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(Stock Exchange Code 1821)

June 5, 2024

(Commencement date of measures for electronic provision: May 30, 2024)

To Shareholders with Voting Rights:

Toshio Shibata
Representative Director,
President
Sumitomo Mitsui Construction Co., Ltd.
2-1-6, Tsukuda, Chuo-ku, Tokyo, Japan

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We would like to notify you of the 21st Annual General Meeting of Shareholders of Sumitomo Mitsui Construction Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision. The Company is posting the matters subject to measures for electronic provision as the “NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS (including “matters omitted in the documents delivered in a paper form”)” on the following website on the Internet.

The Company’s website: <https://www.smcon.co.jp/investor/stock-information/generalmeeting/>

In addition to the above, the information is also available on the following website on the Internet.

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

(Please search by “Issue name” (Sumitomo Mitsui Construction) or “Code” (1821), and select “Basic information” and then “Documents for public inspection/PR information” to confirm the details.)

If you agree to exercise your voting rights in advance, please review the Reference Documents for the General Meeting of Shareholders, which are stated in the matters subject to measures for electronic provision, and exercise your voting rights by 5:45 p.m. on Wednesday, June 26, 2024, Japan time.

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. Japan time
- 2. Place:** Corporate Headquarters (Conference room on the 2nd floor) located at 2-1-6, Tsukuda, Chuo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, the Consolidated Financial Statements for the Company’s 21st Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. The Non-consolidated Financial Statements for the Company’s 21st Fiscal Year (April 1, 2023 - March 31, 2024)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 9 Directors
- Proposal 3:** Election of 2 Audit & Supervisory Board Members

- Should the matters subject to measures for electronic provision require revisions, the contents of the revision will be posted on each website on which they are posted.
- As the following matters, among the matters subject to measures for electronic provision, are posted on the Company's website pursuant to provisions of laws and regulations as well as Article 13-2 of the Articles of Incorporation, they are not presented in the documents that we are delivering to our shareholders.
Necessary systems to ensure appropriate operations and operation status of the systems in the Business Report
The Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements
The Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements
- The Company's website: <https://www.smcon.co.jp/investor/stock-information/generalmeeting/>
- Tokyo Stock Exchange website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

- **Response to the Electronic Provision System**

From the 21st Annual General Meeting of Shareholders, the Company will, in principle, deliver the documents for the general meeting of shareholders (Reference Documents for the General Meeting of Shareholders, Business Report, Audit Reports, Non-consolidated Financial Statements, and Consolidated Financial Statements) via the Company's website and will deliver the written summary of the documents for the general meeting of shareholders to shareholders (except shareholders who have requested for the delivery of the documents in a paper form beforehand).

We request shareholders who wish to receive such documents for the general meeting of shareholders in a paper form as before to visit the following website and make such request.

<Instructions on requesting for the delivery of the documents for the general meeting of shareholders in a paper form>

<https://www.smcon.co.jp/investor/stock-information/stock-meeting-materials/>

- **To shareholders with disabilities**

If you have any physical problem and need our assistance when attending the General Meeting of Shareholders, please feel free to contact us by phone in advance.

<Contact of the Company>

General Affairs Department, Administration Division, Sumitomo Mitsui Construction Co., Ltd.

Telephone: 03-4582-3022

(available from 8:45 a.m. to 5:45 p.m. weekdays. Japan time)

Instructions on Exercising Voting Rights

If Attending the General Meeting of Shareholders

Date and time of the Meeting: Thursday, June 27, 2024, at 10:00 a.m. Japan time

Please hand in the enclosed Voting Rights Exercise Form at the reception desk on arrival at the Meeting.

- If exercising voting rights via proxy, one (1) other shareholder with voting rights may attend the General Meeting of Shareholders as your proxy. In this case, please submit documentation to the Company proving the right to represent, such as the power of attorney. (Non-shareholding proxies, accompanying persons or anyone else who is not a shareholder may not attend the General Meeting of Shareholders.)

If Not Attending the General Meeting of Shareholders

Deadline for exercising voting rights: Wednesday, June 26, 2024, 5:45 p.m. Japan time

By Mail

Please indicate whether you approve or disapprove of each proposal on the enclosed Voting Rights Exercise Form and return by mail.

By the Internet

Please indicate whether you approve or disapprove of each proposal on the voting rights exercise website designated by the Company: <https://www.web54.net/>

Please see the next page for details.

If exercising voting rights by mobile phone or smartphone, etc., it is also possible to use a barcode reader to scan the "QR Code[®]" shown to the right to access the voting rights exercise website.

(QR Code is a registered trademark of DENSO WAVE CORPORATION)



- If there is no indication of approval or disapproval for each proposal on the Voting Rights Exercise Form, it shall be deemed as an indication of approval.
- If you exercise your voting rights twice, such as by writing and Internet, etc., only the later vote arriving at the Company will be considered a valid exercise of voting rights, and if they arrive on the same day, the vote cast through the Internet, etc., will be deemed valid.
- If you exercise your voting rights multiple times via the Internet, etc., only the latest vote shall be deemed valid.

Instructions for Exercise of Voting Rights via the Internet, etc.

If exercising voting rights via the Internet, it is possible only by accessing the following voting rights exercise website designated by the Company.

1. Access the Voting Rights Exercise Website

The voting rights exercise website: <https://www.web54.net/>

If using a mobile phone or smartphone, etc., it is also possible to scan the “QR Code[®]” indicated on the right of the Voting Rights Exercise Form to access the voting rights exercise website.

(QR Code is a registered trademark of DENSO WAVE CORPORATION)



2. Login

Enter the “**Voting rights exercise code**” indicated on the bottom left of your Voting Rights Exercise Form.

3. Enter Password

Enter the “**Password**” indicated on the bottom left of your Voting Rights Exercise Form.

Then follow the instructions on screen.

For inquiries regarding the use of the voting rights exercise website:
Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Web Support Dedicated Hotline
[Telephone] 0120-652-031 (9 a.m. to 9 p.m. Japan time)

About the Password

- The password is a means of verifying whether or not the person exercising voting rights is a legitimate shareholder.
Please store this password carefully until the end of this General Meeting of Shareholders.
- The Company shall not respond to inquiries regarding passwords by telephone.
- Incorrectly inputting the password more than a certain number of times will lock it and disable it. To request reissuance of your password, please follow the on-screen instructions.

About the Voting Rights Exercise Platform

Institutional investors may utilize the Voting Rights Exercise Platform operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Concerning the appropriation of surplus, the Company proposes the following.

- Matters concerning year-end dividends

The Company seeks to strengthen its financial standing and increase its internal reserves in preparation for future business expansion while maintaining a stable dividend policy, and determines dividend distribution by taking comprehensive account of trends in business results as well as the future management environment.

Based on the above policy, upon consideration of the business performance, etc. in the future, the Company proposes the following for the year-end dividend for the 21st fiscal year.

(1) Dividend asset type
Cash

(2) Matters concerning distribution of dividends to shareholders and the total amount

Taking comprehensive account of the state of the Company such as the business results for the current fiscal year, the future management environment, and prospect for future business performance, the Company proposes a year-end dividend of 14 yen per share.

In this case, the total amount of dividend will be 2,193,965,354 yen.

(3) Date on which the dividend of surplus becomes effective
June 28, 2024

Proposal 2: Election of 9 Directors

The terms of office of all Directors (9 persons) will expire at the end of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect 9 Directors.

The candidates are as follows. From the viewpoint that the Company is a comprehensive construction company mainly in the civil engineering business and building construction business in Japan and overseas, the Company sets a basic policy to form a well-balanced Board of Directors comprising persons with adequate knowledge regarding both businesses, as well as persons with expertise in governance, fund procurement, and corporate management in consideration of diversity such as gender equality and internationality. Furthermore, to enhance the supervision of the Company's management by the Board of Directors from an independent and objective standpoint, the majority of Directors are Outside Directors.

The Nomination and Compensation Advisory Committee, a majority of whose members are Independent Outside Directors and Outside Audit & Supervisory Board Members (part-time), discussed and judged the policy for selecting candidates for Directors and the proposal of actual candidates, and the Board of Directors made a decision on them.

In addition, if this Proposal is approved as proposed and the candidates assume the positions of Directors, 5 of the total number of 9 Directors shall be Independent Directors as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

No.		Name	Attribution	Position	Responsibilities	Attendance at Board of Directors Meetings
1	Reappointment	Toshio Shibata	Male	Representative Director, President		19 out of 19 times (100%)
2	Reappointment	Takeshi Sagara	Male	Director, Senior Managing Executive Officer	Division Director, Safety, Environment & Production Management Division Chief Officer, Construction Committee Meeting of Building Project	19 out of 19 times (100%)
3	New Candidate	Yoshihiko Taira	Male	Managing Executive Officer	Division Director, Civil Engineering Division	
4	New Candidate	Takashi Yui	Male	Managing Executive Officer	Division Director, Corporate Planning Division Senior Manager, DX (Digital transformation) Promotion	
5	Reappointment	Sakio Sasamoto	Outside Independent Director Male	Director		18 out of 19 times (94.7%)
6	Reappointment	Takashi Uchino	Outside Independent Director Male	Director		14 out of 15 times (93.3%)
7	New Candidate	Nobuo Kawahashi	Outside Independent Director Male			
8	New Candidate	Susumu Nibuya	Outside Independent Director Male			
9	New Candidate	Mami Yamashita	Outside Independent Director Female			

(Note) Mr. Takashi Uchino's attendance at Board of Directors Meetings is the one after he assumed office as Director.

No.	Name (Date of birth)	Past experience, positions, responsibilities and concurrent positions		Number of shares of the Company held
1	Toshio Shibata (December 8, 1962) [Reappointment] [Male] Attendance at Board of Directors Meetings during fiscal 2023: 19 out of 19 times (100%)	April 1985	Joined Mitsui Construction Co., Ltd.	73,249
		April 2003	Civil Engineering Designing Department No.2, Civil Engineering Administration Department, Civil Engineering Business Division of the Company	
		April 2012	General Manager, Civil Engineering Technical Consulting Department, Civil Engineering Division	
		April 2018	Executive Officer	
		April 2019	General Manager, Tokyo Civil Engineering Branch	
		April 2020	Managing Executive Officer, Division Director, Civil Engineering Division	
		June 2020	Director	
		April 2022	Representative Director, Senior Managing Executive Officer	
		April 2024	Representative Director (to present), President (to present)	
Reasons for selection as a candidate for Director Since joining the Company, Mr. Toshio Shibata has accumulated a wealth of experience from holding important posts in the civil engineering section and made excellent achievements in the section. Since April 2024, as top management, he has responded to changes in management environment in a quick and appropriate manner, and is working on further increasing corporate value of the Company through its sustainable growth and transformation. Therefore, the Company has judged it appropriate to renominate him as a candidate for Director.				
2	Takeshi Sagara (September 8, 1957) [Reappointment] [Male] Attendance at Board of Directors Meetings during fiscal 2023: 19 out of 19 times (100%)	April 1981	Joined Mitsui Construction Co., Ltd.	72,627
		April 2003	Construction Site Manager, Tokyo Building Construction Branch of the Company	
		July 2007	General Manager, Building Construction Department, Kyushu Branch	
		April 2012	General Manager, Kyushu Branch	
		April 2013	Executive Officer	
		April 2015	Managing Executive Officer	
		April 2016	Overall in charge of Construction, Building Construction Division	
		April 2019	Division Director, Production Management Division	
			Senior Managing Executive Officer (to present)	
			Division Director, Safety, Environment & Production Management Division	
		April 2021	Division Director, Safety, Environment & Production Management Division (to present)	
		June 2021	Director (to present)	
		April 2023	Chief Officer, Construction Committee Meeting of Building Project (to present)	
Reasons for selection as a candidate for Director Since joining the Company, Mr. Takeshi Sagara has accumulated a wealth of experience from holding important posts in the building construction and production management sections. Currently, he is adequately fulfilling his responsibilities as Division Director of Safety, Environment & Production Management Division and Chief Officer, Construction Committee Meeting of Building Project. Therefore, the Company has judged it appropriate to renominate him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and concurrent positions		Number of shares of the Company held
3	Yoshihiko Taira (September 13, 1965) [New Candidate] [Male]	April 1988	Joined Sumitomo Construction Co., Ltd.	26,854
		June 2005	Chief, Design Technology Section, PC Design Department, Civil Engineering Division of the Company	
April 2012	General Manager, Civil Engineering Design Department, Civil Engineering Division			
March 2016	Construction Site Manager, Tohoku Branch			
April 2019	General Manager, Shikoku Branch			
April 2021	Executive Officer			
April 2022	Managing Executive Officer (to present)			
April 2023	Deputy Division Director, Civil Engineering Division (in charge of PC Sales) and Overall in charge of Design			
April 2024	Deputy Division Director, Civil Engineering Division, Overall in charge of Marketing (in charge of PC Sales) and Overall in charge of Design			
<p>Reasons for selection as a candidate for Director</p> <p>Since joining the Company, Mr. Yoshihiko Taira has accumulated a wealth of experience from holding important posts in the civil engineering section. While he has made excellent achievements, using his sophisticated expertise and management capability, currently he is adequately fulfilling his responsibilities as Division Director of Civil Engineering Division. Therefore, the Company has judged it appropriate to nominate him as a candidate for Director.</p>				
4	Takashi Yui (September 28, 1967) [New Candidate] [Male]	April 1990	Joined Mitsui Construction Co., Ltd.	18,525
		June 2005	Chief, Civil Engineering Outsourcing Section, Procurement Department, Tokyo Branch of the Company	
April 2006	Chief, Materials Section, Procurement Department, Tokyo Branch			
July 2016	General Manager, Civil Engineering Marketing Administration Department, Civil Engineering Division			
April 2019	General Manager, Corporate Planning Department			
April 2021	Assistant Division Director, Corporate Planning Division and General Manager, Corporate Planning Department			
April 2022	Executive Officer			
April 2022	Deputy Division Director, Corporate Planning Division (in charge of Corporate Planning Department and Affiliated Business Department) and General Manager, Corporate Planning Department			
April 2023	Division Director, Corporate Planning Division (to present) and Senior Manager in charge of DX (Digital Transformation) Promotion (to present)			
April 2024	Managing Executive Officer (to present)			
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Takashi Yui has experienced business in corporate planning sections as well as civil engineering and procurement sections and has not only expertise but an excellent sense of balance and analytical capability. Currently, he is adequately fulfilling his responsibilities as Division Director of Corporate Planning Division. Therefore, the Company has judged it appropriate to nominate him as a candidate for Director.</p>				

No.	Name (Date of birth)	Past experience, positions, responsibilities and concurrent positions	Number of shares of the Company held
	Takashi Uchino (November 17, 1951) [Reappointment] [Candidate for Outside Director] [Candidate for Independent Director] [Male] Attendance at Board of Directors Meetings during fiscal 2023: 14 out of 15 times (93.3%)	April 1982 Full-Time Lecturer, Department of Management, Faculty of Economics, Gakushuin University April 1989 Associate Professor, Department of Management, Faculty of Economics, Gakushuin University April 1990 Professor, Department of Management, Faculty of Economics, Gakushuin University April 1992 General Manager, Corporate Planning Division, The Gakushuin School Corporation June 2013 Outside Director, KANDENKO CO., LTD. October 2013 Representative Director, Institute Of Management Studies, Japan (to present) April 2019 Professor emeritus, Gakushuin University (to present) June 2023 Director of the Company (to present) [Significant concurrent positions] • Representative Director, Institute Of Management Studies, Japan	0
6		1. Reasons for selection as candidate for Outside Director and a summary of expected roles 1) Mr. Takashi Uchino is a candidate for Outside Director as stipulated by Item 7 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Companies Act. 2) The Company believes that Mr. Takashi Uchino can apply his sophisticated expertise and a wide range of insights, which he has developed as a university professor and expert in management, to the enhancement of the Company's function of supervising corporate management and to the overall management of the Company. Therefore, the Company has judged it appropriate to renominate him as a candidate for Outside Director. Furthermore, during his tenure as Outside Director, he has been adequately fulfilling his responsibilities as Director of the Company, and as stated in (4. Matters regarding Officers (6) Matters regarding Outside Officers 3) Main Activities for the Fiscal Year Under Review) of the Business Report for the 21st fiscal year (available in Japanese only), he is appropriately fulfilling his responsibilities during the fiscal year under review as well. Therefore, the Company has judged that he will continue to appropriately fulfill the responsibilities of Outside Director. 3) In addition to 2) above, he is also expected to supervise the Company's management as a member of the Nomination and Compensation Advisory Committee, through involvement in matters such as the organization of board members and their compensation structure. 2. Independence qualification of candidate for Outside Director Mr. Takashi Uchino currently serves as Representative Director of Institute Of Management Studies, Japan. Mr. Takashi Uchino and the said organization have transactional relationships, etc. with the Company, where the Company consigns the services such as employee training. The Company pays fees, etc. to them based on such relationships. The amount of the fees, etc. is less than 1 million yen for each of the most recent three years. The annual amount that the Company pays to the said organization is less than 2% of net sales of the organization, on average over the most recent three years. After he was appointed Director, the Company has had no transactional relationships with him or the said organization. The Company has judged that he does not have a possibility of conflicts of interest with general shareholders and possesses adequate independence, and has thereby registered him as an Independent Director with the Tokyo Stock Exchange, as stipulated in Article 436-2 of the Securities Listing Regulations. If he is reelected as Director and appointed Outside Director, the Company plans to maintain his registration as an Independent Director. 3. Number of years since the candidate for Outside Director assumed office as Outside Director of the Company The term of retention of Mr. Takashi Uchino as Outside Director will be 1 year at the close of this General Meeting.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and concurrent positions	Number of shares of the Company held
	Nobuo Kawahashi (July 23, 1956) [New Candidate] [Candidate for Outside Director] [Candidate for Independent Director] [Male]	April 1981 Joined Japan Synthetic Rubber Co., Ltd. June 2008 Officer, General Manager, Display Material Business Division, JSR Corporation June 2009 Officer, General Manager, Electronic Materials Division January 2010 Officer, JSR Corporation, Director and President, JSR Micro Korea Co., Ltd. June 2011 Senior Officer, JSR Corporation, Director and President, JSR Micro Korea Co., Ltd. April 2014 Senior Officer, General Manager, Research and Development Division June 2016 Director and Managing Officer June 2017 Director and Executive Managing Officer June 2019 Representative Director and President, COO and CTO June 2020 Representative Director and President and COO June 2023 Executive Advisor (scheduled to retire in June 2024) [Significant concurrent positions] -	0
7	<ol style="list-style-type: none"> 1. Reasons for selection as candidate for Outside Director and a summary of expected roles <ol style="list-style-type: none"> 1) Mr. Nobuo Kawahashi is a candidate for Outside Director as stipulated by Item 7 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Companies Act. 2) The Company believes that Mr. Nobuo Kawahashi can apply a wealth of his experience as top management of a company and a wide range of insights into corporate management and the fields of technology and international business to the enhancement of the Company's function of supervising corporate management and to the overall management of the Company. Therefore, the Company has judged it appropriate to nominate him as a candidate for Outside Director. 3) In addition to 2) above, he is also expected to supervise the Company's management as a member of the Nomination and Compensation Advisory Committee, through involvement in matters such as the organization of board members and their compensation structure. 2. Independence qualification of candidate for Outside Director Mr. Nobuo Kawahashi is currently serving as Executive Advisor to JSR Corporation (scheduled to retire in June 2024). In view of the fact that no transactions exist between the Group and the said company's group, the Company has judged that he does not have a possibility of conflicts of interest with general shareholders and possesses adequate independence, and plans to register him as an Independent Director with the Tokyo Stock Exchange, as stipulated in Article 436-2 of the Securities Listing Regulations if he is elected as Director and appointed Outside Director. 		

No.	Name (Date of birth)	Past experience, positions, responsibilities and concurrent positions	Number of shares of the Company held
	<p>Susumu Nibuya (November 22, 1959)</p> <p>[New Candidate] [Candidate for Outside Director] [Candidate for Independent Director] [Male]</p>	<p>April 1982 Joined Idemitsu Kosan Co., Ltd. June 2008 Managing Director, Idemitsu Engineering Co., Ltd. June 2011 General Manager, Internal Audit Office, Idemitsu Kosan Co., Ltd. April 2013 Executive Officer, General Manager, Corporate Planning Department June 2015 Director, General Manager, Corporate Planning Department June 2017 Managing Director April 2019 Executive Vice President, Executive Officer June 2020 Representative Director, Executive Vice President June 2022 Representative Director, Executive Vice President and Chief Operating Officer (scheduled to retire in June 2024)</p> <p>[Significant concurrent positions] • Executive Fellow, Idemitsu Kosan Co., Ltd. (scheduled to assume office in June 2024)</p>	0
8		<p>1. Reasons for selection as candidate for Outside Director and a summary of expected roles</p> <p>1) Mr. Susumu Nibuya is a candidate for Outside Director as stipulated by Item 7 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Companies Act.</p> <p>2) The Company believes that Mr. Susumu Nibuya can apply a wide range of insights into corporate management and his knowledge on the promotion of D&I (diversity & inclusion) to the enhancement of the Company's function of supervising corporate management and to the overall management of the Company. Therefore, the Company has judged it appropriate to nominate him as a candidate for Outside Director.</p> <p>3) In addition to 2) above, he is also expected to supervise the Company's management as a member of the Nomination and Compensation Advisory Committee, through involvement in matters such as the organization of board members and their compensation structure.</p> <p>2. Independence qualification of candidate for Outside Director</p> <p>Mr. Susumu Nibuya is currently serving as Representative Director, Executive Vice President and Chief Operating Officer of Idemitsu Kosan Co., Ltd. He is scheduled to retire as the said position in June 2024 and serve as Executive Fellow of the company after his retirement. In view of the fact that no transactions exist between the Group and the said company's group, the Company has judged that he does not have a possibility of conflicts of interest with general shareholders and possesses adequate independence, and plans to register him as an Independent Director with the Tokyo Stock Exchange, as stipulated in Article 436-2 of the Securities Listing Regulations if he is elected as Director and appointed Outside Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and concurrent positions	Number of shares of the Company held
9	Mami Yamashita (May 23, 1978) [New Candidate] [Candidate for Outside Director] [Candidate for Independent Director] [Female]	<p>April 2001 Joined NEC Corporation</p> <p>August 2006 In charge of Credit Sales, Credit Sales Division, JPMorgan Securities Japan Co., Ltd.</p> <p>November 2007 Group Manager, Business Promotion Department, The Risk Data Bank of Japan, Limited</p> <p>December 2013 Representative Director, Kokoruku, Inc. (to present)</p> <p>June 2018 Outside Director, HONDA TSUSHIN KOGYO CO., LTD.</p> <p>May 2022 Outside Director, AEON Fantasy Co., Ltd. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Representative Director, Kokoruku, Inc. • Outside Director, AEON Fantasy Co., Ltd. • Outside Director, NAC CO., LTD. (scheduled to assume office in June 2024) 	0
		<p>1. Reasons for selection as candidate for Outside Director and a summary of expected roles</p> <p>1) Ms. Mami Yamashita is a candidate for Outside Director as stipulated by Item 7 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Companies Act.</p> <p>2) The Company believes that Ms. Mami Yamashita can apply her wealth of knowledge and experience in the creation of start-ups and corporate management as well as a wide range of insights into new businesses, risk management, sustainability and the promotion of D&I (diversity & inclusion) to the enhancement of the Company's function of supervising corporate management and to the overall management of the Company. Therefore, the Company has judged it appropriate to nominate her as a candidate for Outside Director.</p> <p>3) In addition to 2) above, she is also expected to supervise the Company's management as a member of the Nomination and Compensation Advisory Committee, through involvement in matters such as the organization of board members and their compensation structure.</p> <p>2. Independence qualification of candidate for Outside Director</p> <p>Ms. Mami Yamashita is currently serving as Representative Director of Kokoruku, Inc. and Outside Director of AEON Fantasy Co., Ltd., both of which have no transactional relationships with the Group. Transactional relationships exist between the Group and the group companies of AEON Co., Ltd. which is the parent company of AEON Fantasy Co., Ltd. However, the amount of transactions is less than 1% of annual consolidated net sales of the Group, on average over the most recent three years. She is scheduled to be elected as Outside Director and assume the said position at the annual general meeting of shareholders of NAC CO., LTD. on June 27, 2024, but no transactional relationships exist between the Group and the said company's group. Therefore, the Company has judged that she does not have a possibility of conflicts of interest with general shareholders and possesses adequate independence, and plans to register her as an Independent Director with the Tokyo Stock Exchange, as stipulated in Article 436-2 of the Securities Listing Regulations if she is elected as Director and appointed Outside Director.</p>	

- (Notes) 1. As stated in the above "2. Independence qualification of candidate for Outside Director," the Company has had a small amount of transactions with Mr. Takashi Uchino and Institute Of Management Studies, Japan in which he serves as Representative Director, and a group company of AEON Co., Ltd. which is the parent company of AEON Fantasy Co., Ltd. in which Ms. Mami Yamashita is serving as Outside Director, over the most recent three years. There are no special interests between other candidates and the Company.
2. Mr. Sakio Sasamoto and Mr. Takashi Uchino have respectively concluded an agreement to limit liability of Clause 1 of Article 423 of the Companies Act with the Company, and the ceiling of the indemnity based on aforementioned agreement shall be the minimum amount stipulated by laws and regulations. If they are reelected as Directors and appointed Outside Directors, the Company plans to keep the above liability limitation agreement with each of them. If Mr. Nobuo Kawahashi, Mr. Susumu Nibuya and Ms. Mami Yamashita are elected as Directors and appointed Outside Directors, the Company plans to conclude the same liability limitation agreement with them.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance contract covers compensation for damages and litigation costs that may be incurred by the insured when any claim for damages is filed against it for its act made on the basis of its position as the Company's Director or Officer. All of the candidates to be reappointed and Mr. Yoshihiko Taira and Mr. Takashi Yui, who are new candidates and Executive Officers of the Company, are already insured and will continue to be insured under the insurance contract after their appointment. Mr. Nobuo Kawahashi, Mr. Susumu Nibuya and Ms. Mami Yamashita, new candidates, will be insured under the insurance contract, once they are appointed. In addition, the Company plans to renew the contract with same contents at the time of the next renewal.

Proposal 3: Election of 2 Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members, Mr. Yoshiyuki Kato and Mr. Aizou Murakami will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Audit & Supervisory Board Members is proposed.

The candidates for Audit & Supervisory Board Members are as follows.

The Nomination and Compensation Advisory Committee, a majority of whose members are Independent Outside Directors and Outside Audit & Supervisory Board Members (part-time), discussed and judged the policy for selecting candidates for Audit & Supervisory Board Members and the proposal of actual candidates and the Board of Directors made a decision on them. The Audit & Supervisory Board has previously given its approval to this proposal.

No.	Name (Date of birth)	Past experience, positions and concurrent positions	Number of shares of the Company held
	Takashi Kaede (May 21, 1964) [New Candidate] [Candidate for Outside Audit & Supervisory Board Member] [Candidate for Independent Audit & Supervisory Board Member] [Male]	April 1988 April 2011 June 2012 November 2013 April 2015 October 2015 April 2018 October 2018 April 2020 [Significant concurrent positions]	0
1	<p>1. Reasons for selection as candidate for Outside Audit & Supervisory Board Member</p> <p>1) Mr. Takashi Kaede is a candidate for Outside Audit & Supervisory Board Member as stipulated by Item 8 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Companies Act.</p> <p>2) The Company believes that Mr. Takashi Kaede can apply his wide range of insights into the management of organizations and a wealth of business experience in operations related to human resources by holding important posts such as the General Manager of branches of Sumitomo Mitsui Trust Bank, Limited to strengthen the structure of audit by the Audit & Supervisory Board of the Company. Therefore, the Company proposes to nominate him as a candidate for Outside Audit & Supervisory Board Member. For the reason above, the Company judges that he will appropriately fulfill the responsibilities of Outside Audit & Supervisory Board Member.</p> <p>2. Independence qualification of candidate for Outside Audit & Supervisory Board Member</p> <p>Mr. Takashi Kaede is currently working at Sumitomo Mitsui Trust Bank, Limited, one of the Company's main banks (scheduled to retire in June 2024), but the amount that the Group has borrowed from the said bank group is less than 3% of consolidated total assets of the Company on average over the most recent three years. The Company has judged that he does not have a possibility of conflicts of interest with general shareholders and possesses adequate independence, and plans to register him as an Independent Audit & Supervisory Board Member with the Tokyo Stock Exchange, as stipulated in Article 436-2 of the Securities Listing Regulations if he is elected as Audit & Supervisory Board Member and appointed Outside Audit & Supervisory Board Member.</p>		

No.	Name (Date of birth)	Past experience, positions and concurrent positions	Number of shares of the Company held
2	Yoshihide Hino (August 2, 1962) [New Candidate] [Candidate for Outside Audit & Supervisory Board Member] [Candidate for Independent Audit & Supervisory Board Member] [Male]	<p>April 1990 Registered as Attorney-at-Law</p> <p>April 2000 Partner, Tokyo Hatchobori Law Office (to present)</p> <p>October 2013 Part-time Judge, Tokyo District Court (Civil Conciliation Act)</p> <p>April 2016 Conciliation Commissioner, Tokyo Summary Court (to present)</p> <p>April 2017 Chairperson of the Administration Committee, Investigatory Commission for Housing Disputes, Daini Tokyo Bar Association</p> <p>April 2018 Housing Dispute Resolution Body Examination Committee Member, Japan Federation of Bar Associations</p> <p>January 2020 Human Rights Volunteer, The Ministry of Justice (to present)</p> <p>June 2020 Audit & Supervisory Board Member (Outside), NIPPON PISTON RING CO., LTD.</p> <p>June 2021 Outside Director, Audit & Supervisory Committee Member, NIPPON PISTON RING CO., LTD.</p> <p>June 2021 Housing Dispute Resolution Body Examination Committee Chairperson Japan Federation of Bar Associations</p> <p>November 2022 Special Committee Member, The Central Committee for Adjustment of Construction Work Disputes, the Ministry of Land, Infrastructure, Transport and Tourism (to present)</p> <p>April 2024 Auditor, Daini Tokyo Bar Association (to present)</p> <p>[Significant concurrent positions] • Partner, Tokyo Hatchobori Law Office</p>	0
<p>1. Reasons for selection as candidate for Outside Audit & Supervisory Board Member</p> <p>1) Mr. Yoshihide Hino is a candidate for Outside Audit & Supervisory Board Member as stipulated by Item 8 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Companies Act.</p> <p>2) The Company believes that Mr. Yoshihide Hino has expertise as an attorney and he can apply his experience of holding public posts, using a wealth of knowledge on laws and regulations related to construction and real estate to strengthen the structure of audit by the Audit & Supervisory Board of the Company. Therefore, the Company proposes to nominate him as a candidate for Outside Audit & Supervisory Board Member. For the reason above, the Company judges that he will appropriately fulfill the responsibilities of Outside Audit & Supervisory Board Member.</p> <p>2. Independence qualification of candidate for Outside Audit & Supervisory Board Member</p> <p>In view of the fact that no transactions exist between the Company and Tokyo Hatchobori Law Office in which Mr. Yoshihide Hino serves as Partner and Attorney-at-Law, the Company has judged that he does not have a possibility of conflicts of interest with general shareholders and possesses adequate independence, and plans to register him as an Independent Audit & Supervisory Board Member with the Tokyo Stock Exchange, as stipulated in Article 436-2 of the Securities Listing Regulations if he is elected as Audit & Supervisory Board Member and appointed Outside Audit & Supervisory Board Member.</p>			

- (Notes)
- There are no special interests between each candidate and the Company.
 - In order to ensure that the Company can appoint or invite competent persons to serve as Audit & Supervisory Board Members, the Company, in the Articles of Incorporation, stipulates that it may enter into an agreement to limit the liability of Audit & Supervisory Board Members to the Company. Based on the stipulation, if Mr. Takashi Kaede and Mr. Yoshihide Hino are elected as Audit & Supervisory Board Members and appointed Outside Audit & Supervisory Board Members, the Company plans to conclude an agreement with them to limit liability of Clause 1 of Article 423 of the Companies Act, and the ceiling of the indemnity based on aforementioned agreement shall be the minimum amount stipulated by laws and regulations.
 - The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance contract covers compensation for damages and litigation costs that may be incurred by the insured when any claim for damages is filed against it for its act made on the basis of its position as the Company's Director or Officer. Mr. Takashi Kaede and Mr. Yoshihide Hino, new candidates, will be insured under the insurance contract, once they are appointed. In addition, the Company plans to renew the contract with same contents at the time of the next renewal.

(Reference) Composition of the Board of Directors and Skills Matrix

Name	Attribution	Position	Expected skills							
			Corporate management	Sales and marketing	Technology and IT	Finance and accounting	Risk management, compliance, and auditing	Global competence	Sustainability	D&I promotion and human resource development
Toshio Shibata	[Male]	Representative Director, President	•	•	•				•	
Takeshi Sagara	[Male]	Director Senior Managing Executive Officer	•	•	•		•			
Yoshihiko Taira	[Male]	Director, Managing Executive Officer		•	•			•		
Takashi Yui	[Male]	Director, Managing Executive Officer	•		•	•				•
Sakio Sasamoto	[Outside Director] [Independent Director] [Male]	Director	•	•			•			•
Takashi Uchino	[Outside Director] [Independent Director] [Male]	Director	•			•			•	•
Nobuo Kawahashi	[Outside Director] [Independent Director] [Male]	Director	•	•	•			•		
Susumu Nibuya	[Outside Director] [Independent Director] [Male]	Director	•			•		•		•
Mami Yamashita	[Outside Director] [Independent Director] [Female]	Director	•					•	•	•
Michio Harada	[Male]	Audit & Supervisory Board Member				•	•			
Kazushi Nozawa	[Male]	Audit & Supervisory Board Member				•	•			
Takashi Kaede	[Outside Audit & Supervisory Board Member] [Independent Audit & Supervisory Board Member] [Male]	Audit & Supervisory Board Member				•	•			•

Name	Attribution	Position	Expected skills							
			Corporate management	Sales and marketing	Technology and IT	Finance and accounting	Risk management, compliance, and auditing	Global competence	Sustainability	D&I promotion and human resource development
Harumasa Kurokawa	[Outside Audit & Supervisory Board Member] [Independent Audit & Supervisory Board Member] [Male]	Audit & Supervisory Board Member	•	•	•		•			
Yoshihide Hino	[Outside Audit & Supervisory Board Member] [Independent Audit & Supervisory Board Member] [Male]	Audit & Supervisory Board Member					•		•	•

- (Notes) 1. The above list states four or fewer items of expected skills and does not represent all of the knowledge and experience of each person.
2. In the above list, skills in terms of global competence, sustainability, and D&I promotion and human resource development are defined as follows.
- Global competence: Knowledge and skills necessary for planning and implementing overseas business strategies, and for implementing global-specific risk management
- Sustainability: Knowledge and skills to reflect action on social sustainability issues (the environment, biodiversity, human rights, etc.) including SDGs and ESG, in corporate management
- D&I promotion and human resource development: Knowledge and skills that can promote D&I (diversity and inclusion), which is important in future management and business, and that can administer the cultivation and development of human resources

(Reference) Current State of Strategic Shareholdings

The Company sets a policy of examining the economic rationale and future outlook of each shareholding, such as the purpose of shareholding and whether the benefits and risks of shareholding is commensurate with the capital cost and reducing shares by selling them, of which holding is thought to be of smaller significance as a result of such examination.

In the Mid-term Management Plan 2022-2024 (revised in May 2023) announced on May 10, 2023, the Company sets the goals of: reducing the balance of strategic shareholdings by 50% by the end of March 2025 from the end of March 2023 from a perspective of improving capital efficiency and cash flows; and reducing the ratio of strategic shareholdings to net assets on a consolidated basis to 20% or less as soon as possible and eventually to 10% or less in the future.

Based on the policy, the Company sold 30 stocks (18,532 million yen) that it had owned in the fiscal year 2023. As a result, the ratio of strategic shareholdings to net assets on a consolidated basis was 6.1% as of March 31, 2024, achieving the goal above earlier than the Company planned. The Company does not own deemed shareholdings.

[Current State of Strategic Shareholdings]

	March 31, 2023 (A)	State of sales (reduction)	March 31, 2024 (B)	Change	Reference (B/A)
Number of stocks	91	30	61	(30)	-
Market value, Sales amount (million yen)	19,053	18,532	4,741	(14,312)	24.9%
Consolidated net assets (million yen)	71,137	-	77,165	6,028	-
Ratio of strategic shareholdings to net assets (consolidated basis)	26.8%	-	6.1%	(20.7)%	-

*Market value as of March 31, 2024 includes increased amount due to fluctuations (increase) in stock price.

End