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Securities code: 1882

June 9, 2023

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

**To Shareholders with Voting Rights:**

Kyouichi Morishita  
Representative Director, President  
TOA ROAD CORPORATION  
7-3-7 Roppongi, Minato City, Tokyo

**NOTICE OF  
THE 117th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We hereby inform you that the 117th Annual General Meeting of Shareholders of TOA ROAD CORPORATION (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information electronically. Matters subject to electronic provision are posted on the following website as “Notice of the 117th Annual General Meeting of Shareholders.”

The Company’s website:  
<https://www.toadoro.co.jp>

In addition to the above website, matters subject to electronic provision are also posted on the following website.

Tokyo Stock Exchange Inc. website:  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the abovementioned Tokyo Stock Exchange Inc. website, search for the Company by entering either the Company name or securities code, and select “Basic information,” followed by “Documents for public inspection/PR information” in order to view the information.

Please review the Reference Documents for the General Meeting of Shareholders described in the matters subject to electronic provision, and exercise your voting rights by 5:30 p.m. Japan time on Wednesday, June 28, 2023.

[Exercise of voting rights in writing]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it by mail so that it arrives by the cutoff time for exercise of voting rights specified above.

[Exercise of voting rights via the Internet]

For the method of exercising voting rights via the Internet, please refer to the “Procedures for Exercising Voting Rights via the Internet.”

If you exercise your voting rights both in writing and via the Internet, voting rights exercised via the Internet shall be treated as valid.

**1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m. Japan time

**2. Venue:** Company Head Office  
Conference Room, 7th floor  
7-3-7 Roppongi, Minato City, Tokyo

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 117th Fiscal Year (April 1, 2022 - March 31, 2023) and the results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 117th Fiscal Year (April 1, 2022 - March 31, 2023)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendments to the Articles of Incorporation  
**Proposal 3:** Election of Seven Directors  
**Proposal 4:** Election of Two Corporate Auditors  
**Proposal 5:** Election of One Substitute Corporate Auditor

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(Request) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting.

(Notice) In the event of any revisions to the matters subject to electronic provision, details of the revisions will be posted on each of the designated websites.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

Regarding appropriation of surplus, we hereby propose as described below.

The Company intends to enhance internal reserves in order to strengthen the corporate constitution and be prepared for future business development. At the same time, for the returning of profits to shareholders, the Company remains committed to maintaining a stable dividend payment level based on a comprehensive consideration of the profit forecast over the medium term, the investment plan, cash flows, and the financial position, among other factors.

The Company intends to utilize the internal reserves for prioritized investment for further strengthening the business foundation and for future business development from a medium- to long-term perspective.

It is proposed that the year-end dividend for the fiscal year ended March 31, 2023 be paid as follows, taking into consideration the Company's performance for the year and future business development:

1. Matters concerning year-end dividend

(1) Type of dividend property

Cash

(2) Matters related to the allotment of dividend property and the total amount thereof

Per share of common stock of the Company: ¥180

(common dividend of ¥180)

Total amount: ¥855,380,700

(3) Effective date of distribution of surplus

June 30, 2023

(Note): On April 1, 2023, the Company conducted a 2-for-1 stock split of its common stock. Since the record date for the abovementioned year-end dividend is March 31, 2023, dividends will be paid based on the number of shares held prior to the stock split.

2. Other matters concerning appropriation of surplus

(1) Item and the amount of surplus to be increased

General reserve: ¥800,000,000

(2) Item and the amount of surplus to be decreased

Retained earnings brought forward: ¥800,000,000



**Proposal 3: Election of Seven Directors**

The terms of office of all seven Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of seven Directors is proposed.

The candidates for Director are as follows:

No.	Name	Current positions at the Company	Attendance at Board of Directors meetings
1	[Reappointment] Kyouichi Morishita	Representative Director, President	16/16 (100%)
2	[Reappointment] Satoru Horinouchi	Representative Director, Executive Vice President	16/16 (100%)
3	[Reappointment] Hiroshi Nakamura	Director, Senior Managing Executive Officer	16/16 (100%)
4	[Reappointment] Shizuo Fukuhara	Director, Managing Executive Officer	16/16 (100%)
5	[Reappointment] Masataka Kusumi	[Independent Director] [Outside Director]	16/16 (100%)
6	[Reappointment] Yuko Tahara	[Independent Director] [Outside Director]	16/16 (100%)
7	[Reappointment] Yohei Takada	[Independent Director] [Outside Director]	16/16 (100%)

Candidates for Director

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
1	<p>[Reappointment]</p> <p>Kyouichi Morishita (September 22, 1956)</p> <p>Attendance at Board of Directors meetings: 16/16</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 10 years</p>	<p>April 1981      Joined the Company</p> <p>June 2013      Director; Executive Officer; General Manager, Construction and Engineering Division, the Company</p> <p>April 2014      Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department, the Company</p> <p>April 2015      Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department; General Manager, Civil Engineering Department, the Company</p> <p>April 2016      Director; Managing Executive Officer; General Manager, Planning and Sales Division; General Manager, Construction and Engineering Division; General Manager, Construction Department, the Company</p> <p>May 2016      Director; Managing Executive Officer; General Manager, Planning and Sales Division; General Manager, Construction and Engineering Division; General Manager, Construction Department; General Manager, Product Business Division, the Company</p> <p>April 2017      Director; Managing Executive Officer; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company</p> <p>June 2017      Representative Director; President, the Company To present</p> <p>Responsibilities Chairman, Internal Control Committee; Chairman, Compliance Committee; in charge of Audit Office; in charge of Corporate Planning Office</p>	20,102
<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Kyouichi Morishita has been mainly engaged in construction and sales divisions and has a wealth of experience and extensive knowledge. He assumed office as Director and Managing Executive Officer in 2016. Serving as Representative Director and President since 2017, he is demonstrating strong leadership and decisiveness in managing the Company and striving to achieve continuous enhancement of corporate value. Therefore, the Company proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
2	<p data-bbox="231 698 406 728">[Reappointment]</p> <p data-bbox="207 772 430 840">Satoru Horinouchi (July 5, 1959)</p> <p data-bbox="207 884 430 974">Attendance at Board of Directors meetings: 16/16</p> <p data-bbox="207 1019 430 1176">No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 7 years</p>	<p data-bbox="470 280 598 309">April 1983</p> <p data-bbox="470 318 598 347">June 2016</p> <p data-bbox="470 443 598 472">April 2017</p> <p data-bbox="470 542 598 571">June 2017</p> <p data-bbox="470 667 598 696">April 2018</p> <p data-bbox="470 766 598 795">June 2018</p> <p data-bbox="470 891 598 920">April 2019</p> <p data-bbox="470 1057 598 1086">April 2020</p> <p data-bbox="470 1182 598 1211">April 2021</p> <p data-bbox="470 1281 598 1310">April 2023</p> <p data-bbox="470 1415 662 1444">Responsibilities</p> <p data-bbox="470 1456 1268 1601">In charge of Affiliated Business Department; in charge of Safety, Environment and Quality Department; General Manager, Construction Division; Chairman, Workstyle Improvement Committee; responsible for Labor Relations</p>	<p data-bbox="1380 922 1460 952">15,832</p> <p data-bbox="1157 1370 1268 1400">To present</p>
<p data-bbox="191 1617 758 1646">[Reason for nomination as candidate for Director]</p> <p data-bbox="191 1653 1468 1877">Since joining the Company, Mr. Satoru Horinouchi has been mainly engaged in construction divisions and has a wealth of experience and extensive knowledge. He assumed office as Representative Director and Managing Executive Officer in 2018, and as Representative Director and Executive Vice President in 2023, reporting directly to, and assisting the President. He has been engaged in management of the Company, including by formulating corporate concepts and engaging in management decisions and business development, and has been contributing to continuous enhancement of corporate value.</p> <p data-bbox="191 1886 869 1915">Therefore, the Company proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held	
3	[Reappointment]  Hiroshi Nakamura (December 18, 1957)  Attendance at Board of Directors meetings: 16/16  No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 3 years	April 1981	Joined the Company	13,530
		April 2006	General Manager, Product Department, Chugoku Branch, the Company	
		April 2009	General Manager, Product Department, Kanto Branch, the Company	
		April 2011	Executive Officer; General Manager, Product Department, Product Business Division, the Company	
		June 2013	Director; Executive Officer; General Manager, Product Department, Product Business Division, the Company	
		April 2015	Director; Managing Executive Officer; General Manager, Hokkaido Branch, the Company	
		June 2015	Managing Executive Officer; General Manager, Hokkaido Branch, the Company	
		April 2017	Managing Executive Officer; General Manager, Sales Division, the Company	
		April 2020	Managing Executive Officer; General Manager, Product Business Division, the Company	
		June 2020	Director; Managing Executive Officer; General Manager, Product Business Division, the Company	
	April 2022	Director; Senior Managing Executive Officer; General Manager, Product Business Division, the Company	To present	
	Responsibilities In charge of Technology Department; General Manager, Product Business Division; responsible for Labor Relations			
[Reason for nomination as candidate for Director] Since joining the Company, Mr. Hiroshi Nakamura has been mainly engaged in product business and sales divisions and has a wealth of experience and extensive knowledge. Currently he is supervising the Company's product business division as Senior Managing Executive Officer and General Manager of Product Business Division. Since 2020, he has been engaged in management of the Company as Director and has been contributing to continuous enhancement of corporate value. Therefore, the Company proposes his reelection as Director.				



No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
4	<p>[Reappointment]</p> <p>Shizuo Fukuhara (April 15, 1958)</p> <p>Attendance at Board of Directors meetings: 16/16</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 2 years</p>	<p>April 1981      Joined the Company</p> <p>April 2008      General Manager, General Affairs Department, Administration Department, the Company</p> <p>April 2009      General Manager, General Affairs Department, Administration Division, the Company</p> <p>June 2013      General Manager, General Affairs Department, Administration Division; General Manager, Corporate Ethics Promotion Office; General Manager, Corporate Communications Planning Office, the Company</p> <p>April 2015      Affiliated Business Department, the Company</p> <p>April 2018      Executive Officer; General Manager, Corporate Planning Office, the Company</p> <p>April 2020      Managing Executive Officer; General Manager, Administration Division, the Company</p> <p>June 2021      Director; Managing Executive Officer; General Manager, Administration Division, the Company</p> <p>To present</p> <p>Responsibilities In charge of Affiliated Business Department; in charge of CSR Promotion Department; General Manager, Administration Division; responsible for Compliance; responsible for Corporate Planning Office (secondary responsibility); Chairman, Internal Control Committee; responsible for Labor Relations</p>	20,990
	<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Shizuo Fukuhara has been mainly engaged in administration divisions and has a wealth of experience and extensive knowledge. Currently he is supervising the Company's administration divisions as Managing Executive Officer and General Manager of Administration Division. Since 2021, he has been engaged in management of the Company as Director and has been contributing to continuous enhancement of corporate value. Therefore, the Company proposes his reelection as Director.</p>		

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
5	<p>[Reappointment] [Independent Director] [Outside Director]</p> <p>Masataka Kusumi (February 17, 1968)</p> <p>Attendance at Board of Directors meetings: 16/16</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 3 years</p>	<p>April 1991      Joined Fujita Corporation</p> <p>September 2001      Joined Masasho Co., Ltd.</p> <p>December 2006      Joined ShinNihon &amp; Co. (currently, Ernst &amp; Young ShinNihon LLC)</p> <p>August 2010      Registered as Certified Public Accountant</p> <p>August 2016      Representative, Masataka Kusumi CPA Office (current position)</p> <p>May 2017      Auditor, Nissan Satio Hirosaki Co., Ltd. (current position)</p> <p>December 2017      Outside Director (Audit and Supervisory Committee Member), E-Guardian Inc. (current position)</p> <p>June 2020      Director, the Company (current position)</p> <p style="text-align: right;">To present</p> <p>[Significant concurrent positions]</p> <p>Representative, Masataka Kusumi CPA Office</p> <p>Auditor, Nissan Satio Hirosaki Co., Ltd.</p> <p>Outside Director (Audit and Supervisory Committee Member), E-Guardian Inc.</p>	600
<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>Mr. Masataka Kusumi has a specialist perspective based on his insight and experience as a CPA and considerable knowledge of corporate finance, legal affairs, and tax affairs. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes him to appropriately oversee the Company's business execution from an independent standpoint with a specialist perspective. In addition, the Company believes that it can receive useful advice and suggestions from him on overall management and therefore proposes his reelection as Outside Director.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
6	<p>[Reappointment] [Independent Director] [Outside Director]</p> <p>Yuko Tahara (May 21, 1967)</p> <p>Attendance at Board of Directors meetings: 16/16</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 2 years</p>	<p>April 1996      Assistant, Graduate School of Arts and Sciences, College of Arts and Sciences, The University of Tokyo</p> <p>April 2002      Assistant Professor, Faculty of Economics, Kokugakuin University</p> <p>April 2008      Professor, Faculty of Economics, Kokugakuin University (current position)</p> <p>June 2021      Director, the Company (current position)</p> <p>To present</p> <p>[Significant concurrent positions] Professor, Faculty of Economics, Kokugakuin University</p>	200
	<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>Ms. Yuko Tahara has a specialist perspective based on her profound insight and extensive knowledge cultivated over the years as an expert on local community issues, the aging society, and social security. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes her to appropriately oversee the Company's business execution from an independent standpoint with a specialist perspective. In addition, the Company believes that it can receive useful advice and suggestions from her on overall management and therefore proposes her reelection as Outside Director.</p> <p>Although she has never been involved in corporate management, the Company believes that she will execute her duties properly as an Outside Director of the Company for the reasons stated above.</p>		

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
7	<p>[Reappointment] [Independent Director] [Outside Director]</p> <p>Yohei Takada (March 26, 1976)</p> <p>Attendance at Board of Directors meetings: 16/16</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 2 years</p>	<p>April 2006 Registered as attorney-at-law (member of Dai-Ichi Tokyo Bar Association) Attorney-at-Law, Takada Law Office (current position)</p> <p>June 2021 Director, the Company (current position) To present</p> <p>[Significant concurrent positions] Attorney-at-Law, Takada Law Office</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>Mr. Yohei Takada has a specialist perspective based on his insight and experience as an attorney-at-law and considerable knowledge of corporate legal affairs. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes him to appropriately oversee the Company's business execution from an independent standpoint with a specialist perspective. In addition, the Company believes that it can receive useful advice and suggestions from him on overall management and therefore proposes his reelection as Outside Director.</p> <p>Although he has never been involved in corporate management, the Company believes that he will execute his duties properly as an Outside Director of the Company for the reasons stated above.</p>			

- Notes: 1. No special interest exists between any of the candidates and the Company.
2. Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yohei Takada are candidates for Outside Director.
3. Matters concerning the candidates for Outside Director are as follows:
- (1) Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yohei Takada are independent directors as defined by the Tokyo Stock Exchange.
- (2) Number of years since assumption of office as the Company's Outside Director of each candidate for Outside Director
- Mr. Masataka Kusumi will have been in office as Outside Director for three years at the conclusion of this Annual General Meeting of Shareholders.
- Ms. Yuko Tahara and Mr. Yohei Takada will have been in office as Outside Director for two years at the conclusion of this Annual General Meeting of Shareholders.
- (3) Liability limitation agreements with Outside Directors
- The Company has entered into agreements with Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yohei Takada to limit their liability for damages pursuant to Article 423 Paragraph 1 of the Companies Act. The amount of liability for damages in accordance with the agreements is limited to the minimum liability amount stipulated by laws and regulations. If reelection of Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yohei Takada is approved at this General Meeting of Shareholders, the Company intends to renew the said agreements with them.

4. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers litigation expenses related to derivative lawsuits and third-party litigation and incidental expenses to be borne by the insured. The Company's Directors (including Outside Directors) and Corporate Auditors (including Outside Corporate Auditors) are the insured under the said insurance contract. The insurance premiums are fully borne by the Company. However, liability for legal damages arising from illegal acts including criminal acts committed by the insured is outside the scope of coverage under the said insurance contract.

The candidates for reelection nominated in this proposal are already the insured under the said insurance contract and will remain so following their reelection. The new candidates will be the insured following their election.

The Company intends to renew the said insurance contract with the same contents at the next renewal.

5. On April 1, 2023, the Company conducted a 2-for-1 stock split of its common stock. For each candidate, the "Number of shares of the Company held" indicates the number of shares held following the stock split.

**Proposal 4: Election of Two Corporate Auditors**

The terms of office of two of the three Corporate Auditors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of two Corporate Auditors is proposed.

The Company has obtained the consent of the Board of Corporate Auditors regarding this proposal.

The candidates for Corporate Auditor are as follows:

Candidates for Corporate Auditor

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
1	<p>[Reappointment] [Independent Auditor] [Outside Corporate Auditor]</p> <p style="text-align: center;">Shinichi Mori (March 26, 1955)</p> <p>Attendance at Board of Directors meetings: 14/16</p> <p>Attendance at Board of Corporate Auditors meetings: 8/9</p> <p>No. of years in office as Corporate Auditor (at the conclusion of this General Meeting of Shareholders): 12 years</p>	<p>April 2004      General Manager, Tsurumi Branch, The Bank of Yokohama, Ltd.</p> <p>August 2006    General Manager, Internal Audit Department, The Bank of Yokohama, Ltd.</p> <p>June 2007      Full-time Audit &amp; Supervisory Board Member, The Bank of Yokohama, Ltd.</p> <p>June 2010      Outside Corporate Auditor, THE KEIHIN CO., LTD. (current position)</p> <p>June 2011      Corporate Auditor, the Company (current position) To present</p> <p>[Significant concurrent positions] Outside Corporate Auditor, THE KEIHIN CO., LTD.</p>	2,400
<p>[Reason for nomination as candidate for Outside Corporate Auditor]</p> <p>Mr. Shinichi Mori has worked for a financial institution for many years and is well versed in finance and accounting. The Company proposes his reelection as Corporate Auditor in order for him to reflect his deep insight and extensive experience in the Company's audits.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
2	<p>[Reappointment] [Independent Auditor] [Outside Corporate Auditor]</p> <p>Hiroshi Fujita (January 22, 1964)</p> <p>Attendance at Board of Directors meetings: 16/16</p> <p>Attendance at Board of Corporate Auditors meetings: 9/9</p> <p>No. of years in office as Corporate Auditor (at the conclusion of this General Meeting of Shareholders): 4 years</p>	<p>April 1996 Registered as attorney-at-law (member of Dai-Ichi Tokyo Bar Association) Attorney-at-Law, KOHWA SOHGOH LAW OFFICES (current position)</p> <p>June 2004 Outside Corporate Auditor, Daimonji Paper Co., Ltd. (current position)</p> <p>June 2017 Outside Corporate Auditor, Micreed Co., Ltd. (current position)</p> <p>June 2019 Corporate Auditor, the Company (current position) To present</p> <p>[Significant concurrent positions] Attorney-at-Law, KOHWA SOHGOH LAW OFFICES Outside Corporate Auditor, Daimonji Paper Co., Ltd. Outside Corporate Auditor, Micreed Co., Ltd.</p>	600
<p>[Reason for nomination as candidate for Outside Corporate Auditor]</p> <p>Mr. Hiroshi Fujita has insight and experience as an attorney-at-law, a professional perspective based on his considerable knowledge of legal affairs, and in-depth knowledge of management. The Company believes he will execute his duties properly as an Outside Corporate Auditor of the Company, and therefore proposes his reelection.</p> <p>Although he has never been involved in corporate management other than serving as an Outside Corporate Auditor in the past, the Company believes that he will execute his duties properly as an Outside Corporate Auditor of the Company for the reasons stated above.</p>			

- Notes:
1. No special interest exists between either of the candidates and the Company.
  2. Messrs. Shinichi Mori and Hiroshi Fujita are candidates for Outside Corporate Auditor.
  3. Matters concerning the candidates for Outside Corporate Auditor are as follows:
    - (1) Messrs. Shinichi Mori and Hiroshi Fujita are independent auditors as defined by the Tokyo Stock Exchange.
    - (2) Number of years since assumption of office as the Company's Outside Corporate Auditor of each candidate for Outside Corporate Auditor  
Mr. Shinichi Mori will have been in office as Outside Corporate Auditor for twelve years at the conclusion of this Annual General Meeting of Shareholders. Mr. Hiroshi Fujita will have been in office as Outside Corporate Auditor for four years at the conclusion of this Annual General Meeting of Shareholders.
    - (3) Liability limitation agreements with Outside Corporate Auditors  
The Company has entered into agreements with Messrs. Shinichi Mori and Hiroshi Fujita to limit their liability for damages pursuant to Article 423 Paragraph 1 of the Companies Act. The amount of liability for damages in accordance with the agreements is limited to the minimum liability amount stipulated by laws and regulations. If reelection of Messrs.

Shinichi Mori and Hiroshi Fujita is approved at this General Meeting of Shareholders, the Company intends to renew the said agreements with them.

4. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers litigation expenses related to derivative lawsuits and third-party litigation and incidental expenses to be borne by the insured. The Company's Directors (including Outside Directors) and Corporate Auditors (including Outside Corporate Auditors) are the insured under the said insurance contract. The insurance premiums are fully borne by the Company. However, liability for legal damages arising from illegal acts including criminal acts committed by the insured is outside the scope of coverage under the said insurance contract.

The candidates for reelection nominated in this proposal are already the insured under the said insurance contract and will remain so following their reelection. The new candidates will be the insured following their election.

The Company intends to renew the said insurance contract with the same contents at the next renewal.

5. On April 1, 2023, the Company conducted a 2-for-1 stock split of its common stock. For each candidate, the "Number of shares of the Company held" indicates the number of shares held following the stock split.



**Proposal 5: Election of One Substitute Corporate Auditor**

To prepare for a contingency in which the number of Corporate Auditors falls short of that prescribed by laws and regulations, the election of one Substitute Corporate Auditor is proposed, pursuant to the provisions of Article 329, Paragraph 3 of the Companies Act.

The effectiveness of the election of Mr. Tomonari Suzuki may be canceled based on a resolution of the Board of Directors, provided such cancelation is made prior to the assumption of office and with the consent of the Board of Corporate Auditors.

The Company has obtained the consent of the Board of Corporate Auditors regarding this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary and positions	Number of shares of the Company held
[Outside Corporate Auditor]  Tomonari Suzuki (November 24, 1979)	September 2007 Registered as attorney-at-law (member of Dai-Ichi Tokyo Bar Association) Attorney-at-Law, KOHWA SOHGOH LAW OFFICES (current position) January 2016 Outside Director, ItoKuro, Inc. (current position) To present  [Significant concurrent positions] Outside Director, ItoKuro, Inc.	0
[Reason for nomination as candidate for Substitute Outside Corporate Auditor] Mr. Tomonari Suzuki has insight and experience as an attorney-at-law, a professional perspective based on his considerable knowledge of legal affairs, and in-depth knowledge of management. The Company believes he will execute his duties properly as an Outside Corporate Auditor of the Company, and therefore proposes his election. Although he has never been involved in corporate management other than serving as an Outside Corporate Auditor in the past, the Company believes that he will execute his duties properly as an Outside Corporate Auditor of the Company for the reasons stated above.		

- Notes: 1. No special interest exists between the candidate for Substitute Corporate Auditor and the Company.
2. Mr. Tomonari Suzuki is a candidate for Substitute Outside Corporate Auditor.
3. Matters concerning the candidate for Substitute Outside Corporate Auditor are as follows:
- If candidate Mr. Tomonari Suzuki is elected as Outside Corporate Auditor, he will become an independent auditor as defined by the Tokyo Stock Exchange.
  - Liability limitation agreements with Outside Directors
- If candidate Mr. Tomonari Suzuki is elected as Outside Corporate Auditor, the Company intends to enter into an agreement with him to limit his liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages in accordance with the agreement is limited to the minimum liability amount stipulated by laws and regulations.
4. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers litigation expenses related to derivative lawsuits and third-party litigation and incidental expenses to be borne by the insured. The Company's Directors (including Outside Directors) and Corporate Auditors (including Outside Corporate Auditors) are the insured under the said insurance contract. The insurance premiums are fully borne by the Company. However, liability for legal damages arising from illegal acts including

criminal acts committed by the insured is outside the scope of coverage under the said insurance contract.

If Mr. Tomonari Suzuki is elected as Outside Corporate Auditor, he will be the insured under the said insurance contract.

[Skills Matrix]

	Outside Director / Auditor	Nomination and Compensation Committee	Major specialty and experience						
			Corporate management / management strategy	Sales / marketing	Technology / quality	Finance / accounting	Legal affairs / compliance	ESG	Diversity / gender
Kyouichi Morishita		○	○	○	○				
Satoru Horinouchi		○	○	○	○				
Hiroshi Nakamura			○	○	○				
Shizuo Fukuhara			○			○	○		
Masataka Kusumi	□	◎	○			○	○	○ (governance)	
Yuko Tahara	□	○				○	○	○ (environment / society)	○ (female)
Yohei Takada	□	○	○				○	○ (governance)	
Shinichi Mori	□					○	○		
Yoshihiko Takeuchi			○			○	○		
Hiroshi Fujita	□		○				○	○ (governance)	

- Notes: 1. □ in the column under “Outside Director / Auditor” indicates independent director/auditor.  
2. □ in the column under “Nomination and Compensation Committee” indicates the chairman.