The English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese prevails.

Securities Code: 1720
June 7, 2021

To Our Shareholders:

1-16-14 Shibuya, Shibuya-ku, Tokyo
Tokyu Construction Co., Ltd.
Mitsuhiro Terada, Representative Director, President

Notice of the 18th Annual General Meeting of Shareholders

The Company would hereby like to announce shareholders the Company's 18th Annual Meeting of Shareholders as described below.
In consideration of preventing the spread of the novel coronavirus, we kindly request you to refrain from attending the meeting and exercise your voting rights in advance in writing or through the Internet or other means as much as possible. Please read the following Reference Document for the Annual General Meeting of Shareholders and exercise your voting rights by no later than 6:00 p.m. on June 23, 2021 (Wednesday).

Sincerely yours,

1. Date: 10:00 a.m., June 24 (Thursday), 2021
(Reception will begin at 9:00 a.m.)

2. Venue: Ballroom, B2F, Cerulean Tower Tokyu Hotel
26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo

3. Purposes:

Items to be reported:

1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit & Supervisory Board for the 18th business period (April 1, 2020 to March 31, 2021)
2. The non-consolidated financial statements for the 18th business period (April 1, 2020 to March 31, 2021)

Items to be resolved:

Agenda No. 1: Appropriation of Retained Earnings

Agenda No. 2: Partial Amendment to the Articles of Incorporation

Agenda No. 3: Election of Ten (10) Directors

Agenda No. 4: Revision of Amount of Remuneration for Outside Directors

Agenda No. 5: Decision on Remuneration for Granting Restricted Stocks to Directors (excluding Outside Directors and Directors not engaging in business execution)

Please kindly note that no gifts will be given to attendees at this Annual General Meeting of Shareholders.

- Of the documents included in the Appendix to this Notice of Convocation of the General Meeting of Shareholders, the Business Report is among the documents audited by the Audit & Supervisory Board, and the Consolidated Financial Statements and Non-consolidated Financial Statements are among the documents audited by the Accounting Auditor and the Audit & Supervisory Board. The circumstances of the accounting auditor and the system to secure the appropriateness of business operations and the outline of the operating circumstances of the said system of the Business Report, the Consolidated Statements of changes in net assets and the Notes to the Consolidated Financial Statements of the Consolidated Financial Statements, and the Non-consolidated Statements of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements of the Non-consolidated Financial Statements are posted on the Company's website in accordance with laws and ordinances and provisions of Article 16 of the Company's Articles of Incorporation.
- Results of resolutions at this Annual General Meeting of Shareholders will be listed on the Company's website via the Internet after this Annual General Meeting of Shareholders, in lieu of notifying you in writing.
- If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, and/or the business report, the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company's website.

Company's website https://www.tokyu-cnst.co.jp/en/

Reference Document for the Annual Meeting of Shareholders

Meeting Agenda and Referential Matters

Agenda No. 1: Appropriation of Retained Earnings

The Company regards stable and sustained profit returns to shareholders as a key policy, while recognizing the importance of securing ample internal reserves for investments and other initiatives to increase corporate value, and further improving financial strength to deal with medium- and long-term risks. In line with this policy, the Company aims to pay dividends while targeting 20% or higher in the consolidated payout ratio and implement profit returns including share buybacks, in a flexible manner based on operating results.

Under this policy, the Company will request appropriation of retained earnings as follows:

Year-end Dividend

(1) Matters concerning allocation of dividend property to shareholders and total amount thereof

10 yen per common share of the Company　　Total amount: ¥ 1,047,325,990

(2) Effective date on which dividends are disbursed from retained earnings

June 25, 2021

Agenda No. 2: Partial Amendment to the Articles of Incorporation

1. Reasons for proposal

Given the future expansion of business fields, the Company hereby proposes amendments by adding the business purposes of the company which has become a wholly-owned subsidiary of the Company, to the current provision of Article 2 of the Articles of Incorporation.

2. The details of revision

The details of revision of the Articles of Incorporation are as follows.

(Those to be amended are underlined.)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions (Purpose) Article 2 The purpose of the Company shall be to perform the following businesses. 1 to 10 (Articles omitted)	Chapter 1 General Provisions (Purpose) Article 2 The purpose of the Company shall be to perform the following businesses. 1 to 10 (Same as the current articles)
(Newly stated)	11. Power generation, and supply of electricity and heat business
11 to 16 (Articles omitted)	12 to 17 (Same as the current articles)
(Newly stated)	18. Manpower dispatching business
17 (Articles omitted)	19. (Same as the current articles)

Agenda No. 3: Election of Ten (10) Directors

The terms of office of all of the current Directors will expire at the close of this General Meeting of Shareholders. Accordingly, we propose the election of ten (10) Directors.

The Company currently has three (3) Independent Directors in accordance with the regulation of the Tokyo Stock Exchange, and will place four (4) Independent Directors, accounting for more than one-third of all Directors, upon approval of this Proposal as originally proposed.

The candidates for Directors are as follows.

[Reference: List of Candidates]

Candidate No.		Name	Current positions	Attendance at Board of Directors meetings
1	Reappointed	Tsuneo Iizuka	Representative Director, Chairman	14/15 meetings (93.3%)
2	Reappointed	Mitsuhiro Terada	Representative Director, President	15/15 meetings (100%)
3	Reappointed	Motoyuki Takagi	Representative Director, Executive Vice President	15/15 meetings (100%)
4	Reappointed	Masatoshi Shimizu	Director, Senior Managing Executive Officer	15/15 meetings (100%)
5	Reappointed	Yushi Tsukui	Director, Managing Executive Officer	15/15 meetings (100%)
6	Reappointed	Masao Tomoe	Director	15/15 meetings (100%)
7	Reappointed External Independent Officer	Kahori Yoshida	Director	15/15 meetings (100%)
8	Reappointed External Independent Officer	Isao Onda	Director	15/15 meetings (100%)
9	Newly Appointed External Independent Officer	Kunihiro Koshizuka	*	*
10	Newly Appointed External Independent Officer	Tsutomu Tsunashima	*	*

Note: No description marked with * means not being applicable due to a newly appointed candidate.



- Number of the Company's shares owned
  85,040 shares
- Term of Office for Director
  15 years
- Attendance at Board of Directors meetings:
  14/15 meetings (93.3%)

1 Tsuneo Iizuka (August 5, 1948)

Reappointed

Brief profile, position, responsibility and significant concurrent positions

April 1971	Joined Tokyu Construction Co., Ltd. ("the Company")
October 2003	Executive Officer of the Company
June 2004	Senior Executive Officer of the Company
June 2006	Director, Managing Executive Officer of the Company
April 2008	General Manager, Civil Engineering Division of the Company
June 2009	Representative Director, Senior Managing Executive Officer of the Company
April 2010	Representative Director, President of the Company
June 2018	Representative Director, Chairman of the Company (to present)

(significant concurrent positions)
Outside Director of Seikitokyu Kogyo Co., Ltd.

- Reasons for the election of candidate for Director

Mr. Iizuka has been serving as Representative Director of the Company since 2009. He has abundant experience and extensive expertise as a business manager and has properly performed his duties for administration and oversight of the overall businesses of the Group. Accordingly, he has been elected as a candidate for Director.



- Number of the Company's shares owned
  23,520 shares
- Term of Office for Director
  9 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

2 Mitsuhiro Terada (March 1, 1957)

Reappointed

Brief profile, position, responsibility and significant concurrent positions

April 1979	Joined Tokyu Construction Co., Ltd.
June 2010	Executive Officer of the Company
April 2012	Senior Executive Officer of the Company
June 2012	Director, Managing Executive Officer of the Company
April 2013	General Manager, Civil Engineering Division of the Company
April 2016	Director, Senior Managing Executive Officer of the Company
April 2018	Representative Director, Senior Executive Vice President of the Company
June 2019	Representative Director, President of the Company (to present)

- Reasons for the election of candidate for Director

Mr. Terada has abundant management experience at the Company and strong leadership as the Representative Director and President in the Group. Accordingly, he has been elected as a candidate for Director.



- Number of the Company's shares owned
  9,233 shares
- Term of Office for Director
  5 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

3 Motoyuki Takagi (November 25, 1955)

Reappointed

Brief profile, position, responsibility and significant concurrent positions

April 1979	Joined Tokyu Construction Co., Ltd.
April 2011	Executive Officer of the Company
April 2016	Managing Executive Officer of the Company
	General Manager, Building Construction Division of the Company
June 2016	Director, Managing Executive Officer of the Company
June 2018	Director, Senior Managing Executive Officer of the Company
April 2020	Representative Director, Executive Vice President of the Company (to present)
	General Manager of Business Management, in charge of Safety & Environment and International Business of the Company (to present)

- Reasons for the election of candidate for Director

Mr. Takagi has served as Representative Director of the Company. He has advanced expertise in the overall construction business, as well as abundant experience and extensive knowledge as a business manager. Accordingly, he has been elected as a candidate for Director.



- Number of the Company's shares owned
  5,301 shares
- Term of Office for Director
  4 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

4 Masatoshi Shimizu (January 20, 1959)

Reappointed

Brief profile, position, responsibility and significant concurrent positions

April 1982	Joined Tokyu Construction Co., Ltd.
April 2012	Executive Officer of the Company
April 2017	Managing Executive Officer of the Company
	General Manager, Business Administration Division of the Company
June 2017	Director, Managing Executive Officer of the Company
April 2020	Director, Senior Managing Executive Officer of the Company (to present)
April 2021	General Manager of Corporate Strategy Division, in charge of Business Administration Division of the Company (to present)

- Reasons for the election of candidate for Director

Mr. Shimizu has been elected as candidate for Director due to his rich management experience at the Company and strong insights pertaining to overall business administration.



- Number of the Company's shares owned
  3,676 shares
- Term of Office for Director
  3 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

5 Yushi Tsukui (November 20, 1957) Reappointed

Brief profile, position, responsibility and significant concurrent positions

April 1981	Joined Tokyu Construction Co., Ltd.
April 2015	Executive Officer of the Company
April 2018	Managing Executive Officer of the Company General Manager, Civil Engineering Division of the Company (to present)
June 2018	Director, Managing Executive Officer of the Company (to present)

- Reasons for the election of candidate for Director

Mr. Tsukui has been elected as candidate for Director for his rich management experience at the Company and strong insights pertaining to civil engineering.



- Number of the Company's shares owned
  0 shares
- Term of Office for Director
  3 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

6 Masao Tomoe (November 23, 1953) Reappointed

Brief profile, position, responsibility and significant concurrent positions

April 1976	Joined Tokyu Corporation ("Tokyu")
June 2007	Director of Tokyu
April 2011	Managing Executive Director of Tokyu
April 2014	Senior Managing Executive Director of Tokyu
July 2014	Executive General Manager of Human Resources Headquarters of Tokyu
June 2015	Director & Senior Managing Executive Officer of Tokyu
April 2017	Representative Director & Vice President of Tokyu (to present)
June 2018	Director of the Company (to present)
September 2019	Representative Director & Vice President of Tokyu Corporation (to present)

(significant concurrent positions)
Representative Director & Vice President of Tokyu Corporation

- Reasons for the election of candidate for External Director

Mr. Tomoe is the Representative Director of Tokyu Corporation, a core company of the Tokyu Group. He has been elected as candidate for External Director due to his rich management experience and broad insights as corporate manager as well as the Company's expectations that he will contribute to the Company's management using his opinions from the viewpoint of one familiar with the overall knowledge of business administration.



- Number of the Company's shares owned
  0 shares
- Term of Office for Director
  2 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

7 Kahori Yoshida (December 19, 1972)

Reappointed | External | Independent Officer

Brief profile, position, responsibility and significant concurrent positions

April 1996	Joined Recruit Cosmos Co., Ltd.
September 2010	Passed the bar examination
December 2011	Joined Yoshiko Takagi Law Firm (current T&T Partners Law Office) (to present)
	Registered as Lawyer
April 2012	Member of the Operation Committee for Housing Dispute Examination Meeting, Daini Tokyo Bar Association (to present)
November 2018	Special member of the Chuo Construction Project Dispute Examination Committee, the Ministry of Land, Infrastructure, Transport, and Tourism (to present)
June 2019	Director of the Company (to present)
August 2020	Member of the Central Review Council for Kenchikushi, the Ministry of Land, Infrastructure, Transport and Tourism (to present)
	Professional Member of Architecture Subcommittee, the Social Infrastructure Improvement Council, the Ministry of Land, Infrastructure, Transport and Tourism (Team for preventive measures for accidents and disasters of buildings) (to present)
October 2020	Temporary Member of the Japanese Industrial Standards Committee, the Ministry of Land, Infrastructure, Transport and Tourism (to present)

(significant concurrent positions)
Lawyer

- Reasons for proposing the candidate for Outside Director and outline of expected roles

Ms. Yoshida has professional expertise as a lawyer and work experience in the real estate industry, and has been re-elected for Outside Director with the expectation that she will contribute to oversight of overall corporate businesses with her beneficial advice and opinions through her expertise and experience. Although she has no experience of having been directly engaged in corporate management, the Company believes, based on the reason above, she will be able to accomplish her duties as Outside Director.



- Number of the Company's shares owned
  0 shares
- Term of Office for Director
  1 year
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)
  3 meetings as Audit & Supervisory Board Member
  12 meetings as External Director

8 Isao Onda (April 4, 1949)

Reappointed | External | Independent Officer

Brief profile, position, responsibility and significant concurrent positions

October 1973	Joined EIKO Accounting Corporation (current Ernst & Young ShinNihon LLC)
July 1990	Partner of Century Audit Corporation ("Century"), Manager of Chiba office
June 1993	Director and Partner of Century, Manager of business development department, and Manager of Chiba office
June 2002	Executive Director and Partner of Ernst & Young ShinNihon Audit Corporation, General Manager in charge of public stock offering business and public accounting business, Deputy General Manager in charge of general consulting business, and Manager of Chiba office
September 2008	Executive Director of Ernst & Young ShinNihon LLC ("EY ShinNihon"), Department Head in charge of oversight of advisory services
	Ernst & Young Global Japan Area Advisor
September 2010	Advisor of EY ShinNihon
October 2010	Special Advisor of GTM Research Institute Inc.
April 2011	Representative Director, President of GTM Research Institute Inc. (to present)
June 2012	Auditor of the Company (to present)
January 2019	Partner of GTM Tax Co. (to present)
April 2019	Visiting professor of Institute for Technology, Enterprise and Competitiveness, Doshisha University
June 2020	Director of the Company (to present)

(significant concurrent positions)
Representative Director, President of GTM Research Institute Inc.
Partner of GTM Tax Co.
Visiting professor of Institute for Technology, Enterprise and Competitiveness, Doshisha University

- Reasons for proposing the candidate for Outside Director and outline of expected roles

Mr. Onda has abundant experience and broad insights as a business manager, as well as his professional expertise as a certified public accountant and certified tax accountant. He has been re-elected as a candidate for Outside Director with the expectation that he will contribute to oversight of overall businesses with his beneficial advice and opinions through his expertise and experience.



- Number of the Company's shares owned
  0 shares
- Term of Office for Director
  —
- Attendance at Board of Directors meetings:
  —

9 Kunihiro Koshizuka (September 30, 1955)

Newly Appointed | External | Independent Officer

Brief profile, position, responsibility and significant concurrent positions

April 1981	Joined Konishiroku Photo Industry Co., Ltd. (current KONICA MINOLTA, INC.)
April 2012	Executive Officer, Manager in charge of Technology Strategy of KONICA MINOLTA, INC.
April 2014	Executive Vice President and Executive Officer, General Manager in charge of Corporate R&D Headquarters of KONICA MINOLTA, INC.
April 2015	Executive Vice President and Executive Officer, General Manager in charge of Business Development of KONICA MINOLTA, INC.
June 2015	Director, Executive Vice President and Executive Officer, General Manager in charge of Business Development of KONICA MINOLTA, INC.
April 2016	Director, Executive Vice President and Executive Officer of KONICA MINOLTA, INC.
June 2019	Senior Technical Advisor of KONICA MINOLTA, INC.
May 2020	Outside Director of AEON MALL Co., Ltd. (to present)

(significant concurrent positions)
Outside Director of AEON MALL Co., Ltd.

- Reasons for proposing the candidate for Outside Director and outline of expected roles

Mr. Koshizuka has professional expertise in digital and science technology with a wealth of experience and broad insights with respect to technical strategy formulation, new business creation, and large acquisition deals. He has been elected as a candidate for Outside Director with the expectation that he will contribute to oversight of the overall businesses with his beneficial advice and opinions through his expertise and experience.



- Number of the Company's shares owned
  0 shares
- Term of Office for Director
  —
- Attendance at Board of Directors meetings:
  —

10 Tsutomu Tsunashima (September 8, 1956)

Newly Appointed | External | Independent Officer

Brief profile, position, responsibility and significant concurrent positions

April 1979	Joined Yasuda Trust And Banking Company, Limited (current Mizuho Trust & Banking Co., Ltd.)
April 2007	Executive Officer, Manager of Osaka Branch, Mizuho Trust & Banking Co., Ltd.
April 2008	Managing Executive Officer, Manager of Osaka Branch, Mizuho Trust & Banking Co., Ltd.
April 2010	President & CEO of Urban Research Institute Corp.
June 2011	Outside Auditor of DYNIC CORPORATION
June 2015	Outside Audit & Supervisory Board Member of NIPPON SIGNAL CO., LTD.
June 2016	Outside Director of Chuo Warehouse Co., Ltd. (to present)

- Reasons for proposing the candidate for Outside Director and outline of expected roles

Mr. Tsunashima has gained broad insights through his career with a wealth of experience as a business manager at a think tank specialized in the real estate business, as well as years of experience as an officer in business execution at the trust bank. He has been elected as a candidate for Outside Director with the expectation that he will contribute to oversight of the overall businesses with his beneficial advice and opinions through his expertise and experience.

Notes:

1. Special conflict of interests between the candidate and the Company
   (1) Mr. Masao Tomoe is Representative Director of Tokyu Corporation and the company holds 15,362 thousand shares of the Company (holding ratio of 14.67%). In addition, the company and the Company perform businesses under the same category, and the company is a major counterpart for the Company's deals. The Company has transactions such as orders for construction projects with the company.
   (2) There is no special conflict of interests between the other candidates and the Company.
2. Kahori Yoshida, Isao Onda, Kunihiro Koshizuka, and Tsutomu Tsunashima satisfy the Company's criteria for the independence of External Directors set forth in pages 14 to 15 and are candidates for independent officers pursuant to the regulations of the Tokyo Stock Exchange, Inc.
3. Limited liability agreement
   The Company has concluded agreements with Masao Tomoe, Kahori Yoshida, and Isao Onda to limit their respective liabilities for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of said Act. The maximum amount of liability for damages prescribed in such agreement is the minimum liability amount stipulated in the items of Article 425 (1) of said Act. The Company plans to extend the aforementioned limited liability agreements if their re-election is approved. The Company also plans to conclude an agreement with the same terms and conditions with Kunihiro Koshizuka, and Tsutomu Tsunashima if their elections are approved.
4. Directors' Liability Insurance Contracts
   The Company has a directors' liability insurance contract with the insurance company which covers liability for damages and litigation costs of an insured person that arises from compensation claims to the insured person for damages due to the insured person's acts (including failure to act) in the use of his or her position during the insurance period. However, the Company does not compensate for damages claimed that are caused by an insured person's criminal acts. Each candidate will become an insured person of the said contract upon the appointment as Director, and the said contract will be renewed in the midst of his or her term of office.

[Reference: Expertise and Experience of Candidates for Directors and Audit & Supervisory Board Members]

	Name	Corporate management	Sales	Laws and Compliance	Finance and Accounting	Development of Human Resources	International Mindset	Digital Innovation
Directors	Tsuneo Iizuka	*	*					
	Mitsuhiro Terada	*	*				*	
	Motoyuki Takagi	*	*				*	*
	Masatoshi Shimizu	*		*	*	*		
	Yushi Tsukui	*	*					
	Masao Tomoe	*			*	*		
	Kahori Yoshida External Independent			*				
	Isao Onda External Independent	*			*			
	Kunihiro Koshizuka External Independent	*					*	*
	Tsutomu Tsunashima External Independent	*			*		*	

	Name	Corporate management	Sales	Laws and Compliance	Finance and Accounting	Development of Human Resources	International Mindset	Digital Innovation
Audit & Supervisory Board Members	Satoshi Hashimoto			*				
	Masashi Ochiai				*			
	Youichi Saito External Independent			*				
	Yoshikazu Kato External Independent			*				*
	Kazuo Kitamura External Independent	*			*			

[Reference: Standard for Independence of External Directors and Audit & Supervisory Board Members]

The Company determines External Officers (External Directors and Audit & Supervisory Board Members) who satisfy with the following requirements as independent officers (Independent External Directors and Independent Audit & Supervisory Board Members) without any risk of conflict of interest with general shareholders.

1. External Officers do not fall into the following category:

1) Executive persons[1] of the Company and its subsidiaries (hereinafter, referred to as the "Group");
2) A counterparty which has transactions principally with the Group[2], or its executive persons;
3) Major counterparty[3] of the Group or its executives;
4) A consultant, accounting professional or legal professional who has been paid a large amount of money or other assets[4] in addition to the External Director's remunerations (in the event that such person is a corporation or other association such as union, a person who belongs to such association);
5) An accounting auditor of the Group or a certified public accountant who belongs to an audit corporation that is an accounting auditor of the Group;
6) A person who receives donations or subsidies exceeding certain amount[5] from the Group (in the event that a person who receives such donation or subsidy is a corporation or other association such as union, executive persons of such association);
7) A major financial institution[6] from which the Group has borrowed or executive persons of its parent company or subsidiary;
8) A major shareholder[7] of the Group or in the event that such shareholder is a corporation, executive persons of such corporation;
9) Executive persons in a company which the Group is a major shareholder;
10) A company which Director (regardless of full-time or part-time) is sent from the Group or executive persons of its parent company or subsidiary; or
11) Persons who have recently fallen into the category of any of (1) to (10) above.

2. External officers are not close relative, etc.[9] of persons who fall into the category of (1) to (11) in 1 above (limited to those who have important positions[8]).

3. Even though an External Officer satisfies the requirements of 1 and 2 above, if he/she is not considered to be independent due to other reasons, the Company shall not deem him/her as an independent officer.

Notes:

1. Executive persons mean executives stipulated by Item 6 in Paragraph 3 of Article 2 of the Ordinance for Enforcement of the Companies Act and include executive Directors and employees, but not Audit & Supervisory Board Members and Auditors.
2. A counterparty which has transactions principally with the Group means a counterparty which received payments from the Company, which accounted for more than 2% of its annual consolidated sales in any year of the most recent three fiscal years.
3. A major counterparty of the Group is a counterparty whose payments to the Company accounted for more than 2% of the Company's annual consolidated sales in any year of the most recent three fiscal years.
4. A large amount of money or other assets means money or other assets other than Director's remuneration exceeding ¥10 million per year in either year in the most recent three fiscal years.
5. Donation or subsidy exceeding certain amount means donation or subsidy exceeding ¥10 million per year in any year of the most recent three fiscal years.

6. A major financial institution is a financial institution in which the Company has year-end loan balance of more than 2% of its consolidated total assets in any year of the most recent three fiscal years.
7. A major shareholder means a shareholder who has 10% or more of total voting rights (including both direct and indirect holding).
8. Those who have important positions include Directors (excluding External Directors), executive officers, corporate officers and employees who are at the senior management level of manager or higher, certified public accountants who belong to an audit corporation or accounting office, attorneys who belong to a law office, councilors who belong to an incorporated foundation, incorporated association, educational corporation, or other corporation, administrators such as Directors, or other persons who are objectively and reasonably deemed to have similar importance.
9. Close relative, etc. means spouse or relative within the second degree.

Agenda No. 4: Revision of Amount of Remuneration for Outside Directors

Directors' remuneration amount was resolved at the 5th Annual General Meeting of Shareholders held on June 25, 2008, and the total amount of remuneration for all Directors shall be no more than ¥360 million per year (including a total amount not exceeding ¥30 million per year for Outside Directors and excluding salaries for services as employees for those Directors who serve as such). In a bid to strengthen the corporate governance system, the Company proposes increasing the number of Outside Directors as stated in Agenda No. 3. The Company will also prepare for a further increase in the number of Directors in the coming years. Accordingly, we propose raising the total amount of remuneration for Outside Directors out of the aggregate amount payable to all Directors. Specifically, the proposal is that the total amount of remuneration for Outside Directors shall be increased to an amount not exceeding ¥60 million per year, but the current total amount of remuneration for all Directors shall be unchanged as no more than ¥360 million per year (excluding salaries for services as employees for those Directors who serve as such).

The maximum amount of remuneration for Outside Directors in this Proposal has been determined based on the aforementioned situation, the Policy for determining details of remuneration, etc. for each Director (Please refer to page 19 for details of the said Policy.), and various other matters. The decision is deemed reasonable.

The Company currently has ten (10) Directors (including four (4) Outside Directors and three (3) of them serve as Independent Outside Directors), and will have ten (10) Directors (including four (4) Outside Directors, and all of them will become Independent Outside Directors) if Agenda No. 3 is approved as originally proposed.

Agenda No. 5: Decision on Remuneration for Granting Restricted Stocks to Directors (excluding Outside Directors and Directors not engaging in business execution)

The amount of remuneration for Directors was resolved at the 5th Annual General Meeting of Shareholders held on June 25, 2008, and the total amount of remuneration for all Directors shall be no more than ¥360 million per year (including a total amount not exceeding ¥30 million per year for Outside Directors; salaries for services as employees for those Directors who serve as such are excluded). If Agenda No. 4 "Revision of Amount of Remuneration for Outside Directors" is approved as originally proposed, the total amount of remuneration for all Directors shall be no more than ¥360 million per year (including the total amount not exceeding ¥60 million per year for Outside Directors; salaries for services as employees for those Directors who serve as such are excluded). In addition, the adoption of the stock-based remuneration using a trust was resolved at the 15th Annual General Meeting of Shareholders held on June 26, 2018.

The Company has reviewed the current Directors' remuneration system, and hereby proposes remuneration for granting the restricted stocks to Directors (excluding Outside Directors and Directors not engaging in business execution; hereinafter the "Eligible Directors"), which shall replace the aforementioned stock-based remuneration using a trust, and will be separate from the aforementioned Directors' remuneration limitations, for the purpose of incentivizing Eligible Directors to continuously improve the corporate value, as well as to promote further shared value between Eligible Directors and shareholders.

The remuneration to be paid to Eligible Directors for granting the restricted stocks based on this Proposal shall be monetary compensation claims and the total amount of remuneration shall be no more than ¥60 million per year (excluding salaries for services as employees for those Directors who serve as such). Details of the timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors.

The stock-based remuneration using a trust shall be terminated, and thereafter, any additional contribution shall be discontinued, provided that this Proposal is approved.

The Company currently has ten (10) Directors (including four (4) Outside Directors) and will have ten (10) Directors (including four (4) Outside Directors) if Agenda No. 3 "Election of Ten (10) Directors" is approved.

In addition, in accordance with the resolution by the Board of Directors, eligible Directors shall deliver all monetary compensation claims that they have received under this Proposal, as property contributed in-kind, and shall receive the Company's common stock that shall be issued or disposed of. The total number of shares of the Company's common stock to be issued or disposed of shall not exceed 120,000 shares per year. (Nevertheless, if, on or after the date of the approval and adoption of this Proposal, the Company's common stock is subject to a stock split (including allotment of the Company's common stock without contribution) or a share consolidation, or there are other circumstances requiring an adjustment of the total number of shares of the Company's common stock to be issued or disposed of as restricted stocks, the Company will adjust such total number of shares to a reasonable extent.)

The amounts to be paid per share of the Company's common stock to be issued or disposed of will be decided by the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of each resolution of the Board of Directors (if the Company's stock is not traded on the said date, the closing price of the most recent trading day preceding the said date), to the extent that it will not be excessively advantageous for Eligible Directors. The Company shall issue or dispose of its common stock and provide monetary compensation claims as a property contributed in-kind, provided that the Company and Eligible Directors conclude a restricted stock allocation agreement (hereinafter the "Allocation Agreement"), which includes the following items. The maximum remuneration amounts, total number of shares of the Company's common stock to be issued or disposed of, and other conditions for granting the restricted stocks to Eligible Directors under this Proposal have been determined based on the aforementioned purposes, the Company's operating performance, the Policy for determining details of remuneration, etc. for each Director (Please note that if this Proposal is approved, the said Policy will be revised and replaced with the details stated on page 19, being consistent with the approved contents.), and other various factors. The decision is deemed reasonable.

[Outline of Details of the Allocation Agreement]

(1) Transfer Restriction Period

Eligible Directors may not transfer, create security interest on, or otherwise dispose of the Company's common stocks allotted under the Allocation Agreement (the "Allotted Stocks") (hereinafter, the "Transfer Restriction") during the period of thirty (30) years from the date of the allocation under the Allocation Agreement (the "Transfer Restriction Period").

(2) Resignation of Eligible Directors

In the event an Eligible Director resigns from a post that is an officer's position of the Company or its subsidiaries and is predetermined by the Board of Directors of the Company prior to the expiration of the Transfer Restriction Period, the Company will acquire the Allotted Stocks without any compensation unless

such resignation is due to the expiration of term of office, death, or other legitimate reasons.

(3) Cancellation of the Transfer Restriction Period

Notwithstanding the provision (1) above, the Transfer Restriction shall be cancelled at the time of the expiration of the Transfer Restriction Period for the entire shares of the Allotted Stocks, provided that the Eligible Directors have continuously served at a post that is an officer's position of the Company or its subsidiaries and is predetermined by the Board of Directors of the Company during the Transfer Restriction Period. However, in the event an Eligible Director resigns from a post that is an officer's position of the Company or its subsidiaries and is predetermined by the Board of Directors of the Company prior to the expiration of the Transfer Restriction Period, due to the reasons of the expiration of the term of office, death, or other legitimate reasons based on the provision (2) above, the number of the Allotted Stocks subject to the cancellation of the Transfer Restriction and the timing at which to cancel the Transfer Restriction shall be adjusted to a reasonable extent as needed. The Company will acquire, as a matter of course, the Allotted Stocks without any compensation for which the Transfer Restriction has not been cancelled, at the time immediately after the cancellation of the Transfer Restriction based on the above provision.

(4) Reorganization and Other Matters

Notwithstanding the provision (1) above, in the event a merger agreement in which the Company will become the absorbed company, a stock exchange agreement or a stock transfer plant in which the Company will become a wholly-owned subsidiary, or any other matter related to organizational restructuring, etc., is approved at the General Meeting of Shareholders (or if approval at the General Meeting of Shareholders is not required in relation to such organizational restructuring, then the Board of Directors' meeting) during the Transfer Restriction Period, the Company will cancel the Transfer Restriction for the number of the Allotted Stocks that is determined reasonably based on the period between the date beginning the Transfer Restriction Period and the date of approval of the said organizational restructuring, etc., through the resolution of the Board of Directors, prior to the effective date of the said organizational restructuring, etc. In the provision above, the Company will acquire, as a matter of course, the Allotted Stocks without any compensation for which the Transfer Restriction has not been cancelled, at the time immediately after the cancellation of the Transfer Restriction.

(5) Other Matters

Other matters concerning the Allocation Agreement shall be determined at the Board of Directors.

If this Proposal is approved, the “Policy for determining details of remuneration, etc. for each Director” of the Business Report will be replaced with the following.

Details of Revision:

The Company determines the standard of remuneration to Directors based on their position, business execution status, employee wage levels, third parties’ survey results on business managers’ remuneration in domestic companies, and other factors. The remuneration consists of monetary (basic) remuneration and stock-based remuneration for the purpose of incentivizing Directors toward better business performance in the short term as well as corporate value improvement in the medium to long term.

The monetary remuneration consists of fixed remuneration according to position, and remuneration linked to short-term performance. The fixed remuneration is paid at a fixed amount monthly. The remuneration linked to short-term performance is aimed at incentivizing Directors toward better performance in the short term, and the remuneration amount is calculated by multiplying the basic amount according to position by a performance achievement ratio based on performance indicators such as KPI determined in a management plan, with two payments per year. A performance achievement ratio is calculated based on various factors from a comprehensive viewpoint, such as non-financial indicators and performance results by segment, as well as financial indicators including operating profit, net income, and ROIC. Payment ratios fluctuate at a range between 0 and 200 percent, corresponding to performance achievement ratios. The remuneration to Outside Directors and Directors not engaging in business execution is only the fixed remuneration of the basic remuneration.

The stock-based remuneration, which is aimed at incentivizing Directors toward corporate value improvement in the medium to long term and to share economic value between Directors and shareholders, is provided as restricted stocks to Directors excluding Outside Directors and Directors not engaging in business operations. The number of shares to be granted is determined based on the basic amount according to position, at a meeting of the Board of Directors every year.

The allocated ratio of payment to each remuneration item is set at the approximate level of 60 percent for fixed remuneration, 20 percent for variable remuneration, and 20 percent for stock-based remuneration at an average performance level.

In determining remuneration to each Director, the Appointments and Remunerations Committee, the majority of whose members are Independent Outside Directors, serves as an advisory body to the Board of Directors and it examines and discusses the appropriateness and reasonableness of remuneration amounts payable to each Director, such as an examining the accuracy of calculations in accordance with the above Policy. Upon receiving results of the examination from the said Committee, the Board of Directors makes a decision.