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(Stock Exchange Code 6379)
June 7, 2022

To Shareholders:

Teruhiko Mouri
Representative Director, President
RAIZNEXT Corporation
1-1-8 Sakuragicho
Naka-ku, Yokohama-shi, Kanagawa,
Japan

NOTICE OF
THE 118TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

1. Date and Time: Thursday, June 23, 2022 at 10:00 a.m. Japan time
(The reception is scheduled to begin at 9:00 a.m.)

2. Place: Nisseki Yokohama Hall on the first floor of the Nisseki Yokohama Building located at 1-1-8 Sakuragicho, Naka-ku, Yokohama-shi, Kanagawa, Japan
(Please see the Map of the Venue of the 118th Annual General Meeting of Shareholders at the end of this notice.)
The Company will significantly reduce the seating capacity of the venue to allow sufficient spacing between seats as a measure for preventing the spread of infection. Please be advised that we may restrict admission due to the limited number of seats available.

3. Meeting Agenda:

Matters to be reported:
1. The Business Report and Consolidated Financial Statements for the Company's 118th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 118th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
Proposal No. 4: Election of Two (2) Directors Serving as Audit and Supervisory Committee Members

4. Exercise of voting rights

With respect to exercise of your voting rights in writing or via the Internet, please exercise your voting rights by 5:30 p.m. on Wednesday, June 22, 2022, Japan time.

Request for Shareholders

- Depending on the infection spread status and announcements, etc. by the government, etc., the content of the Company's precautionary measures for COVID-19 may be changed. Shareholders are kindly requested to check the latest information posted on our website on the Internet (https://www.raiznext.co.jp/) as well.
- Exercising your voting rights by submitting the enclosed Voting Rights Exercise Form may pose an infection risk especially when returning it or tallying the cast votes by operating staff. We ask that you to exercise your voting rights in advance via the Internet as much as possible.
- From the viewpoint of preventing infection, those who fall under any of the following will be refused admission.
  (1) Those who do not cooperate in wearing a mask or having their temperature checked (Please cooperate in using alcohol disinfectant.)
  (2) Those who are found to have a fever when their temperature is checked
  (3) Those who are thought to be in poor physical condition
- Operating staff will check their body temperature and physical condition beforehand and wear face masks at the venue of the Meeting. The number of officers attending the Meeting will be limited to reduce the risk of spreading the infection.
- In order to shorten the Meeting time to minimize the risk of spreading the infection, detailed explanation on the "Matters to be Reported (including audit reports)" and "Proposals to be Resolved" will be omitted. Therefore, we kindly ask our shareholders to review this "Notice of Convocation" beforehand.

◎ Of the documents that are required to be provided with this "Notice of Convocation," the "Notes to the Consolidated Financial Statements" and the "Notes to the Non-consolidated Financial Statements" are provided on the Company's website (https://www.raiznext.co.jp/) in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Company.

◎ Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (https://www.raiznext.co.jp/).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company has positioned the distribution of dividends as the most important management issue. Taking into consideration the commitment to implementing continuous and stable dividends in line with revenues and profits, the Company is targeting a consolidated payout ratio of 40% or higher.

Based on the above, comprehensively considering consolidated business performance for the full-year, the Company proposes 58 yen per share as year-end dividends for the 118th fiscal year as follows.

1. Type of dividend property
   Cash
2. Matters concerning the allotment of dividend property and the total amount
   58 yen per share of common stock.
   The total amount of dividends in this case is 3,141,708,446 yen.
3. Effective date of distribution of surplus
   June 24, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for amendment

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) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

(1) The proposed Article 16, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
(2) The proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
(3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
(4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendment

The details of amendment are as follows.

(The amended sections are indicated with an underline.)

Current Articles of Incorporation	Proposed amendments
Chapter 3 General Meeting of Shareholders	Chapter 3 General Meeting of Shareholders
(Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) Article 16 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.	(Deleted)
(New)	(Measures for Electronic Provision of Information, etc.) Article 16 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. 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 vesting voting rights.

Current Articles of Incorporation	Proposed amendments
Supplementary Provisions	Supplementary Provisions
(Transitional Measures on Liability Limitation Agreements with Outside Corporate Auditors) Regarding the agreement to limit liability for damages under Article 423, Paragraph 1 of the Companies Act pertaining to the actions of outside corporate auditors (including former outside corporate auditors) prior to the conclusion of the 112nd Annual General Meeting of Shareholders, the provisions of Article 40 of the Articles of Incorporation prior to amendment by the resolution of said General Meeting of Shareholders shall still apply.	(Transitional Measures on Liability Limitation Agreements with Outside Corporate Auditors) Article 1 Regarding the agreement to limit liability for damages under Article 423, Paragraph 1 of the Companies Act pertaining to the actions of outside corporate auditors (including former outside corporate auditors) prior to the conclusion of the 112nd Annual General Meeting of Shareholders, the provisions of Article 40 of the Articles of Incorporation prior to amendment by the resolution of said General Meeting of Shareholders shall still apply.
(New)	(Transitional Measures for Electronic Provision of Information, etc.) Article 2 The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) of the Articles of Incorporation before amendment and the establishment of Article 16 (Measures for Electronic Provision of Information, etc.) of the Articles of Incorporation after amendment shall come into effect on the date 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) are enacted (hereinafter, the "Effective Date"). 2) Notwithstanding the preceding paragraph, Article 16 of the Articles of Incorporation before amendment shall remain in force for a General Meeting of Shareholders to be held on a date which is within six (6) months after the Effective Date. 3) This Article shall be deleted on the date when six (6) months have elapsed from the Effective Date, or on the date when three (3) months have elapsed from the General Meeting of Shareholders date in the preceding paragraph, whichever is later.

Proposal No. 3: Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of all seven (7) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to streamline the management structure, we will reduce the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) by one (1), and the election of six (6) is proposed.

Furthermore, with respect to this Proposal, the opinion of the Audit and Supervisory Committee that all the candidates are suitable has been obtained.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

No.		Name	Positions and responsibilities in the Company	The rate of attendance at the Board of Directors meetings in FY2021
1	Reappointment	Takashi Noro	Representative Director Chairman of The Board	12/12 (100%)
2	Reappointment	Teruhiko Mouri	Representative Director President	12/12 (100%)
3	Reappointment	Masaki Fukuhisa	Director Executive Vice President Assistant President General Manager, Business Strategy Office	12/12 (100%)
4	Reappointment	Hiroto Yamanouchi	Director Executive Managing Officer Responsible for Division-1, Division-2, Division-3 and Maintenance Design Department	12/12 (100%)
5	Reappointment	Hideki Ueda	Director Executive Managing Officer Responsible for Sales Division, Project Operation Division, and Technical Service Division	12/12 (100%)
6	New appointment Outside Independent	Noriaki Isa	-	-

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions
1	Reappointment Takashi Noro (Nov. 5, 1955) Number of shares of the Company held: 4,400 3 years in office (at the conclusion of this Annual General Meeting of Shareholders)	Apr. 1980 Joined Nippon Petroleum Refining Co., Ltd. Jun. 2008 General Manager, Muroran Refinery of Nippon Petroleum Refining Co., Ltd. Jul. 2010 Senior Vice President Deputy Senior General Manager, Refining, Manufacturing & Engineering Division of JX Nippon Oil & Energy Corporation Jun. 2012 Senior Vice President General Manager, Oita Refinery of the above-mentioned company Jun. 2014 Senior Vice President General Manager, Negishi Refinery of the above-mentioned company Jun. 2015 Director Senior Vice President Responsible for Refining & Manufacturing Dept. and Engineering Dept. of the above-mentioned company Apr. 2017 Director Executive Vice President Assistant President (Safety, Health & Environment Dept., Quality Assurance Dept., Central Technical Research Laboratory, and Refining & Manufacturing Division), JXTG Nippon Oil & Energy Corporation Apr. 2019 President and Representative Director President and Chief Executive Officer, JX Engineering Corporation Jul. 2019 Vice President and Representative Director Executive Vice President Assistant President of the Company Jun. 2020 Representative Director, Chairman of the Board of the Company (current position) Reasons for nomination Mr. Takashi Noro has been engaged in refining, manufacturing, engineering, and the operation of refineries for many years and has a wealth of experience and achievements. He has also successively served as Director, Executive Vice President of JXTG Nippon Oil & Energy Corporation, President and Representative Director of JX Engineering Corporation, and Representative Director, Chairman of the Board of the Company, and has driven the management of the said companies. The Company has judged that he is qualified to promote business execution of the Group and appropriately implement supervision of the execution of duties by Directors through his experience and achievements, thus continuing to designate him a candidate for Director.

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions
2	Reappointment Teruhiko Mouri (Jan. 31, 1963) Number of shares of the Company held: 13,000 4 years in office (at the conclusion of this Annual General Meeting of Shareholders)	Apr. 1988 Joined Niigata Construction Co., Ltd. Apr. 2011 General Manager, Sendai Branch Office Division-1 of the Company Sep. 2013 General Manager, Chiba Branch Office Division-2 of the Company Jun. 2016 Executive Officer Senior General Manager, Project Operation Division of the Company Jun. 2018 Director Executive Managing Officer Responsible for Project Operation Division Senior General Manager, Project Operation Division of the Company Jul. 2019 Director Executive Managing Officer Responsible for Project Operation Division Senior General Manager, Project Operation Division of the Company Apr. 2020 Director Executive Managing Officer Responsible for Project Operation Division of the Company Jun. 2020 Representative Director, President of the Company (current position)
		Reasons for nomination Mr. Teruhiko Mouri has been engaged primarily in business and project operation divisions, and after serving as General Manager, Sendai Branch Office, General Manager, Chiba Branch Office, and Senior General Manager, Project Operation Division, assumed the position of Director in June 2018 and the position of Representative Director, President in June 2020, taking responsibility for the management of the Company. The Company has judged that he is qualified to promote business execution of the Group and appropriately implement supervision of the execution of duties by Directors because of his wealth of experience thus far and high-level insights with respect to construction and installation, thus continuing to designate him a candidate for Director.

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions
3	Reappointment Masaki Fukuhisa (Jun. 27, 1960) Number of shares of the Company held: 11,200 4 years in office (at the conclusion of this Annual General Meeting of Shareholders)	Apr. 1985 Joined Niigata Construction Co., Ltd. Jul. 2007 General Manager, Personnel Department of the Company Jun. 2013 Executive Officer General Manager, General Administration & Personnel Department of the Company Jun. 2015 Executive Officer Responsible for Corporate Planning Department General Manager, General Administration & Personnel Department of the Company Jun. 2018 Director Executive Managing Officer Assistant Division Director, Management Division (Responsible for General Administration & Personnel Department and Corporate Planning Department) of the Company Jul. 2019 Director Executive Managing Officer Responsible for Internal Control Office, Legal Department, General Administration Department, Personnel Department, Corporate Planning Department, Accounting Department and Information System Department of the Company Jun. 2020 Representative Director Executive Vice President Responsible for Internal Control Office, Legal Department, General Administration Department, Personnel Department, Corporate Planning Department, Accounting Department and Information System Department of the Company Oct. 2020 Representative Director Executive Vice President Assistant President Responsible for Internal Control Office, Legal Department, General Administration Department, Personnel Department, Corporate Planning Department, Accounting Department and Information System Department of the Company Jun. 2021 Director Executive Vice President Assistant President of the Company Sep. 2021 Director Executive Vice President Assistant President General Manager, Business Strategy Office of the Company (current position) Reasons for nomination Mr. Masaki Fukuhisa has been engaged primarily in technology design, corporate planning and general administration & personnel divisions, and he assumed the position of Director in June 2018. As a Director, he has been in charge of corporate divisions and in his current position as Assistant President, he has wealth of experience and high-level insights into overall corporate management. For these reasons, the Company has judged that he is qualified to promote business execution of the Group and appropriately implement supervision of the execution of duties by Directors, thus continuing to designate him a candidate for Director.

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions
4	Reappointment Hiroto Yamanouchi (Aug. 21, 1958) Number of shares of the Company held: 14,500 8 years in office (at the conclusion of this Annual General Meeting of Shareholders)	Apr. 1981 Joined Niigata Construction Co., Ltd. Jun. 2004 General Manager, Sales Department-2 Business Division of the Company Jun. 2011 Deputy Senior General Manager, Business Division of the Company Jun. 2012 Executive Officer Senior General Manager, Business Division of the Company Jun. 2014 Director Executive Managing Officer Responsible for Divison-1 General Manager, Division-1 of the Company Jun. 2015 Director Executive Managing Officer Responsible for Divison-1 General Manager, Division-1 of the Company Division Director, JX group and TG group Jul. 2019 Director Executive Managing Officer Responsible for Division-1 General Manager, Division-1 of the Company Apr. 2020 Director Executive Managing Officer Responsible for Divison-1 and Maintenance Design Department of the Company Jun. 2020 Director Executive Managing Officer Responsible for Division-1, Division-2, Division-3 and Maintenance Design Department of the Company (current position)
		Reasons for nomination Mr. Hiroto Yamanouchi has been engaged primarily in sales divisions, and after serving as Senior General Manager, Business Division, assumed the position of Director. Currently, he is responsible for business divisions of the Company, and the Company has judged that he is qualified to promote business execution of the Group and appropriately implement supervision of the execution of duties by Directors because of his wealth of experience in sales and insights with respect to business divisions, thus continuing to designate him a candidate for Director.

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions
5	Reappointment Hideki Ueda (Dec. 16, 1960) Number of shares of the Company held: 2,900 3 years in office (at the conclusion of this Annual General Meeting of Shareholders)	Apr. 1983 Joined Koa Oil Co., Ltd. Jun. 2012 General Manager, Marifu Refinery of JX Nippon Oil & Energy Corporation Apr. 2016 President and Representative Director of Kawasaki Natural Gas Power Generation Co., Ltd. Apr. 2018 Executive Officer Deputy Senior General Manager, Project Division of JX Engineering Corporation Apr. 2019 Director Executive Officer (Special Missions) of the above-mentioned company Jul. 2019 Director Executive Managing Officer Responsible for Sales Division, Metal & Material Facilities Project Division and Technical Service Division of the Company Jun. 2020 Director Executive Managing Officer Responsible for Sales Division, Project Operation Division, Tank Engineering Division and Technical Service Division of the Company Jun. 2021 Director Executive Managing Officer Responsible for Sales Division, Project Operation Division and Technical Service Division of the Company (current position)
		Reasons for nomination Mr. Hideki Ueda, to date, has been engaged primarily in the operation of refineries and has a wealth of experience and achievements. Furthermore, he has successively assumed the positions of President and Representative Director of Kawasaki Natural Gas Power Generation Co., Ltd. and Director in charge of sales and business divisions, and the project operation division of the Company. The Company has judged that he is qualified to promote business execution of the Group and appropriately implement supervision of the execution of duties by Directors, thus continuing to designate him a candidate for Director.

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions
6	New Appointment Outside Independent Noriaki Isa (Jul. 14, 1957) Number of shares of the Company held: 0	Apr. 1980 Joined Marubeni Corporation Apr. 2006 General Manager, General Power Department, Power Division of the above-mentioned company Apr. 2013 Executive Officer General Manager, Human Resources Department of the above-mentioned company Apr. 2017 Executive Officer and Assistant CSO of the above-mentioned company Outside Auditor of Avanti Staff Corporation Apr. 2018 Director and Chairman of Marubeni Power Retail Corporation Apr. 2021 Advisor of NSG Holdings Co., Ltd. (current position) Jan. 2022 Visiting Professor of Kaishi Professional University (current position) Visiting Professor of Niigata Agro-Food University (current position)
		Reasons for nomination and expected roles Mr. Noriaki Isa has a wealth of experience and broad insights, such as engaging in the management strategies of a trading company. The Company has judged that he can be expected to strengthen the management structure of the Company by drawing on his experience and insights, providing advice and guidance to the Company's management, and conducting appropriate supervision from an objective viewpoint, thus designates him as a candidate for Director.

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Noriaki Isa is a candidate for Outside Director.
3. If the election of Mr. Noriaki Isa is approved, the Company plans to designate him as an Independent Officer as stipulated by the Tokyo Stock Exchange and will make a submission to the aforementioned Exchange.
4. If the election of Mr. Noriaki Isa is approved, the Company plans to enter into an agreement with him to limit his liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act. Furthermore, the maximum amount of liability for damages based on the contract is the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
5. The Company has entered into a liability insurance agreement for directors and officers with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement covers litigation expenses and damages arising from legal liabilities to be incurred by the insured. If the candidates are elected and appointed as directors, the Company intends to include them as the insured under the insurance agreement. The Company intends to renew this insurance agreement with the same content at the time of the next renewal.

Proposal No. 4: Election of Two (2) Directors Serving as Audit and Supervisory Committee Members

The terms of office of Directors serving as Audit and Supervisory Committee Members, Mr. Kenji Kurosawa, Mr. Yutaka Oonishi and Ms. Mayumi Nishida, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to streamline the management structure, we will reduce the number of Directors serving as Audit and Supervisory Committee Members by one (1), and the election of two (2) is proposed. The Audit and Supervisory Committee has given its approval to this proposal.

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

No.		Name	Positions and responsibilities in the Company	The rate of attendance at the Board of Directors meetings in FY2021	The rate of attendance at the Audit and Supervisory Committee meetings in FY2021
1	Reappointment	Kenji Kurosawa	Director (Audit and Supervisory Committee Member)	12/12 (100%)	7/7 (100%)
2	Reappointment Outside Independent	Mayumi Nishida	Outside Director (Audit and Supervisory Committee Member)	12/12 (100%)	7/7 (100%)

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions
1	Reappointment Kenji Kurosawa (Mar. 22, 1959) Number of shares of the Company held: 5,400 3 years in office (at the conclusion of this Annual General Meeting of Shareholders)	Apr. 1982 Joined the Company Jul. 2007 General Manager, Internal Control Office of the Company Jun. 2010 General Manager, Corporate Planning Department of the Company Jun. 2019 Director (Audit and Supervisory Committee Member) of the Company (current position)
		Reasons for nomination and expected role Mr. Kenji Kurosawa was engaged primarily in management divisions, and held the positions of General Manager, Internal Control Office and General Manager, Corporate Planning Department. He has served as Director serving as Audit and Supervisory Committee Member since June 2019. He has proactively performed his duties as Director serving as Supervisory Committee Member based on his wealth of experience and high-level insights into management divisions, contributing to improving the corporate value of the Company. Considering these achievements, the Company continues to designate him a candidate for Director serving as Audit and Supervisory Committee Member.

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions
2	Reappointment Outside Independent Mayumi Nishida (Feb. 27, 1957) Number of shares of the Company held: 0 2 years in office (at the conclusion of this Annual General Meeting of Shareholders)	Jul. 1998 Assistant Professor, Utility Research Development Department, Faculty of Pharmaceutical Sciences, Hokkaido University Aug. 2009 Visiting Professor, Renmin University of China (current position) Apr. 2011 Executive Officer, Director, Research Laboratory, Development & Marketing, KOEI CHEMICAL COMPANY, LIMITED Apr. 2014 Professor, Hokkaido University, Institute for Catalysis Advisor, CHEMICALSOFT Co., LTD. (current position) Board Member, Kagashin Global Network Pvt Ltd. Advisor, West Corner Company, Limited Apr. 2015 Cross-Appointment Fellow, The National Institute of Advanced Industrial Science and Technology Jun. 2020 Director (Audit and Supervisory Committee Member) of the Company (current position) Apr. 2022 Research Support Professor, Institute for Catalysis, Hokkaido University (current position) CEO and President, West Corner Company, Limited (current position) Jun. 2022 Emeritus Professor, Institute for Catalysis, Hokkaido University (current position) Reasons for nomination and expected role Ms. Mayumi Nishida has extensive academic expertise and experience as an expert in pharmacy. She has a high-level of insight, having been involved in the management of a number of companies so far. The Company has judged that she is qualified to appropriately implement supervision of the execution of duties by Directors by using her wealth of experience and high-level insights from an objective and fair standpoint, thus designating her a candidate for Outside Director serving as Audit and Supervisory Committee Member. Following her election, we expect she will continue to fulfill the above roles.

(Notes)

1. There are no special interests between each candidate and the Company.
2. Ms. Mayumi Nishida is a candidate for Outside Director serving as an Audit and Supervisory Committee Member.
3. The Company has designated Ms. Mayumi Nishida as an Independent Officer as stipulated by the Tokyo Stock Exchange and has made a submission to the aforementioned Exchange. If her reelection is approved, she will continue to be an independent officer.
4. The Company has entered into an agreement with Ms. Mayumi Nishida to limit her liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act. If her reelection is approved, the Company plans to renew the said agreement with her. Furthermore, the maximum amount of liability for damages based on the contract is the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
5. The Company has entered into a liability insurance agreement for directors and officers with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement covers litigation expenses and damages arising from legal liabilities to be incurred by the insured. If each candidate is elected and appointed as a director serving as an Audit and Supervisory Committee Member, the Company intends to include them as the insured under the insurance agreement. The Company intends to renew this insurance agreement with the same content at the time of the next renewal.

(Reference)

The Company selects Directors (excluding Directors serving as Audit and Supervisory Committee Members) who have the knowledge, experience, ability, and other qualities necessary for achieving the objectives upheld by the Company mainly based on the corporate philosophy, long-term vision, the Mid-Term Business Plan.

Additionally, Directors serving as Audit and Supervisory Committee Members are selected based on a comprehensive review giving consideration to a balance of knowledge of the Company's business fields, insight into finance, accounting, and legal affairs, diverse perspectives and experiences in corporate management, and advanced expertise, among other factors.

Furthermore, the directors' expertise and experience are shown in the following chart.

	No.	Name	Male/ Female	Corporate Management	Finance/ Accounting	Sales/ Business Strategy	Engineering / Quality	Personnel Management	Compliance/ Risk Management	Sustainability
Directors	1	Takashi Noro	Male	○			○		○	
	2	Teruhiko Mouri	Male	○		○	○	○	○	○
	3	Masaki Fukuhisa	Male	○	○			○	○	○
	4	Hiroto Yamanouchi	Male			○	○			
	5	Hideki Ueda	Male	○		○	○	○		○
	6	Noriaki Isa	Male	○		○		○		○
Directors serving as Audit and Supervisory Committee Members	1	Kenji Kurosawa	Male	○	○			○		
	-	Toshio Saburi	Male	○	○				○	
	-	Keiko Suichi	Female	○				○	○	○
	2	Mayumi Nishida	Female	○			○			

(Note) Among the expertise and experience possessed by each director, those which the director is particularly expected to demonstrate are marked with a circle.

(Reference) Criteria for Assessing Independence of Outside Directors of the Company

The Company shall, in addition to the requirements under the Companies Act and the Criteria for Independence stipulated by Tokyo Stock Exchange, determine that an Outside Officer (including a candidate thereof) is independent when he or she falls into none of the following:

1. A person who was or had been an executing person (as defined in Article 2, Paragraph 3, Item 6 of Ordinance For Enforcement of the Companies Act; the same applies hereinafter) of the Company or its subsidiaries (collectively called "the Group"; the same applies hereinafter) for any period during 10 years before his/her office
2. A person who is a major shareholder (meaning a shareholder that holds, either directly or indirectly, 10% or more of the total voting rights of the Company; the same applies hereinafter) of the Group, or an executing person thereof
3. A person who is an executing person of a company of which the Group currently is a major shareholder
4. A person whose major business partner is the Group (a person who received 2% or more of his/her consolidated annual gross sales for the previous fiscal year from the Group), or an executing person thereof
5. A person who is a major business partner of the Group (a person who made payment to the Group of 2% or more of the Company's consolidated annual gross sales for the previous fiscal year), or an executing person thereof
6. A person who is a director (limited to persons executing operations) of an organization that receives donations or grants that exceed a specified amount (the higher of 10 million yen on average during the past three fiscal years or 30% of the average total annual expenses of said organization) from the Group, or other executing person thereof
7. A person who is an executing person of a financial institution or other major creditors that is imperative to the Group's funding and on whom the Group is dependent to the extent that it cannot be replaced
8. A person who is a certified public accountant (or tax accountant), or a senior partner, partner or an employee of an auditing firm (or a tax accountant firm), who serves as an accounting auditor or accounting advisor of the Group
9. A person who is an attorney at law, certified public accountant, tax accountant or other consultant that does not fall under item 8 above, and who receives the average of 10 million yen or more of cash or other financial benefits annually from the Group for the past three years besides remuneration as Officer
10. A person who is a partner, partner, an associate or employee of a law firm, an auditing firm, a tax accountant firm, a consulting firm or other professional advisory firm whose major business partner is the Group (the firm that receives the average of 2% or more of its consolidated annual gross sales from the Group for the past three years) that does not fall under item 8 above
11. A person who fell under any of the items 2 to 10 above for any period during 3 years before his/her office
12. A person who is an executing person of a company that has a director/directors from the Group
13. A person who is a close family member (within the second degree of kinship) of a person (excluding a person who is not significant) that falls under any of the items 1 to 12 above
14. A person whose total term of office as an independent outside director exceeds 8 years

(Attachments to the Notice of the General Meeting of Shareholders)

Business Report

(April 1, 2021 - March 31, 2022)

1. Basic Management Policy

(1) Basic Management Policy

[Corporate Philosophy]

Support Industrial Infrastructures, Create a Prosperous Future.

- We support the secure and stable operation of plants, contributing to the future of people, life and the environment;
- We realize the optimization of plants and facilities through our maintenance and engineering; and
- We respect diversity and initiatives that seek happiness for our employees and partner companies.

[Long-Term Vision]

RAIZNEXT Group V-2032

Toward advanced plant services in changing times

- We will fulfill our social responsibilities as a company involved in the energy sector and contribute to the realization of a carbon-neutral society.
- We will constantly introduce and refine the latest technology to continue providing maximum customer value in maintenance and engineering together with our partners.
- We will aim to be a company that enables employees to work with satisfaction, taking pride in playing a central role in maintaining the stable operation of plant that supports people's lives.

[Action Guideline]

Aggressively with Brave Spirits	**Sincerely and Devotedly**	**Coexistence and Coprosperity**
We aggressively take on challenges with unconventional ideas.	We sincerely work on every single business, meeting our customers' needs.	We respect all of the people concerned, and evolve together with stakeholders.

(2) Long-Term Vision and Mid-Term Business Plan

In March 2021 the Company group formulated the Second Mid-Term Business Plan "RAIZNEXT SYNERGY POWER" (FY2021–FY2024) based on our long-term vision. While this Second Mid-Term Business Plan follows the First Mid-Term Business Plan as a part of our period of "generation of synergistic effects," it is positioned as the first step toward achieving our long-term vision.

(3) Capital Policy

In our Second Mid-Term Business Plan, the Company group has formulated earnings forecasts and target management indices based on an understanding of cost of capital.

Furthermore, we position profit distribution to shareholders as the most important management issue. Taking into consideration the commitment to implementing continuous and stable dividends in line with revenues and profits, the Company is targeting a consolidated dividend payout ratio of 40% or higher.

(4) Basic Policy on Cross-Shareholdings and Standards for Exercising Voting Rights

1) Policy on Cross-Shareholdings

For the purpose of maintaining and expanding medium- to long-term transactional relationships, the Company targets stocks that are expected to create business synergies, and decides which stocks to hold based on the basic policy to enhance our corporate value and contribute to the interests of shareholders, investors, and other stakeholders by holding these stocks.

2) Standards for Ensuring Appropriate Exercise of Voting Rights Regarding Cross-Shareholdings

Regarding the exercise of voting rights regarding cross-shareholdings, the Company comprehensively judges whether the matter will contribute to the sustainable growth and enhancement of medium- to long-term corporate value of the relevant company. We believe this contributes to enhancing our own corporate value as well as the medium- to long-term interests of shareholders, investors, and other stakeholders.

In addition, while the new purchase of shares to hold, continued holdings, etc., is in principle decided at

the Board of Directors, decisions on holdings are assessed each year based on the Cross-Shareholdings Management Regulations which describe the standards for decisions on cross-shareholdings, standards for decisions on exercise of voting rights and the decision flow for cross-shareholdings, etc. and the results of review on the appropriateness of continued holdings is reported by the Outside Officers Advisory Committee.

2. Corporate Governance Initiatives

(1) Basic Policy on Corporate Governance

The Company group believes that promoting compliance with laws, regulations, and corporate ethics, and ensuring transparency and soundness of management is the basis of all corporate activities.

We will continue to improve and enhance our systems with each officer and employee of the Company group taking a resolute stance to comply with laws, regulations, and corporate ethics, as we aim for even higher transparency in our corporate activities. The Company group has established a code of conduct which is disseminated as a standard for officers and employees to act in compliance with laws, regulations, and internal rules.

(2) Corporate Governance Structure

1) Institutional Design

The Company is a company with an Audit and Supervisory Committee, and management is supervised by the Audit and Supervisory Committee Members.

2) Composition of the Board of Directors

The Company's Board of Directors consists of directors (excluding directors serving as Audit and Supervisory Committee Members) having the knowledge, experience, ability, global perspective, etc. necessary to address business operations and management issues, and directors serving as Audit and Supervisory Committee Members (including outside directors) who can be expected to provide expert constructive advice, have appropriate knowledge of finance, accounting, and legal matters, and are capable of monitoring and supervision; the composition is balanced with the election of two (2) female directors as directors serving as Audit and Supervisory Committee Members (outside directors).

As of the end of the consolidated fiscal year ended March 31, 2022, the Board was comprised of twelve (12) directors, with seven (7) directors (excluding directors serving as Audit and Supervisory Committee Members) and five (5) directors serving as Audit and Supervisory Committee Members (of which, four (4) were outside directors), which we believe is an appropriate scale for swift decision-making and promoting management.

3) Outside Officers Advisory Committee

The Company has established the Outside Officers Advisory Committee as an advisory body to the Board of Directors. By establishing the Outside Officers Advisory Committee we are endeavoring to further enhance governance functions, with the committee chairperson being selected by the committee from among its members; the committee chairperson strives to improve the cooperative structures with the Board of Directors, Audit and Supervisory Committee, and Management Officer Committee.

(3) Policies and Procedures for Director Election

1) Policies

i) Directors (excluding directors serving as Audit and Supervisory Committee Members)

Candidates having the knowledge, experience, ability, and other qualities necessary for achieving the Company's stated objectives based on, e.g., the corporate philosophy, long-term vision, and the Mid-Term Business Plan are nominated. At the same time, candidates are nominated in consideration of the composition of the Board of Directors so that throughout the Company the Board of Directors can make accurate and swift decisions, appropriately manage risks, and monitor business execution.

ii) Directors Serving as Audit and Supervisory Committee Members

Candidates are nominated based on a comprehensive review, giving consideration to a balance of knowledge of the Company's business fields, knowledge of financial, accounting, and legal matters, diverse perspectives and experiences in corporate management, and high-level expertise, among other factors.

2) Procedures

i) Directors (excluding directors serving as Audit and Supervisory Committee Members)

Based on the above policy, the representative directors prepare a candidate proposal which is evaluated by the Outside Directors Advisory Committee which then reports its evaluation to the Board of Directors; the Board of Directors ultimately resolves to nominate candidates after hearing the opinion of the Audit and Supervisory Committee.

ii) Directors Serving as Audit and Supervisory Committee Members

Based on the above policy, the representative directors prepare a candidate proposal after obtaining the

consent of the Audit and Supervisory Committee, and the Board of Directors ultimately resolves to nominate candidates.

(4) Plans for Successors of the Chief Executive Officer (President and CEO) and Others

We select candidates for the next generation of senior management who possess the qualities, abilities, experience, skills, etc. as successors, set issues for the Company's future vision, and implement a succession plan to present these considerations to directors in an effort to develop candidates in a planned way. Additionally, it is assumed that the candidates for the next generation of senior management will continue serving as directors and executive officers, and accumulate sufficient time, experience, and results to become candidates to succeed the chief executive officer (President and CEO). The Outside Directors Advisory Committee provides advice to the representative directors as appropriate regarding succession plans for the chief executive office (President and CEO) and others.

(5) Assessments of the Effectiveness of the Board of Directors

Regarding the effectiveness of the Board of Directors, we strive to enhance the function of the Board and have each director conduct a self-assessment questionnaire on the effectiveness of the Board of Directors based on assessment standards for Board of Directors effectiveness; the Board then receives a report from the Outside Directors Advisory Committee on the results of the Board of Directors self-assessment based on the questionnaire results.

Regarding the effectiveness of the Board of Directors during the fiscal year ended March 31, 2022, at the Board of Directors meeting held on May 23, 2022, the Outside Directors Advisory Committee reported that the results of the Board of Directors self-assessment were appropriate, and the Company believes that the effectiveness of the Board of Directors has been ensured.

3. Matters Concerning the Current Status of the Company Group

(1) Business Progress and Results

In a continuation from last fiscal year the economy of Japan for the fiscal year ended March 31, 2022, remained in a difficult situation due to the impact of COVID-19, but there were signs of economic improvement as thorough infection prevention measures and vaccinations were promoted and socioeconomic activities began to normalize. However, the outlook remains uncertain due to the re-spread of COVID-19 infections caused by the emergence of variants, the situation in Ukraine, and other factors.

Regarding the Company's business environment, in the petroleum industry refining capacity has been reduced and operations have been adjusted due to a structural decline in demand, primarily caused by the shift to more fuel-efficient vehicles, and in addition product demand has been sluggish due to the impact of COVID-19.

Also, in the petrochemical and general chemical industries, while some signs of a recovery in demand have been seen, overall the situation of sluggish product demand has continued due to the prolonged impact of COVID-19.

Although prices of certain materials used in construction work, such as stainless steel, soared due to the situation in Ukraine, inventories in Japan were secured and there were no problems with securing materials in the fiscal year ended March 31, 2022. However, going forward there are concerns about longer delivery times and other matters if the situation in Ukraine is prolonged.

Under these circumstances, the previous fiscal year was a strong year for the maintenance field with many regular repairs related to petroleum and petrochemicals, but since there were few such regular repairs in the fiscal year ended March 31, 2022, there was a decrease in new contracts and net sales for the full year.

In terms of revenue, in addition to a larger amount of construction work than initially expected for remodeling and renovation, etc., revenue increased as a result of our efforts to enhance the profitability of individual construction projects by reducing direct construction costs and expenses, improving operating efficiency, and other measures.

For the Company group's consolidated performance, new contracts were 141,229 million yen (down 1.3% YoY), net sales were 129,832 million yen (down 11.0% YoY), operating income was 10,982 million yen (up 5.7% YoY), ordinary profit was 11,270 million yen (up 5.8% YoY), and profit attributable to owners of parent was 7,748 million yen (up 5.5% YoY).

For the Company's non-consolidated performance, new contracts were 132,209 million yen (down 1.3% YoY), net sales were 121,204 million yen (down 11.5% YoY), operating income was 10,083 million yen (up 7.1% YoY), ordinary profit was 10,592 million yen (up 6.5% YoY), and profit was 8,619 million yen (up 30.0% YoY).

Breakdown of New Contracts by Construction Type (Unit: Million yen)

New Contracts		Previous FY (FY ended March 31, 2021)	Current FY (FY ended March 31, 2022)	YoY	Rate of change
	Maintenance	101,210	90,167	－11,043	－10.9%
	Engineering	41,885	51,062	9,176	21.9%
Engineering work		143,095	141,229	－1,866	－1.3%

Breakdown of Net Sales by Construction Type (Unit: Million yen)

Net Sales		Previous FY (FY ended March 31, 2021)	Current FY (FY ended March 31, 2022)	YoY	Rate of change
	Maintenance	101,364	87,032	－14,332	－14.1%
	Engineering	44,438	42,679	－1,759	－4.0%
Engineering work		145,803	129,711	－16,091	－11.0%
Other business		111	121	9	8.6%
Total		145,914	129,832	－16,081	－11.0%

(Note) “Other” refers to real estate leasing, insurance agency business, etc.

(2) Status of Capital Investments

The total amount of capital investment for the Company group during the fiscal year ended March 31, 2022, was 2,591 million yen for engineering work, and mainly included land and buildings for business sites.

(3) Status of Financing

The Company has entered into syndication-type committed line of credit contracts with five correspondent banks to efficiently procure working capital. In addition, there was no balance of loans outstanding at the end of the fiscal year ended March 31, 2022.

(4) Trends in Assets and Income

Category		115th FY (FY ended Mar. 31, 2019)	116th FY (FY ended Mar. 31, 2020)	117th FY (FY ended Mar. 31, 2021)	118th FY (Current FY) (FY ended Mar. 31, 2022)
New Contracts	(million yen)	104,588	165,404	143,095	141,229
Net Sales	(million yen)	97,331	140,578	145,914	129,832
Ordinary Profit	(million yen)	7,939	10,239	10,657	11,270
Profit attributable to owners of parent	(million yen)	5,225	12,258	7,344	7,748
EPS	(yen)	113.03	234.86	135.58	143.04
Net Assets	(million yen)	47,988	67,819	73,890	79,342
Total Assets	(million yen)	80,155	99,348	97,121	100,781

(Notes)

1. The figures for each category increase significantly from the Company's 116th fiscal year due to the merger with JX Engineering Corporation on July 1, 2019.
2. The Company group does not conduct build-to-order manufacturing except for engineering work.
3. Earnings Per Share (EPS) is calculated based on the average total number of issued shares during the fiscal year.

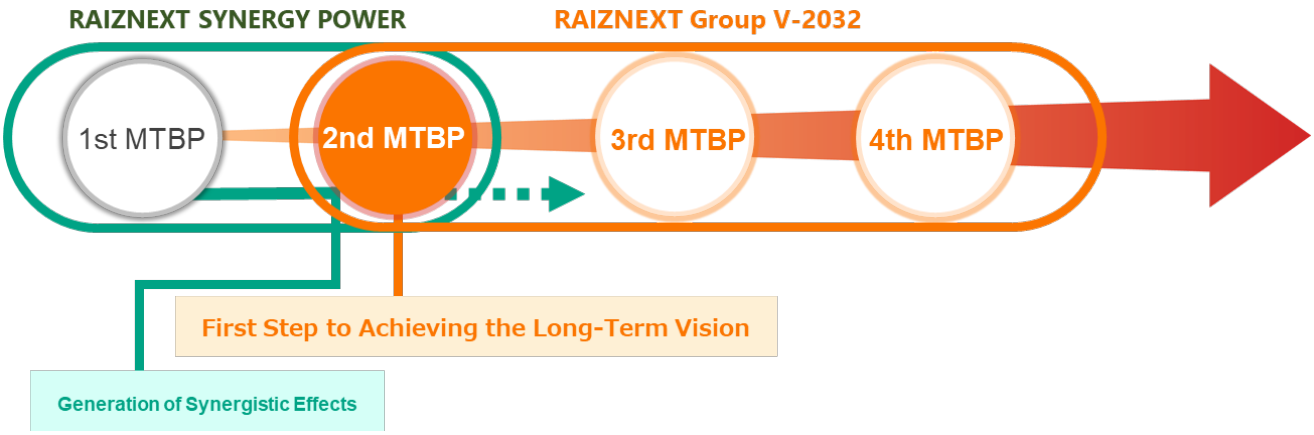
(5) Issues to be Addressed

Taking into account the future reduction in demand for petroleum products due to the trend toward a carbon neutral society in line with global initiatives for the SDGs, the plant maintenance and engineering markets are expected to shrink for the Company.

Additionally, there is continued uncertainty for the economy of Japan due to the prolonged impact of COVID-19, and sluggish product demand is continuing in the petroleum, petrochemical, and general chemical industries.

Furthermore, we must address the maximum overtime regulations which will also be applied to the construction industry from 2024, and utilizing digital transformation technology to improve work efficiency and the introduction of more ICT technology to improve productivity is a pressing issue.

In light of this business environment, last year the Company group formulated a long-term vision, "RAIZNEXT Group V-2032," and the Second Mid-Term Business Plan, "RAIZNEXT SYNERGY POWER."



In addition, the numerical management targets for the Second Mid-Term Business Plan are as follows.

1) Performance Plan

Performance Targets for the Final Fiscal Year of the Second Mid-Term Business Plan (FY 2024, FY ending March 31, 2025)

<Consolidated>

	FY2024 Target (FY ending Mar. 31, 2025)
Net Sales	145.0 billion yen
Operating income (margin)	10.5 billion yen (7.2%)
Profit attributable to owners of the parent (margin)	7.0 billion yen (4.8%)

2) Management Indicator Targets

Return on equity (ROE): At least 8%
Consolidated dividend payout ratio: At least 40%

For details on the long-term vision and the Second Mid-Term Business Plan, please refer to our website (https://www.raiznext.co.jp/e/index.html)

(6) Main Business Activities (as of March 31, 2022)

Business Category	Main Business Activities
Engineering work	The following businesses as they relate to devices, machinery, equipment, facilities, materials and equipment, academic research, systems, and processes in fields including petroleum, petrochemicals, gas, general chemicals, nonferrous metals, metal processing, electronic materials, resource recycling, electric power, nuclear power, renewable energy, distributed energy, steelmaking, coal, desalination, livestock feed, biochemicals, food, medical products, medical care, information and communications, transportation, distribution, provisions, air conditioning and plumbing, pollution prevention, disaster prevention, and environmental protection: 1. Comprehensive engineering and consulting work 2. Production, procurement, sale, repair, and leasing of machinery and devices 3. Installation of machinery and devices; design, supervision, and execution of construction for civil engineering, electrical instrumentation, plumping, etc. 4. Maintenance work for equipment and machinery 5. Research, development, technical support, and commissioned work
Other business	Comprehensive real estate management and rental, temporary staffing services, non-life insurance agency business

(7) Status of Material Subsidiaries (as of March 31, 2022)

Company name	Capital	The Company's percentage of equity participation	Principal business
Tokai Engineering & Construction Co., Ltd.	40 million yen	60.0 %	Various types of plant construction and maintenance
Toshin Seisakusyo Co., Ltd.	28 million yen	100.0 %	Various types of plant construction and maintenance
Shinko Machinery Service Co., Ltd.	10 million yen	100.0 %	Rotating machinery maintenance and repair
Ikeda Kiko Co., Ltd.	10 million yen	100.0 %	Rotating machinery maintenance and repair
Kounan Tsusho Co., Ltd.	70 million yen	100.0 %	Various types of plant cleaning
Kashima Engineering Co., Ltd	20 million yen	100.0 %	Loading and unloading of plant catalysts
Keihin Kako Co., Ltd	20 million yen	100.0 %	Maintenance on various types of tanks
Shinko Sogo Service Co., Ltd.	85 million yen	100.0 %	Comprehensive real estate management and rental services; temporary staffing services; non-life insurance agency business
PT. SHINKO PLANTECH	1,300 thousand USD	99.8 %	Construction and maintenance of various types of plants

(Notes)

1. There are no subsidiaries that fall under the category of specified wholly owned subsidiary.
2. In the fiscal year ended March 31, 2022, the group took the following actions as a result of the review of the current economic situation of the group's subsidiaries, the effect of synergies with the Company in the market environment, the outlook for future business performance, etc.
   As of September 30, 2021, the Company transferred all shares of N.S. Engineering Co., Ltd.
   As of January 17, 2022, there was a resolution to dissolve Wuxi Xinggao Engineering Technology Limited Company.
   As of March 31, 2022, the Company transferred all shares of Tasaka Tekko Kensetsu Co., Ltd.

(8) Principal Business Locations, etc. (as of March 31, 2022)

Company name	Name	Location
The Company	Head office	Yokohama-shi, Kanagawa
	Muroran Branch Office	Muroran-shi, Hokkaido
	Sendai Branch Office	Sendai-shi, Miyagi
	Negishi Branch Office	Yokohama-shi, Kanagawa
	Niigata Branch Office	Niigata-shi, Niigata
	Tokai Branch Office	Shizuoka-shi, Shizuoka
	Nagoya Branch Office	Tokai-shi, Aichi
	Kashima Branch Office	Kamisu-shi, Ibaraki
	Chiba Branch Office	Ichihara-shi, Chiba
	Kawasaki Branch Office	Kawasaki-shi, Kanagawa
	Wakayama Branch Office	Arida-shi, Wakayama
	Osaka Branch Office	Sakai, Osaka
	Mizushima Branch Office	Kurashiki-shi, Okayama
	Iwakuni Branch Office	Iwakuni-shi, Yamaguchi
	Tokuyama Branch Office	Shunan-shi, Yamaguchi
Tokai Engineering & Construction Co., Ltd.	Head office	Ichihara, Chiba
Toshin Seisakusyo Co., Ltd.	Head office	Niihama-shi, Ehime
Shinko Machinery Service Co., Ltd.	Head office	Yokohama-shi, Kanagawa
Ikeda Kiko Co., Ltd.	Head office	Saijo-shi, Ehime
Kounan Tsusho Co., Ltd.	Head office	Yokohama-shi, Kanagawa
Kashima Engineering Co., Ltd	Head office	Yokohama-shi, Kanagawa
Keihin Kako Co., Ltd	Head office	Yokohama-shi, Kanagawa
Shinko Sogo Service Co., Ltd.	Head office	Yokohama-shi, Kanagawa
PT. SHINKO PLANTECH	Head office	Jakarta, Indonesia

(9) Status of Employees (as of March 31, 2022)

1) Status of Company Group Employees

Business category	No. of employees	Change from the end of last FY
Engineering work	1,928	－99
Other business	83	－12
Total	2,011	－111

2) Status of Company Employees

No. of employees	Increase or decrease from the end of last FY	Average age	Average length of service
1,615	－41	42.7	15.8 years

(Note) The figure under “No. of employees” indicates the number of employed personnel (excluding those on secondment from the Company group to outside the group, but including those on secondment from outside the group to the Company group).

(10) Major Lenders (as of March 31, 2022)

No material facts to report.

4. Matters Regarding Company Shares (as of Mar. 31, 2022)

(1) Total number of shares authorized to be issued 160,000,000 shares

(2) Total number of shares outstanding 54,168,053 shares
(including 666 treasury shares)

(3) Number of shareholders 4,503 persons

(4) Major shareholders

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
ENEOS Holdings, Inc.	11,658	21.52
UH Partners 2, Inc.	4,904	9.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,505	8.32
HIKARI TSUSHIN, Inc.	4,054	7.49
NIPPO CORPORATION	3,882	7.17
BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINSIC OPPORTUNITIES FUND	1,925	3.55
UH Partners 3, Inc.	1,615	2.98
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	1,568	2.90
System Integrating Laboratory Co., Ltd.	1,354	2.50
Custody Bank of Japan, Ltd. (Trust Account)	1,346	2.49

(Note) Shareholding ratios are calculated after deducting treasury shares (666 shares).

5. Matters Regarding Company Officers

(1) Directors (as of March 31, 2022)

Name	Position	Areas of responsibility, significant concurrent positions, etc.
Takashi Noro	Representative Director Chairman of The Board	
Yoshiji Otomo	Director Vice Chairman of The Board	
Teruhiko Mouri	Representative Director President	President and Chief Executive Officer
Masaki Fukuhisa	Director Executive Vice President	Executive Vice President Assistant President General Manager, Business Strategy Office
Hiroto Yamanouchi	Director	Executive Managing Officer Responsible for Division-1, Division-2, Division-3 and Maintenance Design Department
Katsunori Mitsui	Director	Executive Managing Officer Responsible for Engineering Division and Project Division
Hideki Ueda	Director	Executive Managing Officer Responsible for Sales Division, Project Operation Division, and Technical Service Division
Kenji Kurosawa	Director (Audit and Supervisory Committee Member)	
Toshio Saburi	Outside Director (Audit and Supervisory Committee Member)	Certified public accountant Outside Director of Japan Medical Dynamic Marketing, Inc.
Keiko Suichi	Outside Director (Audit and Supervisory Committee Member)	Lawyer Chairperson of Social Welfare Corporation Shinzen-Fukushi Association Chairperson of Kanagawa Minchoren Chairperson of City of Yokohama Personnel Commission
Yutaka Oonishi	Outside Director (Audit and Supervisory Committee Member)	Lawyer
Mayumi Nishida	Outside Director (Audit and Supervisory Committee Member)	Professor, Institute for Catalysis, Hokkaido University Cross-appointment Fellow, National Institute of Advanced Industrial Science and Technology Board Member, Kagashin Global Network Pvt. Ltd. Visiting professor, Renmin University of China

(Notes)

1. Directors serving as Audit and Supervisory Committee Members Mr. Toshio Saburi, Ms. Keiko Suichi, and Mr. Yutaka Oonishi are Outside Directors, and as Independent Officers a submission has been made to the Tokyo Stock Exchange.
2. Director serving as an Audit and Supervisory Committee Member Mr. Toshio Saburi possesses the qualification of certified public accountant, and has considerable knowledge on financial and accounting matters.
3. Mr. Kenji Kurosawa has been selected as a standing Audit and Supervisory Committee Member for the purpose of increasing the effectiveness of the Audit and Supervisory Committee and strengthening cooperation with the internal control division and other parts of the organization on information gathering and other matters.
4. Both Director Yoshimitsu Arashi and Director serving as an Audit and Supervisory Committee Member Masahiro Fuse have retired as of the conclusion of the 117th Annual General Meeting of Shareholders held on June 24, 2021; Mr. Yoshimitsu Arashi retired due to the expiration of his term of office, and Mr. Masahiro Fuse retired voluntarily.

(2) Summary of the Agreement on Limitation of Liability

In accordance with the provisions of the Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with all Outside Directors serving as Audit and Supervisory Committee Members to limit their liability, as stipulated in Article 423, Paragraph 1 of the Companies Act; the limit amount of liability based on this agreement is the amount specified in Article 425, Paragraph 1 of the Companies Act.

(3) Summary of the Agreement on Liability Insurance for Officers and Others

The Company has entered into a liability insurance agreement for directors and officers with an insurance company, as stipulated in Article 430-3 of the Companies Act. This insurance agreement covers litigation expenses and damages arising from legal liabilities to be incurred by the insured.

The insured under this liability insurance agreement for directors and officers are directors and executive officers of the Company, directors and auditors of Company subsidiaries, and the insurance premiums for each of the insured are paid in full by the Company.

(4) Amount of Director Compensation, etc. for the Fiscal Year Ended March 31, 2022

1) Total Amount of Compensation, etc. for Directors

Officer category	Tot. compensation, etc. (million yen)	Tot. amount of compensation, etc. by type (million yen)			
		Base compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	No. of applicable officers
Directors (excluding directors serving as Audit and Supervisory Committee Members)	306	184	122	—	8
[of which, Outside Directors]	[—]	[—]	[—]	[—]	[0]
Directors serving as Audit and Supervisory Committee Members	46	46	—	—	6
[of which, Outside Directors]	[26]	[26]	[—]	[—]	[5]

(Notes)

1. The above includes the two directors who retired during the fiscal year ended March 31, 2022.
2. Employee salaries for directors with concurrent duties as an employee are not included in the total amount of director compensation.

2) Matters Related to Performance-Linked Compensation, etc.

To foster a heightened awareness of enhancing the Company's business performance each fiscal year, this compensation is paid annually at a determined time as a bonus based on an amount calculated in accordance with the degree of achievement of the key performance indicator (KPI) for consolidated operating income, comprehensively taking into account dividends, trends of other companies, our medium- to long-term business performance, the track record of past payments, etc.

Consolidated operating income was selected as the business performance indicator because consolidated operating income was set as a target in the Mid-Term Business Plan.

For the fiscal year ended March 31, 2022, we paid amounts calculated based on a 142% KPI achievement rate, as consolidated operating income on our financial results was 10.9 billion yen, compared to our target of 7.7 billion yen.

3) Matters Related to General Meeting of Shareholders Resolutions on Director Compensation, etc.

The amount of monetary compensation to Company directors (excluding directors serving as Audit and Supervisory Committee Members) was, at the 112th Annual General Meeting of Shareholders held on June 24, 2016, resolved to be 400 million yen or less annually (not including employee salaries for directors with concurrent duties as an employee). The number of directors (excluding directors serving as Audit and Supervisory Committee Members) was nine as of the conclusion of said General Meeting of Shareholders (of which, none were outside directors).

The amount of monetary compensation to Company directors serving as Audit and Supervisory Committee Members was, at the 112th Annual General Meeting of Shareholders held on June 24, 2016, resolved to be 70 million yen or less annually. The number of directors serving as Audit and Supervisory Committee Members was five as of the conclusion of said General Meeting of Shareholders (of which, three were outside directors).

4) Matters Related to the Policy for Deciding Individual Director Compensation, etc.

1) Method of Deciding the Policy for Deciding Individual Director Compensation, etc.

For the policy for deciding individual director compensation, etc. (hereinafter, "Decision Policy"), a draft was prepared by the representative directors who then consulted with the Outside Directors Advisory Committee; respecting the committee's report, the Board of Directors resolved to adopt the following Decision Policy at its February 26, 2021 meeting.

2) Decision Policy for Director Compensation

a. Basic Policy

i. Directors (excluding directors serving as Audit and Supervisory Committee Members)
Compensation for Company directors (excluding directors serving as Audit and Supervisory Committee Members) shall consist of monthly compensation and bonuses, and shall be structured to reflect responsibilities and results.

ii. Directors Serving as Audit and Supervisory Committee Members
Monthly compensation only shall be paid.

b. Policy for Deciding the Amount of Individual Compensation, etc. for Monetary Compensation (including policy for deciding the timing and terms for providing compensation, etc.)

i. Directors (excluding directors serving as Audit and Supervisory Committee Members)
Monthly compensation shall be decided based on each director's position.

ii. Directors Serving as Audit and Supervisory Committee Members
Shall be decided through consultation among the Audit and Supervisory Committee Members taking into account their role, duties, etc.

c. Policy for Deciding the Calculation Method for the Contents, Amount or Quantity of Performance-Linked Compensation, Etc. and Non-Monetary Compensation (including policy for deciding the timing and terms for providing compensation, etc.)

i. Bonuses for directors (excluding directors serving as Audit and Supervisory Committee Members) shall be paid annually as cash bonuses at a determined time based on an amount calculated in accordance with the degree of achievement of the key performance indicator (KPI) for consolidated operating income in each fiscal year; after comprehensively taking into account dividends, trends of other companies, our medium- to long-term business performance, the track record of past payments, etc., the representative directors shall prepare a draft compensation proposal and consult with the Outside Directors Advisory Committee on the appropriateness of the draft compensation proposal, and ultimately the Board of Directors shall make a decision respecting the committee's report.

ii. Non-monetary compensation shall not be provided.

d. Policy for Deciding Amounts of Monetary Compensation, Performance-Linked Compensation, Etc., or Non-Monetary Compensation, Etc. as a Ratio of Individual Director Compensation, Etc.

The ratio of compensation by type for directors (excluding directors serving as Audit and Supervisory Committee Members) shall be structured such that performance-linked compensation is weighted more heavily as director position ranks higher, using as a benchmark the level of compensation of companies with similar business scale and in related industries and business categories as those of the Company.

In the event that the Board of the Directors decides or amends the ratio of compensation by type for directors (excluding directors serving as Audit and Supervisory Committee Members), it shall first consult with the Outside Directors Advisory Committee regarding the appropriateness of the draft decision proposal, and shall respect the report from that committee.

Furthermore, the standard percentage of each type of compensation etc., is described in the following chart. (assumes 100% achievement of KPI)

Position	Monthly compensation	Bonuses
Representative Director	60%	40%
Director	70%	30%

e. Matters Related to Deciding the Compensation, Etc. of Individual Directors (excluding directors serving as Audit and Supervisory Committee Members)

Based on the resolution of the Board of Directors, the specific details regarding the amount of compensation for each individual shall be delegated to Representative Director, President and CEO Teruhiko Mouri, and the content of this authority shall be the amount of monthly compensation and bonuses for each director (excluding directors serving as Audit and Supervisory Committee Members). The reason for delegating this authority is that Mr. Mouri

is most familiar with the environment surrounding the Company group, the Company group's management situation, etc., and it was determined that he is able to comprehensively determine the amount of compensation for directors.

In order to ensure that the President and Representative Director exercises this authority appropriately, the Board of Directors consults with the Outside Directors Advisory Committee to obtain a report on the draft, and the policy that the President and Representative Director will determine the amount of compensation for individual directors in accordance with the content of the report of said Committee is made clear. In this way, the Board of Directors has judged that the content thereof is in line with the above Decision Policy because measures are taken to ensure that decisions are not made arbitrarily and that authority is appropriately exercised.

(5) Matters Related to Outside Officers

1) Status of Concurrent Positions of Executives at Other Companies and Relationships Between the Company and Such Companies

Director (Audit and Supervisory Committee Member) Keiko Suichi is a Chairperson of Social Welfare Corporation Shinzen-Fukushi Association, Chairperson of Kanagawa Minchoren, and Chairperson of City of Yokohama Personnel Commission. There are no special relationships between the Company and any of these entities.

Director (Audit and Supervisory Committee Member) Mayumi Nishida is a board member of Kagashin Global Network Pvt. Ltd. There is no special relationship between the Company and this company.

2) Status of Concurrent Positions of Outside Officers at Other Companies and Relationships Between the Company and Such Companies

Director (Audit and Supervisory Committee Member) Toshio Saburi is an Outside Director of Japan Medical Dynamic Marketing, Inc. There is no special relationship between the Company and this company.

3) Principal Activities During the Fiscal Year Ended March 31, 2022

Position	Name	Principal activities
Outside director (Audit and Supervisory Committee Member)	Toshio Saburi	Attended all 12 Board of Directors meetings and all seven Audit and Supervisory Committee meetings held during the fiscal year, and posed pertinent questions and expressed opinions from an outside perspective based on his wealth of experience and insight as a certified public accountant.
Outside director (Audit and Supervisory Committee Member)	Keiko Suichi	Attended 11 Board of Directors meetings and six Audit and Supervisory Committee meetings held during the fiscal year, and posed pertinent questions and expressed opinions from an outside perspective based on her wealth of experience and insight in the legal field.
Outside director (Audit and Supervisory Committee Member)	Yutaka Oonishi	Attended 11 Board of Directors meetings and all seven Audit and Supervisory Committee meetings held during the fiscal year, and posed pertinent questions and expressed opinions from an outside perspective based on his wealth of experience and insight in the legal field.
Outside director (Audit and Supervisory Committee Member)	Mayumi Nishida	Attended all 12 Board of Directors meetings and all seven Audit and Supervisory Committee meetings held during the fiscal year, and posed pertinent questions and expressed opinions from an outside perspective based on her wealth of experience and insight from her involvement in the management of many companies.

4) Summary of Duties Performed in Relation to Roles Expected of Outside Directors

In addition to the activities described in 3) above, from the perspective of ensuring transparency and objectivity in management, each outside director receives consultations from the Board of Directors, and the Outside Directors Advisory Committee comprised of all the outside directors assesses and considers important decisions of the Board of Directors, such as the nomination of candidates and removal of directors (excluding directors serving as Audit and Supervisory Committee Members); the election and removal of executive officers; compensation, etc. for directors (excluding directors serving as Audit and Supervisory Committee Members) and executive officers; the effectiveness of the Board of Directors; agenda items receiving a considerable number of opposing votes for a General Meeting of Shareholders resolution; the rationality and necessity of capital policy; and the appropriateness of continuing to hold cross-shareholdings. The Outside Directors Advisory Committee then reports its opinion to the Board of Directors. Additionally, through regular meetings with the representative

directors and other executive directors, the outside directors ascertain the state of the Company's management and management issues, and express their opinions as outside directors. Furthermore, they participate in discussions on the formulation of the Basic Sustainability Policy and Company-wide Basic Risk Management Policy, express various opinions from their positions as outside directors, and provide advice.

6. Matters Related to Accounting Auditor

(1) Accounting Auditor's Name

Ernst & Young ShinNihon LLC

(2) Accounting Auditor's Compensation, etc.

1) Amount of Compensation, etc. to be paid by the Company	51 million yen
2) Total amount of cash and other financial profits to be paid by the Company and Company subsidiaries	51 million yen

(Notes)

1. Based on the "Practical Guidelines for Cooperation with Accounting Auditors" released by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee confirms changes in time taken to audit each audit item and audit compensation, as well as audit plans and results from previous fiscal years, and provides consent pursuant to Article 399, Paragraph 1 of the Companies Act regarding the Accounting Auditor's compensation after considering the appropriateness of the estimated audit time and amount of compensation for the fiscal year ended March 31, 2022.
2. Under the audit agreement between the Company and its Accounting Auditor, compensation for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not strictly separated, and otherwise cannot be separated. Consequently, the amount in 1) above reflects total compensation.
3. The Company's subsidiaries Wuxi SHINKO PLANTECH CO., LTD.and PT. SHINKO PLANTECH are audited by audit corporations other than the Company's Accounting Auditor.

(3) Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditor

In the event that the Company's Accounting Auditor is deemed to have met any of the grounds set forth in the clauses of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall terminate the appointment of the Accounting Auditor subject to the unanimous consent of the Audit and Supervisory Committee Members.

In addition, in the event that the Accounting Auditor is deemed unable to properly execute audits for a reason other than the above, or if otherwise judged necessary, the Company's Audit and Supervisory Committee shall abide by the provisions of Article 399-2, Paragraph 3, Item 2 of the Companies Act and determine the details of the proposal to terminate or not reappoint the Accounting Auditor for submission to the General Meeting of Shareholders.

7. System to Ensure Proper Business Execution and Matters Related to Operating Status

(1) Details of Board of Directors Resolution on Creating a System to Ensure Proper Business Execution

The following are details on the Board of Directors resolution regarding "System to Ensure that Directors Execute their Duties in Compliance with the Laws and Regulations and the Articles of Incorporation, and System for Ensuring Other Proper Business Execution."

(a) System to Ensure that Directors and Employees Execute their Duties in Compliance with the Laws and Regulations and the Articles of Incorporation

1) Based on our corporate philosophy and spirit of compliance, we have established the RAIZNEXT Group Code of Conduct as guidelines for the officers and employees of the Company group to act in compliance with laws, regulations, the Articles of Incorporation, and social norms.

2) We have established a Compliance Committee which, in addition to striving to establish a system of compliance and maintain and enhance awareness, conducts regular inspections of the status of compliance with laws and regulations and surveys on compliance-related matters, providing supervisory guidance; the chairperson of this committee reports on important matters to the Board of Directors in order to promote thorough compliance with laws, regulations, the Articles of Incorporation, internal rules, etc. Additionally, we ensure that directors serving as Audit and Supervisory Committee Members have opportunities to attend the meetings of this committee.

3) We have established the Company group compliance hotline system based on the Compliance

Hotline Regulations for early discovery and correction of conduct that violates compliance, and established the General Manager of the Legal Department as the internal reporting contact, and a law firm as the external reporting contact. In addition, to ensure that no one is treated disadvantageously for making such a report via the compliance hotline system, the Company establishes and operates the necessary systems, such as clearly stating the prohibition of such treatment in the relevant regulations.

4) To ensure the proper operation of the Board of Directors, we establish the Board of Directors Regulations, and based on these regulations the Board of Directors shall meet once each month in principle. The Board of Directors makes decisions on the execution of important business after due deliberation and as appropriate receives reports from directors on the status of their execution of duties.
5) The Internal Audit Division conducts audits based on the fiscal year plan independently from each division, compiles these into an audit report, and along with reporting this to the President and Representative Director, also reports the content of the report to the Management Officer Committee.
6) The Company establishes and operates an internal control system to ensure that reliability of financial reporting, and annually evaluates its effectiveness and makes the necessary corrections.
7) In order to eliminate any relationship with antisocial forces, the Company establishes and operates regulations in accordance with actual operation conditions of the Company, and ensures strict compliance with these regulations.

(b) System for Storage and Management of Information Related to the Execution of Duties of Directors and Employees

1) In principle, the execution of duties shall be conducted in writing, and regulations on the creation and management of documents shall be created and operated.
2) Properly create minutes of Board of Directors meetings in accordance with laws and regulations, and create and operate regulations on the preparation, circulation, storage, etc. of approval documents for each member of management.
3) Prevent unauthorized use, disclosure, and leakage of Company information, and maintain and operate regulations for the appropriate handling of confidential information and personal information. Also, ensure employee compliance with these regulations through internal training and other opportunities.
4) Properly prepare business reports, financial statements, etc. in accordance with the Companies Act and other laws, and disclose Company information in a timely and appropriate manner.

(c) Regulations and Other Systems of the Company for Management of Risk of Loss

1) Based on the Risk Management Regulations, which aim for the early detection of risks and preventing their manifestation, the types of risks subject to management shall be identified and the department in charge of each risk category is responsible for overall management, and reports important risk information to the Board of Directors.
2) In the event of a crisis or emergency that significantly affects the management of the Company group, an emergency task force headed by the President shall be launched to systematically respond to the situation in accordance with the Crisis Management Regulations.
3) The Company shall take appropriate initiatives for ensuring safety and quality management, and maintain and operate the systems and regulations necessary to do so.
4) For the execution of contracted construction work, which is the Company's principal business, the Company shall consider matters such as cost management and work on the same appropriately, and maintain and operate the systems and regulations necessary to do so.

(d) System to Ensure that the Execution of Duties of Directors and Employees is Efficient

1) In order to ensure the effectiveness and efficiency of the directors' duties, formulate Mid-Term Business Plans, fiscal year corporate policies, etc., set specific targets for each division based on these, and regularly evaluate the appropriateness and degree of achievement of these targets.
2) The executive officer system separates management's decision-making and supervisory functions from the business execution functions, and clarifies the responsibilities and authorities of officers and employees in the Regulations on Organization and Management, Work Division Regulations, Administrative Authority Regulations, etc., for the swift and efficient execution of duties.
3) Matters to be resolved by the Board of Directors shall undergo prior approval by the President. In addition, the Management Officer Committee is established as a consultative body for such presidential decisions, and in principle the Company's management team shall collectively

examine and discuss such matters to enable appropriate and efficient decision-making.

4) Construct and maintain IT systems from the perspectives of appropriate information management, standardization and streamlining of operations, strengthening of internal controls, etc.

(e) System to Ensure Proper Business Execution within the Corporate Group

1) The Company works to ensure that the RAIZNEXT Group Code of Conduct, which is established as guidelines for the officers and employees of the Company group to act in compliance with laws, regulations, the Articles of Incorporation, and social norms, is thoroughly disseminated and implemented. Additionally, the applicable scope of the compliance hotline system is the entire Company group.

2) The Company manages subsidiaries in accordance with the Affiliated Company Management Regulations and other regulations. These regulations stipulate that important items among the business execution matters of the Company's subsidiaries require a decision by a body of the Company, and are operated appropriately. Additionally, the Company's Internal Audit Division implements regular audits of subsidiaries.

3) The Company regularly convenes the presidents of subsidiaries to receive reports on each company's business performance, the presence and location of significant risks, and other important information. The Company additionally ascertains the status of affiliated companies in a timely and appropriate manner by having such companies regularly report information such as their financial results in accordance with the Affiliated Company Management Regulations.

(f) System to Ensure Effective Audits by the Audit and Supervisory Committee

1) Respect the audit criteria and audit plans established by the Audit and Supervisory Committee, and cooperate with the smooth execution of audits and maintaining an audit environment.

2) In addition to taking the necessary measures to ensure that Audit and Supervisory Committee Members can attend important meetings such as the Management Officer Committee and thus understand the process of decision-making on important matters and the status of work execution, along with making important documents related to the execution of business operations, such as documents related to major decisions, available for viewing, when Company group officers or employees are requested by the Audit and Supervisory Committee regarding matters related to the execution of work, they shall promptly make appropriate reports.

3) Maintain and operate a system so that when any serious violation of laws, regulations, or the Articles of Incorporation, any misconduct, or any fact that may cause significant damage to the Company is discovered at the Company or an affiliated company, it can be reported promptly to the Audit and Supervisory Committee, as well as to report regularly on the status of internal reporting.

4) Maintain and operate the necessary system to ensure that no one is treated disadvantageously for making such a report to the Audit and Supervisory Committee, such as clearly stating the prohibition of such treatment in the relevant regulations.

5) The representative directors and other members of the management team shall hold regular meetings with the Audit and Supervisory Committee Members to report matters related to work execution and other matters necessary for the Audit and Supervisory Committee Members' duties, and exchange opinions.

6) The Internal Audit Division shall strive to maintain close cooperation with the Audit and Supervisory Committee, such as exchanging opinions on audit plans and audit results.

7) In the event that the Audit and Supervisory Committee requests the President and Representative Director to appoint employees who should assist the duties of said committee, employees shall be allocated to assist the duties of the Audit and Supervisory Committee. Also, in such cases, in order to ensure the effectiveness of the Audit and Supervisory Committee's instructions to such employees, the personnel treatment of such employees, i.e., their evaluation and transfer, shall be determined via prior consultation with the standing Audit and Supervisory Committee Member(s).

8) Pursuant to Article 399-2, Paragraph 4 of the Companies Act, expenses and debts incurred in the performance of Audit and Supervisory Committee Member duties shall be appropriately paid by the Company based on claims from Audit and Supervisory Committee Members.

(2) Summary of Operational Status of System to Ensure Proper Business Execution

The operational status of "System to Ensure that Directors Execute their Duties in Compliance with the Laws and Regulations and the Articles of Incorporation, and System for Ensuring Other Proper Business Execution" is as follows.

(a) System to Ensure that Directors and Employees Execute their Duties in Compliance with the Laws and Regulations and the Articles of Incorporation

1) We established the RAIZNEXT Group Code of Conduct for officers and employees of the Company group to act in compliance with laws, regulations, the Articles of Incorporation, and social norms, and disseminate this code and ensure its implementation.
2) We convened the Compliance Committee and implemented a check of the status of legal compliance including subsidiaries, in accordance with the Compliance Regulations and Compliance Committee Regulations. As a result, we confirmed that no important matters requiring report to the Board of Directors had occurred.
3) We maintain and operate an internal reporting system in cooperation with lawyers, in accordance with the Compliance Hotline Regulations. We also maintain and operate the system prohibiting disadvantageous treatment, such as by clearly stating in these regulations that no one will be subjected to any disadvantageous treatment because of the fact that they have made a report.
4) In accordance with the Board of Directors Regulations, in the fiscal year ending March 31, 2022, we held 12 Board of Directors meetings which were also attended by outside directors, where in addition to making decisions on important business execution matters, reports on the execution status of director duties were received.
5) Audits by the Internal Audit Division were implemented in accordance with the internal audit plan, and the report was reported to the Management Officer Committee after being presented to the representative directors. Afterward, it was circulated to directors serving as Audit and Supervisory Committee Members.
6) We implement a validity assessment of internal controls pertaining to financial reporting in accordance with the Financial Instruments and Exchange Act.
7) In order to prevent any relationship with antisocial forces, we investigate business partners, implement contractual measures, etc. in accordance with the Basic Regulations Addressing Antisocial Forces.

(b) System for Storage and Management of Information Related to the Execution of Duties of Directors and Employees

1) In principle, duties are to be executed in writing in accordance with the Document Handling Regulations and Regulations on Storing Materials, which cover matters such as document creation and management.
2) In addition to creating Board of Directors meeting minutes in accordance with laws, regulations, and the Board of Directors Regulations, we create approval documents for each member of management and store and manage these appropriately in accordance with the Administrative Authority Regulations and Application for Approval Regulations.
3) We appropriately manage Company information including confidential information and personal information in accordance with regulations such as the Basic Regulations on Information Security and Personal Information Protection Regulations. We also ensure compliance with these regulations through internal training for all employees.
4) We properly prepare and disclose business reports, financial statements, securities reports, and other documents in accordance with the relevant laws and regulations, and the timely disclosure rules of stock exchanges.

(c) Regulations and Other Systems for Management of Risk of Loss

1) Other than monitoring by each division in accordance with the Risk Management Regulations, we strive for the early discovery of risks through monitoring including internal audits and project reviews. In addition, when bringing important business execution matters before the Board of Directors, after review by the Management Officer Committee we work to identify risks anticipated in the approval form, joint opinion form, and other documents, and prevent the manifestation of such risks in accordance with the Administrative Authority Regulations. Furthermore, no significant risks requiring report to the Board of Directors occurred during the reporting period.
2) We have established the Crisis Management Regulations in preparation for the occurrence of crises or emergencies, such as natural disasters or accidents, that significantly affect the management of the Company group. Also, continuing from the previous fiscal year, we have established a task force to address the COVID-19 pandemic in accordance with the Crisis Management Regulations.
3) In order to ensure safety and quality in Company business, we maintain various regulations and strive for the early detection of risks through monitoring such as quality management audits and

safety audits.

4) In the execution of contracted construction work, matters such as cost management are appropriately implemented by the department in charge. In addition, for construction deemed to have a particularly large impact on Company business performance we maintain and operate a system enabling the department in charge of supervision of operation management to ascertain the status in a timely manner.

(d) System to Ensure that the Execution of Duties of Directors and Employees is Efficient

1) Together with formulating the Mid-Term Business Plan and fiscal year corporate policy, we determine the fiscal year budget and numerical targets, and confirm the status of progress on such matters at the Management Officer Committee, Board of Directors, etc.

2) The executive officer system separates management's decision-making and supervisory functions from the business execution functions, and clarifies the responsibilities and authorities of officers and employees in accordance with the Regulations on Organization and Management, Work Division Regulations, Administrative Authority Regulations, etc., for the swift and efficient execution of duties.

3) Matters resolved by the Board of Directors shall, in principle, be approved by the President. Also, in receiving presidential approval, the Management Officer Committee shall be held, which is the consultative body for such decisions.

4) We implement and utilize IT systems for the purposes of appropriate information management, standardization and streamlining of operations, strengthening of internal controls, etc.

(e) System to Ensure Proper Business Execution within the Corporate Group

1) We work to disseminate and ensure that the officers and employees of each group company act in compliance with laws, regulations, the Articles of Incorporation, and social norms, in accordance with the RAIZNEXT Group Code of Conduct. Additionally, the applicable scope of the compliance hotline system is the entire Company group.

2) We have established the Affiliated Company Management Regulations and ensure that group companies comply with these regulations. Additionally, we systematically implement internal audits of subsidiaries in accordance with the Internal Audit Regulations, and after the audit results are reported to the representative directors of the parent company, the results are circulated to directors serving as Audit and Supervisory Committee Members.

3) In accordance with the Affiliated Company Management Regulations, we regularly hold an Affiliated Company Presidents Meeting between the management team of the parent company and the presidents of each subsidiary, where we receive reports on each subsidiary's business performance and important matters.

(f) System to Ensure Effective Audits by the Audit and Supervisory Committee

1) Respect the audit criteria and audit plans established by the Audit and Supervisory Committee, and cooperate with the smooth execution of audits and maintaining an audit environment.

2) Along with attending important meetings such as the Management Officer Committee and providing opinions as necessary, Audit and Supervisory Committee Members view applications for approval and other important documents related to directors' execution of work, and as necessary request explanations from each officer or employee. Additionally, officers and employees shall promptly make appropriate reports regarding items requested by an Audit and Supervisory Committee Member.

3) Reporting to the Audit and Supervisory Committee when serious violations of laws or regulations occurs, and regular reporting on internal reporting are established in the Compliance Regulations and Compliance Hotline Regulations, respectively, and are operated accordingly.

4) We have established provisions in the Compliance Regulations prohibiting any officer or employee who makes a report to the Audit and Supervisory Committee from being treated disadvantageously for making such a report, and have thoroughly disseminated this fact to the officers and employees of the Company and group companies.

5) Other than regular meetings held to exchange opinions among the representative directors, other members of the management team, and Audit and Supervisory Committee Members, we aimed to communicate with the Audit and Supervisory Committee as necessary on individual matters.

6) The Internal Audit Division worked in close cooperation with the Audit and Supervisory Committee, such as by exchanging opinions on audit plans and audit results.

7) At present, there has been no request from the Audit and Supervisory Committee to allocate employees to assist full-time with the duties of directors serving as Audit and Supervisory Committee Members.

8) Expenses incurred in the performance of Audit and Supervisory Committee Member duties are paid based on claims from Audit and Supervisory Committee Members.