

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 1663  
March 9, 2022

**To Shareholders with Voting Rights:**

Akio Midorikawa  
Representative Director and  
President  
K & O Energy Group Inc.  
661 Mobara, Mobara City,  
Chiba Prefecture, Japan

**NOTICE OF  
THE 8th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that the 8th Annual General Meeting of Shareholders (the “Meeting”) of K & O Energy Group Inc. (the “Company”) will be held as described below.

In order to prevent the risk of COVID-19 infection and ensure the safety of shareholders, we would ask that you refrain from attending this year’s Meeting in person if possible and exercise your voting rights in advance in writing (by postal mail) or via the Internet, etc.

Please review the following Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. Japan time on Tuesday, March 29, 2022.

When exercising voting rights, please refer to the Guidance on Exercise of Voting Rights on pages 3-4 (in Japanese).

Thank you again for your understanding and cooperation in avoiding infection risk.

- 1. Date and Time:** Wednesday, March 30, 2022 at 10:00 a.m. Japan time  
(Venue opens at 9:15 a.m.)
- 2. Place:** 5F Large Hall, Nomura Conference Plaza Nihonbashi  
YUITO (Nihonbashi Muromachi Nomura Building)  
2-4-3, Nihonbashimuromachi, Chuo-ku, Tokyo  
(Refer to the venue access map at the end of this document.) (in Japanese)
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 8th Fiscal Year (January 1, 2021 – December 31, 2021) 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 8th Fiscal Year (January 1, 2021 – December 31, 2021)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Eight (8) Directors
- Proposal 4:** Election of Three (3) Audit & Supervisory Board Members
- Proposal 5:** Determination of Compensation for Granting Restricted Stock to Directors

- The Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.k-and-o-energy.co.jp/>; in Japanese) in

accordance with the provisions of laws, regulations, and the Company's Articles of Incorporation, so please review them.

The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and Audit & Supervisory Board include the Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements that are posted on the Company's website, in addition to documents provided in the attachments to this Notice of the Meeting.

- If there are revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, they will be posted on the Company's website (<https://www.k-and-o-energy.co.jp/>; in Japanese).

Measures to Prevent the Spread of COVID-19
<p>[Requests to Shareholders]</p> <ul style="list-style-type: none"><li>• Please refrain from attending the Meeting in person if at all possible and exercise your voting rights in writing (by postal mail) or via the Internet, etc. (Refer to pages 3-4 for how to exercise voting rights in writing (by postal mail) or via the Internet, etc.) (in Japanese)</li></ul> <p>[Requests to Shareholders Considering Attending the Meeting in Person]</p> <ul style="list-style-type: none"><li>• You are requested to please adequately verify your physical condition and cooperate in preventing infections by wearing a mask, having your temperature checked, and disinfecting with alcohol-based disinfectant, etc.</li><li>• People who appear to be feeling unwell, with a fever (of 37.5 degrees or higher) or a cough, etc., may be refused entry and asked to leave. Your understanding in advance is appreciated.</li><li>• Officers and operating staff will conduct proceedings while wearing masks.</li><li>* If there are major changes in the holding or administration of the Meeting due to the situation with the spread of infections or announcements from the government, etc. up to the day of meeting, information will be provided on the Company's website (<a href="https://www.k-and-o-energy.co.jp/">https://www.k-and-o-energy.co.jp/</a>; in Japanese).</li></ul>

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

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

The Company, through the Group companies, produces and supplies valuable domestic resources on a stable and long-term basis, so it has a basic policy of enhancing internal reserves, which are the basis of the management base, and paying a continuous stable dividend. Under this policy, the Company intends to appropriate surplus for the fiscal year under review as follows upon consideration of the management environment going forward and business development on an overall Group basis.

As a result, the annual dividend for the fiscal year under review is ¥30 per share, including the ¥15 interim dividend already paid out.

#### Year-end dividend

(1) Type of dividend property

Cash

(2) Allocation of dividend property to shareholders and its total amount

Dividend per common share of the Company: ¥15                      Total: ¥398,482,335

(3) Effective date of distribution of surplus

March 31, 2022

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

### 1. Reasons for the proposal

Amended clauses stipulated in the proviso to Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of a system for electronically providing documents for the General Meeting of Shareholders, the Company is proposing to amend the Articles of Incorporation as follows.

- (1) Article 16, Paragraph 1 of the proposed amendments stipulates that the Company is to take measures to electronically provide information whose content is the Reference Documents for the General Meeting Shareholders, etc.
- (2) Article 16, Paragraph 2 of the proposed amendments establishes a clause that restricts the scope of matters to be provided in writing to shareholders who request matters in writing.
- (3) The clause on the Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc. (Article 16 of the current Articles of Incorporation) is no longer needed, so it is deleted.
- (4) Supplementary provisions are stipulated with regard to the effective date, etc. in connection with the aforementioned additions and deletions.

### 2. Details of the amendments

The details of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u> Article 16 The Company may deem to have <u>provided to shareholders information related to matters to be stated or presented in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements when convening the General Meeting of Shareholders by disclosing it by a method that uses the Internet in accordance with the Ordinance of the Ministry of Justice.</u>  <Newly established>	<Deleted>          ( <u>Electronic Provision Measures, etc.</u> ) Article 16 The Company shall take measures to <u>electronically provide information whose content is the Reference Documents for the General Meeting of Shareholders, etc. when</u>

Current Articles of Incorporation	Proposed Amendments
<Newly established>	<p data-bbox="986 212 1374 282"><u>convening the General Meeting of Shareholders.</u></p> <p data-bbox="951 288 1401 591"><u>2 Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p data-bbox="831 598 1134 629"><u>(Supplemental Provisions)</u></p> <p data-bbox="839 636 1406 938"><u>1. The amendments to Article 16 of the Articles of Incorporation shall come into effect on September 1, 2022, the date the amended clauses stipulated in the proviso to Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019) go into force (hereinafter referred to as the “Date of Enforcement”).</u></p> <p data-bbox="839 945 1394 1247"><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) shall be effective at the General Meetings of Shareholders held on a date up to the last day of February 2023.</u></p> <p data-bbox="839 1254 1398 1440"><u>3. These supplemental provisions shall be deleted after March 1, 2023 or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

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

The terms of office of all ten (10) Directors will expire at the conclusion of this Meeting. The Company proposes to reduce the number of Directors by two (2) in order to expedite decision-making by the Board of Directors and to elect eight (8) Directors, including three (3) Outside Directors.

The candidates for Director are as follows.

No.	Name		Current positions and responsibilities at the Company	Candidate Attribute
1	Akio Midorikawa	(Male)	Representative Director and President, Chief Executive Officer	[Reappointment]
2	Takeshi Mori	(Male)	Representative Director and Senior Managing Director, Senior Managing Executive Officer	[Reappointment]
3	Shichigoro Mikami	(Male)	Managing Director and Managing Executive Officer	[Reappointment]
4	Atsushi Saito	(Male)	Director and Executive Officer	[Reappointment]
5	Yasuyuki Miyo	(Male)	Director and Executive Officer In charge of Information Systems Div., General Manager of Corporate Planning Div.	[Reappointment]
6	Koichiro Otsuki	(Male)	Outside Director	[Reappointment] [Outside] [Independent]
7	Misao Kikuchi	(Female)	Outside Director	[Reappointment] [Outside]
8	Tatsuro Ishizuka	(Male)	Outside Director	[Reappointment] [Outside] [Independent]

[Reappointment] Candidate for reappointment as a Director

[Outside] Candidate for Outside Director

[Independent] Independent officer as stipulated by the Tokyo Stock Exchange

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Akio Midorikawa (August 23, 1958)  [Reappointment]	<p>April 1981      Joined Otaki Gas Co., Ltd.</p> <p>March 2010      Director, General Manager of Gas Distribution and Gas Engineering Headquarters, General Manager of Gas Distribution Dept., Otaki Gas Co., Ltd.</p> <p>March 2011      Director, in charge of Gas Engineering Dept., General Manager of Gas Distribution Dept., Otaki Gas Co., Ltd.</p> <p>May 2013      Director, in charge of Gas Distribution Dept., General Manager of Gas Engineering Dept., Otaki Gas Co., Ltd.</p> <p>January 2014      Executive Officer, the Company Director, in charge of Gas Distribution Dept., General Manager of Gas Engineering Dept., Otaki Gas Co., Ltd.</p> <p>March 2015      Executive Officer, the Company Representative Director, Managing Director, in charge of Gas Distribution Dept., General Manager of Gas Engineering Dept., Otaki Gas Co., Ltd.</p> <p>March 2017      Executive Officer, the Company Representative Director, Managing Director, in charge of Gas Distribution Dept., General Manager of Gas Engineering Dept., Otaki Gas Co., Ltd. Director, Kanto Natural Gas Development Co., Ltd.</p> <p>March 2018      Managing Director and Managing Executive Officer, the Company Representative Director and President, Otaki Gas Co., Ltd. (current position) Director, Kanto Natural Gas Development Co., Ltd.</p> <p>March 2020      Representative Director and President, Chief Executive Officer, the Company (current position)</p>	3,084
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Akio Midorikawa was involved primarily in the city gas distribution and engineering divisions at Otaki Gas Co., Ltd. He has been in charge of management of the city gas business as the Representative Director and President of Otaki Gas Co., Ltd. since March 2018. In addition, since March 2020, he has led the overall management of the Group as the Representative Director and President, Chief Executive Officer of the Company.</p> <p>He is well versed in the various technologies of the city gas business and possesses extensive experience and an ample track record related to management. The Company believes that he will contribute to the Group's business development and improving the corporate value. Therefore, the Company renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
2	Takeshi Mori (September 28, 1959)  [Reappointment]	April 1983	Joined Otaki Gas Co., Ltd.	2,700
		March 2012	Director, General Manager of Corporate Administration Div., General Manager of Corporate Administration Div., Mobara Field Office, Kanto Natural Gas Development Co., Ltd.	
		March 2013	Director, in charge of Sales Div., General Manager of Corporate Administration Div., General Manager of Corporate Administration Div., Mobara Field Office, Kanto Natural Gas Development Co., Ltd.	
		January 2014	Director and Executive Officer, General Manager of Corporate Administration Div., the Company Director, General Manager of Corporate Administration Div., Kanto Natural Gas Development Co., Ltd.	
		March 2018	Managing Director and Managing Executive Officer, the Company Representative Director and President, Kanto Natural Gas Development Co., Ltd. (current position)	
		March 2020	Representative Director and Senior Managing Director, Senior Managing Executive Officer, the Company (current position) Representative Director and President, K&O Iodine Co., Ltd. (previously NIHON TENNEN GAS CO., LTD. ) (current position)	
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Takeshi Mori was involved primarily in the corporate administration and personnel divisions at the Company and Kanto Natural Gas Development Co., Ltd. He has demonstrated managerial capabilities as the Representative Director and President of Kanto Natural Gas Development Co., Ltd. since March 2018 and also as the Representative Director and President of K&amp;O Iodine Co., Ltd. (previously NIHON TENNEN GAS CO., LTD.) since March 2020.</p> <p>The Company believes that his extensive knowledge and experience in natural gas mining and the iodine business will contribute to the Group's business development and improving its corporate value. Therefore, the Company renominates him as a candidate for Director.</p>				



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Shichigoro Mikami (April 21, 1959)  [Reappointment]	<p>April 1982      Joined Otaki Gas Co., Ltd.</p> <p>January 2014    Executive Officer, the Company Director, General Manager of Local Sales Dept., Sales Headquarters, Otaki Gas Co., Ltd.</p> <p>March 2015      Executive Officer, the Company Director, General Manager of Sales Headquarters, General Manager of Local Sales Dept., Sales Headquarters, Otaki Gas Co., Ltd.</p> <p>March 2017      Executive Officer, the Company Director, in charge of Sales Management Dept., Sales Headquarters, General Manager of Sales Headquarters, General Manager of Local Sales Dept., Sales Headquarters, Otaki Gas Co., Ltd.</p> <p>March 2018      Executive Officer, the Company Representative Director, Managing Director, in charge of Gas Distribution Dept., General Manager of Gas Engineering Dept., Otaki Gas Co., Ltd.</p> <p>March 2020      Managing Director and Managing Executive Officer, the Company (current position) Representative Director, Senior Managing Director, in charge of Gas Distribution Dept., General Manager of Gas Engineering Dept., Otaki Gas Co., Ltd.</p> <p>January 2021    Representative Director, Senior Managing Director, in charge of Gas Distribution Dept. and Gas Engineering Dept. (current position)</p>	2,700
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shichigoro Mikami was involved primarily in the city gas distribution and gas engineering divisions and served in key positions such as the manager of the sales division at Otaki Gas Co., Ltd. He has been in charge of its gas distribution and gas engineering divisions as the Representative Director and Senior Managing Director of Otaki Gas Co., Ltd. since March 2020.</p> <p>The Company believes that his ample business experience and discernment in the city gas business will contribute to the Group's business development and improving the corporate value. Therefore, the Company renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
4	Atsushi Saito (March 1, 1958)  [Reappointment]	April 1981	Joined Hoxan Corporation	1,000
		June 2009	General Manager of Administration Dept., Medical Company, AIR WATER INC.	
		June 2012	General Manager of Planning and Administration Dept., Medical Company, AIR WATER INC.	
		June 2014	General Manager of Procurement Dept., AIR WATER INC.	
		March 2016	Director and Executive Officer, the Company (current position)	
			Director, General Manager of Environment & Safety Div., Production & Provision Dept., Kanto Natural Gas Development Co., Ltd.	
		March 2019	Director, General Manager of Environment & Safety Div., Kanto Natural Gas Development Co., Ltd. (current position)	
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Atsushi Saito was involved primarily in the housing equipment division and planning and administration division at AIR WATER INC. He has been in charge mainly of the natural gas mining safety division as a Director of Kanto Natural Gas Development Co., Ltd. since March 2016.</p> <p>The Company believes that his experience and track record in previous positions and at the Group will contribute to the Group's business development and improving the corporate value. Therefore, the Company renominates him as a candidate for Director.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Yasuyuki Miyo (September 28, 1961)  [Reappointment]	<p>April 1984      Joined MITSUI &amp; CO., LTD.</p> <p>December 2001    General Manager of Performance Chemicals Dept., Inorganic Products Div., MITSUI &amp; CO., LTD.</p> <p>August 2004      General Manager of Inorganic Chemicals Div., Singapore Branch, MITSUI &amp; CO., LTD.</p> <p>October 2009      General Manager of Investment Management Dept., Strategic Business Development Div., Basic Chemicals Business Unit., MITSUI &amp; CO., LTD.</p> <p>July 2011          Director &amp; General Manager of Corporate Planning Div., Human Resources Div., MITSUI &amp; CO. (Guangdong) LTD.</p> <p>December 2014    Joined the Company</p> <p>March 2015        General Manager of Planning Div., the Company</p> <p>March 2018        Director and Executive Officer, General Manager of Corporate Planning Div., the Company</p> <p>March 2020        Director and Executive Officer, in charge of Information Systems Div., General Manager of Corporate Planning Div., the Company (current position)</p>	2,000
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yasuyuki Miyo was involved primarily in domestic and overseas business in the chemicals field at MITSUI &amp; CO., LTD. He has been involved mainly in the corporate planning division as a Director and Executive Officer of the Company since March 2018 and in charge of the information systems division since March 2020. The Company believes that his experience and track record in previous positions and at the Group will contribute to the Group's business development and improving the corporate value. Therefore, the Company renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Koichiro Otsuki (February 18, 1948)  [Reappointment] [Outside] [Independent]	<p>April 1970      Joined the Forestry Agency, Ministry of Agriculture, Forestry and Fisheries</p> <p>July 1998      General Manager of Nagano Regional Forestry Office, Forestry Agency</p> <p>April 2001      Vice-Governor, Chiba Prefecture</p> <p>August 2006    Resigned as Vice-Governor, Chiba Prefecture</p> <p>December 2007   Director, Senior Executive Officer, Chief Engineer of Business Administration Headquarters, Asia Air Survey Co., Ltd.</p> <p>December 2008   Representative Director and President, CEO, General Manager of Business Administration Headquarters, Asia Air Survey Co., Ltd.</p> <p>December 2011   Representative Director and Chairman, Asia Air Survey Co., Ltd.</p> <p>March 2013      Outside Director, Kanto Natural Gas Development Co., Ltd. Representative Director and Chairman, Asia Air Survey Co., Ltd.</p> <p>December 2013   Outside Director, Kanto Natural Gas Development Co., Ltd. Advisor, Asia Air Survey Co., Ltd.</p> <p>January 2014    Outside Director, the Company (current position) Advisor, Asia Air Survey Co., Ltd.</p> <p>December 2015   Special Advisor, Asia Air Survey Co., Ltd.</p> <p>December 2017   Resigned as Special Advisor, Asia Air Survey Co., Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Koichiro Otsuki served in key positions at the Ministry of Agriculture, Forestry and Fisheries, Chiba Prefecture, and Asia Air Survey Co., Ltd. and possesses a high level of discernment cultivated through extensive experience in government administration and corporate management, etc. As an Outside Director of the Company since January 2014, he has advised on the Group's management and supervised its business execution from an objective, specialized viewpoint. As he is expected to contribute to improving the corporate value of the Group by continuing to accurately grasp the business issues of the Group and provide beneficial advice based on extensive experience, the Company renominates him as a candidate for Outside Director. If he is elected, it is planned that he will participate in committee deliberations from an objective, neutral standpoint as a member of the Nomination Committee and Remuneration Committee.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Misao Kikuchi (April 9, 1950)  [Reappointment] [Outside]	November 1976 Corporate Auditor, Nanyu Shosha Co., Ltd. January 1977 Corporate Auditor, Nanyu Shosha Co., Ltd. Corporate Auditor, Takahagi Tanko Co., Ltd. January 1997 Corporate Auditor, Nanyu Shosha Co., Ltd. Vice President and Director, Takahagi Tanko Co., Ltd. June 1998 Corporate Auditor, Nanyu Shosha Co., Ltd. Vice President and Director, Takahagi Tanko Co., Ltd. Corporate Auditor, Powdertech Co., Ltd. June 1999 Corporate Auditor, Nanyu Shosha Co., Ltd. Vice President and Director, Takahagi Tanko Co., Ltd. Director, Powdertech Co., Ltd. January 2003 Representative Director and Vice President, Nanyu Shosha Co., Ltd. Director, Powdertech Co., Ltd. March 2003 Representative Director and Vice President, Nanyu Shosha Co., Ltd. Director, Keiyo Gas Co., Ltd. Director, Powdertech Co., Ltd. June 2014 Representative Director and Vice President, Nanyu Shosha Co., Ltd. Director, Keiyo Gas Co., Ltd. Vice Chairman, Representative Director, Powdertech Co., Ltd. June 2016 Representative Director and Vice President, Nanyu Shosha Co., Ltd. Director, Keiyo Gas Co., Ltd. Chairman, Representative Director, Powdertech Co., Ltd. (current position) August 2016 Representative Director and Vice President, Nanyu Shosha Co., Ltd. Representative Director and Vice President, Keiyo Gas Co., Ltd. September 2016 Representative Director and President, Nanyu Shosha Co., Ltd. (current position) Representative Director and Vice President, Keiyo Gas Co., Ltd. October 2016 Representative Director and Chairperson, Keiyo Gas Co., Ltd. (current position) March 2020 Outside Director, the Company (current position) June 2020 Outside Director, Keisei Electric Railway Co., Ltd. (current position)	25,000
[Reason for nomination as candidate for Outside Director and expected roles] Ms. Misao Kikuchi has been involved in management at numerous companies for many years and possesses extensive experience and broad-ranging discernment. She has advised on the Group's management and supervised its business execution based on her extensive experience and discernment in corporate management as an Outside Director of the Company since March 2020. As she is expected to contribute to improving the corporate value of the Group by continuing to provide beneficial advice based on extensive experience for the Group's overall management, the Company renominates her as a candidate for Outside Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	Tatsuro Ishizuka (December 23, 1955)  [Reappointment] [Outside] [Independent]	<p>April 1978      Joined Hitachi, Ltd.</p> <p>October 2007      Senior Vice President, Hitachi America Ltd.</p> <p>April 2009      Corporate Officer and General Manager of Hitachi Works, Power Systems Group, Hitachi, Ltd.</p> <p>April 2011      Vice President and Executive Officer, President &amp; CEO of Power Systems Company, Hitachi, Ltd.</p> <p>April 2013      Senior Vice President and Executive Officer, General Manager of Power Systems Group, President &amp; CEO of Power Systems Company, Hitachi Ltd.</p> <p>April 2014      Representative Executive Officer, Executive Vice President and Executive Officer, General Manager of Power Systems Group, General Manager of Infrastructure Systems Group, Hitachi, Ltd.</p> <p>April 2015      Director, Deputy Chairman, Hitachi Europe Ltd. Director and Chairman, Horizon Nuclear Power Ltd.</p> <p>April 2017      Representative Executive Officer, Chairman, Hitachi Construction Machinery Co., Ltd.</p> <p>June 2017      Representative Executive Officer, Chairman, Director, Hitachi Construction Machinery Co., Ltd.</p> <p>April 2019      Director, Hitachi Construction Machinery Co., Ltd. Advisor, Hitachi, Ltd. (current position)</p> <p>June 2019      President, The Hitachi Global Foundation (current position) Outside Director, Astellas Pharma Inc. (current position)</p> <p>March 2020      Outside Director, the Company (current position)</p> <p>June 2021      Outside Director, TADANO LTD. (current position)</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Tatsuro Ishizuka has been involved in corporate management for many years as an executive of a general electronics manufacturer and possesses extensive international experience and broad-ranging discernment. He has advised on the various business issues faced by the Group and supervised business execution based on his ample specialized knowledge and experience as an Outside Director of the Company since March 2020. As he is expected to contribute to improving the corporate value of the Group by continuing to provide beneficial advice based on extensive experience for the Group's overall management, the Company renominates him as a candidate for Outside Director.</p> <p>If he is elected, it is planned that he will participate in committee deliberations from an objective, neutral standpoint as a member of the Nomination Committee and Remuneration Committee.</p>			

- Notes: 1. The Company has loaned funds to K&O Iodine Co., Ltd. (previously NIHON TENNEN GAS CO., LTD.), where Mr. Takeshi Mori serves as Representative Director. There is no special interest between the Company and any of the other candidates.
2. Mr. Koichiro Otsuki, Ms. Misao Kikuchi, and Mr. Tatsuro Ishizuka are candidates for Outside Directors.
3. Mr. Koichiro Otsuki and Mr. Tatsuro Ishizuka have been registered as independent officers with the Tokyo Stock Exchange, Inc. and if they are reappointed as originally proposed, it is planned that they will continue to be independent officers.

4. Mr. Koichiro Otsuki was an Outside Director at Kanto Natural Gas Development Co., Ltd., a subsidiary of the Company, between March 2013 and January 2014.
5. Mr. Koichiro Otsuki, Ms. Misao Kikuchi, and Mr. Tatsuro Ishizuka are currently Outside Directors of the Company. Their terms of office as Outside Directors at the conclusion of this Meeting are as follows.
  - Koichiro Otsuki: Eight years and three months
  - Misao Kikuchi: Two years
  - Tatsuro Ishizuka: Two years
6. The Company has entered into a directors and officers liability insurance contract with an insurance company, and if the candidates are reappointed as the Company's Directors, they will be covered by this insurance. At the meeting of the Board of Directors scheduled to be held after the conclusion of the Meeting, the Board of Directors intends to pass a resolution renewing this insurance with the same contents. A summary of the contents of this insurance contract is provided in the Business Report on page 35 (in Japanese).

**Proposal 4:** Election of Three (3) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Mr. Kazuhiko Maru, Mr. Toshio Yamanoi, and Mr. Hiromichi Kokaji will expire at the conclusion of this Meeting. The Company requests the election of three (3) Audit & Supervisory Board Members, including two (2) Outside Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its consent to this Proposal.

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

No.	Name		Current positions at the Company	Candidate Attributes
1	Kazuhiko Maru	(Male)	Audit & Supervisory Board Member	[Reappointment]
2	Yasuhiko Otani	(Male)		[New appointment] [Outside]
3	Hiromichi Kokaji	(Male)	Outside Audit & Supervisory Board Member	[Reappointment] [Outside] [Independent]

[New appointment] Candidate for appointment as an Audit & Supervisory Board Member

[Reappointment] Candidate for reappointment as an Audit & Supervisory Board Member

[Outside] Candidate for Outside Audit & Supervisory Board Member

[Independent] Independent officer as stipulated by the Tokyo Stock Exchange



No.	Name (Date of birth)	Career summary, positions and significant concurrent positions		Number of shares of the Company held
1	Kazuhiko Maru (March 24, 1963)  [Reappointment]	April 1981	Joined Kanto Natural Gas Development Co., Ltd.	1,000
		January 2014	Manager of Accounting Group, Accounting & Finance Div., the Company	
		March 2018	General Manager of Accounting & Finance Dept., Otaki Gas Co., Ltd.	
		March 2020	Audit & Supervisory Board Member, the Company (current position) Audit & Supervisory Board Member, Kanto Natural Gas Development Co., Ltd. (current position)	
<p>[Reason for nomination as candidate for Audit &amp; Supervisory Board Member]</p> <p>Mr. Kazuhiko Maru has been primarily involved in the accounting &amp; finance divisions of the Group companies for many years and has extensive experience and knowledge related to finance and accounting. As an Audit &amp; Supervisory Board Member of the Company and Kanto Natural Gas Development Co., Ltd. since March 2020, he has leveraged this ample discernment, etc. to conduct highly effective audits. As he is expected to contribute to enhancing the Company's governance, the Company renominates him as a candidate for Audit &amp; Supervisory Board Member.</p>				
2	Yasuhiko Otani (June 1, 1953)  [New appointment] [Outside]	April 1976	Joined GODO SHIGEN Co., Ltd.	0
		December 2012	Director, General Manager of Techno Research Center, Leader of Quality Management Group, Leader of Development Research Group, GODO SHIGEN Co., Ltd.	
		October 2014	Director, General Manager of Techno Research Center, Chiba Works, GODO SHIGEN Co., Ltd.	
		April 2016	Director, Deputy General Manager, General Manager of General Affairs Dept., General Manager of Quality Management Dept., Chiba Works, General Manager of Environmental Safety Dept., Head Office, GODO SHIGEN Co., Ltd.	
		December 2018	Director, General Manager of Chiba Works, in charge of Environmental Safety Dept., Head Office, GODO SHIGEN Co., Ltd.	
		December 2020	Director and Managing Executive Officer, General Manager, in charge of Basic Iodine Product Dept., Chiba Works, in charge of Environmental Safety Dept., Head Office, GODO SHIGEN Co., Ltd. (current position)	
<p>[Reason for nomination as candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>Mr. Yasuhiko Otani has conducted audits from an objective, specialized perspective utilizing his high level of discernment cultivated through extensive experience in the natural gas mining and iodine businesses. As he is expected to contribute to enhancing the Company's governance, the Company nominates him as a candidate for Outside Audit &amp; Supervisory Board Member.</p>				

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
3	Hiromichi Kokaji (December 18, 1972)  [Reappointment] [Outside] [Independent]	April 1998    Registered as attorney-at-law, joined Dai-Ichi Tokyo Bar Association, joined Daiichifuyo Law Office January 2009    Partner, Daiichifuyo Law Office (current position) March 2018    Outside Audit & Supervisory Board Member, the Company (current position)	0
	[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Hiromichi Kokaji has not been involved in corporate management other than as an outside officer in the past, but through his many years of experience as an attorney, he possesses a high level of discernment related to corporate law and business practices. As an Outside Audit & Supervisory Board Member of the Company since March 2018, he has leveraged this ample discernment in corporate law, etc. to conduct highly effective audits. As he is expected to contribute to enhancing the Company's governance, the Company renominates him as a candidate for Outside Audit & Supervisory Board Member.		

- Notes:
1. There is no special interest between the Company and any of the candidates.
  2. Mr. Yasuhiko Otani and Mr. Hiromichi Kokaji are candidates for Outside Audit & Supervisory Board Member.
  3. Mr. Hiromichi Kokaji is registered as an independent officer with the Tokyo Stock Exchange, Inc., and if he is re-elected as originally proposed, it is planned that he will continue to be an independent officer.
  4. Mr. Hiromichi Kokaji is currently an Outside Audit & Supervisory Board Member of the Company, and his term of office at the conclusion of the Meeting will be four years.
  5. The Company has entered into a directors and officers liability insurance contract with an insurance company, and if the candidates are reappointed or appointed as the Company's Audit & Supervisory Board Members, they will be covered by this insurance. At the meeting of the Board of Directors scheduled to be held after the conclusion of the Meeting, the Board of Directors intends to pass a resolution renewing this insurance with the same contents. A summary of the contents of this insurance contract is provided in the Business Report on page 35 (in Japanese).

**Proposal 5:** Determination of Compensation for Granting Restricted Stock to Directors

The amount of compensation, etc. for the Company's Directors has been approved by the 1st Annual General Meeting of Shareholders held on March 26, 2015 at within ¥200 million annually (of which, the portion for Outside Directors has been approved at within ¥30 million annually; however, this does not include the employee salaries of Directors also serving as employees) and, as a category separate from this compensation category, at within ¥30 million annually for the amount of compensation, etc. from stock acquisition rights in the form of stock compensation-based stock options. In order to incentivize the Company's Directors (excluding Outside Directors; hereinafter referred to as "Eligible Director(s)") to improve the Company's corporate value in a sustained manner and share further value with shareholders, the Company now requests approval to newly provide compensation for granting restricted stock to Eligible Directors, which would take the place of the aforementioned granting of stock compensation-based stock options. If this proposal is approved, the Company shall abolish its stock compensation-based stock option program for Directors, excluding stock options that have already been granted, and, going forward, shall no longer issue stock acquisition rights in the form of stock compensation-based stock options to Directors. The categories of compensation for Directors of the Company hereby will be the aforementioned compensation category of ¥200 million annually and the compensation category to be newly established for the granting of restricted stock.

Eligible Directors shall provide all monetary compensation receivables paid based on this proposal as the contributed assets and shall receive issue or disposition of the Company's common shares, and the total amount of monetary compensation provided in order to grant restricted stock to the Eligible Directors shall be an amount thought to be appropriate based on the aforesaid purpose and shall be within ¥90 million annually. In addition, the total number of the Company's common shares issued or disposed of through this shall be within 75,000 shares annually. However, if the number of Company's total shares outstanding changes due to a reverse stock split or stock split (including share allocations without contribution), the upper limit shall be adjusted by that ratio. The pay-in amount per share issued or disposed of shall be determined by the Board of Directors in a range that does not specially benefit Eligible Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the day of the resolution by the Board of Directors (if there is no trading on that day, then the closing price on the nearest trading day prior to that).

Also, specific allocations to each Eligible Director shall be deliberated on by the Compensation Committee and determined by the Board of Directors while respecting the committee's opinion.

There are currently seven (7) Eligible Directors, and if Proposal 3 is approved as originally proposed, there will be five (5) Eligible Directors.

In addition, in granting restricted stock based on this proposal, the Company and Eligible Directors shall conclude a restricted stock allocation agreement (hereinafter referred to as the "Allocation Agreement") that includes in outline the following provisions.

- (1) Eligible Directors are not permitted to transfer, pledge as security, or otherwise dispose of (hereinafter referred to as the "Transfer Restrictions") the Company's common shares for which allocation is received under the Allocation Agreement (hereinafter referred to as "Allocated Shares") during the period from the date allocated shares are conferred to the date the Eligible Director resigns or retires as the Company's Director or from another position stipulated by the Company's Board of Directors (hereinafter referred to as "Transfer Restriction Period").
- (2) If an Eligible Director resigns or retires from a position stipulated in (1) above prior to the end of the period stipulated by the Company's Board of Directors (hereinafter referred to as "Service Provision Period"), the Company will acquire allocated shares as a matter of course without compensation unless there are grounds deemed valid by the Company's Board of Directors.

- (3) The Company will cancel Transfer Restrictions at the end of the Transfer Restriction Period for all allocated shares on the condition that the Eligible Director has been in the position stipulated in (1) above continually during the Service Provision Period. However, if the Eligible Director has resigned or retired from the position stipulated in (1) above prior to the end of the Service Provision Period on grounds deemed valid by the Company's Board of Directors as stipulated in (2) above, the number of allocated shares for which Transfer Restrictions are to be canceled shall be rationally adjusted as necessary.
- (4) The Company will acquire allocated shares as a matter of course without compensation for which Transfer Restrictions have not been canceled based on the stipulations of (3) above at the time the Transfer Restriction Period ends.
- (5) The Company will acquire allocated shares as a matter of course without compensation if during the Transfer Restriction Period the grounds stipulated by the Company's Board of Directors apply to the Eligible Director, with the grounds being a violation of laws and regulations, internal rules, or the Allocation Agreement or other valid grounds for acquiring allocated shares without compensation.
- (6) Notwithstanding the stipulations of (1) above, if a merger agreement in which the Company is absorbed, a share exchange agreement or share transfer plan by which the Company becomes a wholly owned subsidiary, or other matter related to organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or by the Company's Board of Directors if such organizational restructuring, etc. does not require the approval of the Company's General Meeting of Shareholders) during the Transfer Restriction Period, the Company, by resolution of the Company's Board of Directors, will cancel Transfer Restrictions prior to the effective date of the organizational restructuring, etc. for allocated shares in a number rationally determined based on the period from the start date of the Service Provision Period to the approval date of the organizational restructuring, etc.
- (7) In the case prescribed in (6) above, the Company will acquire allocated shares as a matter of course without compensation for which Transfer Restrictions have not been canceled at the time immediately after Transfer Restrictions were canceled based on the stipulations of (6) above.

[Reasons for the validity of granting restricted stock]

This proposal provides compensation for granting restricted stock to Eligible Directors for the purpose of incentivizing Eligible Directors to improve the Company's corporate value in a sustained manner and share further value with shareholders.

The Company has revised its policy related to determining the details of compensation, etc. for individual Directors at the meeting of the Board of Directors held on February 10, 2022, and the details of this proposal are necessary and rational for granting restricted stock on the basis of this policy after the revisions. Also, the ratio of the maximum number of shares to be issued or disposed of over one year based on this proposal to the total number of shares outstanding (as of December 31, 2021) is 0.26%, which is a negligible dilution rate.

For the aforesaid reasons, the Company judges the details of this proposal to be valid.

[For reference]

The Company plans to grant restricted stock to Executive Officers of the Company and Directors of the Company's subsidiaries on the condition that this proposal is approved.