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 6, 2022

To Our Shareholders:

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

Notice of the 19th Annual General Meeting of Shareholders

The Company would hereby like to announce shareholders the Company's 19th 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, 2022 (Thursday).

Sincerely yours,

1. Date: 10:00 a.m., June 24 (Friday), 2022
   (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 19th business period (April 1, 2021 to March 31, 2022)
2. The non-consolidated financial statements for the 19th business period (April 1, 2021 to March 31, 2022)

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 Eight (8) Directors
Agenda No. 4: Election of One (1) Audit & Supervisory Board Member

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 recognizes the importance of capital efficiency while emphasizing stable and sustained profit returns to shareholders, which are less susceptible to short-term profit volatility. In line with this policy, the Company aims to pay dividends of 4% or higher in the dividend on equity ratio (DOE) satisfying both ROE of 10% or higher, which is a medium- to long-term performance target, and a consolidated payout ratio of 40% or higher.
However, regarding the year-end dividend, given the significant net loss for the fiscal year ended March 31, 2022, and future business development, 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
5 yen per common share of the Company Total amount: ¥ 530,969,595
As a result, the annual dividend for the fiscal year ended March 31, 2022, will be 25 yen per share, combined with the interim dividend of 20 yen.

(2) Effective date on which dividends are disbursed from retained earnings
June 27, 2022

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

1. Reasons for proposal

(1) 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 amendments 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.

1) Article 16, (1) in "Proposed amendments" below will stipulate that the Company shall take measures for providing information that constitutes the content of reference document for the annual meeting of shareholders, etc. in electronic format.

2) Article 16, (2) in "Proposed amendments" below will establish a 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.

3) Since the provision for Internet disclosure and deemed provision of reference document for the annual meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will no longer be required, it will be deleted.

4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

(2) The Company proposes amendments so that electromagnetic methods may be used for providing advance notice regarding diverse exercise of voting rights at the general meeting of shareholders.

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
(Internet Disclosure and Deemed Provision of Reference Document for the Annual Meeting of Shareholders, Etc.) Article 16 When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the annual meeting of shareholders, business report, non-consolidated financial statements and 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.	(Deleted)
(Newly stated)	(Measures for Providing Information in Electronic Format, Etc.) Article 16 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 annual

Current Articles of Incorporation	Proposed amendments
	meeting of shareholders, etc. in electronic format. 2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude 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.
(Diverse Exercise of Voting Rights) Article 19 Shareholders who wish to diversely exercise their voting rights must notify the Company in writing at least 3 days before the date of the general meeting of shareholders.	(Diverse Exercise of Voting Rights) Article 19 Shareholders who wish to diversely exercise their voting rights must notify the Company in writing or by electromagnetic methods at least 3 days before the date of the general meeting of shareholders.
(Newly stated)	(Supplementary Provisions) 1. The deletion of Article 16 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Document for the Annual Meeting of Shareholders, Etc.) and the establishment of proposed Article 16 (Measures for Providing Information in Electronic Format, Etc.) shall be effective from September 1, 2022, (hereinafter referred to as "Date of Enforcement"), which is 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). 2. Notwithstanding the provision of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement. 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.

Agenda No. 3: Election of Eight (8) 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 eight (8) Directors (including four (4) External Directors), reducing the number of Directors by two (2) to deliver faster decision-making and strengthen the supervisory function by raising the ratio of External Directors.

The candidates for Directors are as follows.

[Reference: List of Candidates]

Candidate No.		Name	Current positions	Attendance at Board of Directors meetings
1	Reappointed	Mitsuhiro Terada	Representative Director, President	15/15 meetings (100%)
2	Reappointed	Motoyuki Takagi	Representative Director, Executive Vice President	15/15 meetings (100%)
3	Reappointed	Masatoshi Shimizu	Director, Senior Managing Executive Officer	15/15 meetings (100%)
4	Reappointed External Independent Officer	Isao Onda	Director	15/15 meetings (100%)
5	Reappointed External Independent Officer	Kahori Yoshida	Director	15/15 meetings (100%)
6	Reappointed External Independent Officer	Kunihiro Koshizuka	Director	12/12 meetings (100%)
7	Reappointed External Independent Officer	Tsutomu Tsunashima	Director	12/12 meetings (100%)
8	Newly Appointed	Setsu Hamana	*	*

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



- Number of the Company's shares owned
  36,842 shares
- Term of Office for Director
  10 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

1 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 re-elected as a candidate for Director.



- Number of the Company's shares owned
  19,053 shares
- Term of Office for Director
  6 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

2 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 re-elected as a candidate for Director.



■ Number of the Company's shares owned
12,674 shares

■ Term of Office for Director
5 years

■ Attendance at Board of Directors meetings:
15/15 meetings (100%)

3 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 re-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
  0 shares
- Term of Office for Director
  2 years
- Attendance at Board of Directors meetings:
  15/15 meetings (100%)

4 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	Audit & Supervisory Board Member of the Company
January 2019	Partner of GTM Tax Co. (to present)
April 2019	Visiting professor of Institute for Technology, Enterprise and Competitiveness, Doshisha University (to present)
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 External 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 External 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
3 years

■ Attendance at Board of Directors meetings:
15/15 meetings (100%)

5 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)
October 2021	Commissioner of Tokyo housing Policy Making Advisory Board (to present)
April 2022	Special researcher of Tokyo Metropolitan Building Examination Committee (to present)

(Significant concurrent positions)
Lawyer (T&T Partners Law Office)

■ Reasons for proposing the candidate for External 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 External 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 External Director.



■ Number of the Company's shares owned
0 shares

■ Term of Office for Director
1 year

■ Attendance at Board of Directors meetings:
12/12 meetings (100%)

6 Kunihiro Koshizuka (September 30, 1955)

Reappointed | 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, Corporate R&D Department of KONICA MINOLTA, INC.
April 2013	Executive Officer, Manager in charge of Technology Strategy and General Manager in charge of Development of KONICA MINOLTA, INC.
April 2014	Executive Vice President and Executive Officer, General Manager in charge of Corporate R&D Headquarters and Manager in charge of Technology Strategy of KONICA MINOLTA, INC.
April 2015	Executive Vice President and Executive Officer, General Manager in charge of Business Development and General Manager in charge of Corporate R&D Headquarters of KONICA MINOLTA, INC.
June 2015	Director, Executive Vice President and Executive Officer, General Manager in charge of Business Development and General Manager in charge of Corporate R&D Headquarters of KONICA MINOLTA, INC.
April 2016	Director, Executive Vice President and Executive Officer, General Manager in charge of Business Development and in charge of Technology of KONICA MINOLTA, INC.
June 2019	Senior Technical Advisor of KONICA MINOLTA, INC.
May 2020	Outside Director of AEON MALL Co., Ltd. (to present)
June 2021	Director of the Company (to present)

(Significant concurrent positions)
Outside Director of AEON MALL Co., Ltd.
Outside Director of WILL GROUP, INC. (scheduled to take office on June 21, 2022)
Outside Director of F.C.C. CO., LTD. (scheduled to take office on June 21, 2022)

■ Reasons for proposing the candidate for External 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 re-elected as a candidate for External 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
1 year

■ Attendance at Board of Directors meetings:
12/12 meetings (100%)

7 Tsutomu Tsunashima (September 8, 1956)

Reappointed | 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.
June 2021	Director of the Company (to present)

■ Reasons for proposing the candidate for External 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 re-elected as a candidate for External 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:
—

8 Setsu Hamana (July 25, 1960)

Newly Appointed

Brief profile, position, responsibility and significant concurrent positions

April 1983	Joined Tokyu Corporation ("Tokyu")
April 2011	Executive Officer of Tokyu Executive General Manager of Building Headquarters, Urban Life Development Business Unit of Tokyu
June 2014	Director & Executive Officer of Tokyu
April 2015	Deputy Executive General Manager of Urban Development Business Unit of Tokyu
April 2017	Director & Corporate Consultant of Tokyu President & Representative Director of Tokyu Facility Service Co., Ltd.
April 2019	Director & Executive Officer of Tokyu Executive General Manager of Building Operations Business Headquarters of Tokyu
September 2019	Director & Executive Officer of Tokyu
April 2020	Director & Managing Executive Officer of Tokyu (to present)

(Significant concurrent positions)
Director & Managing Executive Officer of Tokyu Corporation

■ Reasons for the election of candidate for Director

Mr. Hamana is the Director of Tokyu Corporation, a core company of the Tokyu Group. He has been elected as candidate for Director due to his rich management experience in and broad insights into real estate, human resources, labor, etc. 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.

Notes:

1. Special conflict of interests between the candidates and the Company
   (1) Mr. Setsu Hamana is Director of Tokyu Corporation and the company holds 15,362 thousand shares of the Company (holding ratio of 14.47%). 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. Isao Onda, Kahori Yoshida, Kunihiro Koshizuka, and Tsutomu Tsunashima satisfy the Company's criteria for the independence of External Directors set forth in pages 16 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 Isao Onda, Kahori Yoshida, Kunihiro Koshizuka, and Tsutomu Tsunashima 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 Setsu Hamana if his election is approved.
4. Directors' Liability Insurance Contracts
   The Company has a directors' liability insurance contract stipulated in Article 430-3, (1) of the Companies Act 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 in the use of his or her position during the insurance period. 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.
5. Candidates for Directors
   Decisions have been made by the Board of Directors after receiving results of examination from the Appointments and Remunerations Committee, the majority of whose members are Independent External Directors.

Agenda No. 4: Election of One (1) Audit & Supervisory Board Member

The term of office of the current Audit & Supervisory Board Member, Yoshikazu Kato will expire at the close of this General Meeting of Shareholders. Accordingly, we propose the election of one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board's consent has been obtained for this Proposal.

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



Yoshikazu Kato (September 9, 1956)

Reappointed | External | Independent Officer

■ Number of the Company's shares owned
0 shares

■ Term of Office for Audit & Supervisory Board Member
4 years

■ Attendance at Board of Directors meetings:
15/15 meetings (100%)

■ Attendance at Audit & Supervisory Board meetings:
7/7 meetings (100%)

Brief profile, position, and significant concurrent positions

April 1982	Joined the Science and Technology Agency, Cabinet Office
July 2001	Director of Research Environment and Industrial Cooperation Division, Research Promotion Bureau, Ministry of Education, Culture, Sports, Science and Technology
July 2008	Counselor to Director General for Science, Technology and Innovation Policy, Cabinet Office
July 2010	Deputy Director-General, Research and Development Bureau, Ministry of Education, Culture, Sports, Science and Technology
April 2012	Vice President of Japan Aerospace Exploration Agency
April 2015	Director of Technology Division, Cabinet Satellite Intelligence Center, Cabinet Intelligence and Research Office, Cabinet Secretariat
November 2017	Specially Appointed Counselor, Remote Sensing Technology Center of Japan
June 2018	Audit & Supervisory Board Member of the Company (to present)
April 2022	Advisor of Remote Sensing Technology Center of Japan (to present)

(Significant concurrent positions)
Advisor of Remote Sensing Technology Center of Japan
Visiting Professor of Fukui University of Technology

■ Reasons for proposing the candidate for Audit & Supervisory Board Member

Mr. Kato has been re-elected as a candidate for Audit & Supervisory Board Member as the Company expects him to reflect in the Company's audit his rich experience in administrative agencies, etc. and broad insights accumulated throughout his career. Although he has no experience of having been directly engaged in corporate management, the Company believes, based on the reason above, he will be able to accomplish his duties as Audit & Supervisory Board Member.

Notes:

1. There is no special conflict of interests between the candidate and the Company.
2. Yoshikazu Kato satisfies the Company's criteria for the independence of Audit & Supervisory Board Members set forth in pages 16 and is a candidate for independent officer pursuant to the regulations of Tokyo Stock Exchange, Inc.
3. Limited liability agreement
   The Company has concluded an agreement with Yoshikazu Kato to limit his 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 agreement if his re-election is approved.
4. Directors' Liability Insurance Contracts
   The Company has a directors' liability insurance contract stipulated in Article 430-3, (1) of the Companies Act 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 in the use of his or her position during the insurance period. The candidate will become an insured person of the said contract upon the appointment as Audit & Supervisory Board Member, and the said contract will be renewed in the midst of his term of office.

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

In order to achieve the long-term management plan, it is important for the Board of Directors to be composed of a well-balanced group of members who have knowledge, experience, abilities, etc. described in the following skill matrix.

The candidates for Director and Audit & Supervisory Board Member are selected taking into consideration the balance and diversity of these skills.

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

	Name	Corporate management	Sales	Laws and Compliance	Finance and Accounting	Development of Human Resources	International Mindset	Digital Innovation
Audit & Supervisory Board Members	Satoshi Hashimoto			*				
	Madashi 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.