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(Stock Exchange Code 1852)  
June 5, 2024

**To Shareholders with Voting Rights:**

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

## **NOTICE OF CONVOCAION OF THE 89TH 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 89th Annual General Meeting of Shareholders of Asanuma Corporation (the “Company”) will be held as described below.

Instead of attending the meeting in person, you can exercise your voting rights in advance via the Internet, etc. or in writing. Please review the attached Reference Documents for the General Meeting of Shareholders below (refer to “4. Matters Concerning the Measures for Electronic Provision”), and in accordance with the Instructions for the Exercise of Voting Rights, exercise your voting rights by 5:15 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:** Snowberry Banquet Room, 21st 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 89th Fiscal Year (April 1, 2023 - March 31, 2024) 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 89th Fiscal Year (April 1, 2023 - March 31, 2024)

**Proposals to be resolved:**

- |                    |  |
|--------------------|--|
| <b>Proposal 1:</b> | Appropriation of Surplus                             |
| <b>Proposal 2:</b> | Partial Amendments to the Articles of Incorporation  |
| <b>Proposal 3:</b> | Election of Eight (8) Directors                      |
| <b>Proposal 4:</b> | Election of One (1) Audit & Supervisory Board Member |

#### **4. Matters Concerning the Measures for Electronic Provision**

- (1) The Company has commenced measures for electronic provision, in regard to information that is the contents of the Reference Documents for General Meeting of Shareholders, etc. (matters subject to measures for electronic provision).

In regard to the Voting Rights Exercise Form, this document will not be matters subject to measures for electronic provision, and will be enclosed with this Notice of Convocation.

- (2) In regard to the matters subject to measures for electronic provision, this information is listed in the following websites on the Internet. Please check either of the listed websites.

The Company's website URL:

<https://www.asanuma.co.jp/ir/sokai.html> (in Japanese)

The website URL for informational materials for the General Meeting of Shareholders:

<https://d.sokai.jp/1852/teiji/> (in Japanese)

The above information is also listed on the TSE website (Listed Company Search). You can also browse this information on the TSE website. On the TSE website, please search for the information in the following order: Using the Quick search function, type in Asanuma or the stock exchange code 1852 and click Search → "Basic information" → "Documents for public inspection/PR information" → "Click here for access" of "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting."

TSE website URL:

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

- (3) Notwithstanding the above (1) and (2), for shareholders who did not request the provision of physical documents, among the matters subject to measures for electronic provision, the Company will send in written format the Reference Documents for the General Meeting of Shareholders.

#### **5. Other Matters for Determination in the Convocation of the Annual General Meeting of Shareholders**

- (1) If a voting right is exercised multiple times via the Internet, etc., we will consider the last vote to be the valid vote.
- (2) If a voting right is exercised both via the Internet, etc. and in writing, we will consider the Internet vote to be the valid vote.
- (3) In regard to a voting right that is exercised in writing, if there is no indication of a vote for or against each proposal, we will consider this to be an indication of approval.

- In regard to the matters subject to measures for electronic provision, if there are any matters for amendment, the gist of such matters will be listed in the above 4.-(2) website, as the matters before the amendment and matters after the amendment.

## Instructions for the Exercise of Voting Rights

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

**Deadline: 5:15 p.m. on Wednesday, June 26, 2024**

For the Exercise of Voting Rights, please access “**General Meeting of Shareholders Portal®**” or “**voting website**” and **enter your vote for or against the proposals by the deadline** by following the instructions on the screen.

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

- **Exercise of voting rights in writing**

**Deadline: 5:15 p.m. on Wednesday, June 26, 2024 (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 by attending the meeting**

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

Please **submit** the enclosed Voting Rights Exercise Form **at the reception desk.**

- Although only shareholders are allowed to enter the venue, a caregiver or interpreter (including sign language interpreter) can be present with a shareholder. If you have a particular requirement, please notify the reception desk on the day. However, the attendance of a caregiver or interpreter is limited to the number of persons required (one person in principle).
- In light of the number of seats available being limited, we encourage you to exercise your voting rights in advance via the Internet, etc. or in writing.

# 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, 2024 a year-end dividend of ¥203 per share.

1. Type of dividend property  
Cash
2. Allotment of dividend property and their aggregate amount  
¥203 per common share of the Company  
Aggregate amount of dividends will be ¥3,275,805,316.
3. Effective date of dividends of surplus  
June 28, 2024

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

1 Reasons for the proposal

Due to the expansion of the business areas of the Company's subsidiaries, the Company proposes to newly establish the provision related to nondestructive testing business (Article 2, Item 16 of the proposed amendments) as a business goal, and to move down other items in Article 2 following the new established provision.

In order to enhance opportunities for the return of profits to shareholders, in addition to the current annual year-end dividends, the Company proposes to introduce an interim dividend system. Therefore, the provision related to interim dividends (Article 31, Paragraph 2 of the proposed amendments) shall be newly established, and the necessary amendments for the provision related to the dividend exclusion period (Article 33 of the current Article of Incorporation) shall be implemented.

2 Contents of the amendments

The contents of the amendments are as follows:

Current Articles of Incorporation	(Underlining indicates amended sections.) Proposed amendments
<p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses: 1.-15. (Omitted) (Newly established)  16. • 17. (Omitted)</p>	<p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses: 1.-15. (Unchanged) 16. <u>Nondestructive testing business with Radiographic Testing, etc.</u> 17. • 18. (Unchanged)</p>
<p>(Dividends of Surplus) Article 31 In accordance with resolutions of the General Meeting of Shareholders, the Company is able to pay year-end dividends to shareholders or registered pedigrees of shares recorded in the register of shareholders as of the last day of each fiscal year.  (Newly established)</p>	<p>(Dividends of Surplus) Article 31 (1) In accordance with resolutions of the General Meeting of Shareholders, the Company is able to pay year-end dividends to shareholders or registered pedigrees of shares recorded in the register of shareholders as of the last day of each fiscal year. (2) <u>In addition to the preceding paragraph, in accordance with resolutions of the Board of Directors, the Company is able to pay interim dividends to shareholders or registered pedigrees of shares recorded in the register of shareholders as of September 30 of every year.</u></p>
<p>Article 32(Omitted)</p>	<p>Article 32(Unchanged)</p>
<p>(Dividend Exclusion Period) Article 33 If year-end dividend payments are not received after three (3) full years from the starting date of dividend payments, the Company shall not be obliged to pay the dividends.</p>	<p>(Dividend Exclusion Period) Article 33 If year-end <u>and interim dividend payments</u> are not received after three (3) full years from the starting date of dividend payments, the Company shall not be obliged to pay the dividends.</p>

(Reference)

At a meeting of the Board of Directors held on May 14, 2024, the Company resolved to conduct a 5-for-1 stock split of the common stock of the Company held by shareholders recorded in the register of shareholders as of July 31, 2024, with an effective date of August 1, 2024. 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 fifty-eight million seven hundred thirteen thousand (58,713,000) shares to two hundred ninety million (290,000,000) shares effective August 1, 2024, in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act.

### **Proposal 3: Election of Eight (8) Directors**

The terms of office of all eight (8) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of eight (8) 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 (Directors other than Outside 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 five (5) Inside Directors consisting of Officer in charge of Corporate Strategy and Planning Headquarters who is responsible for corporate planning segments, Officer in charge of Building Construction Headquarters who is responsible for building construction segments, Officer in charge of Civil Construction Headquarters who is responsible for civil construction segments, Officer in charge of Corporate Administration Headquarters who is responsible for administration segments, alongside Representative President.

At this Annual General Meeting of Shareholders, the Company will propose five (5) candidates for Inside Directors.

#### ● **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 nominated one (1) candidate who has management experience at other companies.

There is one (1) female candidate for Director.

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

The Company has adopted a basic 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 11.8% of the Company's consolidated net assets at the end of March 2024.

In accordance with the Basic Sustainability Policy, 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, and makes disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). The Company presents their voluntary and measurable goals related to the promotion of women, foreign nationals, and midcareer hires to core human resources, and discloses their status in turn. Additionally, the Company has a Human Rights Policy to support international norms on human rights, and to fulfill the duty to respect human rights in business activities, the Company discloses the Human Rights Policy, the Procurement Policy, and the Partnership Building Declaration.

The Company discloses management indicators such as ROE and cost of capital in the Three-Year Medium-Term Plan and practices management with the cost of capital and stock price in mind.

The candidates for Directors are as follows:

No.	Name	Positions and Responsibilities at the Company	Attendance at Board of Directors' meetings	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	6	○
2	Akihiro Toyota	Director, Senior Managing Officer, Officer in charge of Corporate Strategy and Planning Headquarters	17 out of 17	Reappointment Male	4	
3	Masahiro Fujisawa	Director, Senior Managing Officer, Officer in charge of Building Construction Headquarters	17 out of 17	Reappointment Male	4	
4	Itaru Terai	Managing Officer, Officer in charge of Civil Construction Headquarters	-	New appointment Male	-	
5	Yoshimichi Yagi	Managing Officer, Officer in charge of Corporate Administration Headquarters	-	New appointment Male	-	
6	Miwako Funamoto	Director	17 out of 17	Reappointment Outside Director Independent Female	5	○
7	Takuya Morikawa	Director	17 out of 17	Reappointment Outside Director Independent Male	4	○
8	Seiya Kinoshita	-	-	New appointment Outside Director Independent Male	-	

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	Sustainability	Personnel Affairs, Human Resources	Building Construction Business	Civil Construction Business	Overseas Operations	Technology, IT
Makoto Asanuma	●		●	●	●	●	●		●
Akihiro Toyota	●	●		●		●		●	●
Masahiro Fujisawa						●			
Itaru Terai							●		●
Yoshimichi Yagi		●	●	●	●			●	
Miwako Funamoto			●						
Takuya Morikawa	●			●				●	
Seiya Kinoshita			●			●	●		●

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>May 2021      Director and President, 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>• Director and President, Asanuma Construction Ltd., International</li> <li>• Representative Director and Chairman, ASANUMA TATEMONO K.K.</li> </ul> </p>	285,253
[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			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	[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</p> <p>April 2024      Director, Senior Managing Officer, Officer in charge of Corporate Strategy and Planning Headquarters</p> <p>April 2024      Director, ASANUMA TATEMONO K.K. (to present)</p> <p>[Significant concurrent positions]  <ul style="list-style-type: none"> <li>• Director, ASANUMA TATEMONO K.K.</li> </ul> </p>	6,531
[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 corporate planning segments of the Company.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	[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</p> <p>March 2023     Director, Managing Officer, Officer in charge of Building Construction Headquarters</p> <p>April 2024      Director, Senior Managing Officer, Officer in charge of Building Construction Headquarters (to present)</p>	5,831
[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 segments of the Company.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	[New Appointment] [Male]  Itaru Terai (March 12, 1960)	<p>April 1982      Joined the Company</p> <p>October 2012    General Manager, Civil Marketing &amp; Sales Division, Tokyo Main Office</p> <p>April 2015      General Manager, East Japan Section, Marketing &amp; Sales Division, Civil Construction Headquarters</p> <p>April 2020      Executive Officer, Deputy Officer in charge of Civil Construction Headquarters (in charge of East Japan), Deputy Officer in charge of Safety, Quality and Environment Headquarters</p> <p>April 2024      Managing Officer, Officer in charge of Civil Construction Headquarters (to present)</p>	2,936
[Reason for nomination as candidate for Director] Mr. Terai 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 civil construction segments of the Company.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	[New Appointment] [Male]  Yoshimichi Yagi (October 25, 1960)	<p>April 1984      Joined the Company</p> <p>June 2011      General Manager, Accounting and Finance Division</p> <p>April 2018      General Manager, Accounting and Finance Division, General Manager, Corporate Communication Division</p> <p>October 2018   Director, Asanuma Construction Ltd., International</p> <p>April 2020      Executive Officer, Assistant General Manager in charge of President's Office, General Manager, Accounting and Finance Division, General Manager, Corporate Communication Division</p> <p>April 2023      Executive Officer, Assistant General Manager in charge of President's Office (Tokyo)</p> <p>April 2024      Managing Officer, Officer in charge of Corporate Administration Headquarters (to present)</p> <p>[Significant concurrent positions] Director, Asanuma Construction Ltd., International</p>	3,536
<p>[Reason for nomination as candidate for Director] Mr. Yagi 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 administration segments of the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	[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</p> <p>March 2023      Outside Auditor, Carseven Digifield Co., Ltd.</p> <p>June 2023      Outside Director, AZ-COM MARUWA Holdings Inc.</p> <p>March 2024      Outside Auditor, Trend Micro Incorporated (to present)</p> <p>[Significant concurrent positions] • Attorney-at-law (Toranomom Daiichi Law Office) • Outside Auditor, Carseven Digifield Co., Ltd. • Outside Director, AZ-COM MARUWA Holdings Inc. • Outside Auditor, Trend Micro Incorporated</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
7	<p>[Reappointment] [Outside Director] [Independent Officer] [Male]</p> <p>Takuya Morikawa (October 7, 1959)</p>	<p>April 1982      Joined KOKUYO Co., Ltd.</p> <p>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.</p> <p>January 2019    Executive Vice President, Special Officer</p> <p>June 2020      Outside Director of the Company</p> <p>April 2021      Advisor, NETSQUARE CO., Ltd.</p> <p>June 2022      Outside Director, ITOCHU ENEX CO., LTD.</p> <p>March 2024    Representative Director and President, NETSQUARE CO., Ltd. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Outside Director, ITOCHU ENEX CO., LTD.</li> <li>• Representative Director and President, NETSQUARE CO., Ltd.</li> </ul>	-
<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>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p>[New Appointment] [Outside Director] [Independent Officer] [Male]</p> <p>Seiya Kinoshita (November 19, 1953)</p>	<p>April 1978      Joined the Ministry of Construction (current Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>July 2008      Director-General, Kinki Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>November 2010   Professor, Center for Disaster Management Informatics Research, Ehime University</p> <p>April 2014      Professor, College of Industrial Technology, Nihon University</p> <p>June 2015      Director, Japan Civil engineering Consultants Association</p> <p>April 2016      Professor, College of Risk Management, Nihon University</p> <p>October 2019    Advisor, Japan Infra Waymark Corporation</p> <p>April 2024      Guest Lecturer, Tokyo City University</p> <p>April 2024      Representative Director, General Incorporated Association Infrastructure Management Research Center (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Director, Japan Civil engineering Consultants Association</li> <li>• Advisor, Japan Infra Waymark Corporation</li> <li>• Guest Lecturer, Tokyo City University</li> <li>• Representative Director, General Incorporated Association Infrastructure Management Research Center</li> </ul>	-
<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. Kinoshita 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. Kinoshita 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 and disaster management fields for many years.</p>			

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

1. Special interests between the candidates and the Company

There are no special interests between each of the candidates and the Company.

2. Items related to candidates for Outside Directors

Of the candidates for Directors, Ms. Miwako Funamoto, Mr. Takuya Morikawa, and Mr. Seiya Kinoshita are candidates for Outside Directors. The Company has designated them as Independent Officers and has notified the Tokyo Stock Exchange as such. Ms. Funamoto and Mr. Morikawa will have served as Outside Director of the Company for five years and four years, respectively at the conclusion of this year's Annual General Meeting of Shareholders. Mr. Kinoshita is a candidate for new appointment, and the Company has newly notified as Independent Officer.

3. 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 Ms. Funamoto and Mr. Morikawa 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 and assume the office of Outside Director. In addition, the Company plans to conclude the same content of the limitation of liability agreements with Mr. Kinoshita, the candidate for new appointment, if he is elected and assumes the office of Outside Director.

4. A summary of the indemnity agreement between the Company and candidates for Directors

The Company has concluded an agreement with each of Mr. Makoto Asanuma, Mr. Akihiro Toyota, Mr. Masahiro Fujisawa, Ms. Funamoto, and Mr. Morikawa 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 they are elected and assume the office of Director, the agreement will continue to be in effect with each of the persons. If Mr. Itaru Terai, Mr. Yoshimichi Yagi, and Mr. Kinoshita, candidates for new appointment, are elected and assume the office of Director, the Company plans to conclude the same content of the indemnity agreement with each of the persons.

5. 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 compensation for damages and litigation costs 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 each candidate for Director is elected and assumes 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 Yoshiaki Nakagawa will expire at the conclusion of this year's Annual General Meeting of Shareholders. Therefore, the Company proposes the election of one (1) Audit & Supervisory Board Member. The Audit & Supervisory Board has previously given its approval to this Proposal. If this Proposal is approved and adopted 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:

The candidate is as follows.

Name (Date of birth)	Past experience and positions	Number of shares of the Company held	
[Reappointment] [Outside Audit & Supervisory Board Member] [Independent Officer] [Male]  Yoshiaki Nakagawa (February 14, 1954)	April 1976	-	
	April 1990		
	January 2001		
	April 2007		
	April 2009		
	April 2011		
	April 2014		
	April 2018		
	June 2020		
	June 2021		
	June 2022		
	[Significant concurrent positions] • Special Advisor, Hardlock Industry Co., Ltd. • Auditor, K. MATSUSHITA FOUNDATION • Outside Audit & Supervisory Board Member, SOHGO SECURITY SERVICES CO., LTD.		
	[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Nakagawa has been nominated as a candidate for Outside Audit & Supervisory Board Member because the Company believes that his background as set forth above and his extensive knowledge, expertise and experience acquired from having been involved in management of major electrical equipment makers for many years would be well suited for Outside Audit & Supervisory Board Member. Mr. Nakagawa has worked for one of the customers (Panasonic Corporation and SOHGO SECURITY SERVICES CO., LTD.) of the Company. However, the transaction value between both 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, the Company has determined that Mr. Nakagawa is independent.		

- Notes:
1. There are no special interests between the Company and Mr. Nakagawa.
  2. Mr. Nakagawa 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. Mr. Nakagawa will have served as Outside Audit & Supervisory Board Member of the Company for four years at the conclusion of this year's Annual General Meeting of Shareholders.
  3. The Company has concluded limitation of liability agreements with Mr. Nakagawa 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. The Company plans to continue the agreements if he is elected and assumes the office of Outside Audit & Supervisory Board Member.
  4. The Company has concluded an agreement with Mr. Nakagawa 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. If he is elected and assumes the office of Audit & Supervisory Board Member, the agreement will continue to be in effect with him.
  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 compensation for damages and litigation costs 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. Nakagawa is elected and assumes 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' meetings	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	Incumbent Male	5
Yoshiaki Nakagawa	Audit & Supervisory Board Member	15 out of 17	13 out of 14	Reappointment Outside Audit & Supervisory Board Member Independent Officer Male	4
Tomoko Kimura	Audit & Supervisory Board Member	17 out of 17	14 out of 14	Incumbent Outside Audit & Supervisory Board Member Independent Officer Female	3
Hiroshi Daikuya	Audit & Supervisory Board Member	16 out of 17	12 out of 14	Incumbent Outside Audit & Supervisory Board Member Independent Officer Male	2

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	Sustainability	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.

End of document



# Consolidated Financial Statements

## Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of Yen)

Description	Amount	Description	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>83,229</b>	<b>Current liabilities</b>	<b>45,181</b>
Cash and deposits	13,031	Accounts payable for construction contracts	17,605
Notes receivable, accounts receivable from completed construction contracts and other	64,777	Short-term borrowings	6,460
Costs on construction contracts in progress	1,476	Current portion of long-term borrowings	4,626
Other inventories	70	Current portion of bonds payable	1,040
Accounts receivable - other	3,119	Accounts payable - other	246
Other	860	Income taxes payable	2,390
Allowance for doubtful accounts	(105)	Advances received on construction contracts in progress	4,197
		Suspense receipt of consumption taxes	4,342
		Provision for warranties for completed construction	614
		Provision for loss on construction contracts	319
		Other	3,339
<b>Non-current assets</b>	<b>18,022</b>	<b>Non-current liabilities</b>	<b>7,363</b>
<b>Property, plant and equipment</b>	<b>4,874</b>	Bonds payable	600
Buildings and structures	2,873	Long-term borrowings	2,258
Land	1,461	Deferred tax liabilities	211
Other	539	Retirement benefit liability	4,168
<b>Intangible assets</b>	<b>2,975</b>	Other	126
Software	374	<b>Total liabilities</b>	<b>52,545</b>
Software in progress	435	<b>NET ASSETS</b>	
Goodwill	974	<b>Shareholders' equity</b>	<b>44,251</b>
Customer-related intangible assets	1,141	<b>Share capital</b>	<b>9,614</b>
Other	48	<b>Capital surplus</b>	<b>2,202</b>
<b>Investments and other assets</b>	<b>10,172</b>	<b>Retained earnings</b>	<b>32,499</b>
Investment securities	6,513	<b>Treasury shares</b>	<b>(64)</b>
Retirement benefit asset	1,839	<b>Accumulated other comprehensive income</b>	<b>3,371</b>
Deferred tax assets	638	<b>Valuation difference on available-for-sale securities</b>	<b>2,398</b>
Other	1,697	<b>Foreign currency translation adjustment</b>	<b>846</b>
Allowance for doubtful accounts	(515)	<b>Remeasurements of defined benefit plans</b>	<b>126</b>
		<b>Non-controlling interests</b>	<b>1,083</b>
		<b>Total net assets</b>	<b>48,705</b>
<b>Total assets</b>	<b>101,251</b>	<b>Total liabilities and net assets</b>	<b>101,251</b>

## Consolidated Statement of Income

(April 1, 2023 - March 31, 2024)

(Millions of Yen)

Description	Amount	
<b>Net sales</b>		
Net sales of completed construction contracts	149,415	
Sales in other businesses	3,261	152,676
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	136,254	
Cost of sales in other businesses	2,273	138,527
<b>Gross profit</b>		
Gross profit on completed construction contracts	13,161	
Gross profit - other business	988	<b>14,149</b>
<b>Selling, general and administrative expenses</b>		10,091
<b>Operating profit</b>		<b>4,057</b>
<b>Non-operating income</b>		
Interest and dividend income	185	
Foreign exchange gains	207	
Share of profit of entities accounted for using equity method	3	
Subsidy income	10	
Late payment fees	75	
Other	148	631
<b>Non-operating expenses</b>		
Interest expenses	131	
Guarantee commission	38	
Commission expenses	107	
Provision of allowance for doubtful accounts	90	
Other	14	382
<b>Ordinary profit</b>		<b>4,306</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	2,819	
Other	0	2,819
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	4	
Loss on retirement of non-current assets	2	
Loss on valuation of investment securities	15	
Loss on valuation of membership	6	
Impairment losses	84	113
<b>Profit before income taxes</b>		<b>7,012</b>
Income taxes-current	2,404	
Income taxes-deferred	(399)	2,004
<b>Profit</b>		<b>5,007</b>
Profit attributable to non-controlling interests		336
<b>Profit attributable to owners of parent</b>		<b>4,670</b>