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Securities code: 1997
November 7, 2022

To Shareholders with Voting Rights:

Shunji Ueda
Representative Director and President
AKATSUKI EAZIMA CO., LTD.
2770-5 Sembacho, Mito, Ibaraki,
Japan

**NOTICE OF
THE 69th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 69th Annual General Meeting of Shareholders of AKATSUKI EAZIMA CO., LTD. (the “Company”) will be held as described below.

From the perspective of preventing the spread of COVID-19, we request shareholders to refrain from attending the General Meeting of Shareholders as much as possible and to exercise voting rights in writing in advance.

Please review the Reference Documents for the General Meeting of Shareholders shown below, indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form, and return it to the Company arriving no later than 5:30 p.m. Japan time on Monday, November 21, 2022.

- 1. Date and Time:** Tuesday, November 22, 2022 at 10:00 a.m. Japan time
(Reception will open at 9:00 a.m.)
- 2. Place:** 3F Conference Room, Headquarters of the Company
2770-5 Sembacho, Mito, Ibaraki, Japan
(For directions, please refer to the map at the end of this notice.)
- 3. Meeting Agenda:**
 - Matters to be reported:** The Business Report and Financial Statements for the Company’s 69th Fiscal Year (September 1, 2021 - August 31, 2022)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
 - Proposal 4:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
 - Proposal 5:** Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member
 - Proposal 6:** Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
 - Proposal 7:** Determination of the Amount of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members
 - Proposal 8:** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

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- If attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception on the day of the meeting.
 - Any amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, or Financial Statements will be posted on the Company's website (<http://www.eazima.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as one of the most important management policies. Our basic policy is to allocate profits to shareholders based on the level of profits in respective fiscal years, while maintaining financial soundness in order to adapt to future business environments and survive amidst fierce competition.

For the fiscal year ended August 31, 2022, the Company's business performance has been solid, with profit exceeding our initial forecast. Accordingly, we have comprehensively evaluated the return of profits to shareholders, etc. and would like to add a special dividend of 10 yen to our most recent dividend forecast, resulting in a total dividend of 55 yen per share.

1. Matters concerning year-end dividends

(1) Type of the dividend assets:

Cash

(2) Allocation of dividend assets to be paid to shareholders and total dividend amount:

Dividend per common share of the Company: 55 yen Total amount: 109,186,825 yen

(3) Date on which the appropriation of surplus goes into effect:

November 24, 2022

2. Other appropriation of surplus

The Company proposes the following appropriation of surplus in order to prepare for new business development and to strengthen its financial soundness in consideration of the future business environment.

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

Retained earnings brought forward: 100,000,000 yen

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

General reserve: 100,000,000 yen

Proposal 2: Partial Amendments to the Articles of Incorporation

The Company proposes partial amendments to the current Articles of Incorporation as follows.

1. Reasons for amendments

- (1) The Company will transition to a company with an audit and supervisory committee in order to further enhance corporate governance by strengthening the supervision function of the Board of Directors by allowing Directors who are Audit and Supervisory Committee Members to have voting rights at meetings of the Board of Directors. Accordingly, the Company proposes to make the necessary amendments, including establishing new provisions concerning the Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members and deleting provisions concerning the Audit & Supervisory Board and the Audit & Supervisory Board Members.
- (2) The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) were enforced on September 1, 2022 and the system for electronic provision of materials for general meetings of shareholders was introduced. Accordingly, the Company proposes to establish new provisions concerning measures for electronic provision, etc. and to delete provisions concerning internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc. which become unnecessary.
- (3) Other necessary amendments, such as addition and deletion of articles, rearrangement of wordings, and corrections of wording, are made in connection with each of the above amendments.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Articles 1 to 3 (Omitted) (Organizational Bodies)</p> <p>Article 4 The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Directors:</p> <p>(1) Board of Directors; (2) <u>Audit & Supervisory Board Members</u>; (3) <u>Audit & Supervisory Board</u>; and (4) <u>Accounting Auditor</u></p> <p>Articles 5 to 16 (Omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 17 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>Articles 1 to 3 (Unchanged) (Organizational Bodies)</p> <p>Article 4 The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Directors:</p> <p>(1) Board of Directors; (2) <u>Audit and Supervisory Committee</u>; and (Deleted) (3) <u>Accounting Auditor</u></p> <p>Articles 5 to 16 (Unchanged)</p> <p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 17 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><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>

Current Articles of Incorporation	Proposed Amendments
<p>Articles 18 to 19 (Omitted)</p> <p>(Number of Directors)</p> <p>Article 20 The Company shall have not more than seven (7) Directors.</p> <p>(Newly established)</p> <p>(Election of Directors)</p> <p>Article 21 Directors shall be elected by a resolution of a general meeting of shareholders.</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p>(Terms of Office of Directors)</p> <p>Article 22 The terms of office of Directors shall expire at the conclusion of the annual general meeting of shareholders for the last business year terminating within one (1) year after their election.</p> <p>(Newly established)</p>	<p>Articles 18 to 19 (Unchanged)</p> <p>(Number of Directors)</p> <p>Article 20 The Company shall have not more than seven (7) Directors <u>(excluding Directors who are Audit and Supervisory Committee Members; hereinafter “Directors who are not Audit and Supervisory Committee Members”).</u></p> <p>2. <u>The Company shall have not more than five (5) Directors who are Audit and Supervisory Committee Members.</u></p> <p>(Election of Directors)</p> <p>Article 21 <u>Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members shall be separately</u> elected by a resolution of a general meeting of shareholders.</p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p> <p>(Terms of Office of Directors)</p> <p>Article 22 The terms of office of Directors <u>who are not Audit and Supervisory Committee Members</u> shall expire at the conclusion of the annual general meeting of shareholders for the last business year terminating within one (1) year after their election.</p> <p>2. <u>The terms of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the annual general meeting of shareholders for the last business year terminating within two (2) years after their election.</u></p>

Current Articles of Incorporation	Proposed Amendment
(Newly established)	<u>(Substitute Director Who Is Audit and Supervisory Committee Member)</u> <u>Article 23</u> The Company may elect a substitute Director who is an Audit and Supervisory Committee Member at a general meeting of shareholders to prepare for a potential shortage of the number of Directors who are Audit and Supervisory Committee Members stipulated by laws and regulations or the Articles of Incorporation.
(Newly established)	<u>2.</u> The resolution to elect a substitute Director who is an Audit and Supervisory Committee Member shall be in accordance with the provisions of Article 21.
(Newly established)	<u>3.</u> The term of office of a substitute Director who is an Audit and Supervisory Committee Member elected in accordance with Article 23-1 shall expire at the end of the term of office of the predecessor.
(Newly established)	<u>4.</u> The election of a substitute Director who is an Audit and Supervisory Committee Member shall be effective until the beginning of the annual general meeting of shareholders for the last business year terminating within two (2) years after his/her election.
(Representative Directors and Directors With Special Titles) Article <u>23</u> The Board of Directors shall appoint Representative Director(s) by a resolution.	(Representative Directors and Directors With Special Titles) Article <u>24</u> The Board of Directors shall appoint Representative Director(s) <u>from among the Directors who are not Audit and Supervisory Committee Members</u> by a resolution.
2. The Board of Directors may appoint one (1) Director and Chairman, and one (1) Director and President by a resolution.	2. The Board of Directors may appoint one (1) Director and Chairman, and one (1) Director and President <u>from among the Directors who are not Audit and Supervisory Committee Members</u> by a resolution.
Article <u>24</u> (Omitted)	Article <u>25</u> (Unchanged)

Current Articles of Incorporation	Proposed Amendment
<p>(Notice of Meeting of the Board of Directors)</p> <p>Article <u>25</u> When convening a Board of Directors meeting, a notice shall be sent to each Director <u>and each Audit & Supervisory Board Member</u> at least two (2) days before the day of the meeting; provided, however, that this period may be shortened in case of emergency.</p> <p>2. With the consent of all Directors <u>and Audit & Supervisory Board Members</u>, a Board of Directors meeting may be held without following the convening procedures.</p> <p>(Resolutions of the Board of Directors)</p> <p>Article <u>26</u> Resolutions of the Board of Directors shall be approved by a majority of the votes of the Directors present at a meeting that is attended by a majority of the Directors who are entitled to participate in the voting.</p> <p>2. The Company shall deem that a resolution of the Board of Directors has been approved when all Directors have agreed in writing or by electronic recording to the resolution matters of the Board of Directors; <u>however, this shall not apply if Audit & Supervisory Board Members object to the resolution.</u></p> <p>Articles <u>27</u> to <u>28</u> (Omitted)</p> <p>(Remuneration, Etc.)</p> <p>Article <u>29</u> Remuneration, bonuses and other forms of financial benefits that Directors receive from the Company in exchange for the execution of their duties (hereinafter “Remuneration, etc.”) shall be determined by a resolution of the general meeting of shareholders.</p> <p>Article <u>30</u> (Omitted)</p>	<p>(Notice of Meeting of the Board of Directors)</p> <p>Article <u>26</u> When convening a Board of Directors meeting, a notice shall be sent to each Director at least two (2) days before the day of the meeting; provided, however, that this period may be shortened in case of emergency.</p> <p>2. With the consent of all Directors, a Board of Directors meeting may be held without following the convening procedures.</p> <p>(Resolutions of the Board of Directors)</p> <p>Article <u>27</u> Resolutions of the Board of Directors shall be approved by a majority of the votes of the Directors present at a meeting that is attended by a majority of the Directors who are entitled to participate in the voting.</p> <p>2. The Company shall deem that a resolution of the Board of Directors has been approved when all Directors <u>(only those who are entitled to participate in the voting on subject matters)</u> have agreed in writing or by electronic recording to the resolution matters of the Board of Directors.</p> <p>Articles <u>28</u> to <u>29</u> (Unchanged)</p> <p>(Remuneration, Etc.)</p> <p>Article <u>30</u> Remuneration, bonuses and other forms of financial benefits that Directors receive from the Company in exchange for the execution of their duties (hereinafter “Remuneration, etc.”) shall be determined <u>separately for Directors who are Audit and Supervisory Committee Members and for Directors who are not Audit and Supervisory Committee Members</u> by a resolution of the general meeting of shareholders.</p> <p>Article <u>31</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendment
<p>(Newly established)</p> <p>Chapter 5 <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p> <p><u>(Number of Audit & Supervisory Board Members)</u></p> <p><u>Article 31 The Company shall have not more than five (5) Audit & Supervisory Board Members.</u></p> <p><u>(Election of Audit & Supervisory Board Members)</u></p> <p><u>Article 32 Audit & Supervisory Board Members shall be elected by a resolution of a general meeting of shareholders.</u></p> <p><u>2. The resolution shall be approved by a majority of the votes of the shareholders present at a meeting that is attended by one third or more of the shareholders who are entitled to exercise their voting rights.</u></p> <p><u>(Terms of Office of Audit & Supervisory Board Members)</u></p> <p><u>Article 33 The terms of office of Audit & Supervisory Board Members shall expire at the conclusion of the annual general meeting of shareholders concerning the last business year terminating within four (4) years after the election.</u></p> <p><u>2. The term of office of a substitute Audit & Supervisory Board Member elected to fill a vacancy of a retiring Audit & Supervisory Board Member before the expiration of his/her term of office shall expire at the end of the term of office of that retiring Audit & Supervisory Board Member.</u></p>	<p><u>(Delegation of Decision-making Authority on Execution of Important Business Affairs)</u></p> <p><u>Article 32 The Company may, pursuant to Article 399-13, Paragraph 6 of the Companies Act, delegate all or part of the decisions on the execution of important business affairs (excluding the matters listed in each item of Paragraph 5 of the same Article) to Directors by a resolution of the Board of Directors.</u></p> <p>Chapter 5 <u>Audit and Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendment
(Substitute Audit & Supervisory Board Member)	
Article 34 <u>The Company may elect a substitute Audit & Supervisory Board Member at a general meeting of shareholders to prepare for a potential shortage of the number of Audit & Supervisory Board Members stipulated by laws and regulations or the Articles of Incorporation.</u>	(Deleted)
2. <u>A quorum for the resolution to elect a substitute Audit & Supervisory Board Member shall be in accordance with the provisions of Article 32-2.</u>	(Deleted)
3. <u>The term of office of a substitute Audit & Supervisory Board Member elected in accordance with Article 34-1 shall expire at the end of the term of office of the predecessor.</u>	(Deleted)
4. <u>The election of a substitute Audit & Supervisory Board Member shall be effective until the beginning of the annual general meeting of shareholders for the last business year ending within two (2) years after the election.</u>	(Deleted)
(Full-time Audit & Supervisory Board Members)	(Full-time Audit and Supervisory Committee Members)
Article 35 <u>The Audit & Supervisory Board shall elect a few full-time Audit & Supervisory Board Members by a resolution.</u>	Article 33 <u>The Audit and Supervisory Committee shall elect a few full-time Audit and Supervisory Committee Members by a resolution.</u>
(Notice of Meeting of the Audit & Supervisory Board)	(Notice of Meeting of the Audit and Supervisory Committee)
Article 36 <u>When convening a meeting of the Audit & Supervisory Board, a notice shall be sent to each Audit & Supervisory Board Member at least two (2) days before the day of the meeting; provided, however, that this period may be shortened in case of emergency.</u>	Article 34 <u>When convening a meeting of the Audit and Supervisory Committee, a notice shall be sent to each Audit and Supervisory Committee Member at least two (2) days before the day of the meeting; provided, however, that this period may be shortened in case of emergency.</u>
2. <u>With the consent of all Audit & Supervisory Board Members, a meeting of the Audit & Supervisory Board may be held without following the convening procedures.</u>	2. <u>With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures.</u>

Current Articles of Incorporation	Proposed Amendment
(Regulations of <u>the Audit & Supervisory Board</u>)	(Regulations of <u>the Audit and Supervisory Committee</u>)
Article <u>37</u> Matters concerning <u>the Audit & Supervisory Board</u> shall be governed by laws and regulations and the Articles of Incorporation, as well as the Regulations of <u>the Audit & Supervisory Board</u> set forth by <u>the Audit & Supervisory Board</u> .	Article <u>35</u> Matters concerning <u>the Audit and Supervisory Committee</u> shall be governed by laws and regulations and the Articles of Incorporation, as well as the Regulations of <u>the Audit and Supervisory Committee</u> set forth by <u>the Audit and Supervisory Committee</u> .
(Remuneration, Etc.)	
Article <u>38</u> <u>Remuneration, etc. for the Audit & Supervisory Board Members shall be determined by a resolution of the general meeting of shareholders.</u>	(Deleted)
(Agreement on Limitation of Liability of Outside Audit & Supervisory Board Members)	
Article <u>39</u> Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, <u>the Company may enter into an agreement with an Outside Audit & Supervisory Board Members to limit their liability for damages due to negligence of their duties, if they have acted in good faith and without gross negligence in performing their duties; provided, however, that the maximum amount of liabilities under the agreement shall be the amount stipulated by laws and regulations.</u>	(Deleted)
Articles <u>40</u> to <u>41</u> (Omitted)	Articles <u>36</u> to <u>37</u> (Unchanged)
(Remuneration, Etc.)	(Remuneration, Etc.)
Article <u>42</u> The Company shall determine the remuneration, etc. for the accounting auditor with the consent of <u>the Audit & Supervisory Board</u> .	Article <u>38</u> The Company shall determine the remuneration, etc. for the accounting auditor with the consent of <u>the Audit and Supervisory Committee</u> .
Articles <u>43</u> to <u>46</u> (Omitted)	Articles <u>39</u> to <u>42</u> (Unchanged)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	<u>Supplementary provisions</u> <u>(Transitional Measures for Electronic Provision)</u>
(Newly established)	
(Newly established)	<u>Article 1. Article 17 (Internet Disclosure and</u> <u>Deemed Provision of Reference Documents</u> <u>for the General Meeting of Shareholders, Etc.)</u> <u>of the current Articles of Incorporation shall</u> <u>remain effective for a general meeting of</u> <u>shareholders to be held on a date within six (6)</u> <u>months from September 1, 2022, the</u> <u>enforcement date of the amended provisions</u> <u>stipulated in the proviso to Article 1 of the</u> <u>supplementary provisions of the Act Partially</u> <u>Amending the Companies Act (Act No. 70 of</u> <u>2019) (the “Effective Date”).</u>
(Newly established)	<u>2. These supplementary provisions shall be</u> <u>deleted on the date after six (6) months have</u> <u>lapsed from the Effective Date or on the date</u> <u>after three (3) months have lapsed from the date</u> <u>of the general meeting of shareholders set forth</u> <u>in the preceding paragraph, whichever is later.</u>
(Newly established)	
(Newly established)	
(Newly established)	
(Newly established)	
(Newly established)	<u>(Transitional Measures for Exemption from Liability</u> <u>of Audit & Supervisory Board Members Prior to</u> <u>Transition to a Company with Audit and Supervisory</u> <u>Committee)</u>
(Newly established)	
(Newly established)	
(Newly established)	
(Newly established)	
(Newly established)	
(Newly established)	
(Newly established)	
(Newly established)	<u>Article 2. The agreement to limit liability for</u> <u>acts defined under Article 423, Paragraph 1 of</u> <u>the Companies Act, which the Company</u> <u>entered into with Outside Audit & Supervisory</u> <u>Board Members (including former Outside</u> <u>Audit & Supervisory Board Members) before</u> <u>the conclusion of the 69th Annual General</u> <u>Meeting of Shareholders, shall still be</u> <u>governed by Article 39 of the Articles of</u> <u>Incorporation before the amendment that will</u> <u>come into effect upon the conclusion of the</u> <u>said annual general meeting of shareholders.</u>

Proposal 3: Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all the current five (5) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of four (4) Directors.

This proposal shall take effect provided that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Shunji Ueda (June 3, 1961)	<p>April 1984 Joined the Company</p> <p>September 2006 Head of Ibaraki Construction Department, Ibaraki Business Division</p> <p>September 2008 Executive Officer, Head of Ibaraki Construction Department</p> <p>September 2010 Executive Officer, Deputy Head of Ibaraki Business Division</p> <p>September 2013 Senior Executive Officer, Head of Ibaraki Business Division</p> <p>November 2016 Director, Senior Executive Officer, Head of Ibaraki Business Division</p> <p>November 2019 Representative Director and President, Chief Executive Officer (current)</p>	18,800
2	Manabu Shiraishi (October 23, 1971)	<p>April 1995 Joined the Company</p> <p>September 2013 Head of Ibaraki Construction Department, Ibaraki Business Division</p> <p>September 2016 Executive Officer, Head of Ibaraki Construction Department</p> <p>November 2019 Director, Senior Executive Officer, Head of Ibaraki Business Division</p> <p>November 2021 Director, Managing Executive Officer, Head of Ibaraki Business Division (current)</p>	6,800
3	Sunao Iwai (January 16, 1966)	<p>April 1988 Joined AKATSUKI CONSTRUCTION CO., LTD. (currently the Company)</p> <p>September 2010 Head of Tokyo Construction Department, Tokyo Business Division</p> <p>September 2016 Executive Officer, Head of Tokyo Construction Department</p> <p>September 2020 Executive Officer, Deputy Head of Tokyo Business Division</p> <p>November 2020 Director, Senior Executive Officer, Head of Tokyo Business Division (current)</p>	5,000

4	Tomoaki Katagiri (December 2, 1973)	February 1999	Joined the Company.	6,500
		September 2018	Head of Accounting Department, Administration Division	
		September 2019	Executive Officer, Head of Administration Division	
		November 2021	Director, Senior Executive Officer, Head of Administration Division (current)	

- Notes: 1. None of the above candidates have any special interest with the Company.
2. The number of shares of the Company held by each candidate is the number of shares as of August 31, 2022.

Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee, provided the amendment to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved at this general meeting of shareholders. Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

This proposal has been approved by the Audit & Supervisory Board in advance.

This proposal shall take effect provided that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Takao Yoshida (October 7, 1955) [New appointment]	April 1978 Joined the Company September 2001 Head of Ibaraki Business Division November 2002 Director, Head of Ibaraki Business Division September 2007 Director, Managing Executive Officer, Head of Ibaraki Business Division September 2013 Director, Managing Executive Officer, Head of Building Care Business Division September 2020 Director, Managing Executive Officer November 2020 Full-time Audit & Supervisory Board Member (current)	18,800
2	Koji Nemoto (October 15, 1964) [New appointment / Outside]	July 1983 Joined the Tax Office July 2007 Retired from the Tax Office August 2007 Established Nemoto Tax Office, Director (current) November 2015 Outside Audit & Supervisory Board Member, the Company (current) July 2016 Established Nemoto Tax Office Co., Ltd, Representative Director (current)	600
3	Akio Uezaki (July 2, 1953) [New appointment / Outside]	April 1983 Registered at the Bar (current) April 1985 Established Uezaki Akio Law Office, Director (current)	-

- Notes:
1. None of the above candidates have any special interest with the Company.
 2. The number of shares of the Company held by each candidate is the number of shares as of August 31, 2022.
 3. Mr. Koji Nemoto is a candidate for Outside Director who is an Audit and Supervisory Committee Member. The Company has filed a notice with the Tokyo Stock Exchange to designate Mr. Nemoto as an independent director, and he will continue to serve as an independent director if he is elected.

4. Mr. Akio Uezaki is a candidate for Outside Director who is an Audit and Supervisory Committee Member. The Company has filed a notice with the Tokyo Stock Exchange to designate Mr. Uezaki as an independent director, and he will continue to serve as an independent director if he is elected.
5. Mr. Koji Nemoto is nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member because he has advanced professional knowledge and experience as a certified public tax accountant, which we believe will be beneficial in his duties as Outside Director who is an Audit and Supervisory Committee Member of the Company.
6. Mr. Akio Uezaki is nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member because, although he has no direct experience in corporate management, he has abundant knowledge and experience as a lawyer. We believe that Mr. Uezaki's advice and guidance regarding the Company's management will serve to further strengthen the Company's corporate governance.
7. Pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Koji Nemoto to limit his liability for damages under Article 423, Paragraph 1 of said Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of said Act. If Messrs. Koji Nemoto and Akio Uezaki's appointments are approved, the Company plans to enter into the aforementioned liability limitation agreement with them.

(Reference document for Proposals 3 and 4)

Skills matrix for Directors following the Annual General Meeting of Shareholders and Board of Directors meeting

Name Position in the Company	Outside	Knowledge, experience, and ability possessed by Directors					
		Corporate Management	Finance/ Accounting	Sales/ Marketing	Technology	Legal Affairs	Safety/ Quality
Shunji Ueda Representative Director, President		○	○	○	○		○
Manabu Shiraishi Director		○			○		○
Sunao Iwai Director		○			○		○
Tomoaki Katagiri Director		○	○				
Takao Yoshida Director, Audit and Supervisory Committee Member		○			○		○
Koji Nemoto Director, Audit and Supervisory Committee Member	○	○	○				
Akio Uezaki Director, Audit and Supervisory Committee Member	○	○	○			○	

Proposal 5: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

The Company will transition to a company with an audit and supervisory committee, provided the amendment to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved at this general meeting of shareholders. Accordingly, the Company proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member to prepare for a potential shortage of the number of Directors stipulated by laws and regulations after the transition.

The appointment of a substitute Director who is an Audit and Supervisory Committee Member may be cancelled by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee only prior to his/her assumption of office.

This proposal has been approved by the Audit & Supervisory Board in advance.

This proposal shall take effect provided that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” take effect.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
Sachio Ohba (August 2, 1966)	July 1986	Joined the Tax Office	-
	August 2008	Joined Asahi Tax Corporation	
	May 2011	Representative Partner, Kanda Accounting Second CFO	
[Outside]	June 2014	Representative Partner, Ibaraki Tax Accounting Corporation (current)	

- Notes:
1. The above candidate does not have any special interest with the Company.
 2. Mr. Sachio Ohba is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member. If he is elected as an Outside Director who is an Audit and Supervisory Committee Member, the Company plans to file a notice with the Tokyo Stock Exchange to designate Mr. Ohba as an independent director.
 3. Mr. Sachio Ohba is nominated as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member because, although he has no direct experience in corporate management, he has abundant knowledge and experience related to corporate taxation as a certified tax accountant, and has considerable knowledge of finance and accounting, which we believe will be beneficial in his duties as Outside Director of the Company.
 4. If Mr. Sachio Ohba is elected as Outside Director who is an Audit and Supervisory Committee Member, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement with Mr. Ohba to limit his liability for damages under Article 423, Paragraph 1 of said Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of said Act.

Proposal 6: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of remuneration, etc. for Directors in the Company was decided to be a maximum of 100 million yen annually (not including employee salary) upon the resolution at the 54th Annual General Meeting of Shareholders held on November 21, 2007. However, the Company will transition to a company with an audit and supervisory committee, provided the amendment to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved at this general meeting of shareholders. Accordingly, the Company proposes once more that the amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members. The same applies in this proposal) after the transition to a company with an audit and supervisory committee shall be a maximum of 100 million yen annually.

The amount of remuneration, etc. for this proposal reflects consideration of various circumstances, including the recent economic situation and is deemed necessary and reasonable to comply with the content of remuneration, etc. for an individual Director of the Company in accordance with the policy for determining the content of remuneration, etc. for individual Directors of the Company stated in the Business Report, and the Company believes that the amount is appropriate.

Remuneration, etc. for Directors shall, as before, not include the amount of salary paid to those Directors who are also the Company’s employees.

The Company currently has five (5) Directors (including one (1) Outside Director), and if Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Four (4) Directors (Excluding Directors who are Audit and Supervisory Committee Members)” are resolved as originally proposed, the number of Directors related to this proposal will be four (4) (including zero (0) Outside Directors).

This proposal shall take effect provided that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” take effect.

Proposal 7: Determination of the Amount of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee, provided the amendment to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved at the general meeting of shareholders. Accordingly, the Company proposes that the amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members after the transition to a company with an audit and supervisory committee shall be a maximum of 15 million yen annually.

The amount of remuneration, etc. for this proposal reflects consideration of various circumstances, including the recent economic situation, and the Company believes that the amount is appropriate considering their responsibility as Directors who are Audit and Supervisory Committee Members.

If Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of Three (3) Directors Who Are Audit and Supervisory Committee Members” are resolved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be three (3).

This proposal shall take effect provided that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” take effect.

Proposal 8: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

The amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) in the Company will be decided to be a maximum of 100 million yen annually (not including employee salary) if Proposal 6 is approved and resolved. The amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members in the Company will be decided to be a maximum of 15 million yen annually if Proposal 7 is approved and resolved.

It was approved at the 66th Annual General Meeting of Shareholders held on November 22, 2019, that the Company shall introduce a system of remuneration for granting restricted shares to Directors (excluding Outside Directors) and Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) separately from the basic remuneration, in order to provide Directors with incentives to sustainably increase the Company's corporate value and further promote shared value with shareholders and in order to provide Audit & Supervisory Board Members with incentives to prevent damage to the corporate value and to maintain the corporate credibility of the Company through sharing value with shareholders. Based on this system of remuneration for granting restricted shares, the total amount of monetary remuneration paid for the grant of restricted shares to Directors (excluding Outside Directors) is to be a maximum of 15 million yen annually, and for the grant of restricted shares to Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) is to be a maximum of 1.5 million yen annually.

If Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and resolved as originally proposed, the Company will transition to a company with an audit and supervisory committee. Accordingly, the Company requests the approval once again to pay remuneration for granting restricted shares to the Company's Directors (excluding Outside Directors; hereinafter "Eligible Directors") separately from the basic remuneration, in order to further promote shared value with shareholders as follows. Based on this proposal, the remuneration will be monetary claims in an appropriate amount for the aforementioned purpose, and the total amount paid for the grant of restricted shares to Eligible Directors shall be a maximum of 15 million yen annually for Directors (excluding Directors who are Audit and Supervisory Committee Members) and 1.5 million yen annually for Directors who are Audit and Supervisory Committee Members. The specific allocation to each Eligible Director shall be determined by a resolution of the Board of Directors or through consultation with the Directors who are Audit and Supervisory Committee Members.

This proposal is to help Eligible Directors to further promote shared value with shareholders and is deemed necessary and reasonable to comply with the content of remuneration, etc. for an individual Director (excluding Director who is an Audit and Supervisory Committee Member) of the Company in accordance with the policy for determining the content of remuneration, etc. for individual Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company stated in the Business Report, and the Company believes that it is appropriate.

If Proposal 2 "Partial Amendments to the Articles of Incorporation," Proposal 3 "Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)," and Proposal 4 "Election of Three (3) Directors Who Are Audit and Supervisory Committee Members" are approved and resolved as originally proposed, the number of Eligible Directors will be five (5); four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members) and one (1) Director who is an Audit and Supervisory Committee Member.

Eligible Directors shall, based on a resolution of the Board of Directors, pay all the monetary remuneration claims to be granted according to this proposal as properties contributed in kind, and receive common shares of the Company that shall either be issued or disposed of by the Company. The

total number of common shares thus issued or disposed of shall be a maximum of 10,000 shares annually for Directors (excluding Directors who are Audit and Supervisory Committee Members), and a maximum of 1,000 shares annually for Directors who are Audit and Supervisory Committee Members (however, that total number may be adjusted within a reasonable range in the case that a stock split [including an allotment of common shares without contribution] or a reverse stock split of the Company's common shares is conducted, or in any other case that requires an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted shares, on and after the day on which this proposal is approved and resolved). The amount to be paid in per share will be determined by the Board of Directors, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors (or if no transaction is executed on that date, the closing price on the most recent trading date prior to that day) within a range that is not especially favorable to Eligible Directors. Such issuance or disposal of common shares of the Company shall be conditional on the conclusion of an agreement between the Company and Eligible Directors on the allotment of restricted shares (hereinafter "Allotment Agreement") that includes the provisions summarized below.

- (1) Eligible Directors shall not transfer, pledge, or otherwise dispose of (hereinafter "Transfer Restrictions") the common shares of the Company allotted to them under the Allotment Agreement (hereinafter "Allotted Shares") for a period of from two (2) to five (5) years determined by the Board of Directors of the Company (hereinafter "Transfer Restriction Period").
- (2) If an Eligible Director vacates his/her post as Director (excluding Outside Directors), or other posts of the Company determined by the Board of Directors prior to the expiration of the Transfer Restriction Period, the Company shall rightfully acquire the Allotted Shares for no consideration, unless there is a reason that the Board of Directors of the Company deems justifiable.
- (3) Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restrictions for all the Allotted Shares at the expiration of the Transfer Restriction Period, provided an Eligible Director has held a post as Director (excluding Outside Directors), or other posts of the Company determined by the Board of Directors continuously during the Transfer Restriction Period. However, if such Eligible Director vacates all posts stipulated in the provision of (2) above prior to the expiration of the Transfer Restriction Period for a reason that the Board of Directors of the Company deems justifiable as stipulated in the provision of (2) above, the number of Allotted Shares for which the Transfer Restrictions shall be lifted and the timing of the lifting of the Transfer Restrictions shall be reasonably adjusted as necessary.
- (4) The Company shall rightfully acquire for no consideration any Allotted Shares, for which the Transfer Restrictions have not been lifted pursuant to the provision of (3) above, upon the expiration of the Transfer Restriction Period.
- (5) Notwithstanding the provision of (1) above, in the event that a merger agreement where the Company becomes the non-surviving company, a share exchange agreement or a share transfer plan where the Company becomes a wholly-owned subsidiary, or other matter concerning an organizational restructuring, etc. is approved by the Company's general meeting of shareholders (or the Company's Board of Directors if approval of the Company's general meeting of shareholders is not required for the organizational restructuring, etc.) during the Transfer Restriction Period, the Company may lift the Transfer Restrictions before the effective date of the organizational restructuring, etc. by resolution of the Company's Board of Directors, for a number of the Allotted Shares to be reasonably determined based on the period from the start of the Transfer Restriction Period until the date of approval of the organizational restructuring, etc.
- (6) In the event that the provision of (5) above are met, the Company shall, in accordance with (5) above, rightfully acquire for no consideration any Allotted Shares for which the Transfer

Restrictions have not been lifted at a point immediately after the lifting of the Transfer Restrictions.

- (7) This Allotment Agreement shall include the method of manifestation of intention and notification in this Allotment Agreement, the method of revision of this Allotment Agreement, and other matters to be determined by the Board of Directors.