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(Stock Exchange Code 1822)

June 9, 2023

(Start date of measures for electronic provision: June 6, 2023)

## To Shareholders with Voting Rights

Kakue Morishita  
Representative Director  
**DAIHO CORPORATION**  
24-4, Shinkawa 1-Chome, Chuo-ku, Tokyo,  
Japan

## NOTICE OF CONVOCAION OF THE 74TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

We are pleased to inform that the 74th Annual General Meeting of Shareholders of DAIHO CORPORATION (the "Company") will be held for the purposes as described below.

When convening this General Meeting of Shareholders, we are taking measures for electronic provision on the information (the matters concerning measures for electronic provision) that is the contents of the "Reference Documents for the General Meeting of Shareholders," and we have posted it as "Notice of Convocation of the 74th Annual General Meeting of Shareholders" on the Company's website on the Internet. Please access the following website and review the information.

[The Company's website]  
<https://www.daiho.co.jp/en/ir/gms/>

In addition to the above website, the matters concerning measures for electronic provision are also posted on the Tokyo Stock Exchange website. Please access the TSE website below, enter and search for "DAIHO CORPORATION" in "Issue Name (Company Name)" or "1822" in "Code," and select "Basic Information" and "Documents for Public Inspection/PR Information" in order to view the information.

[Tokyo Stock Exchange Website (TSE Listed Company Search)]  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you do not attend the meeting on the day, you can exercise your voting rights in writing, or via electromagnetic means (the Internet, etc.). Please review the "Reference Documents for the General Meeting of Shareholders", follow the "Information on the Exercise of Voting Rights" described below, and exercise your voting rights by 5:30 p.m. on Wednesday, June 28, 2023, Japan time.

- 1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m. Japan time (Reception opens at 9:00 a.m.)
- 2. Venue:** 2F Conference Room at the Corporate Headquarters located at  
24-4, Shinkawa 1-Chome, Chuo-ku, Tokyo, Japan
- 3. Agenda of the Meeting:**  
**Matters to be reported:**
  1. The Business Report and Consolidated Financial Statements for the Company's 74th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Independent Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
  2. Non-Consolidated Financial Statements for the Company's 74th Fiscal Year (April 1, 2022 - March 31, 2023)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Decrease in the amount of share capital and legal capital surplus  
**Proposal No. 3:** Election of Twelve (12) Directors  
**Proposal No. 4:** Revision of the amount and content of share-based remuneration for directors and continuation of the system

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - If you are not feeling well, please consider not coming to the event.
  - Please note that we do not provide gifts for meeting attendees.
  - Due to the amendment of the Companies Act, the matters concerning measures for electronic provision are viewed by accessing the respective websites listed on the previous page in principle, and only shareholders who have made a written request for delivery of the documents by the reference date shall receive such matters in writing. However, at this General Meeting of Shareholders, regardless of whether or not there is a written request for delivery of documents, we uniformly send the documents that describe matters concerning measures for electronic provision. Of the matters concerning measures for electronic provision, the following are, in accordance with laws and regulations as well as Article 18 of the Articles of Incorporation of the Company, not included in the documents.
    - (1) Business Report: “Structure and Policy of the Company”
    - (2) Consolidated Financial Statements: “Consolidated Statement of Changes in Net Assets”  
“Notes to the Consolidated Financial Statements”
    - (3) Non-consolidated Financial Statements: “Non-consolidated Statement of Changes in Net Assets”,  
“Notes to the Non-consolidated Financial Statements”

Therefore, the documents are part of the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements that have been audited by the Accounting Auditor in preparing the accounting audit report, and are part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements that have been audited by the Corporate Auditors in preparing the audit report.

- In the event of any modifications to the matters concerning measures for electronic provision, the modifications will be posted on the respective websites where they are posted.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

The Company holds a basic policy of maintaining and enhancing stable dividends while improving the financial strength as a basis for long-term development. In addition, as part of our shareholder return policy, the Company shall ensure a consolidated dividend payout ratio of 70% or more for the three years from the beginning of the fiscal year ended March 31, 2022.

Based on this policy, we believe that dividends should be paid on profit. However, after comprehensive consideration of recent changes in the social environment and future business development, we propose the following appropriation of surplus.

#### 1. Other matters relating to the appropriation of surplus

In order to ensure that the Company is in a position to implement shareholder return policies such as the payment of dividends from surplus, we request your approval for the reversal of the general reserve.

- (1) Item and amount of surplus to be decreased
  - General reserve ¥4,000,000,000
- (2) Item and amount of surplus to be increased
  - Retained earnings brought forward ¥4,000,000,000

#### 2. Matters relating to the year-end cash dividend

- (1) Type of dividend properties
  - Cash
- (2) Matters related to the distribution of dividend properties and the total amount thereof
  - ¥230 per share of the Company's common stock. Total amount: ¥4,072,788,940.
- (3) Effective date of dividends of surplus
  - June 30, 2023

## **Proposal No. 2: Decrease in the amount of share capital and legal capital surplus**

The Company proposes to decrease the amount of share capital and legal capital surplus in accordance with the provisions of Article 447, Paragraph 1 of the Companies Act and Article 448, Paragraph 1 of the Companies Act, for the purpose of maintaining financial soundness by ensuring the flexibility of future capital policy of the Company and applying appropriate taxation.

This proposal is a transfer process in which share capital and legal capital surplus on the net assets section of the balance sheet are transferred to the account of other capital surplus, there will be no change in the amount of net assets of the Company and no impact on business performance.

(1) Amount and method of share capital to be decreased

Out of the amount of share capital of ¥30,736,776,599, ¥20,736,776,599 shall be decreased and the entire amount of decrease shall be transferred to "Other capital surplus" and the amount of share capital after decrease shall be ¥10,000,000,000.

(2) Amount and method of legal capital surplus to be decreased

Out of the amount of legal capital surplus of ¥21,746,887,768, ¥11,746,887,768 shall be decreased and the entire amount of decrease shall be transferred to "Other capital surplus" and the amount of legal capital surplus after decrease shall be ¥10,000,000,000.

(3) Effective date of the decrease of share capital and legal capital surplus

August 4, 2023 (scheduled)

**Proposal No. 3: Election of Twelve (12) Directors**

The terms of office of all twelve (12) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Therefore, the election of twelve (12) Directors is proposed.

The candidates are as follows:

No.	Name	Positions and responsibilities at the Company	
1	Kakue Morishita	Representative Director; President	Reappointment
2	Momoki Nakamura	Director; Senior Managing Executive Officer; General Manager, Construction Division; in charge of Safety and Environment	Reappointment
3	Minoru Kugimoto	Director; Managing Executive Officer; General Manager, Administration Division; in charge of Compliance; in charge of Subsidiaries and Associates; in charge of General Affairs	Reappointment
4	Akihiko Sechi	Director; Managing Executive Officer; General Manager, Strategic Planning Division	Reappointment
5	Hiroshi Masuda	Director; Managing Executive Officer; General Manager, Civil Engineering Division; in charge of Overseas Division; in charge of Technical Research Institute	Reappointment
6	Iwao Aso	Director	Reappointment
7	Tatsujiro Naito	External Director	Reappointment External Independent
8	Kazuhiro Fujita	External Director	Reappointment External Independent
9	Yoshitaka Oshima	External Director	Reappointment External Independent
10	Yoko Atsumi	External Director	Reappointment External Independent Female
11	Sonosuke Kamiya	External Director	Reappointment External Independent
12	Tomoharu Kato	External Director	Reappointment External Independent

**(Reference) Skills Matrix of Candidates for Directors**

The following table shows key expertise and knowledge expected of Directors by the Company.

Position and name		Attribute		Expertise and knowledge						
		New Appointment	Independence	Corporate management / corporate strategies	Accounting / finance / M&As	Technology	Marketing / sales	Legal affairs / compliance	ESG	DX
1	Representative Director; President Kakue Morishita			●		●	●		●	
2	Director; Senior Managing Executive Officer; General Manager, Construction Division Momoki Nakamura					●	●		●	
3	Director; Managing Executive Officer; General Manager, Administration Division Minoru Kugimoto			●	●			●	●	
4	Director; Managing Executive Officer; General Manager, Strategic Planning Division Akihiko Sechi			●	●				●	●
5	Director; Managing Executive Officer; General Manager, Civil Engineering Division Hiroshi Masuda					●	●			●
6	Director Iwao Aso			●	●			●		
7	Director Tatsujiro Naito		●	●						●
8	Director Kazuhiro Fujita		●		●					●
9	Director Yoshitaka Oshima		●		●			●	●	
10	Director Yoko Atsumi		●					●	●	
11	Director Sonosuke Kamiya		●					●	●	
12	Director Tomoharu Kato		●	●	●					

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Kakue Morishita (April 23, 1956)  <Reappointment>  Term of office as Director: 4 years  Attendance at the Board of Directors meetings: 16/16	<p>April 1979      Joined the Company</p> <p>June 2008      General Manager, Hiroshima Branch</p> <p>April 2009      General Manager, Civil Engineering Technology Department, Osaka Branch</p> <p>April 2010      General Manager, Civil Engineering Sales Department, Osaka Branch</p> <p>April 2013      General Manager, Kyushu Branch</p> <p>April 2014      Executive Officer; General Manager, Kyushu Branch</p> <p>April 2017      Executive Officer; General Manager, Nagoya Branch</p> <p>April 2018      Managing Executive Officer; General Manager, Nagoya Branch</p> <p>April 2019      Senior Managing Executive Officer; General Manager, Civil Engineering Division</p> <p>June 2019      Director; Senior Managing Executive Officer; General Manager, Civil Engineering Division</p> <p>April 2020      Director; Senior Managing Executive Officer; General Manager, Civil Engineering Division; in charge of Overseas Division</p> <p>April 2021      Director; Operating Vice President; General Manager, Civil Engineering Division; in charge of Overseas Division</p> <p>June 2021      Representative Director; Operating Vice President; General Manager, Civil Engineering Division; in charge of Overseas Division; in charge of Safety and Environment</p> <p>April 2022      Representative Director; Operating Vice President</p> <p>June 2022      Representative Director; President (current position)</p>	3,391
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Kakue Morishita has held key positions in the civil engineering division and has abundant experience and broad and advanced knowledge in the Company's business activities. He is expected to utilize these knowledge and experience for driving sustained growth and further improving corporate value of the Group, and realization of the business plan that the Company aims for, the Company therefore nominates him as a candidate for Director again. If Mr. Morishita is elected as Director, he is scheduled to assume the office of Representative Director and President subject to appointment at a meeting of 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
2	Momoki Nakamura (December 24, 1960)  <Reappointment>  Term of office as Director: 2 years  Attendance at the Board of Directors meetings: 16/16	<p>April 1985      Joined the Company</p> <p>April 2011      General Manager, Construction Department, Tokyo Branch</p> <p>January 2015    Deputy General Manager; General Manager, Construction Department, Tokyo Branch</p> <p>April 2016      Deputy General Manager, Tokyo Branch</p> <p>April 2017      Executive Officer; Deputy General Manager, Tokyo Branch</p> <p>April 2018      Executive Officer; General Manager, Tokyo Construction Branch</p> <p>April 2020      Managing Executive Officer; General Manager, Tokyo Construction Branch</p> <p>April 2021      Managing Executive Officer; General Manager, Construction Division</p> <p>June 2021      Director; Managing Executive Officer; General Manager, Construction Division</p> <p>April 2022      Director; Senior Managing Executive Officer; General Manager, Construction Division; in charge of Safety and Environment (current position)</p>	2,145
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Momoki Nakamura has held key positions in the construction division and has abundant experience in business and advanced knowledge of all aspects of construction business operations. Since April 2021, he has contributed to improving profitability as General Manager of the Construction Division. He is expected to utilize these knowledge and experience for controlling all aspects of construction business operations, decision-making on important matters, and supervising business execution, that is, realization of the business plan that the Company aims for. The Company, therefore, nominates him as a candidate for Director again.</p>			
3	Minoru Kugimoto (November 6, 1960)  <Reappointment>  Term of office as Director: 2 years  Attendance at the Board of Directors meetings: 16/16	<p>April 1983      Joined the Company</p> <p>May 2013      General Manager, General Affairs Department, Tohoku Branch</p> <p>July 2017      General Manager, Accounting Department, Administration Division</p> <p>April 2018      Executive Officer; General Manager, Accounting Department, Administration Division</p> <p>April 2019      Managing Executive Officer; Deputy General Manager, Administration Division; General Manager, Accounting Department</p> <p>April 2021      Managing Executive Officer; General Manager, Administration Division</p> <p>June 2021      Director; Managing Executive Officer; General Manager, Administration Division; in charge of Compliance; in charge of Subsidiaries and Associates; in charge of General Affairs (current position)</p>	2,076
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Minoru Kugimoto has held key positions in the administration division for many years and has abundant experience and general management knowledge. Since April 2021, he has supervised the administration division as General Manager of Administration Division. He is expected to utilize these knowledge and experience for controlling all aspects of administration operations, decision-making on important matters, and supervising business execution, that is, realization of the business plan that the Company aims for. The Company, therefore, nominates him as a candidate for Director again.</p>			



No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>Akihiko Sechi (March 9, 1961)</p> <p>&lt;Reappointment&gt;</p> <p>Term of office as Director: 1 year</p> <p>Attendance at the Board of Directors meetings: 10/10</p>	<p>April 1984    Joined the Company</p> <p>February 2009    General Manager, Strategic Planning Office</p> <p>April 2019    Executive Officer; General Manager, Strategic Planning Office</p> <p>April 2021    Managing Executive Officer; General Manager, Strategic Planning Office</p> <p>January 2022    Managing Executive Officer; General Manager, Strategic Planning Division</p> <p>June 2022    Director; Managing Executive Officer; General Manager, Strategic Planning Division (current position)</p>	650
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Akihiko Sechi has held key positions in the strategic planning division and has abundant experience and advanced knowledge in the Company's business activities. Since January 2022, he has supervised the strategic planning division as General Manager of Strategic Planning Division. He is expected to utilize these knowledge and experience for controlling all aspects of business operations, decision-making on important matters, and supervising business execution, that is, realization of the business plan that the Company aims for. The Company, therefore, nominates him as a candidate for Director again.</p>			
5	<p>Hiroshi Masuda (February 17, 1959)</p> <p>&lt;Reappointment&gt;</p> <p>Term of office as Director: 1 year</p> <p>Attendance at the Board of Directors meetings: 10/10</p>	<p>April 1981    Joined the Company</p> <p>November 2008    General Manager, Civil Engineering Department, Osaka Branch</p> <p>February 2009    General Manager, Works Department, Kyushu Branch</p> <p>September 2011    General Manager, Sales Department, Tohoku Branch</p> <p>April 2017    Deputy General Manager, Tohoku Branch</p> <p>April 2019    Executive Officer; Deputy General Manager, Tohoku Branch</p> <p>April 2020    Executive Officer; General Manager, Osaka Branch</p> <p>April 2021    Managing Executive Officer; General Manager, Osaka Branch</p> <p>April 2022    Managing Executive Officer; General Manager, Civil Engineering Division; in charge of Overseas Division</p> <p>June 2022    Director; Managing Executive Officer; General Manager, Civil Engineering Division; in charge of Overseas Division; in charge of Technical Research Institute (current position)</p>	1,179
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Hiroshi Masuda has held key positions in the civil engineering division and has abundant experience and advanced knowledge in the Company's business activities. Since April 2022, he has contributed to improving profitability as General Manager of Civil Engineering Division. He is expected to utilize these knowledge and experience for controlling all aspects of civil engineering business operations, decision-making on important matters, and supervising business execution, that is, realization of the business plan that the Company aims for. The Company, therefore, nominates him as a candidate for Director again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Iwao Aso (July 17, 1974)  <Reappointment>  Term of office as Director: 1 year  Attendance at the Board of Directors meetings: 10/10	<p>April 1997    Joined The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited)</p> <p>June 2000    Auditor, ASO CEMENT Co., Ltd. (currently ASO CORPORATION)</p> <p>June 2001    Director, ASO CEMENT Co., Ltd. (currently ASO CORPORATION)</p> <p>August 2001    Director, ASO CEMENT Co., Ltd.</p> <p>December 2005    Outside Director, DWANGO Co., Ltd.</p> <p>June 2006    Executive Managing Director, ASO CORPORATION</p> <p>October 2008    Executive Vice President, ASO CORPORATION</p> <p>June 2010    President, ASO CORPORATION (current position)</p> <p>June 2014    Outside Director, NITTOC CONSTRUCTION CO., LTD.</p> <p>October 2014    Outside Director, KADOKAWA DWANGO CORPORATION (currently KADOKAWA CORPORATION)</p> <p>December 2015    Outside Director, IREP Co., Ltd.</p> <p>January 2016    President, ASO CEMENT Co., Ltd. (current position)</p> <p>October 2016    Outside Director, D.A. Consortium Holdings Inc.</p> <p>June 2017    External Director, TSUZUKI DENKI CO., LTD.</p> <p>October 2018    Director, NITTOC CONSTRUCTION CO., LTD. (current position)</p> <p>June 2021    Outside Director, Tohto Suisan Co., Ltd. (current position)</p> <p>June 2022    Director, the Company (current position)</p>	0
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Iwao Aso has abundant experience as a corporate executive and general management knowledge. He is expected to utilize these knowledge and experience for controlling all aspects of business operations, decision-making on important matters, and supervising business execution, that is, realization of the business plan that the Company aims for. The Company, therefore, nominates him as a candidate for Director again.</p>			
7	Tatsujiro Naito (November 26, 1957)  <Reappointment> <External> <Independent>  Term of office as Director: 2 years  Attendance at the Board of Directors meetings: 16/16	<p>April 1981    Joined SUMITOMO CORPORATION</p> <p>November 2002    General Manager, Information Systems Department; Assistant to General Manager for the Americas (in charge of IT), Sumitomo Corporation of Americas (stationed in New York)</p> <p>April 2007    General Manager, Information Technologies Planning and Promotion Dept., SUMITOMO CORPORATION</p> <p>June 2007    Outside Director, Sumisho Computer Systems Corporation</p> <p>April 2011    Corporate Officer; General Manager, Network Division, Media, Network &amp; Lifestyle Retail Business Unit, SUMITOMO CORPORATION</p> <p>June 2011    Outside Director, T-Gaia Corporation</p> <p>October 2011    Outside Director, SCSK Corporation</p> <p>April 2016    Director; Senior Managing Executive Officer; General Manager, Distribution Systems Business Group; General Manager, Global System Business Division; Chief Representative, China &amp; Asia, SCSK Corporation</p> <p>June 2018    Joined LIXIL Corporation</p> <p>October 2018    Corporate Director; General Manager, SOR System Division, LIXIL Corporation</p> <p>July 2019    Managing Officer, Group CIO; Officer in charge of Digital Strategy Department, RIZAP GROUP, Inc.</p> <p>January 2021    Representative, Office The-T (current position)</p> <p>May 2021    External Director, MrMax Holdings Ltd.</p> <p>June 2021    External Director, the Company (current position)</p> <p>October 2021    External Director, MAKES.CO., LTD (current position)</p>	0
<p>[Reasons for nomination as candidate for External Director and expected roles]</p> <p>Mr. Tatsujiro Naito has many years of business experience in a major general trading company and management as a member of the management team in a major IT company. He is enhancing the supervisory function for business execution from an independent and objective standpoint and providing advice on general management, based on his abundant experience in business companies and extensive knowledge mainly in the IT field. He has fulfilled his duties as External Director of the Company. Based on these knowledge and experience, he is expected to utilize them for further improving the management of the Company and the effectiveness of the Board of Directors. The Company therefore nominates him as a candidate for External Director again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	Kazuhiro Fujita (May 5, 1965)  <Reappointment> <External> <Independent>  Term of office as Director: 2 years  Attendance at the Board of Directors meetings: 16/16	<p>October 1990    Joined Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>August 1994    Registered as a certified public accountant</p> <p>May 1997        Established Fujita and Partners (current position)</p> <p>August 1998    Manager, Strategic Business Department, Deloitte Tohmatsu Consulting Co., Ltd.</p> <p>October 2000   Senior Manager, B2B Venture Business Department, Deloitte Tohmatsu Consulting Co., Ltd.</p> <p>September 2001 Senior Manager, Deloitte Consulting LLP (New York, the U.S.)</p> <p>June 2005        Executive Officer and Principal, ABeam Consulting Ltd.; Corporate Secretary, Regional Leader, East Region, ABeam Consulting (USA) Ltd.</p> <p>August 2007    Executive Officer and Principal, Manufacturing and Distribution Control Business Department; Leader, Strategic Account Management Office, ABeam Consulting Ltd.</p> <p>August 2010    Partner, Strategy Consulting, Global Business Service, IBM Japan, Ltd.</p> <p>August 2010    Registered as a certified tax accountant</p> <p>October 2013    Supervisory Officer, KENEDIX Private Investment Corporation (current position)</p> <p>May 2014        Partner, Tokyo Kyodo Accounting Office (current position)</p> <p>June 2021        External Director, the Company (current position)</p>	0
<p>[Reasons for nomination as candidate for External Director and expected roles]</p> <p>Mr. Kazuhiro Fujita has many years of experience as a certified public accountant, and experience and advanced knowledge in corporate management as a business consultant. He is enhancing the supervisory function for business execution from an independent and objective standpoint and providing professional advice on corporate accounting and corporate finance. He has fulfilled his duties as External Director of the Company. Based on these knowledge and experience, he is expected to utilize them for further improving the management of the Company and the effectiveness of the Board of Directors. The Company therefore nominates him as a candidate for External Director again.</p>			
9	Yoshitaka Oshima (January 20, 1970)  <Reappointment> <External> <Independent>  Term of office as Director: 2 years  Attendance at the Board of Directors meetings: 16/16	<p>October 2001    Registered as an attorney-at-law Joined Hideyuki Sakai Law Office</p> <p>October 2009    Seconded to Enterprise Turnaround Initiative Corporation of Japan (currently Regional Economy Vitalization Corporation of Japan)</p> <p>April 2012       Partner Attorney, Bingham Sakai Mimura Aizawa (Foreign Law Joint Enterprise)</p> <p>April 2015       Partner Attorney, Anderson Mori &amp; Tomotsune LPC</p> <p>July 2017        Established Tokyo Bay Law Office; Representative Attorney (current position)</p> <p>October 2017    Outside Audit &amp; Supervisory Board Member, SG Holdings Co., Ltd. (current position)</p> <p>June 2021        External Director, the Company (current position)</p> <p>August 2021    External Committee Member, Nomura SPARX Investment, Inc. (current position)</p>	0
<p>[Reasons for nomination as candidate for External Director and expected roles]</p> <p>Although he has not been directly involved in corporate management other than as an External Officer, Mr. Yoshitaka Oshima has professional knowledge and abundant experience as an attorney-at-law, and he has served as an Outside Audit &amp; Supervisory Board Member at another company. He is enhancing the supervisory function for business execution from an independent and objective standpoint and providing advice on general management from the perspective of corporate governance. He is fulfilling his duties as External Director of the Company. Based on these knowledge and experience, he is expected to utilize them for further improving the management of the Company and the effectiveness of the Board of Directors. The Company therefore nominates him as a candidate for External Director again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
10	Yoko Atsumi (March 12, 1984)	December 2009 Registered as an attorney-at-law	0
	<Reappointment> <External> <Independent> <Female>  Term of office as Director: 2 years  Attendance at the Board of Directors meetings: 15/16	January 2010 Joined Nishimura & Asahi	
		December 2011 Seconded to Legal Department, JP Morgan Securities Japan Co., Ltd.	
		June 2014 Joined Law Office Hironaka	
		October 2017 Established Atsumi Law Office; Representative Attorney	
		June 2019 Outside Director, KOSAIDO Co., Ltd.	
		September 2019 Outside Audit & Supervisory Board Member, KIDSLINE Inc. (current position)	
		December 2020 Senior Partner, Head of Kojimachi Office, Atsumi & Sakai	
		June 2021 External Director, the Company (current position)	
		January 2023 Established Atsumi Law Office; Representative Attorney (current position)	
[Reasons for nomination as candidate for External Director and expected roles] Although Ms. Yoko Atsumi has not been directly involved in corporate management other than as an External Officer, she has professional knowledge and experience as an attorney-at-law and has served as an Outside Audit & Supervisory Board Member at another company. She is providing the supervisory function from an independent and objective standpoint and advice on general management based on her legal knowledge. She has fulfilled her duties as External Director of the Company. Based on these knowledge and experience, she is expected to utilize them for further improving the management of the Company and the effectiveness of the Board of Directors. The Company therefore nominates her as a candidate for External Director again.			
11	Sonosuke Kamiya (June 25, 1974)	April 1999 Registered as an attorney-at-law	0
	<Reappointment> <External> <Independent>  Term of office as Director: 1 year  Attendance at the Board of Directors meetings: 10/10	January 2005 Joined OHHARA LAW OFFICE	
		January 2007 Registered as an attorney-at-law in New York State	
		January 2007 Established Kamiya Law Office (current position)	
		August 2009 External Director, Pacific Net Co., Ltd. (current position)	
		June 2015 External Director, Showa Chemical Industry Co., Ltd.	
		June 2016 External Director (Audit & Supervisory Committee Member), Showa Chemical Industry Co., Ltd. (current position)	
		June 2022 External Director, the Company (current position)	
[Reasons for nomination as candidate for External Director and expected roles] Although Mr. Sonosuke Kamiya has not been directly involved in corporate management other than as an External Officer, he has professional knowledge and experience as an attorney-at-law and has served as an External Director at other companies. He is providing the supervisory function from an independent and objective standpoint and advice on general management based on his legal knowledge. He has fulfilled his duties as External Director of the Company. Based on these knowledge and experience, he is expected to utilize them for further improving the management of the Company and the effectiveness of the Board of Directors. The Company therefore nominates him as a candidate for External Director again.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
12	Tomoharu Kato (September 8, 1974)  <Reappointment> <External> <Independent>  Term of office as Director: 1 year  Attendance at the Board of Directors meetings: 10/10	April 1999    Joined Deutsche Securities (currently Deutsche Bank AG) April 2000    Joined McKinsey & Company April 2004    Joined FIELDS CORPORATION; General Manager of Office of the President December 2007    Joined Unison Capital, Inc. Seconded to Akindo Sushiro Co., Ltd.; Manager of President's Office December 2008    Managing Director, Akindo Sushiro Co., Ltd. October 2012    Director and COO, Akindo Sushiro Co., Ltd. June 2015        Joined XEBIO Co., Ltd. October 2015    President and Representative Director, XEBIO Co., Ltd. Executive Vice President, XEBIO HOLDINGS CO., LTD. June 2017        External Director, Kakaku.com, Inc. (current position) April 2021        Established Manpuku Holdings Co., Ltd.; President and Representative Director (current position) June 2022        External Director, the Company (current position)	0
[Reasons for nomination as candidate for External Director and expected roles] Mr. Tomoharu Kato has abundant experience as a corporate executive and general management knowledge, and has served as an External Director at other company. Based on these knowledge and experience, he has fulfilled his duties as External Director of the Company, including controlling all aspects of administrative operations, decision-making on important matters, and supervising business execution. Based on these knowledge and experience, he is expected to utilize them for further improving the management of the Company and the effectiveness of the Board of Directors. The Company therefore nominates him as a candidate for External Director again.			

(Notes)

1. There are no special interests between any of the candidates for Directors and the Company.
2. Responsibilities, etc. are as posted in the Directors and Corporate Auditors column in the Business Report (available in Japanese only).
3. Mr. Iwao Aso is the President of the Company's parent company, ASO CORPORATION.
4. Mr. Tatsujiro Naito, Mr. Kazuhiro Fujita, Mr. Yoshitaka Oshima, Ms. Yoko Atsumi, Mr. Sonosuke Kamiya and Mr. Tomoharu Kato are candidates for External Directors. The Company has notified the Tokyo Stock Exchange of the appointment of Mr. Tatsujiro Naito, Mr. Kazuhiro Fujita, Mr. Yoshitaka Oshima, Ms. Yoko Atsumi, Mr. Sonosuke Kamiya and Mr. Tomoharu Kato as Independent Directors prescribed by the Exchange.
5. If the election of Mr. Iwao Aso, Mr. Tatsujiro Naito, Mr. Kazuhiro Fujita, Mr. Yoshitaka Oshima, Ms. Yoko Atsumi, Mr. Sonosuke Kamiya and Mr. Tomoharu Kato as Directors is approved as proposed, the Company intends to maintain an agreement with each of them to limit their liabilities under Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the same act. The maximum amount of liability pursuant to the agreement is ¥10 million or the minimum amount of liability stipulated in Article 425, Paragraph 1 of the same act, whichever is higher.
6. The Company shall enter into a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement will cover damages that may arise due to the insured directors and officers assuming liability for the execution of their duties, or receiving a claim for the pursuit of such liability. Each candidate shall be included as an insured under the said insurance agreement. The insurance agreement is scheduled to be renewed on July 2023.

## Independence Criteria for External Officers

The Company determines that the independence of external officers will not be satisfied if an external officer falls under any of the following items.

1. A person who is or was a business executor (an executive director, executive officer, or an employee, the same applies hereinafter) of the Company or any of the Company's subsidiaries or affiliates (hereinafter referred to as the "Group")
2. A person who directly or indirectly holds 10% or more of the total voting rights of the Company or a business executor thereof, or a person who held 10% or more of the total voting rights of the Company or a business executor thereof in any of the past 3 years
3. A person who is a business executor of a person of whom the Group directly or indirectly holds 10% or more of the total voting rights, or a person who was a business executor of such person in any of the past 3 years
4. A person who is a business executor, corporate auditor, or accounting advisor of a company, or its parent company, subsidiary, or affiliated company that receives a director or corporate auditor from the Group
5. A person for whom the Group is a major business partner in any of the past 3 fiscal years (a person who has received payment of an amount equivalent to 2% or more of its annual consolidated net sales from the Group in any of the past 3 fiscal years), or a business executor thereof
6. A person who is a major business partner of the Group in any of the past 3 fiscal years (a person who paid an amount equivalent to 2% or more of the Company's annual consolidated net sales to the Group in any of the past 3 fiscal years, or a person who provided the Group with monetary loans equivalent to 2% or more of the Company's consolidated total assets in any of the past three fiscal years), or a business executor thereof
7. A person who is a professional, such as a certified public accountant, attorney-at-law, certified tax accountant, or consultant, who has received monetary or other property benefits exceeding ¥10 million per year, other than officer remuneration, from the Group in any of the past 3 years (if the person receiving remuneration is a legal entity, etc., a person affiliated with such legal entity, etc.)
8. A person who has received donations or subsidies exceeding ¥10 million per year from the Group in any of the past 3 years, or a director, business executor, or an equivalent person of such person's organization
9. A person who is a spouse, relative within the second degree of relationship or a relative living together of the person who falls under any of the items 1 through 8 above

**Proposal No. 4: Revision of the amount and content of share-based remuneration for directors and continuation of the system**

1. Reason for proposal and reason for revision

Remuneration for the Company's Directors consists of "base remuneration," "bonuses," and "share-based remuneration," of which "share-based remuneration" was approved by the shareholders as a share-based remuneration system using a trust (hereinafter referred to as the "System") at the 70th Annual General Meeting of Shareholders held on June 27, 2019 (The resolution of such approval is hereinafter referred to as the "Previous General Meeting Resolution") and introduced. We have recently reviewed the remuneration system for directors and ask for shareholders' approval to continue the System after changing it to a performance-linked share-based remuneration system.

The Company requests shareholders to allow the Board of Directors to lay out details of the System at its discretion within the framework described in Section 2 below.

The System is introduced to facilitate Directors to share the benefits and risks of stock price fluctuations with shareholders and to increase their motivation to contribute to an improvement of medium- to long-term performance of the Company and an increase in corporate value by clarifying the link between remuneration for Directors and the Company's stock value. In addition to this purpose, we shall add a performance-linked element to the System for the purpose of providing incentives for Directors to further achieve performance targets and sustainably improve corporate value.

Remuneration under the System shall be separate from the upper limit of remuneration for Directors, ¥280 million per year (of which ¥50 million per year or less for External Directors), approved at the 73rd Annual General Meeting of Shareholders held on June 29, 2022. In addition, the remuneration under the System after the change by this proposal shall be paid to Directors (excluding External Directors; the same shall apply hereinafter.) who will be in office during the three fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (hereinafter referred to as the "Eligible Period"). (However, as described in 2. (2) below, the eligible period may be extended.)

An outline of the details of the decision policy regarding the contents of remuneration, etc. for each individual Director of the Company is described in Business Report 4.: Matters Concerning Corporate Officers, (4) Remuneration, etc. for Directors and Corporate Auditors for the Current Fiscal Year, 1) The decision policy regarding the contents of remuneration, etc. for each individual Director (available in Japanese only). It was resolved at the Board of Directors Meeting held on May 19, 2023 to change the content as stated in this proposal, subject to the approval of this proposal. Therefore, the Company believes that the contents of this proposal are necessary and reasonable for the payment of remuneration, etc. in accordance with such policy after the change, and the Company believes that the contents of this proposal are appropriate.

If Proposal No. 3: "Election of Twelve (12) Directors" is approved as originally proposed, the number of Directors subject to the System will be five (5).

\* If this proposal is approved as originally proposed, the share-based remuneration system that has been introduced as remuneration for Executive Officers who have concluded a mandate agreement with the Company shall be similarly changed and shall continue.



2. Amount and content of remuneration, etc. under the System

The amount and content of remuneration, etc. related to the System after the change are as follows.

(1) Overview of the System

The System is a share-based remuneration system where a trust established by the Company through money contribution (established at the time of the introduction of the System in 2019; hereinafter referred to as the “Trust”) acquires shares in the Company and delivers those shares to each Director. This is the share-based remuneration system in which the number of Company shares equivalent to the number of points to be granted to each Director is delivered to him/her through the Trust.

In principle, Directors receive the Company's shares at the time of their retirement.

(i)	Eligible persons under the System	Directors of the Company (excluding External Directors)
(ii)	Eligible period	From the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026
(iii)	Maximum amount of money contributed by the Company as a source fund to acquire shares in the Company to be delivered to eligible persons described in (i) during the Eligible Period of three fiscal years described in (ii)	¥150 million in total
(iv)	Method of acquiring shares in the Company	Method of disposing of treasury stock or method of acquisition from the exchange market (including off-floor trading)
(v)	Maximum number of points to be granted to eligible persons described in (i)	20,000 points per fiscal year
(vi)	Criteria for granting points	Granting points based on positions and achievement of performance targets, etc.
(vii)	Delivery date of shares in the Company to eligible persons described in (i)	At retirement in principle

(2) Upper limit of money contributed by the Company

Based on the "Previous General Meeting Resolution", the Company has established the Trust with a trust period of approximately three years, and has entrusted funds to acquire the Company's shares necessary to deliver them to Directors, who serve in office for three years from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022, under the System as compensation for Directors. Furthermore, even after the end of the above three fiscal years, the Board of Directors has resolved to continue the System, and the trust period of the Trust has been extended to the end of August 2023 (not entrusted additional funds), and shall extend the trust period of the Trust for a further three years until the end of August 2026. In addition, in order to acquire the Company's shares necessary for delivering it to the Directors based on the System after the change by this proposal, the Company shall entrust an additional amount of money up to a total of ¥150 million as compensation for Directors who are in office during the eligible period. The Trust shall be acquired the money entrusted by the Company as the source of funds (including the money additionally entrusted by the Company as described above, as well as the money remaining in the Trust from prior to the additional entrustment), by disposing of the shares of the Company with the Company's treasury stock or by acquiring from the exchange market (including off-floor trading).

Note: The additional money that the Company actually entrusts to the Trust shall be the sum of the above-mentioned funds for acquiring the Company's shares and the expected amount of necessary expenses such as trust fees and trust administrator fees. In addition, as mentioned above, we shall also entrust the funds necessary to acquire the Company's shares to be delivered to Executive Officers who have entered into a mandate agreement with the Company based on the share-based remuneration system that has already been introduced.

The Eligible Period may be extended by a period of three fiscal years or less by the Board of Directors' decision, and the trust period of the Trust may also be further extended accordingly (this includes a case where the trust period is effectively extended by transferring the trust assets of the Trust to another trust whose purpose is the same as that of the Trust set up by the Company. The same applies hereafter) to continue the System. In this case, during the extended Eligible Period, the Company will entrust additional money to the Trust up to the amount obtained by multiplying the number of fiscal years for the extended Eligible Period by ¥50 million, which will be a source of funds to additionally acquire shares in the Company to deliver to Directors under the System, and shall continue to grant points described in (3) below and deliver shares in the Company (the same shall apply thereafter).

In addition, even if the Company does not continue the System by not extending the Eligible Period as described above, when there are Directors who have already been granted points but have not retired at the expiration of the trust period, the trust period of the Trust may be extended until those Directors retire and the delivery of the Company's shares is completed.

(3) Calculation method and upper limit of the Company's shares to be delivered to Directors

(i) Method of granting points to Directors

Based on the Share Delivery Regulations stipulated by the Board of Directors of the Company, the Company shall grant points to each Director according to his/her position and achievement of performance targets, etc. on the point grant date stipulated in the share delivery rules during the trust period.

However, the total number of points to be granted to Directors by the Company shall not exceed 20,000 points per fiscal year.

(ii) Delivery of the Company's shares according to the number of points granted

Directors shall receive the delivery of shares in the Company according to the number of points granted in (i) above based on the procedure (iii) below. However, if a Director resigns for personal reasons, all or part of the points granted so far shall be extinguished, and the Company's shares corresponding to the extinguished points shall not be delivered.

One point corresponds to one share in the Company. However, in the event of a shares split, a reverse shares split, or other event in which it is deemed reasonable to adjust the number of the Company's shares to be delivered, the number of Company's shares per point shall be adjusted in accordance with such shares split or reverse shares split ratio.

(iii) Delivery of the Company's shares to Directors

Each Director shall, in principle, acquire the beneficiary right of the Trust by following the prescribed procedures at the time of his/her retirement, and as a beneficiary of the Trust, he/she shall receive the Company's shares described in (ii) above from the Trust (including the Company's shares corresponding to the points granted under the System before the change).

However, a certain percentage of those shares in the Company may be sold for cash within the Trust in order for the Company to collect at source funds for tax payments, such as withholding income taxes, and they may be delivered in the form of cash instead of shares. In addition, if the Company's shares held in the Trust are converted to cash, such that they are settled through participation in a tender offer, cash may be delivered instead of the Company's shares.

(4) Exercise of voting rights

The voting rights of shares in the Company held in the Trust shall not be exercised uniformly under the instructions of the trust administrator, who is independent of the Company and its officers. By using this method, the Company intends to secure neutrality towards the management of the Company in terms of exercising the voting rights of the Company's shares held in the Trust.

(5) Handling of dividends

Dividends on shares in the Company held in the Trust shall be received by the Trust and shall be used to fund the acquisition of the Company's shares and to pay fees for the trustee of the Trust.