land development across Japan, and to achieve this goal, along with getting our mission widely known and understood by our stakeholders, we have defined our values and visions as set below in our management philosophy, so they are shared throughout everyone in the Group.

Mission: Contributing to the creation of a prosperous, safe, and secure land

Value: Marching on toward the future by always turning change into evolution

Vision: Providing proprietary technologies that stand the test of time

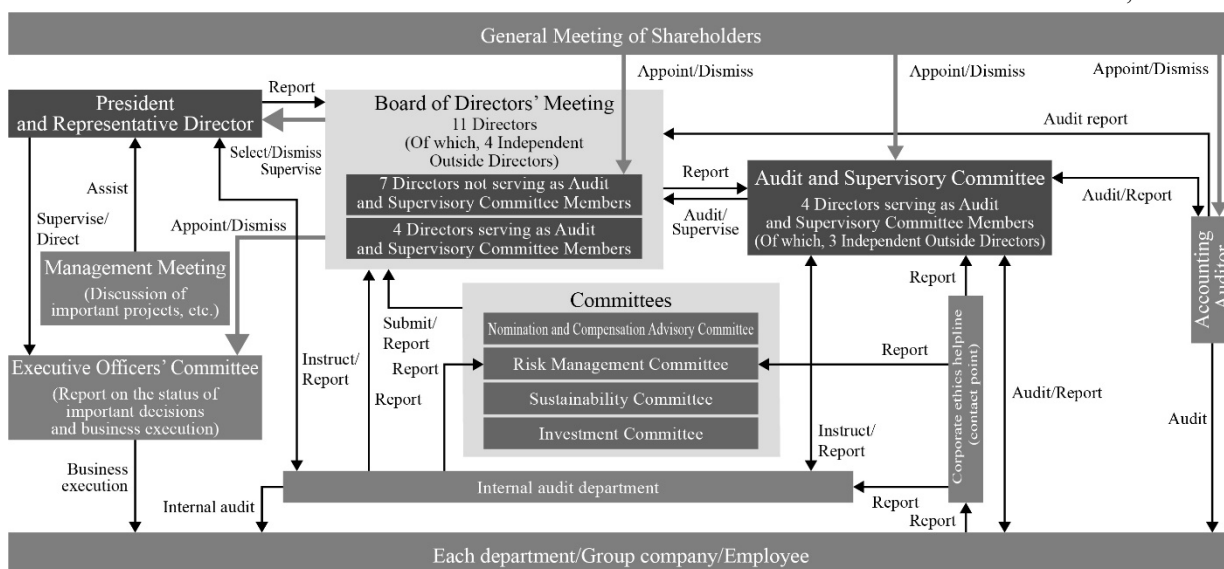
Additionally, to realize this management philosophy, the Company holds “Aiming for sustainable growth on land and at sea through coordination of the three businesses of Civil Engineering, Soil Improvement and Blocks” as its management policy.

2. Basic approach to corporate governance

Corporate governance is a decision-making mechanism that increases the soundness and efficiency of corporate management or otherwise can be said to be the rules to managing a company. The enhancement and strengthening of corporate governance contributes to respecting the rights and interests of the Group’s stakeholders and improving mid- to long-term corporate value. Therefore, we make this one of our highest priority initiatives, in order to realize the Group’s management philosophy and achieve sustainable growth and future development.

In order to realize the Group’s management philosophy, we intend to permanently strive to increase the effectiveness and transparency of corporate governance, develop the optimal corporate governance mechanism and management method for the Group.

As of March 31, 2024



[Board of Directors]

The Board of Directors delegates a part of its decision-making responsibilities on important execution issues to its Directors. By this, the Board of Directors can put more focus on discussing more important matters such as the direction of the Company.

The Board of Directors is composed of 7 Directors not serving as Audit and Supervisory Committee Members (including 1 Independent Outside Director) and 4 Directors serving as Audit and Supervisory Committee Members (including 3 Independent Outside Directors).

Furthermore, Outside Directors possess expertise and experience in diverse fields, and are elected from individuals that do not violate the Independence Standards for Outside Directors uniquely set by the Company. By receiving opinions and audits from an independent and objective perspective from these Independent Outside Directors, the effectiveness of the Board of Directors will increase overall. Furthermore, in order to assess, improve and enhance the effectiveness of the Board of Directors, an evaluation is conducted once a year, including a self-evaluation by each Director, and the results of the evaluations are disclosed.

[Audit and Supervisory Committee]

The Audit and Supervisory Committee is composed of 4 members (including 3 Independent Outside Directors), and one Standing Audit and Supervisory Committee member. The Audit and Supervisory Committee is held once a month to carry out necessary resolutions, consent, and deliberate and report on issues, and conduct audits and provide supervision based on the established audit policies and audit plans.

Audit and Supervisory Committee Members will periodically exchange opinions with the internal audit department and information and also hold periodic meetings to exchange views with the President and Representative Director as well. This enables the Audit and Supervisory Committee to gather and share information, enhancing the effectiveness of its audits and supervision.

[Nomination and Compensation Advisory Committee]

The organization consists of all the Independent Outside Directors (Audit and Supervisory Committee Members) and the President and Representative Director. The chairperson of the committee (chairman) will be served by an Outside Director, and they aim to enhance the transparency and objectiveness of decisions regarding the resolutions made on nomination of Directors and compensation related matters.

3. Idea behind the composition and scale of the Board of Directors

The Board of Directors of the Company has identified particularly important knowledge, experience and capability that it expects Directors to possess in view of the Company's management philosophy and management strategy, and in consideration of its responsibilities, the Board aims to choose Directors so that the Board is composed of diverse personnel who have a variety of experiences and expertise and different backgrounds in terms of gender, internationality, career, age and other aspects and, as a whole, provides the best balance of knowledge, experience and capability.

The particularly important knowledge, experience and capability that Directors are expected to possess are those in (i) corporate management and management strategy, (ii) sales and industry knowledge, (iii) overseas business, (iv) research and development and IT, (v) finance and accounting, (vi) human resources, labor management and labor safety and health, (vii) legal affairs, compliance and risk management, and (viii) environment (E), society (S) and governance (G). The Board of Directors shall have an approximate number of members that is determined by taking the Company's current institutional design and scale, etc. into perspective and to ensure that the Board can effectively fulfill its role and duty while ensuring its diversity and continuity.

To enhance the effectiveness of its supervision of Directors and the management of the Company, the Board of Directors has a policy of ensuring that Independent Outside Directors account for one third or more of its members and that the Independent Outside Directors include persons who have experience in corporate management at any other company than the Company.

While the current Articles of Incorporation provides that the number of Directors shall be not more than 15 (including not more than 9 Directors not serving as Audit and Supervisory Board Committee Members and not more than 6 Directors serving as Audit and Supervisory Committee Members), the current number of Directors is 11 (including 4 Independent Outside Directors).

4. Policy and procedures of the Company regarding the nomination of candidates for Directors, and the selection and dismissal of executive management members

The Company has set the following rules on the nomination of candidates for Director, and selection and dismissal of executive management members, to be made by the Board of Directors.

Based on the idea behind the composition and scale of the Company's Board of Directors, in order to realize the management philosophy, after due consideration to the requirements to determine basic management policies, supervise the execution of duties by Directors and executive officers, which are viewed as responsibilities and obligations of the Board of Directors, individuals capable of performing these duties will be nominated as candidates for Directors.

Candidates nominated for Directors, upon stating clear reasons for their candidacy, will be nominated by resolution of the Board of Directors based on findings of the Nomination and Compensation Advisory Committee, an advisory body for the Board of Directors, after being categorized into Directors not serving as Audit and Supervisory Board Committee Members, and Directors serving as Audit and Supervisory Committee Members.

With regard to Directors serving as Audit and Supervisory Committee Members, in addition to the policies and procedures above, after due consideration to the requirement to audit and supervise the execution of duties, etc. of Directors, which are viewed as responsibilities and obligations of the Audit and Supervisory Committee, individuals capable of performing these duties will be nominated as Directors serving as Audit and Supervisory Committee Members. Furthermore, the Company will nominate at least one person that possesses sufficient knowledge regarding finance and accounting.

Furthermore, the Company will receive the consent of the Audit and Supervisory Committee in advance to nominate a candidate for Director serving as Audit and Supervisory Committee Member.

Election of the Company's executive officers, including the Chairman, President and Representative Directors, will conform to policies and procedures for candidate nomination, as those described above, for Directors. Moreover, should executive management members be clearly recognized as unsuitable for the execution of their duties in accordance to their responsibilities, upon stating clear reasons, they will be dismissed in a timely manner by resolution of the Board of Directors based on findings of the Nomination and Compensation Advisory Committee, an advisory body for the Board of Directors, if required.

5. Independence Standards for Outside Directors of the Company

The Company has stipulated the "Independence Standards for Outside Directors" based on a resolution of the Board of Directors. The standards are stricter than those stipulated by Tokyo Stock Exchange, Inc.

The Company has nominated individuals that do not violate these standards as Outside Directors of the Company, and all Outside Directors of the Company (four persons) have been designated as Independent Officers as stipulated by Tokyo Stock Exchange, Inc., and have been submitted as such to the said Exchange.

The Company's "Independence Standards for Outside Directors" are as follows.

(1) The parent Company, subsidiary companies, and their executives (i.e., executive director, executive, executive officer and employee, hereinafter the same) or non-executives (i.e., non-executive director, audit & supervisory board member and accounting advisor, hereinafter the same)

(2) Entities that regard the Company as a major business partner (*1) or related executive and non-executive officers, and major business partners of the Company (*2) or related executive and non-executive officers

*1 "Entities that regard the Company as a major business partner" are entities with consolidated sales of 2% or more as a result of average annual sales over the previous three years due to transactions with the Company.

*2 "Major business partners of the Company" are the entities described below:

a. Business partners that make up 2% or more of the Company's consolidated net sales as a result of average net sales over the previous three years between the business partner and the Company

b. Major borrowers (loan amount is 2% or more of the Company's total consolidated assets)

c. Lead managing securities company

(3) A consultant, accountant, or legal specialist (*3) that in addition to officer compensation from the Company, receives large funds and other assets (*4), or has an ongoing outsourcing contract relationship with the Company. (However, the independence of the Accounting Auditor is judged with reference to the "Guidelines on Independence" established by the Japanese Institute of Certified Public Accountants.)

*3 In the event that the "consultant, accountant, or legal specialist" is an organization such as a corporation or association, etc., they are described as the organization.

*4 "Large funds and other assets" describes average funds of 10 million yen or more over the previous three years, or total income from a business partner of 2% or more

(4) A person who is an executive or non-executive of a major shareholder (*5) of the Company

*5 "Major shareholder" describes a shareholder that ranks among the top 10 holders of the Company's shares

(5) An entity who receives a significant amount of donation (*6) from the Company, and an executive and non-executive thereof

*6 A "significant amount of donation" describes a business partner that has received an average of 10 million yen or more within the previous three years or 2% or more of the business partner's income from the Company.

(6) An executive or non-executive at an entity that has relationships with the Company with mutual appointments of outside officers

(7) A person who falls under any of (1) to (5) above within the last ten (10) years

(8) A person who was an executive or non-executive of the Company and its subsidiaries

(9) A person who is a close relative of a person (other than those deemed unimportant) that falls under any of (1) to (8) above (spouse, relative within the second degree of kinship)

6. Basic capital policy

In order to increase the mid- to long-term corporate value, the Company believes that it is necessary to make strategic investments and promote the expansion of its business domains. The basic capital policy for carrying out these measures is to strive to maintain a balance centered on three main points, "improve capital

efficiency,” “pursue both growth investment and shareholder return at the same time,” and “allocate funds to maximize corporate value.”

(1) Improve capital efficiency

As it is important to efficiently utilize capital received from our shareholders and enhance profitability in order to increase corporate value, the Company has set a target of achieving a ROE of 8% or more.

(2) Pursue both growth investment and shareholder return at the same time

Under the Mid-term Management Plan, as more cash will be allocated to investments necessary for sustained growth, the Company aims to achieve a dividend payout ratio of approximately 40% as a target for shareholder return and strives to pursue both growth investment and shareholder return at the same time. If surplus funds are generated for a long period of time, the Company will agilely return them through the acquisition of treasury shares and other measures.

(3) Allocate funds to maximize corporate value

When raising funds as it accelerates investment for growth, the Company takes optimal capital structure into consideration and strives to maintain financial soundness while utilizing financial leverage.