

Note: This is an unofficial translation of the Japanese original version and is provided for your reference and convenience only. Where there are any discrepancies between the Japanese original and the translated document, the original Japanese document shall prevail.

To Our Shareholders:

Stock Code: 6741

May 28, 2021

**Nippon Signal Co., Ltd.**

5-1, Marunouchi, 1-Chome,

Chiyoda-ku, Tokyo

President & CEO

Hidehiko Tsukamoto

**Notice of Convocation of the Ordinary General Meeting of  
Shareholders for the 138<sup>th</sup> Business Term**

Notice is hereby given that the Ordinary General Meeting of Shareholders for the 138<sup>th</sup> Business Term of Nippon Signal Co., Ltd. (hereinafter referred to as the 'Company') will be held as described below.

Your attendance at the meeting is cordially requested.

**1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. (Japan time)  
(Reception will start at 9:00 a.m.)

**2. Venue:** Hall of Otemachi Sankei Plaza 4<sup>th</sup> Floor, Tokyo Sankei Building  
7-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

**3. Agenda for the Meeting:**

[Matters for Reporting]

- 1 - Reports on the contents of the Business Report and Consolidated Financial Statements for the 138th Business Term (from April 1, 2020 to March 31, 2021), and reports on the Auditing Results of Accounting Auditor and Audit & Supervisory Board regarding the Consolidated Financial Statements.
- 2 - Reports on the content of the Financial Statements for the 138th Business Term (from April 1, 2020 to March 31, 2021).

[Matters for Resolution]

- 1 - Election of nine Directors
- 2 - Election of one Audit & Supervisory Board Member
- 3 - Election of Accounting Auditor

The Company will hold its General Meeting of Shareholders upon implementing appropriate precautionary measures in order to prevent the spread of the novel coronavirus infection.

This General Meeting of Shareholders will be streamed live via the Internet.

Shareholders are requested to exercise the voting rights in advance by postal mail or

via the Internet, and from the standpoint of preventing the spread of the infection, consider watching the proceedings online instead of attending the Meeting in person.

## Guide to the Exercise of Voting Rights

### Voting by postal mail:

Please indicate your approval or disapproval concerning the proposals shown on the Voting Form and send it back to us.

### Deadline for exercising voting rights:

Voting Form must be received by 5:05 p.m. on Thursday, June 24, 2021 (Japan time)

### Internet

Please input your approval or disapproval concerning each proposal via the voting website designated by the Company (<https://soukai.mizuho-tb.co.jp/>).

### Deadline for exercising voting rights:

No later than 5:05 p.m. on Thursday, June 24, 2021 (Japan time)

### Voting by “Smart Exercise”

Please input your approval or disapproval by the deadline for exercising voting rights after scanning the QR code for “Smart Exercise” on the lower right of the enclosed Voting Form using a smartphone or tablet device.

### Deadline for exercising voting rights:

No later than 5:05 p.m. on Thursday, June 24, 2021 (Japan time)

- When you exercise the voting rights through a proxy, such proxy must be only one shareholder who is entitled to attend the general meeting of shareholders. In this case, please submit a written power of attorney and the enclosed Cards for Exercise of Voting Rights to the receptionist of the Meeting.
- Any changes in the matters described in Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Financial Statements will be posted on our website (<https://www.signal.co.jp/ir/>).
- In accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation, the following items are posted on our website (<https://www.signal.co.jp/ir/library/meeting.html>) and thus they are not included in this Notice of Convocation.
  - “Basic Policy on Parties Who Control Decisions on the Company’s Financial and Business Policies” in the Business Report.
  - “Consolidated Statements of Changes in Net Assets” and “Note to Consolidated Financial Statements” in Consolidated Financial Statements
  - “Statements of Changes in Net Assets” and “Notes to Financial Statements” in Financial StatementsThe above documents disclosed on our website have been audited as part of the Business Report audited by the Audit & Supervisory Board Members, and the Consolidated Financial Statements and the Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor.

### No.1 – Election of nine Directors

The terms of all nine Directors will expire at the end of this General Meeting of Shareholders. Accordingly, the Company requests the election of nine Directors.

The candidates for the Directors are as follows.

In addition, in selecting candidates for the Directors, the Company receives a recommendation by the “Appointment and Remuneration Committee,” a majority of the members of which are Independent Outside Directors, in order to enhance the objectivity and transparency in the decision-making process.

No.		Name	Current status	Primary responsibilities	Attendance at the Board of Directors' Meetings
1	Reappointment	Yohei Furuhata	Director and Chairman	Overall management	14 / 14 meetings
2	Reappointment	Hidehiko Tsukamoto	President and Chief Executive Officer and Chief Operating Officer	Overall management	14 / 14 meetings
3	Reappointment	Takeshi Fujiwara	Director Deputy Chief Executive Officer	In charge of domestic and overseas businesses Branch offices	14 / 14 meetings
4	Reappointment	Hideo Oshima	Director Managing Executive Officer	Overseas business In charge of international projects	14 / 14 meetings
5	Reappointment	Masahiro Kubo	Director Managing Executive Officer	In charge of business administration	10 / 10 meetings (After his appointment on June 23, 2020)
6	New Appointment	Masayoshi Sakai	Managing Executive Officer	Kuki Plant In charge of technology, research and development	-
7	Reappointment Outside Independent	Yasuko Matsumoto	Outside Director	-	14 / 14 meetings
8	Reappointment Outside Independent	Yuriko Inoue	Outside Director	-	14 / 14 meetings
9	New Appointment Outside Independent	Yoshiyuki Murata	-	-	-

\* The Company's “Criteria for the Independence of Outside Officers” is described on pages 20 and 21.

\* The Company has entered into a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers damages to be borne by the insured parties that arise from the insured parties as individuals being subject to a claim for damages such as derivative lawsuits and third-party lawsuits. The candidates will be included as insured parties under the insurance agreement. The Company intends to renew the agreement with the above contents at the time of renewal in July 2021.

## **Competence (knowledge, experience, and capabilities) required of candidates for Director**

The Group aims to continue being a provider that supports evolution of infrastructure with safe and trustworthy solutions. In order to lead sustainable business growth, the Company selects as candidates for Director those who possess strong acumen and experience as a corporate manager, deep insight into technological development surrounding the Company, capabilities to drive the expansion of business domains conducted on a global scale, and expert knowledge that contributes to corporate governance.

[Candidates for Director selected from within the Company]

The Company selects those who possess strong acumen for overall management, with knowledge regarding the business environment surrounding the Company and its industries, understanding of the Company's strengths and issues through manufacturing, technological research and development, marketing, and sales activities, and experience in management administration such as accounting, legal affairs, and risk management.

[Candidates for Outside Director]

The Company selects those who can provide advice on management strategies and perform an effective supervisory function on management by drawing on advanced and specialized knowledge and experience in fields other than the Group's business domains, while appropriately ensuring well-rounded diversity.

In order to enhance transparency of management, the Company selects those who meet the requirements for Independent Officers as stipulated by the Tokyo Stock Exchange, Inc. as candidates for Outside Director. In addition, the Company selects candidates for Director so that at least one-third of the candidates are candidates for Outside Director.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
1	<p>Reappointment</p> <p>Yohei Furuhata (May 28, 1949) Age: 72</p> <p>Years in office as Director: 17 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 14 / 14 (100%)</p>	<p>April 1974      Joined the Company</p> <p>April 1997      General Manager of Automatic Fare Collection Sales Dept. of Sales and Marketing Head Office</p> <p>June 2000      Executive Officer</p> <p>June 2004      Director Managing Executive Officer</p> <p>June 2006      Deputy Chief Executive Officer</p> <p>June 2008      Representative Director President &amp; Chief Operating Officer</p> <p>June 2012      Chief Executive Officer</p> <p>June 2016      Chairman</p> <p>May 2017      Outside Auditor of Matsuya Co., Ltd. (to present)</p> <p>June 2020      Director and Chairman of the Company (to present)</p> <p>[Significant concurrent positions] Outside Auditor of Matsuya Co., Ltd.</p> <p>[Reason for nomination as a candidate for Director] Yohei Furuhata possesses a wealth of experience and achievements as a manager. We have determined that he is qualified to play an important role in realizing the Company's group management promotion and aiming at the sustained enhancement of corporate value, considering his deep insight gained through his connection to other global companies and organizations. Therefore, we have nominated him as a candidate to continue as a Director.</p>	103,800

There are no special interests between the Company and Yohei Furuhata.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
2	<p>Reappointment</p> <p>Hidehiko Tsukamoto (September 15, 1958) Age:62</p> <p>Years in office as Director: 9 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 14 / 14 (100%)</p>	<p>April 1982 May 2005</p> <p>Joined the Company General Manager of Automatic Fare Collection Sales Dept. of Automatic Fare Collection Systems Division</p> <p>June 2006 June 2010</p> <p>Executive Officer Director Managing Executive Officer</p> <p>June 2014</p> <p>Deputy Chief Executive Officer</p> <p>April 2015</p> <p>Representative Director Executive Vice President &amp; Chief Operating Officer</p> <p>June 2016 June 2020 April 2021</p> <p>President (to present) Chief Executive Officer Chief Executive Officer (to present)</p> <p>[Significant concurrent positions] None</p> <p>[Reason for nomination as a candidate for Director] Hidehiko Tsukamoto, as the Company's Representative Director, possesses a wealth of experience and achievements in leading the business management of the Company. We have determined that he is qualified to play an important role as the Company pursues business structural reforms to adapt to rapid changes in the business environment such as globalization and technical innovations since he is also well-versed in technical development and has contributed to creating new businesses and expanding business areas. Therefore, we have nominated him as a candidate to continue as a Director.</p>	75,500

There are no special interests between the Company and Hidehiko Tsukamoto.

No.	Name (Date of birth)	Biography, status, and responsibilities		Number of the Company's shares held
3	<p data-bbox="325 600 475 622">Reappointment</p> <p data-bbox="309 674 491 860">Takeshi Fujiwara (November 7, 1959) Age:61</p> <p data-bbox="309 904 491 1010">Years in office as Director: 8 years (at the end of this Meeting)</p> <p data-bbox="300 1043 501 1149">Attendance at the Board of Directors' meetings: 14 / 14 (100%)</p>	<p data-bbox="523 311 660 378">April 1983 July 2009</p> <p data-bbox="523 506 660 573">June 2010 April 2013</p> <p data-bbox="523 618 660 685">June 2013 April 2016</p> <p data-bbox="523 813 660 846">April 2019</p> <p data-bbox="523 925 660 958">April 2020</p> <p data-bbox="523 1086 660 1120">June 2020</p> <p data-bbox="523 1153 660 1187">April 2021</p>	<p data-bbox="778 311 1082 495">Joined the Company General Manager of Private Railways Sales Dept. of Railway Signal Systems Division</p> <p data-bbox="778 506 1002 611">Executive Officer Managing Executive Officer</p> <p data-bbox="778 618 1043 801">Director (to present) Chief General Manager of Sales and Marketing Head Office</p> <p data-bbox="778 813 1123 918">Responsible for Domestic Business and Branch Offices</p> <p data-bbox="778 925 1123 1081">Deputy Chief Executive Officer (to present) Responsible for Domestic and Overseas Businesses and Branch Offices</p> <p data-bbox="778 1086 1075 1153">Responsible for Smart Mobility Section</p> <p data-bbox="778 1153 1123 1285">In charge of Domestic and Overseas Businesses and responsible for Branch Offices (to present)</p>	43,100
		<p data-bbox="523 1296 954 1330">[Significant concurrent positions]</p> <p data-bbox="523 1330 596 1364">None</p>		
		<p data-bbox="523 1373 1075 1440">[Reason for nomination as a candidate for Director]</p> <p data-bbox="523 1451 1123 1854">Takashi Fujiwara has achievements of leading our domestic business, having held positions including the manager of the Business Head Office handling railway signals and Automatic Fare Collection systems, and deep insight based on his broad experience. We have determined that he is qualified to lead the Company in expanding its business areas including those overseas and enhancing its competitiveness in the future. Therefore, we have nominated him as a candidate to continue as a Director.</p>		

There are no special interests between the Company and Takeshi Fujiwara.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
4	<p>Reappointment</p> <p>Hideo Oshima (July 25, 1956) Age: 64</p> <p>Years in office as Director: 5 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 14 / 14 (100%)</p>	<p>April 1979      Joined the Company</p> <p>September 2004      General Manager of MEMS Business Development Dept. of Visionary Business Center</p> <p>July 2008      Chief General Manager of Visionary Business Center</p> <p>April 2009      Chief General Manager of Overseas Division</p> <p>May 2011      Executive Officer</p> <p>April 2016      Managing Executive Officer (to present)</p> <p>June 2016      Director (to present)</p> <p>April 2019      Responsible for Corporate Strategy Department and Overseas Business</p> <p>April 2020      Responsible for Kuki Plant and Total Quality Management Promoting Department</p> <p>April 2021      Responsible for Overseas Business and in charge of International Projects (to present)</p>	38,600
		<p>[Significant concurrent positions]</p> <p>None</p>	
		<p>[Reason for nomination as a candidate for Director]</p> <p>Hideo Oshima possesses experience and achievements, having held positions including the manager of the new businesses and the Overseas Division and contributing to the expansion of businesses. We have determined that his knowledge will be beneficial to the Company in further expanding the business areas and promoting global management. Therefore, we have nominated him as a candidate to continue as a Director.</p>	

There are no special interests between the Company and Hideo Oshima.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
5	<p>Reappointment</p> <p>Masahiro Kubo (April 13, 1960) Age: 61</p> <p>Years in office as Director: 1 year (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 10 / 10 (100%)</p>	<p>April 1983      Joined the Company</p> <p>July 2006      General Manager of Accounting Dept.</p> <p>July 2009      General Manager of Tohoku Branch Office</p> <p>June 2014      General Manager of General Affairs Dept., Business Administration Division</p> <p>April 2016      Executive Officer, General Manager of Corporate Strategy Dept.</p> <p>April 2018      Chief General Manager of Kuki Plant, Monodukuri Division</p> <p>April 2019      Senior Executive Officer, General Manager of Corporate Strategy Dept., Responsible for Finance Dept.</p> <p>April 2020      Managing Executive Officer (to present), In Charge of Business Administration (to present)</p> <p>June 2020      Director (to present)</p> <p>[Significant concurrent positions] None</p> <p>[Reason for nomination as a candidate for Director] Masahiro Kubo possesses experience and achievements in strengthening the management foundation of the Group, having held positions including the manager of a wide range of divisions such as the Business Administration Division of the Company. We have determined that his knowledge will be beneficial to the Company in pursuing sustained enhancement of corporate value. Therefore, we have nominated him as a candidate to continue as a Director.</p>	25,700

There are no special interests between the Company and Masahiro Kubo.

No.	Name (Date of birth)	Biography, status, and responsibilities		Number of the Company's shares held
6	<p data-bbox="316 954 488 981">New Appointment</p> <p data-bbox="300 1010 504 1155">Masayoshi Sakai (September 20, 1960)</p> <p data-bbox="347 1178 456 1205">Age: 60</p> <p data-bbox="300 1249 504 1379">Attendance at the Board of Directors' meetings: - / - (-%)</p>	<p data-bbox="528 315 667 383">April 1985 July 2006</p> <p data-bbox="528 506 667 533">July 2010</p> <p data-bbox="528 622 671 649">June 2014</p> <p data-bbox="528 739 667 766">April 2016</p> <p data-bbox="528 1043 667 1070">April 2020</p> <p data-bbox="528 1585 667 1612">April 2021</p>	<p data-bbox="778 315 1126 2000">           Joined the Company            General Manager of            Safety Technology            Research Dept.,            Research Center            Chief General Manager of            Research &amp; Development            Center            Chief General Manager of            Kuki Plant, Monodukuri            Division            Executive Officer,            Chief General Manager of            Research &amp; Development            Center, Technical            Development Head Office            and Chief General            Manager of Visionary            Business Center            Senior Executive Officer,            In charge of research and            development, Chief            General Manager of            Research &amp; Development            Section, Chief General            Manager of ANSHIN            Center, General Manager            of Safety Technology            Research Dept., and            General Manager of            Advanced Railway            System Development            Section            Managing Executive            Officer (to present),            Responsible for Kuki            Plant and in charge of            technology, research and            development (to present),            Chief General Manager of            Research &amp; Development            Section, General            Manager of Patent            Management Dept.,         </p>	<p data-bbox="1209 969 1302 996">17,500</p>

		<p>General Manager of Advanced Railway System Development Section (to present), and Responsible for Total Quality Management Promoting Department (to present)</p>	
		<p>[Significant concurrent positions] None</p>	
		<p>[Reason for nomination as a candidate for Director] Having held positions including the manager of research and development divisions, Masayoshi Sakai possesses experience and achievements in promoting advanced technological strategies that make use of ICT. We have determined that he is qualified to lead the development of new technologies utilizing IoT and AI. Therefore, we have nominated him as a new candidate for a Director.</p>	

There are no special interests between the Company and Masayoshi Sakai.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
7	<p>Reappointment Outside Independent</p> <p>Yasuko Matsumoto (September 2, 1953) Age: 67</p> <p>Years in office as Director: 6 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 14 / 14 (100%)</p>	<p>April 1978      Registered as Attorney Joined Yamashita Oshima Law Office</p> <p>April 2000      Part-time Lecturer of Seikei University</p> <p>February 2001    Member of Independent Administrative Institution Evaluation Committee, the Ministry of Economy, Trade and Industry</p> <p>April 2007      Part-time Lecturer of Tokyo University of the Arts</p> <p>June 2015      Outside Director of the Company (to present)</p> <p>[Significant concurrent positions] None</p> <p>[Reason for nomination as a candidate for Outside Director and an outline of expected roles] Yasuko Matsumoto possesses advanced knowledge and experience as a legal expert, and has provided advice and proposals on legitimacy and adequacy from a professional viewpoint. We expect that she will exercise effective supervisory function on the Company's management. Therefore, we have nominated her as a candidate to continue as an Outside Director. Yasuko Matsumoto has served as an Outside Director for six years at the end of this General Meeting of Shareholders.</p>	3,100

1. There are no special interests between the Company and Yasuko Matsumoto.
2. Yasuko Matsumoto is an Outside Director candidate.
3. Yasuko Matsumoto meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc.
4. If Yasuko Matsumoto is elected as an Outside Director, the Company plans to enter into a limited liability agreement with her, which limits her liability for damages under Article 423, Paragraph 1 of the Companies Act. However, based on the agreement, the minimum liability amount will be the amount prescribed by laws and regulations.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held						
8	<p style="text-align: center;">Reappointment Outside Independent</p> <p style="text-align: center;">Yuriko Inoue (May 29, 1963) Age: 58</p> <p>Years in office as Director: 3 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings: 14 / 14 (100%)</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%; vertical-align: top;"> <p>November 1993</p> <p>April 2004</p> <p>October 2010</p> <p>April 2018</p> <p>June 2018</p> <p>April 2020</p> </td> <td style="vertical-align: top;"> <p>Full-time Lecturer of Graduate Schools for Law and Politics, The University of Tokyo</p> <p>Professor of Graduate School of Law, Kobe University</p> <p>Professor of The Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University</p> <p>Outside Director of the Company (to present)</p> <p>Outside Director of Dai-ichi Life Holdings, Inc. (to present)</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University (Chair of Department) (to present)</p> </td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;"> <p>[Significant concurrent positions]</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University (Chair of Department)</p> <p>Outside Director of Dai-ichi Life Holdings, Inc.</p> </td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;"> <p>[Reason for nomination as a candidate for Outside Director and an outline of expected roles]</p> <p>Yuriko Inoue is a professional in intellectual property right and possesses sophisticated and specialized knowledge and experience. We expect that she will offer advice on the Company's management and strategies including advice mainly on corporate law, data governance and brand strategy, and exercise effective management supervisory function by making use of her capabilities in her specialized field. Therefore, we have nominated her as a candidate to continue as an Outside Director. Yuriko Inoue has served</p> </td> </tr> </table>	<p>November 1993</p> <p>April 2004</p> <p>October 2010</p> <p>April 2018</p> <p>June 2018</p> <p>April 2020</p>	<p>Full-time Lecturer of Graduate Schools for Law and Politics, The University of Tokyo</p> <p>Professor of Graduate School of Law, Kobe University</p> <p>Professor of The Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University</p> <p>Outside Director of the Company (to present)</p> <p>Outside Director of Dai-ichi Life Holdings, Inc. (to present)</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University (Chair of Department) (to present)</p>	<p>[Significant concurrent positions]</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University (Chair of Department)</p> <p>Outside Director of Dai-ichi Life Holdings, Inc.</p>		<p>[Reason for nomination as a candidate for Outside Director and an outline of expected roles]</p> <p>Yuriko Inoue is a professional in intellectual property right and possesses sophisticated and specialized knowledge and experience. We expect that she will offer advice on the Company's management and strategies including advice mainly on corporate law, data governance and brand strategy, and exercise effective management supervisory function by making use of her capabilities in her specialized field. Therefore, we have nominated her as a candidate to continue as an Outside Director. Yuriko Inoue has served</p>		1,400
<p>November 1993</p> <p>April 2004</p> <p>October 2010</p> <p>April 2018</p> <p>June 2018</p> <p>April 2020</p>	<p>Full-time Lecturer of Graduate Schools for Law and Politics, The University of Tokyo</p> <p>Professor of Graduate School of Law, Kobe University</p> <p>Professor of The Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University</p> <p>Outside Director of the Company (to present)</p> <p>Outside Director of Dai-ichi Life Holdings, Inc. (to present)</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University (Chair of Department) (to present)</p>								
<p>[Significant concurrent positions]</p> <p>Professor of Business Law Department, Graduate School of Law, Hitotsubashi University (Chair of Department)</p> <p>Outside Director of Dai-ichi Life Holdings, Inc.</p>									
<p>[Reason for nomination as a candidate for Outside Director and an outline of expected roles]</p> <p>Yuriko Inoue is a professional in intellectual property right and possesses sophisticated and specialized knowledge and experience. We expect that she will offer advice on the Company's management and strategies including advice mainly on corporate law, data governance and brand strategy, and exercise effective management supervisory function by making use of her capabilities in her specialized field. Therefore, we have nominated her as a candidate to continue as an Outside Director. Yuriko Inoue has served</p>									

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
		as an Outside Director for three years at the end of this General Meeting of Shareholders. A subsidiary of Dai-ichi Life Holdings, Inc., the Dai-ichi Life Insurance Company, Limited where Yuriko Inoue serves as an Outside Director is a major shareholder and business partner of the Company. However, its voting rights ratio is less than 10% and the transaction amount is immaterial (less than 0.5% of the consolidated net sales of the said company and of the Company), and we therefore believe that it does not affect her independence as an Outside Director.	

1. There are no special interests between the Company and Yuriko Inoue.
2. Yuriko Inoue is an Outside Director candidate.
3. Yuriko Inoue meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc.
4. If Yuriko Inoue is elected as an Outside Director, the Company plans to enter into a limited liability agreement with her, which limits her liability for damages under Article 423, Paragraph 1 of the Companies Act. However, based on the agreement, the minimum liability amount will be the amount prescribed by laws and regulations.

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
9	<p data-bbox="336 920 464 1061">New Appointment Outside Independent</p> <p data-bbox="300 1115 501 1256">Yoshiyuki Murata (July 19, 1954) Age: 66</p> <p data-bbox="300 1301 501 1406">Attendance at the Board of Directors' meetings: - / - (-%)</p>	<p data-bbox="528 275 1107 416">April 2009      President and Representative Director of TAISEI HOUSING CORPORATION</p> <p data-bbox="528 427 1107 495">April 2011      Executive Officer of TAISEI CORPORATION</p> <p data-bbox="528 506 1107 611">April 2013      Managing Executive Officer of TAISEI CORPORATION</p> <p data-bbox="528 622 1107 689">June 2013      Member of the Board of TAISEI CORPORATION</p> <p data-bbox="528 701 1107 882">April 2015      President and Chief Executive Officer, Representative Director of TAISEI CORPORATION</p> <p data-bbox="528 893 1107 1075">June 2020      Vice Chairman, Representative Director of TAISEI CORPORATION (to present)</p> <p data-bbox="528 1086 1107 1272">June 2021      Director and Executive Vice President of DAIWA HOUSE INDUSTRY CO., LTD. (scheduled to be appointed)</p>	0
		<p data-bbox="528 1283 1107 1413">[Significant concurrent positions] Vice Chairman, Representative Director of TAISEI CORPORATION (scheduled to retire on June 25, 2021)</p>	
		<p data-bbox="528 1469 1107 1574">[Reason for nomination as a candidate for Outside Director and an outline of expected roles]</p> <p data-bbox="528 1585 1107 2038">Yoshiyuki Murata possesses a wealth of experience, achievements and knowledge as a manager, and we expect him to use these capabilities for the benefit of the Company's management and exercise effective management supervisory function. Therefore, we have nominated him as a new candidate for an Outside Director. TAISEI CORPORATION, where Yoshiyuki Murata serves as Vice Chairman, Representative Director is a major shareholder of the Company. However, its</p>	

No.	Name (Date of birth)	Biography, status, and responsibilities	Number of the Company's shares held
		voting rights ratio is less than 10% and the transaction amount is immaterial (less than 0.5% of the consolidated net sales of the said company and of the Company), and we therefore believe that it does not affect his independence as an Outside Director. Furthermore, he is scheduled to retire from the office of Director of the said company.	

1. There are no special interests between the Company and Yoshiyuki Murata.
2. Yoshiyuki Murata is an Outside Director candidate.
3. Yoshiyuki Murata meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc.
4. TAISEI CORPORATION, where Yoshiyuki Murata serves as Representative Director, has received a cease and desist order from the Japan Fair Trade Commission in December 2020 on the grounds of violating the Antimonopoly Act in relation to construction work on the Chuo Shinkansen. However, the said company has filed an action for the revocation of the order, and the case is now pending.
5. If Yoshiyuki Murata is elected as an Outside Director, the Company plans to enter into a limited liability agreement with him, which limits his liability for damages under Article 423, Paragraph 1 of the Companies Act. However, based on the agreement, the minimum liability amount will be the amount prescribed by laws and regulations.

No.2 – Election of one Audit & Supervisory Board Member

Audit & Supervisory Board Member Shoji Kawada will resign at the end of this General Meeting of Shareholders. Accordingly, the Company requests the election of one Audit & Supervisory Board Member as his substitute.

The term of office of this candidate for an Audit & Supervisory Board Member shall be the remaining term of office of the retiring Audit & Supervisory Board Member in accordance with the provisions of Article 30, Paragraph 2 of the Articles of Incorporation of the Company.

Furthermore, the Company has obtained the consent of the Audit & Supervisory Board for this proposal.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Biography and status		Number of the Company's shares held
<p>New Appointment</p> <p>Yoshitaka Tokubuchi (November 21, 1957) Age: 63</p>	April 1982	Joined the Company	65,400
	July 2006	General Manager of Production Control Dept. of Kuki Plant	
	June 2008	Executive Officer General Manager of Corporate Strategy Dept.	
	May 2011	Managing Executive Officer	
	June 2011	Director	
	June 2014	Deputy Chief Executive Officer	
	April 2018	Chief General Manager of Business Administration Division	
	April 2019	Director and Executive Vice President (to present), Executive Vice President and Executive Officer In Control of Plants and Group Companies, Responsible for IT Strategy Department	
April 2020	Assistant to President, In Control of Plants (assigned to Kuki Plant)		
June 2020	Responsible for Total Quality Management Promoting Department		
	[Significant concurrent positions]		
	None		

	<p>[Reason for nomination as a candidate for Audit &amp; Supervisory Board Member]</p> <p>Yoshitaka Tokubuchi possesses a wealth of experience and achievements in management from having served as the manager of the Business Administration Division and the Monodukuri Division, as well as expert knowledge in finance and accounting. We expect that he will offer auditing and advice on the Company's management by making use of these capabilities. Therefore, we have nominated him as a new candidate for Audit &amp; Supervisory Board Member.</p>	
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1. There are no special interests between the Company and Yoshitaka Tokubuchi.
2. The Company has entered into a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers damages to be borne by the insured parties that arise from the insured parties as individuals being subject to a claim for damages such as derivative lawsuits and third-party lawsuits. The candidate will be included as an insured party under the insurance agreement. The Company intends to renew the agreement with the above contents at the time of renewal in July 2021.

## **(Reference) Criteria for the Independence of Outside Officers**

The Company prescribes the following criteria for the independence of Outside Officers to objectively determine the independence of Outside Officers. If an Outside Officer falls under any of the following items, the Company determines that the Outside Officer is not sufficiently independent from the Company.

An Outside Officer designated as an Independent Officer as stipulated under the Tokyo Stock Exchange, Inc. shall endeavor to maintain independence as prescribed in this Criteria until resignation. If the Outside Officer loses his/her independence, the Outside Officer shall notify the Company in advance (or as soon as possible after an event under unavoidable circumstances).

- 1. A person who is, or has been in the past 10 years, a business executor <sup>(\*)1</sup> or Non-executive Director (if the person is an Outside Audit & Supervisory Board Member) at the Group (i.e. the Company or its subsidiaries).**
- 2. Any person (party) who falls under any of the following items (1) to (8) in the past three years.**
  - (1) A party for whom the Group is a major business partner <sup>(\*)2</sup> or a business executor of such party
  - (2) A major business partner of the Group <sup>(\*)3</sup> or a business executor of such partner
  - (3) A consultant, accounting professional, or legal professional who has received a significant amount of money <sup>(\*)4</sup> or other property from the Group other than officer remunerations (if a party who receives such property is a corporation, association, or any other entity, a party who belongs to the relevant entity)
  - (4) A current major shareholder of the Group <sup>(\*)5</sup> or a business executor of such shareholder
  - (5) A business executor of a corporation that is a current major shareholder of the Group <sup>(\*)5</sup>
  - (6) A person who belongs to the appointed audit firm for the statutory audit of the Group
  - (7) A business executor of an entity whose Outside Officer is also a business executor of the Group
  - (8) A person, an officer or other business executor of a corporation, association, or any other entity who receives a large amount of donation or grant <sup>(\*)6</sup> from the Group
- 3. If a person who falls under 1. and 2. above is a key person <sup>(\*)7</sup>, close relatives (spouse, first or second degree relatives) of such person**
- 4. A person who has assumed the office of Outside Officer for more than eight years in total**

- (\*1) A business executor refers to a person who executes the duties of a Director (excluding an Outside Director), Executive Officer, or employees, etc.
- (\*2) A party for whom the Group is a major business partner refers to a party who has business transactions with the Group, with total amount of sales in any of the fiscal year within the last three fiscal years exceeding 2% of the consolidated net sales of such business partner. Such business partner shall include its parent company and important subsidiaries if such business partner is a corporation.
- (\*3) A major business partner of the Group refers to a party with whom the Group has business transactions, with total amount of sales in any of the fiscal year within the last three fiscal years exceeding 2% of the consolidated net sales of the Group, or a party who has made a loan to the Group in the amount at 2% or more of the consolidated net assets of the Company at the end of the most recent fiscal year.
- (\*4) A significant amount of money refers to the yearly average money exceeding 10 million yen over the three most recent fiscal years.
- (\*5) A major shareholder refers to a shareholder who holds, directly or indirectly, 10% or more of the total voting rights. Such major shareholder shall include its parent company or important subsidiaries if such major shareholder is a corporation.
- (\*6) A large amount of donation or grant refers to a yearly average amount exceeding 10 million yen over the three most recent fiscal years.
- (\*7) A key person refers to a Director, Corporate Officer, Executive Officer, business executor who serves as a General Manager or in a higher rank, or business executor who has authority equivalent to that of a General Manager or higher position.

### No.3 – Election of Accounting Auditor

At the end of this General Meeting of Shareholders, KPMG AZSA LLC, the Company's Accounting Auditor, will retire due to expiry of its term of office. Accordingly, the Company requests the election of a new Accounting Auditor based on a resolution by the Audit & Supervisory Board.

The Audit & Supervisory Board has selected Grant Thornton Taiyo LLC as the candidate for Accounting Auditor because the Audit & Supervisory Board has determined that Grant Thornton Taiyo LLC is qualified for this role, comprehensively taking into account of factors such as its quality control systems as Accounting Auditor, expertise and independence necessary for accounting audits, global auditing structure, understanding of the Group, and auditing fees.

Details of Grant Thornton Taiyo LLC, including its principal office and history, are as follows.

(As of March 31, 2021)

Name	Grant Thornton Taiyo LLC	
Offices	Principal office:	Akasaka K-tower 22F, 1-2-7 Motoakasaka, Minato-ku, Tokyo
	Other offices:	Osaka Office and seven other offices
History	September 1971	Taiyo Audit Corporation established
	October 1994	Joined the Grant Thornton International group
	January 2006	Merged with ASG Audit Corporation to become Taiyo ASG Audit Corporation
	July 2012	Merged with Eisho Audit Corporation
	October 2013	Merged with Kasumigaseki Audit Corporation
	October 2014	Changed its name to Grant Thornton Taiyo LLC
	July 2018	Merged with YUSEI Audit & Co.
Overview	Organization	
	Representative partners/partners:	84
	Special partners:	4
	CPAs:	308
	Employees who have passed the CPA exam:	227
	Other specialists:	199
	Administrative staff:	85
	Contract staff:	203
	Total:	1,110
Audits pursuant to the Financial Instruments and Exchange Act and the Companies Act: 257 companies		