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(Securities Code: 1938)

June 2, 2022

To Our Shareholders:

Shoji Tanabe, Representative Director and President  
**NIPPON RIETEC CO., LTD.**  
6 Kandanishikicho 1-chome, Chiyoda-ku, Tokyo

## Notice of the 13th Annual General Meeting of Shareholders

You are hereby notified that the 13th Annual General Meeting of Shareholders of NIPPON RIETEC CO., LTD. (the “Company”) will be held as described below.

**In order to prevent spread of COVID-19, you are kindly requested to exercise your voting rights in advance in writing or via the Internet if at all possible. For shareholders who are attending the meeting, please consider taking measures such as wearing a face mask.**

### **[If exercising voting rights in writing]**

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting form, and send it by postal mail to arrive at the Company no later than 6:00 p.m. on Thursday, June 23, 2022 (JST).

### **[If exercising voting rights via the Internet, etc.]**

Please access our designated website for exercising voting rights (<https://www.web54.net>), follow the on-screen instructions, and enter your approval or disapproval of each proposal no later than 6:00 p.m. on Thursday, June 23, 2022.

**1. Date and Time:** Friday, June 24, 2022 at 10:00 a.m. (JST) (Reception will start at 9:00 a.m.)

**2. Place:** Station Conference Manseibashi, 4th Floor, JR Kanda Manseibashi Building  
25 Kandasudacho 1-chome, Chiyoda-ku, Tokyo

### **3. Purpose of the Meeting:**

#### **Matters to be reported:**

1. Reports on the Business Report, the Consolidated Financial Statements, and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board for the 13th fiscal term (from April 1, 2021 to March 31, 2022)
2. Report on the Non-consolidated Financial Statements for the 13th fiscal term (from April 1, 2021 to March 31, 2022)

#### **Matters to be resolved:**

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|-----------------------|--|
| <b>Proposal No. 1</b> | Appropriation of Surplus   |
| <b>Proposal No. 2</b> | Partial Amendments to the Articles of Incorporation  |
| <b>Proposal No. 3</b> | Election of Eight Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)                        |
| <b>Proposal No. 4</b> | Election of Three Directors Who Are Audit & Supervisory Committee Members  |
| <b>Proposal No. 5</b> | Election of One Director Who Is a Substitute Audit & Supervisory Committee Member                                      |
| <b>Proposal No. 6</b> | Establishment of Remuneration Amount for Directors (excluding Directors who are Audit & Supervisory Committee Members) |
| <b>Proposal No. 7</b> | Establishment of Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members                       |

For those attending the meeting on the day, please submit the enclosed voting form at the reception desk. Please also bring this notice of convocation with you for the sake of resource saving.

Any changes in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements will be posted on the Company's website (URL: <https://www.jrietec.co.jp>).

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

The Company regards the return of profit to its shareholders as a key management priority and adopts a basic policy of continuous stable dividends with consideration given to the dividend payout ratio, while securing internal reserves to put the Company on a firmer footing and prepare for future business developments.

Accordingly, the Company proposes the appropriation of surplus including year-end dividend as follows:

#### 1. Year-end dividend

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and the total amount

The Company proposes to pay a year-end dividend of ¥27 per share of common stock of the Company for the fiscal year under review, comprehensively taking into account matters such as the performance and financial position of the fiscal year under review as well as future business developments.

In this event, the total dividend amount will be ¥679,085,127.

(3) Effective date of dividend of surplus

June 27, 2022

#### 2. Other appropriation of surplus

(1) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: ¥1,000,000,000

(2) Item of surplus to be increased and amount of increase

General reserve: ¥1,000,000,000

## **Proposal No. 2**      Partial Amendments to the Articles of Incorporation

### (1) Reasons for the proposal

- 1) The Company proposes to transition to a company with an audit and supervisory committee, which will further enhance the supervisory functions of the Board of Directors and strengthen the Company's corporate governance structure.

Accordingly, provisions will be newly established for Audit & Supervisory Committee Members and the Audit & Supervisory Committee as necessary for transition to a company with an audit and supervisory committee and delegation of responsibility for deciding important business to the Directors. In addition, provisions relating to the Audit & Supervisory Board and Audit & Supervisory Board Members will be deleted.

- 2) In order to handle future business expansion and diversification of business contents, business purpose is added to Article 2 (Purpose) of the current Articles of Incorporation.
- 3) Article 12, paragraph (2) of the current Articles of Incorporation that stipulate the location where the General Meeting of Shareholders can be held is deleted to expand the options for the location.
- 4) Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.
  - a. Article 15, paragraph (1) in "Proposed amendments" below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders in electronic format.
  - b. Article 15, paragraph (2) in "Proposed amendments" below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
  - c. Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
  - d. Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.
- 5) In order to ensure chairmanship of the Board of Directors to be elected flexibly and improve objectivity and transparency of the Board of Directors, the convener and chairperson of meetings of the Board of Directors as established in Article 25 (Convener and Chairmanship of Meeting of the Board of Directors) of the current Articles of Incorporation are respectively amended to Directors established in advance at the meeting of the Board of Directors.
- 6) Article 30 (Liability Agreements with Outside Directors) of the current Articles of Incorporation is amended in order to also enable the execution of limited liability agreements with non-executive directors and thereby assist with their demonstration of ability and expected performance as non-executive directors who are not Outside Directors when executing their duties. This amendment has been approved by all members of the Audit & Supervisory Board.
- 7) Amendment of article number, correction of text, and other necessary amendments in accordance with the above changes.

Amendments to the Articles of Incorporation under this proposal shall take effect at the conclusion of the meeting.



Current Articles of Incorporation	Proposed amendments
<p>2. If the post of President <u>is</u> vacant or circumstances prevent the President from chairing a meeting, another Director shall stand in as chairperson according to the order previously determined by the Board of Directors.</p>	<p>2. If the post of <u>Representative Director and President is</u> vacant or circumstances prevent the Representative Director and President from chairing a meeting, another Director shall stand in as chairperson according to the order previously determined by the Board of Directors.</p>
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders)</u></p>	
<p><u>Article 15.</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or indicated in the reference documents of the general meeting of shareholders, business report, financial statements and/or consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p>	<p>&lt;Deleted&gt;</p>
<p>&lt;Newly established&gt;</p>	<p><u>(Provision of Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p>
<p>&lt;Newly established&gt;</p>	<p><u>Article 15.</u> <u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p>
<p>&lt;Newly established&gt;</p>	<p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may remove the necessity for all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
<p>Article 16. to 18. &lt;Omitted&gt;</p>	<p>Article 16. to 18. &lt;Unchanged&gt;</p>
<p>Chapter IV Directors and Board of Directors</p>	<p>Chapter IV Directors and Board of Directors</p>
<p>(Number of Directors) Article 19. The Company shall have not more than 20 Directors.</p>	<p>(Number of Directors) Article 19.</p>
<p>&lt;Newly established&gt;</p>	<p><u>1. The Company shall have not more than 20 Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</u> <u>2. The Company shall have not more than five Directors who are Audit &amp; Supervisory Committee Members.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>(Election of Directors) Article 20.</p> <ol style="list-style-type: none"> <li>1. Directors shall be elected <u>at</u> a general meeting of shareholders.</li> <li>2. Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</li> <li>3. Election of Directors shall not be conducted by cumulative voting.  <p style="text-align: center;">&lt;Newly established&gt;</p> <p style="text-align: center;">&lt;Newly established&gt;</p> </li> </ol>	<p>(Election of Directors) Article 20.</p> <ol style="list-style-type: none"> <li>1. Directors shall be <u>elected separately for Directors who are Audit &amp; Supervisory Committee Members and other Directors by resolution</u> of a general meeting of shareholders.</li> <li>2. &lt;Unchanged&gt;</li> <li>3. &lt;Unchanged&gt;</li> <li>4. <u>In accordance with legal provisions, the Company may elect a substitute Director who is an Audit &amp; Supervisory Committee Member at the general meeting of shareholders in the case that the number of Directors who are Audit &amp; Supervisory Committee Members, as stipulated by laws and regulations, is insufficient.</u></li> <li>5. <u>The effective term of the resolution for election of a substitute Director who is an Audit &amp; Supervisory Board Member set forth in the preceding paragraph shall expire at the beginning of the general meeting of shareholders pertaining to the last business year ending within two years from the time of such resolution.</u></li> </ol>
<p>(Term of Office of Directors) Article 21.</p> <p>The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p style="text-align: center;">&lt;Newly established&gt;</p>	<p>(Term of Office of Directors) Article 21.</p> <ol style="list-style-type: none"> <li>1. The term of office of a Director (<u>excluding Directors who are Audit &amp; Supervisory Committee Members</u>) shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</li> <li>2. <u>The term of office of a Director who is an Audit &amp; Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within two years after the election of the Audit &amp; Supervisory Board Member.</u></li> </ol>

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;"><u>&lt;Newly established&gt;</u></p> <p>(Representative Directors) Article <u>22</u>. The Director and President acts as representative of the Company, and the Board of Directors may, by its resolution, appoint Representative Directors from <u>among</u> the Director and Chairman, the Director and Vice Presidents, and the Senior Managing Directors.</p> <p>(Directors with Special Titles) Article <u>23</u>. The Board of Directors may appoint, by its resolution, one Director and Chairman, one Director and President, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors.</p> <p>(Remuneration, etc. for Directors) Article 24. Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Directors shall be determined by resolution of a general meeting of shareholders.</p> <p>(Convener and Chairmanship of Meeting of the Board of Directors) Article 25. 1. The President shall convene Board of Directors and <u>chair the meetings</u>.</p> <p style="text-align: center;"><u>&lt;Newly established&gt;</u></p> <p>2. If the post of <u>President</u> is vacant or circumstances prevent the President from chairing a meeting, another Director shall stand in as chairperson according to the order previously determined by the Board of Directors.</p>	<p>3. <u>The term of office of a Director who is an Audit &amp; Supervisory Committee Member who is elected as the substitute for a Director who is an Audit &amp; Supervisory Committee Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Director who is an Audit &amp; Supervisory Committee Member who retired from office is to expire.</u></p> <p>(Directors with Special Titles) Article <u>22</u>. The Board of Directors may appoint, by its resolution, one Director and Chairman, one Director and President, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors from <u>among the Directors (excluding Directors who are Audit &amp; Supervisory Committee Members)</u>.</p> <p>(Representative Directors) Article <u>23</u>. The Director and President acts as representative of the Company, and the Board of Directors may, by its resolution, appoint Representative Directors from <u>among</u> the Director and Chairman, the Director and Vice Presidents, and the Senior Managing Directors.</p> <p>(Remuneration, etc. for Directors) Article 24. Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Directors shall be determined <u>separately for Directors who are Audit &amp; Supervisory Committee Members and other Directors</u> by resolution of a general meeting of shareholders.</p> <p>(Convener and Chairmanship of Meeting of the Board of Directors) Article 25. 1. <u>Unless otherwise provided for by laws and regulations, the President shall convene the meetings of the Board of Directors.</u> 2. <u>Notwithstanding the provision of the preceding paragraph, Audit &amp; Supervisory Committee Members appointed by the Audit &amp; Supervisory Committee may convene meetings of the Board of Directors.</u> 3. <u>A Director previously determined by the Board of Directors shall stand as chairperson. However, if the post of Director is vacant or circumstances prevent the Director from chairing a meeting, another Director shall stand in as chairperson according to the order previously determined by the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>(Notice of Meeting of the Board of Directors) Article 26. A notice for convening a meeting of the Board of Directors shall be given to each Director <u>and Audit &amp; Supervisory Board Member</u> no later than three days prior to the date of the meeting. However, this period may be shortened if necessitated by an emergency. &lt;Newly established&gt;</p>	<p>(Notice of Meeting of the Board of Directors) Article 26. A notice for convening a meeting of the Board of Directors shall be given to each Director no later than three days prior to the date of the meeting. However, this period may be shortened if necessitated by an emergency. 2. <u>When there is consent from all of the Directors, Board of Directors meetings may be convened without going through the convocation procedure.</u></p>
<p>(Method of Resolutions of the Board of Directors) Article 27. 1. Resolutions of the Board of Directors shall be adopted by a majority of the votes of the Directors <u>present</u> at the meeting where a majority of the Directors entitled to vote is present. 2. The Company shall deem that a resolution of the Board of Directors has been made in cases where the requirements set forth in Article 370 of the Companies Act have been fulfilled with respect to matters that are the purpose of a resolution made by the Board of Directors. &lt;Newly established&gt;</p>	<p>(Method of Resolutions of the Board of Directors) Article 27. 1. Resolutions of the Board of Directors shall be adopted by a majority of the votes of <u>the</u> Directors present at the meeting where a majority of the Directors entitled to vote is present. 2. &lt;Unchanged&gt;</p> <p><u>(Responsibility for Execution of Important Business)</u> <u>Article 28.</u> <u>Pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, the Company may entrust to Directors all or part of its decisions on the execution of important business (excluding items listed in paragraph (5) of the same Article) by resolution of the Board of Directors.</u></p>
<p>(Minutes of Meeting of the Board of Directors) Article <u>28</u>. The summary of the proceedings of a meeting of the Board of Directors, the results thereof and other matters stipulated by laws and regulations shall be entered or recorded in the minutes of the meeting, which shall bear the names and seals or the electronic signatures of the Directors <u>and Audit &amp; Supervisory Board Members</u> present at the meeting.  Article <u>29</u>. &lt;Omitted&gt;</p>	<p><u>(Minutes of Meeting of the Board of Directors)</u> Article <u>29</u>. The summary of the proceedings of a meeting of the Board of Directors, the results thereof and other matters stipulated by laws and regulations shall be entered or recorded in the minutes of the meeting, which shall bear the names and seals or the electronic signatures of the Directors present at the meeting.  Article <u>30</u>. &lt;Unchanged&gt;</p>
<p>(Limited Liability Agreements with Outside Directors) Article <u>30</u>. The Company may enter into agreements with <u>Outside</u> Directors to limit their liabilities as provided for in Article 423, paragraph (1) of the Companies Act to the extent stipulated by laws and regulations, as long as they act in good faith and without gross negligence.  Chapter V <u>Audit &amp; Supervisory Board Members</u> <u>and Audit &amp; Supervisory Board</u></p>	<p>(Limited Liability Agreements with Directors) Article 31. The Company may enter into agreements with <u>Directors (excluding those who are executive directors)</u> to limit their liabilities as provided for in Article 423, paragraph (1) of the Companies Act to the extent stipulated by laws and regulations, as long as they act in good faith and without gross negligence.  Chapter V <u>Audit &amp; Supervisory Committee</u></p>

Current Articles of Incorporation	Proposed amendments
<u>(Number of Audit &amp; Supervisory Board Members)</u>	
<u>Article 31.</u> <u>The Company shall have not more than five Audit &amp; Supervisory Board Members.</u>	<Deleted>
<u>(Election of Audit &amp; Supervisory Board Members)</u>	
<u>Article 32.</u>	<Deleted>
<u>1. Audit &amp; Supervisory Board Members shall be elected at a general meeting of shareholders.</u>	
<u>2. Resolutions on the election of an Audit &amp; Supervisory Board Member shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u>	<Deleted>
<u>3. In accordance with the provisions of Article 329, paragraph (3) of the Companies Act, the Company may elect a substitute Audit &amp; Supervisory Board Member at the general meeting of shareholders in the case that the number of Audit &amp; Supervisory Board Members, as stipulated by laws and regulations, is insufficient.</u>	<Deleted>
<u>4. The effective term of the resolution for election of a substitute Audit &amp; Supervisory Board Member set forth in the preceding paragraph shall expire at the beginning of the general meeting of shareholders pertaining to the last business year ending within four years from the time of such resolution.</u>	<Deleted>
<u>(Term of Office of Audit &amp; Supervisory Board Members)</u>	
<u>Article 33.</u>	<Deleted>
<u>1. The term of office of an Audit &amp; Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit &amp; Supervisory Board Member.</u>	
<u>2. The term of office of an Audit &amp; Supervisory Board Member who is elected as the substitute for an Audit &amp; Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Audit &amp; Supervisory Board Member who retired from office is to expire.</u>	<Deleted>
<u>(Full-Time Audit &amp; Supervisory Board Members)</u>	
<u>Article 34.</u>	<Deleted>
<u>The Audit &amp; Supervisory Board shall appoint full-time Audit &amp; Supervisory Board Member(s) by its resolution.</u>	

Current Articles of Incorporation	Proposed amendments
<p>(Remuneration, etc. for <u>Audit &amp; Supervisory Board Members</u>)</p> <p>Article 35.  <u>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Audit &amp; Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p>	<p style="text-align: center;">&lt;Deleted&gt;</p>
<p>(Notice of Meeting of the <u>Audit &amp; Supervisory Board</u>)</p> <p>Article 36.  A notice for convening a meeting of the <u>Audit &amp; Supervisory Board</u> shall be given to each <u>Audit &amp; Supervisory Board Member</u> no later than three days prior to the date of the meeting. However, this period may be shortened if necessitated by an emergency.</p> <p style="text-align: center;">&lt;Newly established&gt;</p>	<p>(Notice of Meeting of the <u>Audit &amp; Supervisory Committee</u>)</p> <p>Article 32.</p> <ol style="list-style-type: none"> <li>1. A notice for convening a meeting of the <u>Audit &amp; Supervisory Committee</u> shall be given to each <u>Audit &amp; Supervisory Committee Member</u> no later than three days prior to the date of the meeting. However, this period may be shortened if necessitated by an emergency.</li> <li>2. <u>When there is consent from all of the Audit &amp; Supervisory Committee Members, meetings of the Audit &amp; Supervisory Committee may be convened without going through the convocation procedure.</u></li> </ol>
<p>(Method of Resolutions of the <u>Audit &amp; Supervisory Board</u>)</p> <p>Article 37.  <u>Unless otherwise provided for by laws and regulations, resolutions of the Audit &amp; Supervisory Board shall be made by a majority of the votes of Audit &amp; Supervisory Board Members.</u></p>	<p>(Method of Resolutions of the <u>Audit &amp; Supervisory Committee</u>)</p> <p>Article 33.  <u>Resolutions of the Audit &amp; Supervisory Committee shall be adopted by a majority of the votes of the Audit &amp; Supervisory Committee Members present at the meeting where a majority of the Members entitled to vote is present.</u></p>
<p>(Minutes of Meeting of the <u>Audit &amp; Supervisory Board</u>)</p> <p>Article 38.  The summary of the proceedings of a meeting of the <u>Audit &amp; Supervisory Board</u>, the results thereof and other matters stipulated by laws and regulations shall be entered or recorded in the minutes of the meeting, which shall bear the names and seals or the electronic signatures of the <u>Audit &amp; Supervisory Board Members</u> present at the meeting.</p>	<p>(Minutes of Meeting of the <u>Audit &amp; Supervisory Committee</u>)</p> <p>Article 34.  The summary of the proceedings of a meeting of the <u>Audit &amp; Supervisory Committee</u>, the results thereof and other matters stipulated by laws and regulations shall be entered or recorded in the minutes of the meeting, which shall bear the names and seals or the electronic signatures of the <u>Audit &amp; Supervisory Committee Members</u> present at the meeting.</p>
<p>(Regulations of the <u>Audit &amp; Supervisory Board</u>)</p> <p>Article 39.  Matters concerning the <u>Audit &amp; Supervisory Board</u> shall be governed by the Regulations of the <u>Audit &amp; Supervisory Board</u> established by the <u>Audit &amp; Supervisory Board</u>, in addition to applicable laws and regulations and Articles of Incorporation.</p>	<p>(Regulations of the <u>Audit &amp; Supervisory Committee</u>)</p> <p>Article 35.  Matters concerning the <u>Audit &amp; Supervisory Committee</u> shall be governed by the Regulations of the <u>Audit &amp; Supervisory Committee</u> established by the <u>Audit &amp; Supervisory Committee</u>, in addition to applicable laws and regulations and Articles of Incorporation.</p>

Current Articles of Incorporation	Proposed amendments
<u>(Limited Liability Agreements with Outside Audit &amp; Supervisory Board Members)</u>	
<p><u>Article 40.</u>  <u>The Company may enter into agreements with Outside Audit &amp; Supervisory Board Members to limit their liabilities as provided for in Article 423, paragraph (1) of the Companies Act to the extent stipulated by laws and regulations, as long as they act in good faith and without gross negligence.</u></p>	<p>&lt;Deleted&gt;</p>
<p style="text-align: center;">Chapter VI Financial Auditor</p> <p>Article <u>41.</u> to <u>42.</u> &lt;Omitted&gt;</p>	<p style="text-align: center;">Chapter VI Financial Auditor</p> <p>Article <u>36.</u> to <u>37.</u> &lt;Unchanged&gt;</p>
<p style="text-align: center;">Chapter VII Accounting</p> <p>Article <u>43.</u> to <u>44.</u> &lt;Omitted&gt;</p>	<p style="text-align: center;">Chapter VII Accounting</p> <p>Article <u>38.</u> to <u>39.</u> &lt;Unchanged&gt;</p>
	<p><u>Supplementary Provisions</u>  <u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p>
<p>&lt;Newly established&gt;</p>	<p><u>1. The amendment to the Articles of Incorporation pertaining to Article 15 shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p>
<p>&lt;Newly established&gt;</p>	<p><u>2. Notwithstanding the provision of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p>
<p>&lt;Newly established&gt;</p>	<p><u>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

**Proposal No. 3** Election of Eight Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

When there is approval of Proposal No. 2 “Amendment to the Articles of Incorporation” in its original form, the Company becomes a company with audit and supervisory committee, and the term of office of all seven Directors will expire when the amendment to the Articles of Incorporation takes effect.

Therefore, the Company proposes the election of eight Directors (excluding, however, Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal). This proposal can only take effect after Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

The candidates for Director are as follows:

In addition, the candidates for Director are determined by the Board of Directors after passing through the deliberation process of the Consulting Committee (arbitrary).

candidate no.	Name	Current position and area of responsibility in the Company	Attributes of candidate
1	Shigeru Egusa	Managing Director, General Manager of Corporate Planning Department, and in charge of Audit Department	Reelection
2	Shoji Tanabe	Representative Director and President	Reelection
3	Ikuo Omori	Managing Director, General Manager of General Affairs Department, and in charge of overall compliance and risk	Reelection
4	Masaaki Sawamura	Director, General Manager of Finance Department, and in charge of Personnel Department and Materials Departments	Reelection
5	Yuji Kitahara	Outside Director	Reelection Outside Independent
6	Osamu Kato	Outside Director	Reelection Outside
7	Naomi Inoue		New election Outside Independent
8	Hirohisa Hokari		New election Outside Independent

Candidate No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Number of the Company's shares owned
1	<p style="text-align: center;">Shigeru Egusa (September 16, 1963)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Number of years in office as Director 1 year</p> <p style="text-align: center;">Attendance at Board of Directors meetings for the fiscal year under review 10/10 (100%)</p>	<p>Apr. 1992      Joined East Japan Railway Company</p> <p>June 2003      Section Manager of Signal Communications Section of Electricity Division of Tokyo Branch Office</p> <p>Apr. 2006      Section Manager of Planning Section of Electricity Division of Tokyo Branch Office</p> <p>June 2007      General Manager of General Affairs Division of Morioka Branch Office</p> <p>June 2009      Deputy Head of Tokyo Electrical System Development Construction Office</p> <p>May 2013      Seconded to the Company</p> <p>May 2013      Deputy General Manager of Railway Division</p> <p>June 2013      Director, General Manager of Railway Division</p> <p>May 2015      Deputy General Manager of Electrical &amp; Signal Network System Department of Railway Operations Headquarters and Head of Signal System Management Center of East Japan Railway Company</p> <p>June 2017      Head of Tokyo Electrical System Development Construction Office</p> <p>June 2021      Joined the Company</p> <p>June 2021      Advisor of the Company</p> <p>June 2021      Managing Director, General Manager of Corporate Planning Department, and in charge of Audit Department of the Company (current position)</p>	3,000 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Egusa has abundant knowledge and experience such as in technology and safety relating to railways as well as strong management ability. He also has been contributing to the execution of business and improvement of corporate value of the Company by serving as Director for two years from 2013, and Managing Director from 2021. Since improvement in the effectiveness of the decision-making and supervisory functions of the Board of Directors can be expected in consideration of his track record, personality, and capabilities, etc., the Company has decided to continuously propose him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Number of the Company's shares owned
2	<p style="text-align: center;">Shoji Tanabe (January 26, 1954)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Number of years in office as Director 10 years</p> <p style="text-align: center;">Attendance at Board of Directors meetings for the fiscal year under review 14/14 (100%)</p>	<p>Apr. 1978      Joined Japanese National Railways</p> <p>Apr. 1987      Joined East Japan Railway Company</p> <p>June 2002      General Manager of Electricity Division of Tokyo Branch Office</p> <p>June 2005      Head of Tokyo Electrical Construction Office</p> <p>June 2009      Executive Officer and General Manager of Omiya Branch Office</p> <p>June 2012      Joined the Company</p> <p>June 2012      Advisor of the Company</p> <p>June 2012      Outside Director of Total Electric Management Service Co., Ltd.</p> <p>June 2012      Representative Senior Managing Director, General Manager of Railway Division, and in charge of Safety Promotion Department of the Company</p> <p>June 2012      Outside Audit &amp; Supervisory Board Member of Daido Signal Co., Ltd.</p> <p>June 2013      Outside Director of TC Power Line Co., Ltd.</p> <p>June 2013      Representative Director and President of the Company (current position)</p>	36,100 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Tanabe has abundant knowledge and experience such as in technology and safety relating to railways and is well acquainted with the Company's overall business. He also has served as Representative Senior Managing Director from 2012 and Representative Director and President from 2013, and has contributed to the improvement of the Company's corporate value. His track record, personality, and the extensive managerial knowledge and capabilities that he brings will be indispensable going forward, and for that reason, the Company has decided to continuously propose him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Number of the Company's shares owned
3	<p data-bbox="336 434 536 495">Ikuo Omori (February 13, 1958)</p> <p data-bbox="384 528 488 555">Reelection</p> <p data-bbox="296 589 576 685">Number of years in office as Director 5 years</p> <p data-bbox="280 719 592 842">Attendance at Board of Directors meetings for the fiscal year under review 14/14 (100%)</p>	<p data-bbox="611 264 715 286">Apr. 1980</p> <p data-bbox="611 297 715 320">Apr. 1987</p> <p data-bbox="611 331 715 353">Nov. 2012</p> <p data-bbox="611 365 715 387">July 2015</p> <p data-bbox="611 398 715 421">July 2015</p> <p data-bbox="611 465 715 488">July 2016</p> <p data-bbox="611 555 715 577">June 2017</p> <p data-bbox="611 656 715 678">Mar. 2018</p> <p data-bbox="611 689 715 712">June 2018</p> <p data-bbox="611 824 715 846">June 2018</p> <p data-bbox="611 891 715 913">June 2021</p> <p data-bbox="770 264 1238 1010">           Joined Japanese National Railways            Joined East Japan Railway Company            Head of Audit Division of Tokyo Branch Office            Seconded to the Company            General Manager of General Affairs Department of Corporate Management Division            Executive Officer, General Manager of General Affairs Department, and in charge of Audit Department            Director, General Manager of General Affairs Department, and in charge of Audit Department and compliance            Joined the Company            Managing Director, General Manager of Corporate Planning Department, General Manager of General Affairs Department, and in charge of compliance            Outside Director of Total Electric Management Service Co., Ltd. (current position)            Managing Director, General Manager of General Affairs Department, and in charge of compliance and overall risk of the Company (current position)         </p>	1,900 shares
<p data-bbox="272 1016 770 1043">Reasons for nomination as a candidate for Director</p> <p data-bbox="272 1048 1425 1234">Mr. Omori has been holding key posts in corporate management such as in general affairs and audit divisions in the Company and in his previous employment. Accordingly, he has abundant knowledge and experience, as well as broad insight on railways. He also has been contributing to the execution of business and improvement of corporate value of the Company by serving as Executive Officer from 2016, Director from 2017, and Managing Director from 2018. In consideration of his track record, personality, and capabilities, etc., the Company has decided to continuously propose him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions		Number of the Company's shares owned
4	Masaaki Sawamura (September 21, 1963)  Reelection  Number of years in office as Director 5 years  Attendance at Board of Directors meetings for the fiscal year under review 14/14 (100%)	Apr. 1986 Apr. 2002 Apr. 2010 July 2014 July 2014 June 2015 June 2015 July 2016 June 2017 June 2018 June 2019 June 2021	Joined The Fuji Bank, Limited General Manager of Business Planning Department of Mizuho Corporate Bank, Ltd. Executive Officer and General Manager of Personnel Department of Mizuho Information & Research Institute, Inc. Seconded to the Company Deputy General Manager of Corporate Planning Division Joined the Company Executive Officer and Deputy General Manager of Chuo Branch of Railway Division Executive Officer, General Manager of Finance Department, and in charge of Personnel Department Director, General Manager of Finance Department, and in charge of Personnel Department Director, General Manager of Finance Department, and in charge of Audit Department, Personnel Department and Materials Department Outside Audit & Supervisory Board Member of Daido Signal Co., Ltd. (current position) Director, General Manager of Finance Department, and in charge of Personnel Department and Materials Department (current position)	2,500 shares
Reasons for nomination as a candidate for Director Mr. Sawamura has been holding key posts in corporate management such as in finance, personnel and corporate planning divisions in the Company and in his previous employment. Accordingly, he has abundant knowledge and experience. He also has been contributing to the execution of business and improvement of corporate value of the Company as Executive Officer from 2015 and Director from 2017. In consideration of his track record, personality, and capabilities, etc., the Company has decided to continuously propose him as a candidate for Director.				
5	Yuji Kitahara (October 4, 1953)  Reelection Outside Independent  Number of years in office as outside Director 6 years  Attendance at Board of Directors meetings for the fiscal year under review 13/14 (92%)	Apr. 1978 Apr. 1985 Mar. 1990 June 2010 June 2016	Appointed as Public Prosecutor Registered as attorney-at-law Established Eiwa Law Office (current position) Outside Audit & Supervisory Board Member of the Company Outside Director of the Company (current position)	- shares
Reasons for nomination as a candidate for Outside Director and overview of expected role Mr. Kitahara has never been involved in the management of a company, except as an outside officer in the past. He, however, has abundant knowledge and experience, etc. mainly in corporate legal affairs as a lawyer, and rich audit experience as one who has experienced being an outside Audit & Supervisory Board Member of the Company. Accordingly, with the expectation that he will strengthen the effectiveness of decision-making and supervisory functions of the Board of Directors, the Company has decided to continuously propose him as a candidate for outside Director. In addition, if he is elected as proposed, the Company plans to designate him as a Consultation & Remuneration Committee member.				

Candidate No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Number of the Company's shares owned
6	<p style="text-align: center;">Osamu Kato (October 13, 1966)</p> <p style="text-align: center;">Reelection Outside</p> <p style="text-align: center;">Number of years in office as Director 1 year</p> <p style="text-align: center;">Attendance at Board of Directors meetings for the fiscal year under review 10/10 (100%)</p>	<p>Apr. 1990      Joined East Japan Railway Company</p> <p>June 2003      Section Manager of Electric Power Section of Facilities Division of Takasaki Branch Office</p> <p>June 2005      General Manager of Facilities Department of Railway Operations Headquarters</p> <p>June 2007      Section Manager of Planning Section of Electricity Division of Tokyo Branch Office</p> <p>Nov. 2011      Head of Facilities Division of Takasaki Branch Office</p> <p>June 2015      Deputy General Manager of Electrical &amp; Signal Network System Department of Railway Operations Headquarters</p> <p>June 2015      Outside Director of Total Electric Management Service Co., Ltd.</p> <p>June 2018      General Manager of Electrical &amp; Signal Network System Department of Railway Operations Headquarters of East Japan Railway Company</p> <p>June 2019      Executive Officer and General Manager of Nagano Branch Office</p> <p>June 2021      Executive Officer and General Manager of Electrical &amp; Signal Network System Department of Railway Operations Headquarters (current position)</p> <p>June 2021      Outside Director of the Company (current position)</p>	- shares
<p>Reasons for nomination as a candidate for Outside Director and overview of expected role</p> <p>Mr. Kato has never been involved in the management of a company, except as an outside officer in the past. He, however, has abundant knowledge and experience such as in technology and safety relating to railways as well as strong management ability. Also, with the expectation that he will offer accurate advice on the Company's management and appropriately oversee the execution of business from an objective and professional perspective externally, the Company has decided to continuously propose him as a candidate for Outside Director. Mr. Kato is receiving payment such as salaries from East Japan Railway Company, which is a major business partner, since he is Executive Officer of Electrical &amp; Signal Network System Department of Railway Operations Headquarters (person who executes business) of said company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Number of the Company's shares owned
7	Naomi Inoue (November 6, 1950)  New election Outside Independent  Number of years in office as Director - years  Attendance at Board of Directors meetings for the fiscal year under review -/- (-%)	Apr. 1974      Joined The Fuji Bank, Limited May 1995      Manager of Musashikosugi Branch May 1998      General Manager of Subsidiaries and Affiliates Management Division Apr. 2002      Executive Officer and General Manager of Affiliated Enterprises Department of Mizuho Bank, Ltd. Jan. 2005      Managing Executive Officer Apr. 2007      Managing Director Apr. 2008      Joined Mizuho Information & Research Institute, Inc. as Advisor Apr. 2008      Audit & Supervisory Board Member of Mizuho Securities Co., Ltd. June 2008      Senior Managing Director, Mizuho Information & Research Institute, Inc. Mar. 2010      President & CEO Apr. 2013      Joined Tokiwa Kosan Co., Ltd. as Advisor June 2013      Representative Director and President June 2013      External Auditor of TOKYO SEIMITSU CO., LTD. June 2019      External Corporate Director June 2020      Representative Director and Chairman of Tokiwa Kosan Co., Ltd. June 2021      Counselor (current position)	- shares
<p>Reasons for nomination as a candidate for Outside Director and overview of expected role</p> <p>Mr. Inoue has abundant experience and broad insight gained through his experience as top management of listed companies and other organizations. Accordingly, with the expectation that he will oversee the Company's management and contribute to strengthening the governance structure through accurate advice and guidance from an objective and professional perspective externally, the Company has decided to propose him as a candidate for Outside Director. In addition, if he is elected as proposed, the Company plans to designate him as a Consultation &amp; Remuneration Committee member.</p>			

Candidate No.	Name (Date of birth)	Career summary, position, responsibility and significant concurrent positions	Number of the Company's shares owned
8	Hirohisa Hokari (July 4, 1956)  New election Outside Independent  Number of years in office as Director - years  Attendance at Board of Directors meetings for the fiscal year under review -/- (-%)	Apr. 1980      Joined the Bank of Japan July 2001      General Manager of Kofu Branch Apr. 2007      Director General of Information System Services Department Apr. 2010      Director General of Operations Department June 2011      Joined SOHGO SECURITY SERVICES CO., LTD., serving as Executive Officer and General Manager of Business Planning Department Feb. 2012      Senior Executive Officer and Deputy Chief Officer of Business Promotion Affairs June 2014      Director and Senior Executive Officer and Deputy Chief Officer of Business Promotion Affairs Apr. 2018      Executive Vice President and Director and Deputy Chief Officer of Business Promotion Affairs Apr. 2019      Executive Vice President and Director, Deputy Chief Officer of Business Promotion Affairs, and Chief Officer of International Affairs (current position)	- shares
Reasons for nomination as a candidate for Outside Director and overview of expected role Mr. Hokari has abundant experience and broad insight gained through his experience as an officer of listed companies. Accordingly, with the expectation that he will oversee the Company's management, including future sale strategy and global expansion, and contribute to strengthening the governance structure through accurate advice and guidance from an objective and professional perspective externally, the Company has decided to propose him as a candidate for Outside Director.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
  2. Yuji Kitahara, Osamu Kato and Naomi Inoue are candidates for Outside Director.
  3. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company currently has agreements with Mr. Kitahara and Mr. Kato to limit their liability for damages under Article 423, paragraph (1) of the same Act. The limit on liability for damages under such agreement is the amount provided for by Article 425, paragraph (1) of the same Act. If Mr. Kitahara and Mr. Kato are elected as proposed, the Company plans to again enter into the limited liability agreement currently under contract. Likewise, if Mr. Inoue and Mr. Hokari are elected as proposed, the Company plans to enter into the same limited liability agreement with them.
  4. The Company has designated Mr. Kitahara as an independent officer as provided for by the Tokyo Stock Exchange, and has submitted notification to the exchange. If he is elected as proposed, the Company plans to continuously designate him as an independent officer. Likewise, if Mr. Inoue and Mr. Hokari are elected as proposed, the Company plans to designate them as independent officers.
  5. The Company enters into Directors and Officers Liability Insurance with an insurance company, and damages that occur under the liability of the insured persons in relation to the execution of their duties or claims received in relation to investigation of said liability shall be covered by the insurance contract. When a candidate has been appointed as a Director, they will become an insured person under this insurance contract. Also, the insurance contract will be renewed with the same contents at the next time of renewal.

**Proposal No. 4** Election of Three Directors Who Are Audit & Supervisory Committee Members

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved and adopted as proposed, the Company will make the transition to a company with audit and supervisory committee.

Therefore, the Company proposes the election of three Directors who are Audit & Supervisory Committee Members.

In addition, the consent of the Audit & Supervisory Board has been obtained in advance for the submission of this proposal to this meeting. This proposal can only take effect after Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

Candidates for the role of Director who is an Audit & Supervisory Committee Member are as follows:

Candidate No.	Name	Current position in the Company	Attributes of candidate
1	Hisao Akeboshi	Audit & Supervisory Board Members	New election Outside
2	Sanae Jin	Audit & Supervisory Board Members	New election
3	Masato Ohno	Outside Audit & Supervisory Board Member	New election Outside Independent

Candidate No.	Name (Date of birth)	Career summary, position and significant concurrent positions		Number of the Company's shares owned
1	<p>Hisao Akeboshi (October 30, 1957)</p> <p>New election Outside</p> <p>Number of years in office as Audit &amp; Supervisory Board Member 2 years</p> <p>Attendance at Board of Directors and Audit &amp; Supervisory Board meetings for the fiscal year under review</p> <p>Board of Directors 14/14 (100%)</p> <p>Audit &amp; Supervisory Board 15/15 (100%)</p>	<p>Apr. 1981</p> <p>Apr. 1987</p> <p>Dec. 1996</p> <p>Feb. 1998</p> <p>July 2000</p> <p>May 2004</p> <p>June 2011</p> <p>June 2014</p> <p>June 2020</p>	<p>Joined Japanese National Railways</p> <p>Joined East Japan Railway Company</p> <p>Deputy Section Manager of Accounting Section of Finance Department of Tokyo Regional Headquarters</p> <p>Deputy Section Manager of Finance Section of Finance Department of Tokyo Regional Headquarters</p> <p>Deputy Section Manager of Accounting Section of Finance Department</p> <p>Section Manager of Finance Section of General Affairs Division of Takasaki Branch Office</p> <p>Head of Audit Division of Hachioji Branch Office</p> <p>Director and General Manager of Finance Department of Nippon Hotel Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of the Company (current position)</p>	100 shares
<p>Reasons for nomination as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member and overview of expected role</p> <p>Mr. Akeboshi has successively been holding key posts in finance and audit divisions at multiple companies in the past, besides being an executive officer of a company. Accordingly, with the expectation that he will offer accurate advice and oversight of the Company based on the extensive experience and knowledge he gained while serving those roles, the Company has decided to propose him as a candidate for Outside Director who is an Audit &amp; Supervisory Board Member.</p>				
2	<p>Sanae Jin (March 16, 1964)</p> <p>New election</p> <p>Number of years in office as Audit &amp; Supervisory Board Member 1 year</p> <p>Attendance at Board of Directors and Audit &amp; Supervisory Board meetings for the fiscal year under review</p> <p>Board of Directors 10/10 (100%)</p> <p>Audit &amp; Supervisory Board 10/10 (100%)</p>	<p>Jan. 1989</p> <p>Apr. 2009</p> <p>Oct. 2010</p> <p>July 2011</p> <p>Apr. 2012</p> <p>Apr. 2012</p> <p>June 2017</p> <p>Dec. 2019</p> <p>June 2021</p>	<p>Joined Hoan Kogyo Co., Ltd.</p> <p>Section Manager of General Affairs Section, Hokkaido Branch of the Company</p> <p>Chief Section Manager of Planning Section, Corporate Planning Division</p> <p>Section Manager of General Administrative Center, Corporate Management Division, and Chief Section Manager of Planning Section, Corporate Planning Division</p> <p>Seconded to NR Shared Service Co., Ltd.</p> <p>General Manager of Service Business Department</p> <p>Director and General Manager of Service Business Department</p> <p>General Manager of Audit Department of the Company</p> <p>Audit &amp; Supervisory Board Member of the Company (current position)</p>	5,300 shares
<p>Reasons for nomination as a candidate for Director who is an Audit &amp; Supervisory Committee Member</p> <p>Ms. Jin has successively been holding key posts in finance and audit divisions in the past, besides being an executive officer of a company, and is well informed about the Company's business. Accordingly, to have her utilize her abundant experience and broad insight cultivated there in the Company's audit function, and ensure effectiveness of the Audit &amp; Supervisory Committee, the Company has decided to propose her as a candidate for Director who is an Audit &amp; Supervisory Board Member.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and significant concurrent positions	Number of the Company's shares owned	
3	Masato Ohno (October 11, 1955)	Apr. 1978 July 1986 July 1989 May 1994 July 2002 July 2003 July 2006 July 2009 Apr. 2011 July 2011 June 2018 Apr. 2019	Joined National Tax Agency District Director of Ashikaga Tax Office of Kantoshinetsu Regional Taxation Bureau Director of Administration and Legal Division of Planning and Administration Department of Sendai Regional Taxation Bureau Consul of Consulate General of Japan in New York of Ministry of Foreign Affairs Assistant Regional Commissioner (Planning and Administration) of Kumamoto Regional Taxation Bureau Assistant Regional Commissioner (Planning and Administration) of Hiroshima Regional Taxation Bureau Director of International Operations Division of National Tax Agency Vice President of National Printing Bureau Counselor of the Minister's Secretariat of Ministry of Finance Professor of Graduate School of Business Sciences of University of Tsukuba Outside Audit & Supervisory Board Member of the Company (current position) Professor of Meiji University (current position)	- shares
	New election Outside Independent			
	Number of years in office as Audit & Supervisory Board Member 4 years			
	Attendance at Board of Directors and Audit & Supervisory Board meetings for the fiscal year under review 14/14 (100%)			
	Audit & Supervisory Board 15/15 (100%)			
	Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and overview of expected role Mr. Ohno has never been involved in the management of a company. He, however, has expertise in tax affairs cultivated through his career in the National Tax Agency, and broad insight as a university professor. Accordingly, with the expectation that he will contribute to strengthening and enhancing the Company's audit function through advice and guidance from an objective and professional perspective externally, the Company has decided to propose him as a candidate for Outside Director who is an Audit & Supervisory Committee Member. In addition, if he is elected as proposed, the Company plans to designate him as a Consultation & Remuneration Committee member.			

- (Notes)
- There is no special interest between any of the candidates and the Company.
  - Hisao Akeboshi and Masato Ohno are candidates for Outside Director.
  - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company currently has an agreement with Mr. Ohno to limit his liability for damages under Article 423, paragraph (1) of the same Act. The limit on liability for damages under such agreement is the amount provided for by Article 425, paragraph (1) of the same Act. If Mr. Akeboshi, Ms. Jin and Mr. Ohno are elected as proposed, the Company plans to again enter into the limited liability agreement currently under contract.
  - The Company has designated Mr. Ohno as an independent officer as provided for by the Tokyo Stock Exchange, and has submitted notification to the exchange. If he is elected as proposed, the Company plans to continuously designate him as an independent officer.
  - The Company enters into Directors and Officers Liability Insurance with an insurance company, and damages that occur under the liability of the insured persons in relation to the execution of their duties or claims received in relation to investigation of said liability shall be covered by the insurance contract. When a candidate has been appointed as a Director, they will become an insured person under this insurance contract. Also, the insurance contract will be renewed with the same contents at the next time of renewal.

**Reference The skills each Director is particularly expected to bring (skill matrix)**

The Company recognizes that in order to realize its corporate philosophy, it needs fulfill its duty to contribute to society through supporting the construction of infrastructure as described in the new Medium-Term Management Plan established this period, and respond to the mandates from all stakeholders.

In order for the Board of Directors to effectively fulfill its roles and responsibilities, and in accordance with the corporate philosophy, Medium-Term Management Plan, etc., the Company ensures that Board of Directors is balanced and consists from those who possess the following skills in each field and has a wealth of knowledge and experience, from and outside the Company.

	Status	Name	Common domains					Expert domains	
			Corporate management Corporate strategy	Sustainability Digital transformation	Human resource development Diversity	Compliance Internal control	Finance Accounting	Safety control	Electrical technology
Director (non-Audit & Supervisory Committee Member)		Shigeru Egusa	●	●				●	●
		Shoji Tanabe	●		●			●	●
		Ikuo Omori	●		●	●			
		Masaaki Sawamura	●	●	●		●		
	Outside/Independent	Yuji Kitahara			●	●			
	Outside	Osamu Kato	●					●	●
	Outside/Independent	Naomi Inoue	●			●			
	Outside/Independent	Hirohisa Hokari		●		●			
Audit and Supervisory Committee Member	Outside	Hisao Akeboshi				●	●		
		Sanae Jin			●	●	●		
	Outside/Independent	Masato Ohno				●	●		

- (Notes) 1. “Common domains” refers to professional skills commonly required in corporate management and “Expert domains” refers to professional skills required in the Company’s business.  
2. The status “Outside” refers to Outside Director and “Independent” refers to Independent Officer as provided for by the Tokyo Stock Exchange, Inc.

**Proposal No. 5** Election of 1 Director Who Is a Substitute Audit & Supervisory Committee Member

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved and adopted as proposed, the Company will make the transition to a company with audit and supervisory committee.

Accordingly, the Company requests approval for the election of one Director who is a substitute Audit & Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit & Supervisory Committee Members fall below the number required by laws and regulations.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal can only take effect after Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

Candidates for the role of a Director who is a substitute Audit & Supervisory Committee Member are as follows:

Name (Date of birth)	Career summary, position and significant concurrent positions	Number of the Company’s shares owned
<p>Shigeru Uchida (June 24, 1951)</p> <p>New election</p>	<p>Apr. 1976      Joined Japanese National Railways</p> <p>Apr. 1987      Joined Japan Railway Construction Public Corporation</p> <p>Mar. 2004      General Manager of Electricity Department of Railway Division of Japan Railway Construction, Transport and Technology Agency General Manager of Electrical Engineering Department of Railway Division of Japan Railway Construction, Transport and Technology Agency</p> <p>June 2011      Joined TOHO ELECTRICAL CONSTRUCTION CO., LTD.</p> <p>June 2011      Director and Deputy General Manager of General Headquarters</p> <p>Jan. 2012      Director and Deputy General Manager of Corporate Management Headquarters</p> <p>Apr. 2012      Managing Director and Deputy General Manager of Corporate Management Headquarters</p> <p>June 2012      Representative Director and President</p> <p>Sept. 2016      Director and Counselor</p> <p>June 2017      Counselor</p>	<p>- shares</p>

Reasons for nomination as a candidate for Outside Director who is a substitute Audit & Supervisory Committee Member and overview of expected role

Mr. Uchida has abundant experience and broad insight as a manager of a company. He also has deep knowledge such as in technology and safety relating to railways. Accordingly, with the expectation that he will contribute to strengthening and enhancing the Company’s audit structure from an objective and professional perspective externally, the Company has decided to propose him as a candidate for Outside Director who is a substitute Audit & Supervisory Board Member.

- (Notes)
1. There is no special interest between the candidate and the Company.
  2. Shigeru Uchida is a candidate for Outside Director who is a substitute Audit & Supervisory Committee Member.
  3. If Mr. Uchida assumes office as Outside Director who is an Audit & Supervisory Committee Member, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with him to limit liability for damages under Article 423, paragraph (1) of the same Act with limit of the minimum liability amount set as provided for by Article 425, paragraph (1) of the same Act.
  4. The Company enters into Directors and Officers Liability Insurance with an insurance company, and damages that occur under the liability of the insured persons in relation to the execution of their duties or claims received in relation to investigation of said liability shall be covered by the insurance contract. When a candidate has been appointed as an Outside Director who is an Audit & Supervisory Committee Member, they will become an insured person under this insurance contract. Also, the insurance contract will be renewed with the same contents at the next time of renewal.

**Proposal No. 6** Establishment of Remuneration Amount for Directors (excluding Directors who are Audit & Supervisory Committee Members)

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved and adopted as proposed, the Company will make the transition to a company with audit and supervisory committee.

At the annual general meeting of shareholders held on June 27, 2018, an annual remuneration amount for the Directors of the Company not exceeding 300 million yen per annum (not exceeding 50 million yen per annum for Outside Directors, not including the portion of employee salary) was agreed, which has continued until today. However, the Company proposes abolishing this and newly establishing an annual remuneration amount for the Directors (excluding Directors who are Audit & Supervisory Committee Members) not exceeding 300 million yen (not exceeding 50 million yen per annum for Outside Directors, not including the portion of employee salary).

This proposal is determined by the Board of Directors after deliberation by the Consultation Committee, comprehensively taking into account the Company’s scope of business, officer remuneration system and payment criteria, the current number of officers and future trends, etc., and has been judged to be appropriate.

Also, the Company’s policy for determining matters such as the remuneration of individual Directors is as stated on page 16 and 17 of the Business Report.

The current number of Directors is seven (of whom three are Outside Directors), and the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) in relation to this proposal will be eight persons (of whom four are Outside Directors) when Proposal No. 2 and Proposal No. 3 are approved and adopted as per the original text.

This proposal, however, can only take effect after Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

**Proposal No. 7** Establishment of Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved and adopted as proposed, the Company will make the transition to a company with audit and supervisory committee.

Therefore, the Company proposes an annual remuneration amount of 60 million yen for Directors who are Audit & Supervisory Committee Members.

This proposal is determined by the Board of Directors after deliberation by the Consultation Committee, comprehensively taking into account the Company’s scope of business, officer remuneration system and payment criteria, the current number of officers and future trends, etc., and has been judged to be appropriate.

The number of Directors who are Audit & Supervisory Committee Members in relation to this proposal will be three persons when Proposal No. 2 and Proposal No. 4 are approved and adopted as per the original text.

This proposal, however, can only take effect after Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.