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(Stock Exchange Code 1852)  
June 1, 2022

**To Shareholders with Voting Rights:**

Makoto Asanuma  
Representative President  
Asanuma Corporation  
Main Office: 1-2-3 Minatomachi,  
Naniwa-ku, Osaka

**NOTICE OF CONVOCATION OF  
THE 87TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We would like to inform you that the 87th Annual General Meeting of Shareholders of Asanuma Corporation (the “Company”) will be held as described below.

In light of the number of seats available being limited to ensure social distance, we request that shareholders please consider not attending this General Meeting of Shareholders. Instead of attending the meeting in person, you can exercise your voting rights in advance in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by 5:15 p.m. on Tuesday, June 21, 2022, Japan time.

- 1. Date and Time:** Wednesday, June 22, 2022 at 10:00 a.m. Japan time
- 2. Place:** Snowberry Banquet Room, 21<sup>st</sup> Floor, Hotel Monterey Grasmere Osaka  
1-2-3 Minatomachi, Naniwa-ku, Osaka
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company’s 87th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
    2. Non-consolidated Financial Statements for the Company’s 87th Fiscal Year (April 1, 2021 - March 31, 2022)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Partial Amendments to the Articles of Incorporation
    - Proposal 3:** Election of Nine (9) Directors
    - Proposal 4:** Election of One (1) Audit & Supervisory Board Member
    - Proposal 5:** Election of One (1) Substitute Audit & Supervisory Board Member

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- ◎ Of the documents required to be appended to this Notice of Convocation as attachments, the following matters have been posted on the Company's website (<https://www.asanuma.co.jp/>) in accordance with laws and regulations and Article 16 of the Articles of Incorporation, and are therefore not included in the attached documents.
- (1) "The Systems to Ensure the Appropriateness of Operations and Outline of the Operational Status of the Systems" in the Business Report
  - (2) "Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
  - (3) "Non-consolidated Statements of Changes in Net Assets" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- The attachment to this Notice of Convocation and the above-mentioned documents posted on the Company's website are the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in the preparation of the audit report and accounting audit report, respectively.
- ◎ Should matters to be described in the Reference Documents for the General Meeting of Shareholders and the attached documents (Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements) require revisions, the revised versions will be posted on the Company's website (<https://www.asanuma.co.jp/>).

#### **Request and Notice to Shareholders**

In order to prevent the spread of the novel coronavirus (COVID-19), we request your understanding and cooperation with regard to the following.

- In light of the number of seats available being limited, we request that you please consider not attending this meeting, **and encourage you to exercise your voting rights in advance in writing or via the Internet, etc.**
- Shareholders attending the meeting in person are requested to pay close attention to the situation of infection and their own physical condition in the days approaching the meeting and take suitable precautions to prevent infection, such as wearing masks.
- An announcement will be made on the Company's website if future circumstances arise that require major changes in the operation of the General Meeting of Shareholders and new measures are taken to prevent infection and the spread thereof. Please be sure to check the Company's website upon attending.

<https://www.asanuma.co.jp/>

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- **On the day of the General Meeting of Shareholders, all proceedings, including the Business Report and Q&A session, will be streamed live via the Internet.**

## Instructions for the Exercise of Voting Rights

- **Exercise of voting rights in writing**

**Deadline: 5:15 p.m. on Tuesday, June 21, 2022 (time of receipt)**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and **return it by mail so that it is received by the deadline.**

- **Exercise of voting rights over the Internet, etc.**

**Deadline: 5:15 p.m. on Tuesday, June 21, 2022**

Please access the voting website (<https://www.web54.net>) and **enter your vote for or against the proposals by the deadline** by following the instructions on the screen.

If exercising voting rights using a smartphone, **please use “Smart Exercise.”**

For details, please refer to page 5 of the Japanese version.

<p>* If a voting right is exercised both in writing and via the Internet, etc., we will consider the Internet vote to be the valid vote. If a voting right is exercised multiple times via the Internet, etc., we will consider the last vote to be the valid vote.</p>
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### **If you are attending the meeting**

- **Exercise of voting rights by attending the meeting**

**Date and time: Wednesday, June 22, 2022 at 10:00 a.m. Japan time**

Please submit the enclosed Voting Rights Exercise Form at the reception desk. You are asked to bring this Notice of Convocation with you as a means of resource-saving.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

The Company considers the return of profits to shareholders as one of its most important management initiatives, and to this end, maintains a basic policy of allocating dividends in line with its business performance by developing new technologies that are necessary for the future expansion of the business, while striving to sustain and reinforce the Company's competitiveness.

With regard to the year-end dividend, the Company has taken various factors into consideration, including its financial condition and business performance. Therefore, the Company proposes to pay for the fiscal year ended March 31, 2022 a year-end dividend of ¥363 per share.

(1) Type of dividend property

Cash

(2) Allotment of dividend property and the aggregate amount

¥363 per common share of the Company

Aggregate amount of dividends will be ¥2,929,546,488.

(3) Effective date of dividends of surplus

June 23, 2022

**Proposal 2:** Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The revised stipulations in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022 in accordance with Cabinet Order No. 334 of 2021. In preparation for the implementation of the measures for electronic provision of materials for general meetings of shareholders, the Company proposes to newly establish the provision (Article 16 of the proposed amendments) which stipulates that information of the Reference Documents for General Meeting of Shareholders, etc., which are equivalent to materials for general meetings of shareholders, shall be provided electronically, and that part of the matters to be described may be omitted from the documents to be delivered to shareholders who request the provision of physical documents upon the electronic provision measures.

Additionally, as the Article 16 of the current Articles of Incorporation concerning disclosure of the Reference Documents for General Meeting of Shareholders, etc. via the Internet will no longer be necessary due to the implementation of the measures for electronic provision of materials for general meetings of shareholders, these shall be deleted.

Furthermore, the Company will establish supplementary provisions for transitional measures in connection with the above amendments and review the descriptions in part of the current Articles of Incorporation.

2. Contents of the amendments

The contents of the amendments are as follows.

(Underlines indicate amended sections.)

Current Articles of Incorporation	Proposed amendments
Article 1 (Omitted)	Article 1 (Unchanged)
Article 2 (Purpose) The purpose of the Company shall be to engage in the following businesses: 1.-5. (Omitted) 6. Power generation and sale of electricity; 7.-17. (Omitted)	Article 2 (Purpose) The purpose of the Company shall be to engage in the following businesses: 1.-5. (Unchanged) 6. Power generation and sale of electricity; 7.-17. (Unchanged)
Article 3-15 (Omitted)	Article 3-15 (Unchanged)
<u>Article 16 (Internet Disclosure of Reference Documents, etc. for General Meeting of Shareholders)</u> <u>The Company may use the Internet to disclose information to shareholders relating to matters to be described or indicated in the Reference Documents for the General Meeting of Shareholders, Non-consolidated Financial Statements, Consolidated Financial Statements, and Business Report, via the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u>  (Newly established)	(Deleted)
	<u>Article 16 (Measures for Electronic Provision of Reference Documents for General Meeting of Shareholders)</u> <u>In the convocation of general meetings of shareholders, the Company shall provide electronically information that is the content of Reference Documents for General Meeting of Shareholders, etc.</u>

Current Articles of Incorporation	Proposed amendments
<p>Article 17-33 (Omitted)</p> <p>(Newly established)</p>	<p>(2) <u>Of the matters to which electronic provision measures apply, the Company may choose not to record all or part of matters stipulated in the Ordinance of the Ministry of Justice in the physical documents provided to shareholders who made requests for provision of physical documents by the record date for voting rights.</u></p> <p>Article 17-33 (Unchanged)</p> <p><u>Supplementary Provisions (Transitional Measures concerning Measures for Electronic Provision of Materials for General Meetings of Shareholders)</u></p> <p><u>The amendments in Article 16 shall take effect from September 1, 2022.</u></p> <p>(2) <u>Notwithstanding the provisions of the previous paragraph, Article 16 of the Articles of Incorporation before the change shall remain valid for general meetings of shareholders held before February 28, 2023.</u></p> <p>(3) <u>These supplementary provisions shall be deleted on March 1, 2023 or the day which three months have elapsed since the day of the general meeting of shareholders in the previous paragraph, whichever is later.</u></p>

(Reference)

At a meeting of the Board of Directors held on March 31, 2022, the Company resolved to conduct a 2-for-1 stock split of the common stock of the Company held by shareholders recorded in the register of shareholders as of July 31, 2022, with an effective date of August 1, 2022. As a result, the total number of shares authorized to be issued as stipulated in Article 6 of the Company's Articles of Incorporation was changed from twenty-nine million three hundred fifty-six thousand five hundred (29,356,500) shares to fifty-eight million seven hundred thirteen thousand (58,713,000) shares effective August 1, 2022, in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act.

### **Proposal 3: Election of Nine (9) Directors**

The terms of office of all nine (9) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of nine (9) Directors.

The Company will appoint six (6) Inside Directors (Directors other than Outside Directors), while it will appoint three (3) Independent Outside Directors. If this Proposal is approved as originally proposed, more than one third of the Directors of the Company will be Independent Outside Directors.

In order to ensure the transparency and fairness of the decision-making process, the Proposal has been determined by resolution of the Board of Directors following deliberations by the Nomination and Compensation Committee, which is composed of a majority of Independent Outside Directors and chaired by the Lead Independent Outside Director.

### **Composition of the Board of Directors of the Company**

The Company endeavors to appoint Directors so that the composition of the Board of Directors is well-balanced as a whole between knowledge, experience and competence, and at the same time, achieves both diversity and appropriate size.

The composition of Inside Directors and Independent Outside Directors is as follows:

- **Composition of Inside Directors**

The Company has established a structure which is laid out in the Internal Rules of the Nomination and Compensation Committee to appoint six (6) Inside Directors consisting of Officer in charge of Building Construction Headquarters who is responsible for building construction segments, Officer in charge of Osaka Main Office who is responsible for building construction segments administered by Osaka Main Office, Officer in charge of Tokyo Main Office who is responsible for building construction segments administered by Tokyo Main Office, Officer in charge of Civil Construction Headquarters who is responsible for civil construction segments, Officer in charge of President's Office who is responsible for administration segments, alongside Representative President.

- **Composition of Independent Outside Directors**

For the purpose of ensuring the transparency of corporate management and enhancing corporate governance, the Company has established a structure which is laid out in the Internal Rules of the Nomination and Compensation Committee to appoint three (3) Independent Outside Directors, and more than one third of the Directors of the Company are Independent Outside Directors. In addition, the Company has appointed one (1) Director who has management experience at other companies.

There is one (1) female Director.

### **Other Initiatives by the Company**

The Company has adopted a policy to continue to reduce strategic shares and verifies the appropriateness of shareholdings of each individual issue at the regular meeting of the Board of Directors held at the beginning of each fiscal year. The balance of strategic shares was 17.6% of the Company's consolidated net assets at the end of March 2020, 13.3% at the end of March 2021, and 8.8% at the end of March 2022, respectively.

For the purpose of actively addressing sustainability-related issues, the Company has established the Sustainability Promotion Committee, which is chaired by the C.E.O., under the Board of Directors. In particular, the Company collects and analyzes necessary data on the impact of climate change-related risks and opportunities on the Company's business activities, profitability, etc., and, in order to enhance the quality and quantity of disclosures, has expressed its endorsement for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has enhanced disclosures based on the TCFD.

In addition, the Company presents their voluntary and measurable goals related to the promotion of core human resources such as women, foreign nationals, and midcareer hires, and discloses their status in turn.

The candidates for Directors are as follows:

No.	Name	Positions and Responsibilities at the Company	Attendance at Board of Directors' meeting	Attributes	Years served as Director	Membership in Nomination and Compensation Committee
1	Makoto Asanuma	Representative President, C.E.O.	17 out of 17	Reappointment Male	4	○
2	Morio Yamakoshi	Representative Director, Senior Managing Officer, Officer in charge of President's Office and Overseas Operations	17 out of 17	Reappointment Male	10	○
3	Yukihiro Ueshiba	Director, Senior Managing Officer, Officer in charge of Building Construction Headquarters	17 out of 17	Reappointment Male	4	
4	Kazuhiro Moriyama	Director, Senior Managing Officer, Officer in charge of Civil Construction Headquarters	17 out of 17	Reappointment Male	3	
5	Akihiro Toyota	Director, Managing Officer, Officer in charge of Osaka Main Office, Deputy Officer in charge of Building Construction Headquarters	17 out of 17	Reappointment Male	2	
6	Masahiro Fujisawa	Director, Managing Officer, Officer in charge of Tokyo Main Office, Deputy Officer in charge of Building Construction Headquarters	17 out of 17	Reappointment Male	2	
7	Masafumi Fukuda	Director	17 out of 17	Reappointment Outside Director Independent Male	5	◎
8	Miwako Funamoto	Director	17 out of 17	Reappointment Outside Director Independent Female	3	○
9	Takuya Morikawa	Director	17 out of 17	Reappointment Outside Director Independent Male	2	○

Note: "◎" indicates the Chairperson of the Nomination and Compensation Committee.



Areas where each Director is expected to have expertise (skills matrix)

Name	Corporate Management, Management Strategy	Finance, Accounting, Capital Policy	Legal Affairs, Compliance, Risk Management	Personnel Affairs, Human Resources	Building Construction Business	Civil Construction Business	Overseas Operations	Technology, IT
Makoto Asanuma	●		●	●	●	●		●
Morio Yamakoshi	●	●	●	●			●	●
Yukihiro Ueshiba					●			●
Kazuhiro Moriyama						●		●
Akihiro Toyota					●			
Masahiro Fujisawa					●			
Masafumi Fukuda					●	●		●
Miwako Funamoto			●					
Takuya Morikawa	●						●	

Note: When determining the composition of the Board of Directors, the Company appropriately combines the skills, etc. of Directors according to the management environment, business characteristics, and other factors. The skills matrix above presents a summary of the knowledge, experience, capabilities, and other characteristics of Directors, based on each Director's identification of the skills, etc. that they should possess, taking into consideration the Company's business strategies.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	[Reappointment] [Male] Makoto Asanuma (April 18, 1972)	<p>April 1996      Joined the Company</p> <p>June 2009      Assistant General Manager in charge of President's Office, General Manager, General Affairs Division</p> <p>April 2015      Executive Officer, Officer in charge of Renovation Division, General Manager, Renovation Marketing &amp; Sales Division, Tokyo Main Office</p> <p>April 2016      Executive Officer, General Manager, Marketing &amp; Sales Promotion Office, Building Construction Headquarters, in charge of Renovation and Real Estate</p> <p>April 2018      Executive Vice President, Officer in charge of Building Construction Headquarters</p> <p>June 2018      Representative President, C.E.O.</p> <p>October 2018    Chairman of the Board, Asanuma Construction Ltd., International</p> <p>April 2022      Representative Director and Chairman, ASANUMA TATEMONO K.K. (to present)</p> <p>[Significant concurrent positions]  <ul style="list-style-type: none"> <li>• Representative Director and Chairman, ASANUMA TATEMONO K.K.</li> <li>• Chairman of the Board, Asanuma Construction Ltd., International</li> </ul> </p>	139,851
<p>[Reason for nomination as candidate for Director]  Mr. Asanuma has been nominated as a candidate for Director for his background as set forth above and with his extensive experience in corporate management acquired through his years as Representative Director of the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	[Reappointment] [Male] Morio Yamakoshi (September 3, 1955)	<p>June 2002      Joined Sumitomo Mitsui Banking Corporation General Manager, Shinjuku Corporate Banking Dept. II</p> <p>June 2003      Senior Manager, Tokyo Head Office</p> <p>April 2004      General Manager, Nagoya Corporate Banking Dept. II</p> <p>April 2006      Senior Manager, Internal Audit Dept.</p> <p>June 2007      Joined the Company Executive Officer, in charge of Building Construction Marketing &amp; Sales, Tokyo Main Office</p> <p>April 2012      Managing Officer, Deputy General Officer in charge of Business Headquarters</p> <p>June 2012      Director, Managing Officer, Deputy Officer in charge of Business Headquarters</p> <p>January 2013    Director, Managing Officer, Officer in charge of President's Office</p> <p>April 2015      Director, Managing Officer, Officer in charge of President's Office and Overseas Operations</p> <p>April 2017      Director, Senior Managing Officer, Officer in charge of President's Office and Overseas Operations</p> <p>June 2018      Representative Director, Senior Managing Officer, Officer in charge of President's Office and Overseas Operations</p> <p>October 2018    Director, SINGAPORE PAINTS &amp; CONTRACTOR PTE. LTD.</p> <p>January 2022    Director, EVERGREEN ENGINEERING &amp; CONSTRUCTION PTE. LTD. (to present)</p> <p>[Significant concurrent positions]  <ul style="list-style-type: none"> <li>• Director, SINGAPORE PAINTS &amp; CONTRACTOR PTE. LTD.</li> <li>• Director, EVERGREEN ENGINEERING &amp; CONSTRUCTION PTE. LTD.</li> </ul> </p>	3,957
<p>[Reason for nomination as candidate for Director]  Mr. Yamakoshi has been nominated as a candidate for Director for his background as set forth above and with recognition to his management experience and insight, acquired through his career in a financial institution, along with the fact that he has extensive knowledge in overall operations, mainly within the Company's Main Office and its Overseas Operations.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
3	[Reappointment] [Male] Yukihiro Ueshiba (April 8, 1955)	April 1974 April 2013 April 2015 April 2017 April 2018 June 2018 April 2019	Joined the Company General Manager, Building Construction Department, Osaka Main Office Executive Officer, Deputy Officer in charge of Osaka Main Office (in charge of Building Construction) Managing Officer, Officer in charge of Osaka Main Office Managing Officer, Officer in charge of Osaka Main Office, Deputy Officer in charge of Building Construction Headquarters Director, Managing Officer, Officer in charge of Osaka Main Office, Deputy Officer in charge of Building Construction Headquarters Director, Senior Managing Officer, Officer in charge of Building Construction Headquarters (to present)	2,516
		[Reason for nomination as candidate for Director] Mr. Ueshiba has been nominated as a candidate for Director for his background as set forth above and because he has extensive experience in overall operations and management, mainly within the building construction business of the Company.		

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
4	[Reappointment] [Male] Kazuhiro Moriyama (June 2, 1955)	April 1974 April 2012 April 2014 April 2015 April 2016 April 2018 June 2019 April 2020	Joined the Company General Manager, Civil Engineering Division, Osaka Main Office Deputy Officer in charge of Osaka Main Office (in charge of Civil Engineering) General Manager, Civil Engineering Division, Osaka Main Office Deputy Officer in charge of Civil Construction Headquarters Executive Officer, Deputy Officer in charge of Civil Construction Headquarters Managing Officer, Officer in charge of Civil Construction Headquarters Director, Managing Officer, Officer in charge of Civil Construction Headquarters Director, Senior Managing Officer, Officer in charge of Civil Construction Headquarters (to present)	3,216
		[Reason for nomination as candidate for Director] Mr. Moriyama has been nominated as a candidate for Director for his background as set forth above and because he has extensive experience in overall operations and management, mainly within the Company's civil construction business.		

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	[Reappointment] [Male]  Akihiro Toyota (February 15, 1959)	<p>April 1981      Joined the Company</p> <p>October 2010    General Manager, Marketing &amp; Sales Division, Hiroshima Branch</p> <p>April 2013      Deputy Officer in charge of Osaka Main Office (in charge of Marketing &amp; Sales)</p> <p>November 2014   Deputy Officer in charge of Osaka Main Office (in charge of Marketing &amp; Sales), Building Construction Headquarters</p> <p>April 2015      Executive Officer, Deputy Officer in charge of Osaka Main Office (in charge of Marketing &amp; Sales), Building Construction Headquarters</p> <p>April 2019      Managing Officer, Officer in charge of Osaka Main Office, Deputy Officer in charge of Building Construction Headquarters</p> <p>June 2020      Director, Managing Officer, Officer in charge of Osaka Main Office, Deputy Officer in charge of Building Construction Headquarters (to present)</p>	1,839
<p>[Reason for nomination as candidate for Director] Mr. Toyota has been nominated as a candidate for Director for his background as set forth above and because he has extensive experience in overall operations and management, mainly within the building construction business of the Company's Osaka Main Office.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	[Reappointment] [Male]  Masahiro Fujisawa (May 15, 1959)	<p>April 1982      Joined the Company</p> <p>October 2011    General Manager, Marketing &amp; Sales Section No.3, Tokyo Main Office</p> <p>April 2012      General Manager, Marketing &amp; Sales Section No.2 and No.3, Tokyo Main Office</p> <p>April 2013      Deputy Officer in charge of Tokyo Main Office (in charge of Building Construction Marketing &amp; Sales), Building Construction Headquarters</p> <p>April 2016      Executive Officer, Deputy Officer in charge of Tokyo Main Office (in charge of Building Construction Marketing &amp; Sales), Building Construction Headquarters</p> <p>April 2018      Executive Officer, Deputy Officer in charge of Building Construction Headquarters, General Manager, Marketing &amp; Sales Promotion Office, Building Construction Headquarters</p> <p>April 2019      Managing Officer, Officer in charge of Tokyo Main Office, Deputy Officer in charge of Building Construction Headquarters, General Manager, Marketing &amp; Sales Promotion Office, Building Construction Headquarters</p> <p>June 2020      Director, Managing Officer, Officer in charge of Tokyo Main Office, Deputy Officer in charge of Building Construction Headquarters, General Manager, Marketing &amp; Sales Promotion Office, Building Construction Headquarters</p> <p>April 2021      Director, Managing Officer, Officer in charge of Tokyo Main Office, Deputy Officer in charge of Building Construction Headquarters (to present)</p>	1,439
<p>[Reason for nomination as candidate for Director] Mr. Fujisawa has been nominated as a candidate for Director for his background as set forth above and because he has extensive experience in overall operations and management, mainly within the building construction business of the Company's Tokyo Main Office.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	[Reappointment] [Outside Director] [Independent Officer] [Male]  Masafumi Fukuda (August 25, 1944)	<p>April 1971      Joined the Ministry of Construction (current Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>October 1999    Director-General, Shikoku Region Construction Bureau (current Shikoku Regional Development Bureau, Ministry of Construction)</p> <p>November 2001   Director, Water Resources Development Public Corporation (current Japan Water Agency)</p> <p>May 2008        Head Director, Shikoku Kensetsu Kosaikai Inc Association (Shikoku Create Association)</p> <p>June 2017        Advisor, Shikoku Kensetsu Kosaikai Inc Association (Shikoku Create Association)</p> <p>June 2017        Outside Director of the Company (to present)</p> <p>[Significant concurrent positions] • Advisor, Shikoku Kensetsu Kosaikai Inc Association (Shikoku Create Association)</p>	-
<p>[Reason for nomination as candidate for Outside Director and reason why the Company has determined that he is capable of properly performing duties as Outside Director] Mr. Fukuda has been nominated as a candidate for Outside Director for his background as set forth above and because the Company believes that he would be able to put forward his points of view at meetings of the Board of Directors from an independent standpoint, even though he has no experience in being involved in company management in the past except as an outside director or an outside corporate auditor.</p> <p>[Expected roles] The Company believes that Mr. Fukuda would be able to properly fulfill the roles expected of him in order to improve corporate value, since he has extensive knowledge, expertise and experience acquired from having been involved in the construction field for many years.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	[Reappointment] [Outside Director] [Independent Officer] [Female]  Miwako Funamoto (July 30, 1979)	<p>February 2014    Admitted to the bar                           Joined Risolute Law Office</p> <p>April 2015        Committee Member, Special Committee on Tax Matters, Tokyo Bar Association</p> <p>June 2019        Outside Director of the Company</p> <p>January 2020     Joined Toranomom Daiichi Law Office (to present)</p> <p>[Significant concurrent positions] • Attorney-at-law (Toranomom Daiichi Law Office)</p>	-
<p>[Reason for nomination as candidate for Outside Director and reason why the Company has determined that she is capable of properly performing duties as Outside Director] Ms. Funamoto has been nominated as a candidate for Outside Director for her background as set forth above and because the Company believes that she would be able to put forward her points of view at meetings of the Board of Directors from an independent standpoint, even though she has no experience in being involved in company management in the past except as an outside director or an outside corporate auditor.</p> <p>[Expected roles] The Company believes that Ms. Funamoto would be able to properly fulfill the roles expected of her in order to improve corporate value, since she has expertise as an attorney-at-law and extensive experience in corporate legal affairs.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	[Reappointment] [Outside Director] [Independent Officer] [Male]  Takuya Morikawa (October 7, 1959)	<p>April 1982      Joined KOKUYO Co., Ltd. June 2005      Director of the Board, KOKUYO Co., Ltd.                      Representative Director and President, KOKUYO S&amp;T Co., Ltd.</p> <p>April 2015      Group Senior Executive Officer, KOKUYO Co., Ltd. January 2019    Executive Vice President, Special Officer June 2020      Outside Director of the Company April 2021      Representative Director and President, Wakiprintpia Co., Ltd. April 2021      Advisor, NETSQUARE CO., Ltd. (to present)</p> <p>[Significant concurrent positions] • Representative Director and President, Wakiprintpia Co., Ltd. • Advisor, NETSQUARE CO., Ltd. • Outside Director, ITOCHU ENEX CO., LTD. (scheduled to assume office in June 2022)</p>	-
<p>[Reason for nomination as candidate for Outside Director] Mr. Morikawa has background as set forth above and has worked for one of the customers of the Company (KOKUYO Co., Ltd.). However, the transaction value between the two companies is insignificant since the transaction value during the most recent business year is less than 1% of consolidated net sales of both companies. Accordingly, Mr. Morikawa has been nominated as a candidate for Outside Director because the Company believes that he would be able to put forward his points of view at meetings of the Board of Directors from an independent standpoint.</p> <p>[Expected roles] The Company believes that Mr. Morikawa would be able to properly fulfill the roles expected of him in order to improve corporate value, since he has extensive knowledge, expertise and experience acquired from having been involved in the management of major domestic stationery and furniture makers for many years.</p>			

**[Notes on the candidates for Directors]**

- Special interests between the candidates and the Company  
There are no special interests between each of the candidates and the Company.
- Items related to candidates for Outside Directors  
Of the candidates for Directors, Mr. Masafumi Fukuda, Ms. Miwako Funamoto, and Mr. Takuya Morikawa are candidates for Outside Directors. The Company has designated them as Independent Officers and has notified the Tokyo Stock Exchange as such. Mr. Fukuda, Ms. Funamoto, and Mr. Morikawa will have served as Outside Director of the Company for five years, three years, and two years, respectively at the conclusion of this year's Annual General Meeting of Shareholders.
- A summary of the limitation of liability agreement between the Company and candidates for Outside Directors  
The Company has concluded limitation of liability agreements with candidates for Outside Directors to limit their liability to the amount stipulated by laws and regulations so that they may fully perform their duties as Outside Directors. The Company plans to continue the agreements if the candidates are elected as Outside Directors.
- A summary of the indemnity agreement between the Company and candidates for Directors  
The Company has concluded an agreement with each of the candidates for Directors to stipulate that the Company indemnifies each of them for the costs stipulated in Article 430-2, Paragraph 1, Item (i) of the Companies Act and the losses stipulated in Item (ii) of the same Paragraph to the extent stipulated by laws and regulations. If Proposal 3 is approved as originally proposed, the agreement will continue to be in effect with each of the candidates for Directors.
- A summary of the directors and officers liability insurance contract that insures candidates for Directors  
The Company has concluded a directors and officers liability insurance contract with an insurance company to insure Directors. The insurance covers any damages that are to be borne by the insured in the event of claims made against them during the insurance period for actions taken (or inaction) in the course of their duties at the Company.  
If the candidates for Directors are elected and assume the office of Director, each of them will be insured under the insurance contract. In addition, the period of this insurance contract is one (1) year, and the Company intends to renew the insurance contract with the same content, subject to a resolution by the Board of Directors prior to the expiration of the contract period.

**Proposal 4:** Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Takashi Ishijima will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed. The Audit & Supervisory Board has previously given its approval to this Proposal. If this Proposal is approved as originally proposed, three out of four (i.e., the majority of) Audit & Supervisory Board Members of the Company will be Independent Outside Audit & Supervisory Board Members.

In order to ensure the transparency and fairness of the decision-making process, the Proposal has been determined by resolution of the Board of Directors following deliberations by the Nomination and Compensation Committee, which is composed of a majority of Independent Outside Directors and chaired by the Lead Independent Outside Director.

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
[New Appointment] [Outside Audit & Supervisory Board Member] [Independent Officer] [Male]  Hiroshi Daikuya (July 15, 1968)	April 1991      Joined Arthur Andersen LLP March 1994      Registered as a certified public accountant July 2001      Co-founded Atstream Consulting Corporation (current Atstream Corporation) as Director and Partner July 2013      President, Atstream Corporation June 2016      Outside Director, DAIKEN MEDICAL CO., LTD. July 2018      Co-founded Atstream Partners LLC as Representative Partner (to present)  [Significant concurrent positions] • President, Atstream Corporation • Outside Director, DAIKEN MEDICAL CO., LTD.	-
[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Daikuya has been nominated as a candidate for Outside Audit & Supervisory Board Member for his background as set forth above, expertise as a certified public accountant and extensive knowledge and experience in corporate management, and because the Company believes that he would be able to properly audit the duties of Directors.		

- Notes:
1. There are no special interests between the Company and Mr. Daikuya.
  2. Mr. Daikuya is a candidate for Outside Audit & Supervisory Board Member. The Company has designated him as an Independent Officer and has notified the Tokyo Stock Exchange as such.
  3. If Mr. Daikuya is elected and assumes the office of Outside Audit & Supervisory Board Member, the Company plans to conclude a limitation of liability agreement with him to limit his liability to the amount stipulated by laws and regulations so that he may fully perform his duties as Outside Audit & Supervisory Board Member.
  4. If Mr. Daikuya is elected and assume the office of Outside Audit & Supervisory Board Member, the Company plans to conclude an agreement with him to stipulate that the Company indemnifies him for the costs stipulated in Article 430-2, Paragraph 1, Item (i) of the Companies Act and the losses stipulated in Item (ii) of the same Paragraph to the extent stipulated by laws and regulations.
  5. The Company has concluded a directors and officers liability insurance contract with an insurance company to insure Audit & Supervisory Board Members. The insurance covers any damages that are to be borne by the insured in the event of claims made against them during the insurance period for actions taken (or inaction) in the course of their duties at the Company.  
 If Mr. Daikuya is elected and assume the office of Audit & Supervisory Board Member, he will be insured under the insurance contract. In addition, the period of this insurance contract is one (1) year, and the Company intends to renew the insurance contract with the same content, subject to a resolution by the Board of Directors prior to the expiration of the contract period.

(Reference)

If this Proposal is approved as originally proposed, the composition of the Audit & Supervisory Board will be as follows:

Name	Positions at the Company	Attendance at Board of Directors' meeting	Attendance at Audit & Supervisory Board meetings	Attributes	Years served as Audit & Supervisory Board Member
Yuichi Sasaki	Full-time Audit & Supervisory Board Member	17 out of 17	14 out of 14	Reappointment Male	3
Yoshiaki Nakagawa	Audit & Supervisory Board Member	17 out of 17	14 out of 14	Reappointment Outside Audit & Supervisory Board Member Independent Officer Male	2
Tomoko Kimura	Audit & Supervisory Board Member	13 out of 13	10 out of 10	Reappointment Outside Audit & Supervisory Board Member Independent Officer Female	1
Hiroshi Daikuya	-	-	-	New appointment Outside Audit & Supervisory Board Member Independent Officer Male	-



Areas where each Audit & Supervisory Board Member is expected to have expertise (skills matrix)

Name	Corporate Management, Management Strategy	Finance, Accounting, Capital Policy	Legal Affairs, Compliance, Risk Management	Personnel Affairs, Human Resources	Building Construction Business	Civil Construction Business	Overseas Operations	Technology, IT
Yuichi Sasaki			●					●
Yoshiaki Nakagawa	●	●		●			●	
Tomoko Kimura			●					
Hiroshi Daikuya	●	●						

Note: When determining the composition of the Audit & Supervisory Board, the Company appropriately combines the skills, etc. of Audit & Supervisory Board Members according to the management environment, business characteristics, and other factors. The skills matrix above presents a summary of the knowledge, experience, capabilities, and other characteristics of Audit & Supervisory Board Members, based on each Audit & Supervisory Board Member's identification of the skills, etc. that they should possess, taking into consideration the Company's business strategies.

**Proposal 5:** Election of One (1) Substitute Audit & Supervisory Board Member

In order to prepare for cases where a vacancy results in a shortfall in the number of Audit & Supervisory Board Members prescribed by laws and regulations, the election of one (1) Substitute Outside Audit & Supervisory Board Member is proposed. The Audit & Supervisory Board has previously given its approval to this Proposal.

In order to ensure the transparency and fairness of the decision-making process, the Proposal has been determined by resolution of the Board of Directors following deliberations by the Nomination and Compensation Committee, which is composed of a majority of Independent Outside Directors and chaired by the Lead Independent Outside Director.

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
[Outside Audit & Supervisory Board Member] [Independent Officer] [Male]  Ryutaro Takehayashi (December 10, 1964)	April 1997 Admitted to the bar Joined TAKEBAYASHI / HATA / NAKAGAWA / FUKUSHIMA LAW OFFICE October 2004 Lecturer, Law School of Kyoto Sangyo University April 2008 Lecturer, Graduate School of Law, Kyoto University June 2014 Substitute Audit & Supervisory Board Member of the Company April 2018 Visiting Professor, Graduate School of Law, Kyoto University June 2021 Outside Director who is a Substitute Audit and Supervisory Committee Member, Shikibo Ltd. (to present) [Significant concurrent positions] • Attorney-at-law (TAKEBAYASHI / HATA / NAKAGAWA / FUKUSHIMA LAW OFFICE) • Outside Director who is a Substitute Audit and Supervisory Committee Member, Shikibo Ltd.	-

[Reason for nomination as candidate for Outside Audit & Supervisory Board Member and reason why the Company has determined that he is capable of properly performing duties as Outside Audit & Supervisory Board Member]  
 Mr. Takehayashi has been nominated as a candidate for Outside Audit & Supervisory Board Member for his background as set forth above, expertise as an attorney-at-law and extensive knowledge and experience in corporate legal affairs, and because the Company believes that if he assumes the office of Audit & Supervisory Board Member, he would be able to properly audit the duties of Directors, even though he has no experience in being directly involved in company management in the past.

- Notes:
- There are no special interests between the Company and Mr. Takehayashi.
  - Mr. Takehayashi is a candidate for Substitute Outside Audit & Supervisory Board Member. If he assumes the office of Outside Audit & Supervisory Board Member, the Company plans to designate him as an Independent Officer and notify the Tokyo Stock Exchange as such.
  - If Mr. Takehayashi assumes the office of Outside Audit & Supervisory Board Member, the Company plans to conclude a limitation of liability agreement with him to limit his liability to the amount stipulated by laws and regulations so that he may fully perform his duties as Outside Audit & Supervisory Board Member.
  - If Mr. Takehayashi assumes the office of Outside Audit & Supervisory Board Member, the Company plans to conclude an agreement with him to stipulate that the Company indemnifies him for the costs stipulated in Article 430-2, Paragraph 1, Item (i) of the Companies Act and the losses stipulated in Item (ii) of the same Paragraph to the extent stipulated by laws and regulations.
  - The Company has concluded a directors and officers liability insurance contract with an insurance company to insure Audit & Supervisory Board Members. The insurance covers any damages that are to be borne by the insured in the event of claims made against them during the insurance period for actions taken (or inaction) in the course of their duties at the Company.  
 If Mr. Takehayashi assumes the office of Outside Audit & Supervisory Board Member, he will be insured under the insurance contract. In addition, the period of this insurance contract is one (1) year, and the Company intends to renew the insurance contract with the same content, subject to a resolution by the Board of Directors prior to the expiration of the contract period.

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# Consolidated Financial Statements

## Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of Yen)

Description	Amount	Description	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>73,500</b>	<b>Current liabilities</b>	<b>34,647</b>
Cash and deposits	13,193	Accounts payable for construction contracts	17,174
Notes receivable, accounts receivable from completed construction contracts and other	54,833	Short-term borrowings	2,506
Costs on construction contracts in progress	2,202	Accounts payable - other	786
Other inventories	77	Income taxes payable	1,401
Accounts receivable - other	2,660	Advances received on construction contracts in progress	4,404
Other	560	Suspense receipt of consumption taxes	5,613
Allowance for doubtful accounts	(27)	Provision for warranties for completed construction	535
		Provision for loss on construction contracts	98
		Other	2,126
<b>Non-current assets</b>	<b>16,631</b>	<b>Non-current liabilities</b>	<b>12,811</b>
<b>Property, plant and equipment</b>	<b>5,653</b>	Bonds payable	1,640
Buildings and structures	3,387	Long-term borrowings	6,532
Land	1,608	Deferred tax liabilities	5
Other	657	Retirement benefit liability	4,442
<b>Intangible assets</b>	<b>3,009</b>	Other	191
Software	699	<b>Total liabilities</b>	<b>47,458</b>
Software in progress	338	<b>NET ASSETS</b>	
Goodwill	1,869	<b>Shareholders' equity</b>	<b>41,415</b>
Other	101	<b>Share capital</b>	<b>9,614</b>
<b>Investments and other assets</b>	<b>7,968</b>	<b>Capital surplus</b>	<b>2,178</b>
Investment securities	4,610	<b>Retained earnings</b>	<b>29,648</b>
Retirement benefit asset	1,277	<b>Treasury shares</b>	<b>(27)</b>
Deferred tax assets	1,001	<b>Accumulated other comprehensive income</b>	<b>784</b>
Other	1,633	<b>Valuation difference on available-for-sale securities</b>	<b>996</b>
Allowance for doubtful accounts	(553)	<b>Foreign currency translation adjustment</b>	<b>(24)</b>
		<b>Remeasurements of defined benefit plans</b>	<b>(187)</b>
		<b>Non-controlling interests</b>	<b>473</b>
		<b>Total net assets</b>	<b>42,673</b>
<b>Total assets</b>	<b>90,132</b>	<b>Total liabilities and net assets</b>	<b>90,132</b>

## Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of Yen)

Description	Amount	
<b>Net sales</b>		
Net sales of completed construction contracts	134,407	
Sales in other businesses	1,070	135,478
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	121,271	
Cost of sales in other businesses	762	122,033
<b>Gross profit</b>		
Gross profit on completed construction contracts	13,136	
Gross profit - other business	308	<b>13,444</b>
<b>Selling, general and administrative expenses</b>		8,609
<b>Operating profit</b>		<b>4,835</b>
<b>Non-operating income</b>		
Interest and dividend income	115	
Foreign exchange gains	130	
Share of profit of entities accounted for using equity method	1	
Subsidy income	44	
Other	42	335
<b>Non-operating expenses</b>		
Interest expenses	104	
Guarantee commission	46	
Commission expenses	106	
Other	8	265
<b>Ordinary profit</b>		<b>4,904</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	0	
Gain on sale of investment securities	540	
Gain on withdrawal of membership	0	
Other	0	541
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	2	
Loss on retirement of non-current assets	13	15
<b>Profit before income taxes</b>		<b>5,431</b>
Income taxes-current	1,239	
Income taxes-deferred	421	1,660
<b>Profit</b>		<b>3,770</b>
Profit attributable to non-controlling interests		21
<b>Profit attributable to owners of parent</b>		<b>3,748</b>

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheet

(As of March 31, 2022)

(Millions of Yen)

Description	Amount	Description	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>66,610</b>	<b>Current liabilities</b>	<b>32,167</b>
Cash and deposits	11,513	Accounts payable for construction contracts	15,933
Notes receivable - trade	1,676	Short-term borrowings	2,160
Electronically recorded monetary claims - operating	920	Accounts payable - other	686
Accounts receivable from completed construction contracts	47,054	Accrued expenses	366
Real estate for sale	36	Income taxes payable	1,289
Costs on construction contracts in progress	2,202	Advances received on construction contracts in progress	4,008
Raw materials and supplies	40	Deposits received	1,619
Accounts receivable - other	2,646	Suspense receipt of consumption taxes	5,467
Other	541	Provision for warranties for completed construction	535
Allowance for doubtful accounts	(21)	Provision for loss on construction contracts	98
		Other	1
<b>Non-current assets</b>	<b>18,348</b>	<b>Non-current liabilities</b>	<b>10,490</b>
<b>Property, plant and equipment</b>	<b>5,479</b>	Bonds payable	1,640
Buildings and structures	3,387	Long-term borrowings	4,300
Machinery, equipment and vehicles	29	Provision for retirement benefits	4,394
Tools and furniture	442	Other	156
Land	1,608	<b>Total liabilities</b>	<b>42,658</b>
Leased assets	11	<b>NET ASSETS</b>	
<b>Intangible assets</b>	<b>1,139</b>	<b>Shareholders' equity</b>	<b>41,304</b>
Software	699	<b>Share capital</b>	<b>9,614</b>
Software in progress	338	<b>Capital surplus</b>	<b>2,178</b>
Other	101	Legal capital surplus	2,165
<b>Investments and other assets</b>	<b>11,729</b>	Other capital surplus	13
Investment securities	4,464	<b>Retained earnings</b>	<b>29,537</b>
Shares of subsidiaries and associates	3,643	Legal retained earnings	568
Long-term loans receivable	135	Other retained earnings	28,969
Long-term non-operating accounts receivable	993	Reserve for tax purpose reduction entry of non-current assets	284
Long-term prepaid expenses	8	Retained earnings brought forward	28,684
Prepaid pension costs	1,498	<b>Treasury shares</b>	<b>(27)</b>
Membership and admission charge	130	<b>Valuation and translation adjustments</b>	<b>996</b>
Deferred tax assets	917	<b>Valuation difference on available-for-sale securities</b>	<b>996</b>
Other	492	<b>Total net assets</b>	<b>42,300</b>
Allowance for doubtful accounts	(553)	<b>Total liabilities and net assets</b>	<b>84,959</b>
<b>Total assets</b>	<b>84,959</b>		

## Non-consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of Yen)

Description	Amount	
<b>Net sales</b>		
Net sales of completed construction contracts	132,071	
Sales in other businesses	405	132,476
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	119,173	
Cost of sales in other businesses	267	119,441
<b>Gross profit</b>		
Gross profit on completed construction contracts	12,898	
Gross profit - other business	137	<b>13,035</b>
<b>Selling, general and administrative expenses</b>		8,080
<b>Operating profit</b>		<b>4,954</b>
<b>Non-operating income</b>		
Interest and dividend income	136	
Foreign exchange gains	130	
Outsourcing service income	14	
Other	41	322
<b>Non-operating expenses</b>		
Interest expenses	86	
Guarantee commission	46	
Commission expenses	106	
Other	5	245
<b>Ordinary profit</b>		<b>5,031</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	0	
Gain on sale of investment securities	540	
Gain on withdrawal of membership	0	
Other	0	541
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	13	13
<b>Profit before income taxes</b>		<b>5,560</b>
Income taxes-current	1,210	
Income taxes-deferred	421	1,631
<b>Profit</b>		<b>3,928</b>