

This is an English translation of the Japanese original for reference purposes only.  
Some of documents referred herein may be provided in Japanese.

June 7, 2022

Takeyuki Takahashi  
President and Representative Director  
**Mitsui E&S Holdings Co., Ltd.**  
6-4, Tsukiji 5-chome, Chuo-Ku, Tokyo, Japan

To Our Shareholders:

**NOTICE OF THE 119<sup>TH</sup> ORDINARY GENERAL  
MEETING OF SHAREHOLDERS**

You are hereby notified of the 119<sup>th</sup> Ordinary General Meeting of Shareholders of Mitsui E&S Holdings Co., Ltd. (the “Meeting”) to be held on Tuesday, June 28, 2022, as described below.

In order to prevent the spread of infection of the new coronavirus disease (COVID-19), shareholders are requested to vote in writing or on the Internet **by 5 p.m. on Monday, June 27, 2022** according to “INFORMATION ON EXERCISING VOTING RIGHTS” in pp. 5-7. after reviewing Reference Documents for the General Meeting of Shareholders. Please refrain from visiting place of the Meeting as much as possible, regardless of your physical condition.

1. Date and Time: Tuesday, June 28, 2022, at 10:00 A.M.

2. Place: 2<sup>nd</sup> Floor, Hamarikyu-Mitsui Building,  
6-4, Tsukiji 5-chome, Chuo-Ku, Tokyo, Japan

3. Objectives

(a) Matters to be reported

(1) Report of Business Report and Consolidated Financial Statements for the 119<sup>th</sup> Business Term from April 1, 2021 to March 31, 2022 (the “Term”) as well as Accounting Auditor’s Report and Board of Corporate Auditors’ Report on the Consolidated Financial Statements

(2) Report of Financial Statements for the Term

(b) Matters to be resolved

Agenda Item No. 1: Partial Amendments to the Articles of Incorporation (1)

Agenda Item No. 2: Issuance of class A preferred shares through third-party allotment

- Agenda Item No. 3: Reduction of the amount of stated capital and capital reserve
- Agenda Item No. 4: Appropriation of surplus
- Agenda Item No. 5: Partial Amendments to the Articles of Incorporation (2)
- Agenda Item No. 6: Partial Amendments to the Articles of Incorporation (3)
- Agenda Item No. 7: Election of seven (7) Directors

Please note:

- Among documents to be provided in this Notice, items described below are not included in the attached documents of this Notice, because they are provided by the Internet on the Company's website under laws and regulations and Article 16 of the Company's Articles of Incorporation.
  - a) "Subscription Rights to Shares" of the Business Report
  - b) "Consolidated Statements of Changes in Net Assets" and "NOTES TO CONSOLIDATED FINANCIAL STATEMENTS" in the Consolidated Financial Statements.
  - c) "Statements of Changes in Net Assets" and "NOTES TO FINANCIAL STATEMENTS" in the Financial Statements.

These items are included in the Business report, the Consolidated Financial Statements, and the Financial Statements which were audited by the Corporate Auditors preparing the Board of Corporate Auditors' Report, and by the independent auditors preparing the Independent Auditor's Report, respectively.

- The resolution of the Meeting will be published by the Internet on the Company's website instead of notifying via postal mail.
- In case amendments are made to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Financial Statements, such amendments will be published by the Internet on the Company's website.
- In order to prevent the spread of infection of the new coronavirus disease (COVID-19), we will implement the measures written in page 4. We would appreciate your understanding and cooperation. Depending on the spreading situation of COVID-19 or government announcement from now on, we might change the operation of the Meeting to give first priority to safety of our Shareholders. If we unavoidably change the operation such as time or place of the Meeting, we will post it on Company's website. Please check our website before you attend the Meeting.

No souvenirs will be provided to the shareholders attending the Meeting. We would appreciate your understanding.
---

The Company's Website: <https://www.mes.co.jp/>

Dear shareholders

I would like to express my gratitude for your continued and exceptional support.

My name is Takeyuki Takahashi, the newly appointed President of the Company. I would like to put our company on a growth trajectory and work to achieve sustainable development and increase corporate value by completing “Mitsui E&S Group Business Revival Plan” advanced by the former President and taking concrete actions based on our growth strategy.

In FY 2021, we have been striving to solidify the foundation to establish the profit-making structure. However, we have revised down our consolidated performance forecast as a result of the loss in one of equity-method affiliate of the Company. Under the current financial situation, we deeply regret to say to all of you that we are not able to provide dividend for the Term-end. We sincerely apologize for much inconvenience caused to you.

Toward the dissolution of the pure holdings company structure and transition into a new system in April 2023, we will work together as one to expand our scope of business by focusing on our existing strengths and business resources, and make every effort to revitalize and grow the Group. We would deeply appreciate your continued support in the future.

June 2022

Takeyuki Takahashi

President, Representative Director, and CEO

<Company Philosophy>

To be trusted by people and to contribute to the society through our engineering and services

<Vision (what we are aiming to be)>

Realize the decarbonized society and solve problems of the society of declining population with a focus on the marine sector by 2030

<Management Policy>

Achieve new value creation together with customers

Seek a sound financial structure and steady profit

Drive solutions for sustainability issues

<Standards of Conduct>

Endeavor to provide simple, unique and practical products and services

## **Announcement for measures against infection of the new coronavirus**

For the Meeting, we would like to advise you as described below in order to prevent the spread of infection of the new coronavirus disease (COVID-19). We would appreciate your understanding and cooperation.

### 1. Request to all Shareholders

- Shareholders are requested to vote in writing or on the Internet according to “INFORMATION ON EXERCISING YOUR VOTING RIGHTS” in pp. 5-7. Please refrain from visiting place of the Meeting as much as possible regardless of your physical condition.
- Shareholders who wish to attend the Meeting are requested to check the latest situation of infection and/or government announcement and reconsider to refrain from attending the Meeting regardless of your physical condition. Especially, if you have underlying disease or are in older age, please make more careful decision.

### 2. Request to Shareholders who plan to attend the Meeting

- On the day of the Meeting, we will ask your cooperation to our measures for the prevention of the spread of infection such as alcohol sanitizing at the reception, body temperature measurement and wearing masks inside the place of the Meeting. We may restrict admission of those who have symptoms such as a fever or cough or who refuse to wear masks.
- At the place of the Meeting, there is possibility that we might not be able to secure a sufficient number of seats because we will leave safety distance between seats of shareholders.

### 3. Measures to be taken by the Company

- Our officers and management staffs will wear masks at the Meeting.
- At the Meeting, the time of proceedings will be shorten and explanations of matters to be reported and matters to be resolved will be minimal. Shareholders, who plan to attend the Meeting, are requested to review the notice of the Meeting in advance.
- In addition, we may take other measures necessary to prevent the infection.

## INFORMATION ON EXERCISING VOTING RIGHTS

Exercise of voting rights in the General Meeting of Shareholders is an important right of our shareholders. You are requested to consider the accompanying Reference Documents for the Meeting and exercise your voting rights.

There are following three methods for exercising your voting rights as follows:

### If you attend the Meeting

#### Present at the Reception Desk

When attending the Meeting, please present the enclosed voting form at the reception desk.

In addition, in order to conserve paper resources, please bring this Notice.

#### Date and Time of the Meeting

**Tuesday, June 28, 2022  
10:00 A.M.**

### If you do not attend the Meeting

#### Submit by Postal Mail

Please indicate your vote for each proposal on the voting form and post it.

#### Exercise Deadline

**A form arriving by  
5:00 P.M., Monday,  
June 27, 2022 is  
valid.  
(See Instruction (A))**

#### Enter on the Internet

Please access the website designated for voting by the Company and enter your vote for each proposal in accordance with the online instruction.

**The website designated for voting**

<https://www.web54.net>

**Please refer to the next page for detail.**

#### Exercise Deadline

**A vote entered by 5:00  
P.M., Monday, June  
27, 2022, is valid.  
(See Instruction (B))**

### **Instruction (A):**

#### **How to fill in the voting form**

**Please fill in your vote for each proposed agenda on the voting form.**

**[Agenda Items No.1 to No.6]**

If you are in favor of the agenda item, place a circle mark in **the upper box which describes “Yes.”**

If you are against the agenda item, place a circle mark in **the lower box which describes “No.”**

**[Agenda Item No.7]**

If you are in favor of all candidates, place a circle mark in **the upper box which describes “Yes.”**

If you are against all candidates, place a circle mark in **the lower box which describes “No.”**

In a case you deny one or some of candidates, please place a circle mark in the upper box and fill in the number(s) of the candidate(s) you disagree.

\*The “voting code” and the “password”, which are necessary for exercising your voting rights through the Internet, are written on the other side of the voting form.

- (1) In case that no indication of yeas or nays is made for each proposal, the Company regard such a proposal as to be voted in favor.
- (2) For the votes cast twice or more by the Internet, etc. by the same shareholder, the one received at the latest shall prevail.
- (3) For the overlapped votes received both by a voting form and by the Internet, etc. from the same shareholder, the vote received at the latest shall prevail, and for the votes by a voting form and by the Internet received on the same day, the vote on the Internet shall prevail.

## **Instruction (B)**

### **Information on Exercising Voting Rights on the Internet**

If you exercise your voting right on the Internet, you are asked to access the website designated for voting by the Company by a personal computer or a smart phone and to exercise your voting rights in accordance with the online instruction.

A dedicated website for a mobile phone is not established. We would appreciate your understanding.

The website designated for voting by the Company <https://www.web54.net>

**Deadline of exercising voting right: Accepted until 5:00 P.M., Monday, June 27, 2022**

**The first method: Scanning QR Code (“Smart Voting”)**

You can login the website designated for voting without entering voting code and password.

1. Scan QR Code indicated on the lower right of your voting form
- 
2. In the following pages, please enter your vote in accordance with the online instruction.

**Note: Voting by the “Smart Voting” is available only once.**

To change the content of your voting, please access to the website for personal computer and enter “voting code” and “password” written on the other side of your voting form and vote again.

If you scan QR Code again, you will access to website for personal computer.

The second method: Entering Voting Code and Passwords

**1. Access to the website designated for voting**

**<http://www.web54.net>**

Click **the left button** (which means “proceed to the next page”).

**2. Log in**

Enter the “**voting code**” written on the other side of your voting form and click **the left button** (which means “log in”).

\*In case it is the first time to “log in”, you will proceed to the page for changing password.

**3. Enter the password**

Enter the “**password**” written on the other side of your voting form and click **the button** (which means “proceed to the next page”).

**In the following pages, please enter your vote in accordance with the online instruction.**

---

<Security of a password and a voting code>

- (1) A password is important information by which a voting person is confirmed as a shareholder. Please secure your password confidentiality as same as your bank pin code or seal.
- (2) Please note that if an incorrect password is entered more than a specified number of times, you will be unable to access a main screen. In a case you wish to obtain a new password, please follow instructions on a screen.
- (3) The password written on the other side of your voting form is effective only for this General Meeting of Shareholders.

<Contact Information for inquiries>

In a case operation method regarding exercising voting right through the Internet, etc. is unclear, please contact the Securities support described below.

**Sumitomo Mitsui Trust Bank, Limited**

**Dedicated line for Stock Transfer Agency web support**

Phone: **0120 (652) 031** (Toll free only in Japan)

(9:00 a.m. to 9:00 p.m.)

**Use of the Platform for Electronic Exercise of Voting Rights**

It is also possible for institutional investors to exercise their voting rights by electronic method from the “Platform for Electronic Exercise of Voting Rights” of ICJ Ltd.

## REFERENCE DOCUMENTS FOR GENERAL MEETING OF SHAREHOLDERS

### For Agenda Item No. 1: Partial amendments to the Articles of Incorporation (1)

#### 1. Reasons for amendments

To facilitate the issuance of Class A Preferred Shares raised in Agenda Item No. 2: “Issuance of class A preferred shares through third-party allotment,” Class A Preferred Shares are being added as a new class of shares, and provisions related to Class A Preferred Shares are being newly established in the Articles of Incorporation.

For details on the reasons for the issuance of Class A Preferred Shares, please refer to Agenda Item No. 2: “Issuance of class A preferred shares through third-party allotment.”

Furthermore, these amendments to the Articles of Incorporation are subject to approval of Agenda Item No. 2 “Issuance of class A preferred shares through third-party allotment” as proposed.

#### 2. Details of amendments

The details of the amendments are as follows.

Furthermore, the below amendments do not include the amendments in Agenda Item No. 5: “Partial amendments to the Articles of Incorporation (2)” and in Agenda Item No. 6: “Partial amendments to the Articles of Incorporation (3).” For the details of those amendments, please refer to Agenda Item No. 5: “Partial amendments to the Articles of Incorporation (2)” and Agenda Item No. 6: “Partial Amendments to the Articles of Incorporation (3).”

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
Chapter I General Provisions Articles 1 to 5 (Text omitted)	Chapter I General Provisions Articles 1 to 5 (Unchanged)
Chapter II Shares Article 6 (Total Number of Authorized Shares)  The total number of shares authorized to be issued by the Company shall be 150,000,000 shares.	Chapter II Shares Article 6 (Total Number of Authorized Shares <u>and Total Number of Authorized Class Shares</u> )  The total number of shares authorized to be issued by the Company shall be 150,000,000 shares, <u>and the total number of each class shares authorized to be issued shall be 150,000,000 shares for common shares, and 18,000,000 shares for class A preferred shares.</u>
Article 7 (Text omitted)	Article 7 (Unchanged)



Current Articles of Incorporation	Proposed amendments
<p>Article 8 (Number of Shares Constituting One Unit)</p> <p>The number of shares constituting one unit of shares of the Company shall be 100 shares.</p>	<p>Article 8 (Number of Shares Constituting One Unit)</p> <p>The number of shares constituting one unit of <u>common</u> shares of the Company shall be 100 shares, and the number of shares constituting <u>one unit of class A preferred shares shall be one share.</u></p>
<p>Articles 9 to 12 (Text omitted)</p>	<p>Articles 9 to 12 (Unchanged)</p>
<p>(Newly established)</p>	<p style="text-align: center;"><u>Chapter II-2</u> <u>Class A Preferred Shares</u></p>
<p>(Newly established)</p>	<p><u>Article 12-2 (Dividends of Surplus)</u></p> <p><u>1. (Class A Preferred Dividends)</u></p> <p><u>When paying dividends of surplus, within the scope of laws and regulations, the Company shall pay dividends to shareholders of class A preferred shares (“Class A Preferred Shareholders”) recorded or noted in the latest shareholders register for the record date associated with the dividends of surplus in question or to registered class A preferred share pledgees on such register (“Class A Preferred Shareholders, etc.” along with “Class A Preferred Shareholders”), prior to the payment to shareholders of common shares (“Common Shareholders”) or to registered common share pledgees (“Common Shareholders, etc.” along with “Common Shareholders”), in an amount established in paragraph 2 of this Article for each class A preferred share (“Preferred Dividends”).</u></p> <p><u>However, in the case where the Company has paid dividends of surplus to Class A Preferred Shareholders, etc. prior to the dividends of surplus in question with the record date on a day belonging to the same fiscal year as the fiscal year to which the record date associated with the dividends of surplus in question (excluding the dividends of surplus associated with the Accumulated Unpaid Preferred Dividends defined in paragraph 3 of this Article), it will pay dividends of surplus after deducting the total amount of such preceding dividends.</u></p>

Current Articles of Incorporation	Proposed amendments
	<p data-bbox="815 253 1342 286"><u>2. (Amount of Class A Preferred Dividends)</u></p> <p data-bbox="847 293 1398 427"><u>The amount of Preferred Dividends per class A preferred share for the fiscal year is the amount calculated by multiplying the amount equivalent to paid-in amount by 7.80%.</u></p> <p data-bbox="847 432 1398 763"><u>However, for the fiscal year ending March 31, 2023, for the actual number of days during the period from the payment date (including that day) through March 31, 2023 (including that day), a per diem calculation shall be made with one year consisting of 365 days, with the division performed last, fractional yen amounts calculated to the fourth decimal place, and rounded off to the third decimal place.</u></p> <p data-bbox="815 790 1126 824"><u>3. (Accumulation Clause)</u></p> <p data-bbox="847 831 1398 2033"><u>If the total amount of dividends of surplus per share paid to Class A Preferred Shareholders, etc. where the day of the record date belongs to a given fiscal year (in the fiscal year to which the payment date belongs, the period from the payment date (including that day) through the final day of the fiscal year in question (including that day). Same below in this paragraph.) falls below the amount of Preferred Dividends for the fiscal year in question, the shortfall will be accumulated by compounding interest per annum using an annual rate of 7.80% from the first day of the fiscal year following the fiscal year in question (including that day) through the day that the payment is actually made (including that day). Furthermore, this calculation shall be made using a per diem calculation with one year consisting of 365 days, with the division performed last, fractional yen amounts calculated to the fourth decimal place, and rounded off to the third decimal place. The accumulated shortfall (“Accumulated Unpaid Preferred Dividends”) shall be distributed to Class A Preferred Shareholders, etc. prior to the payment of Preferred Dividends and dividends of surplus to Common Shareholders, etc. from the following fiscal year in question onward. Where there are Accumulated Unpaid Preferred Dividends associated with multiple fiscal years, they will be distributed starting with the Accumulated Unpaid Preferred Dividends associated with the oldest fiscal year. If the amount obtained by multiplying the amount equivalent to the Accumulated</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p><u>Unpaid Preferred Dividends to be paid by the number of class A preferred shares, to which rights are owned by Class A Preferred Shareholders, etc., includes any fractional amount of less than one yen, such fractional amount shall be rounded down.</u></p> <p><u>4. (Non-participation Clause)</u>  <u>The Company will not pay dividends of surplus exceeding the total amount of Preferred Dividends and Accumulated Unpaid Preferred Dividends to Class A Preferred Shareholders, etc. However, this shall not apply to dividends of surplus stipulated in Article 758, item (viii), (b), and Article 760, item (vii), (b) of the Companies Act which are paid in absorption-type company split procedures or dividends of surplus stipulated in Article 763, paragraph (1), item (xii), (b) or Article 765, paragraph (1), item (viii), (b) in the same Act which are paid in incorporation-type company split procedures.</u></p> <p><u>Article 12-3 (Distribution of Residual Assets)</u></p> <p><u>1. (Distribution of Residual Assets)</u>  <u>When distributing residual assets, the Company will distribute to Class A Preferred Shareholders, etc. the amount per class A preferred share defined in paragraph 2 of this Article prior to the distribution of residual assets to Common Shareholders, etc.</u></p> <p><u>2. (Amount of Distribution of Residual Assets)</u>  <u>The amount of distribution of residual assets per class A preferred share is the amount equivalent to the Redemption Amount (defined in Article 12-5, paragraph 2. However, the amount shall be calculated by replacing “effective date of the Redemption Request” in the definition of the Redemption Amount in Article 12-5, paragraph 2 with the “residual asset distribution date” in performing calculations.) on the date that the residual assets are distributed (“Residual Asset Distribution Date”).</u></p> <p><u>3. (Non-participation Clause)</u>  <u>No residual assets except those defined in the previous paragraph 2 shall be distributed to Class A Preferred Shareholders, etc.</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p><u>Article 12-4 (Voting Rights)</u></p> <ol style="list-style-type: none"> <li><u>1. Class A Preferred Shareholders do not have voting rights at general meetings of shareholders unless otherwise provided for by laws and regulations.</u></li> <li><u>2. Where the Company engages in acts stipulated in each item of Article 322, paragraph (1) of the Companies Act, a resolution by a general meeting of class shareholders composed of Class A Preferred Shareholders is not required unless otherwise provided for by laws and regulations.</u></li> <li><u>3. Unless otherwise provided for by laws and regulations, the Company does not require resolutions by a general meeting of class shareholders for items stipulated in Article 199, paragraph (4), Article 200, paragraph (4), Article 238, paragraph (4), Article 239, paragraph (4), Article 795, paragraph (4) and other matters stipulated in the Companies Act.</u></li> </ol>
(Newly established)	<p><u>Article 12-5 (Right to Request Redemption for Cash (Right to Request Redemption))</u></p> <ol style="list-style-type: none"> <li><u>1. (Details of the Right to Claim Redemption) Class A Preferred Shareholders, etc. may request the Company to acquire all or part of their class A preferred shares in exchange for cash at any point in time on or after the payment date (“Redemption Request”). In this case, on the effective date of the Redemption Request, the Company will deliver the amount of cash defined in paragraph 2 of this Article (“Redemption Amount”), to the extent permitted by laws and regulations, to these Class A Preferred Shareholders, etc. in exchange for a class A preferred share up to the distributable amount as stipulated in Article 461, paragraph (2) of the Companies Act on the date of the Redemption Request in question (“Redemption Request Date”). When the Redemption Request that exceeds the distributable amount on the Redemption Request Date was made, the Company will decide, at the meeting of its Board of Directors, the class A preferred shares to be acquired using a lottery, pro rata method based on the number of the class A preferred shares for which the Redemption Request is made or other measures.</u></li> </ol>

Current Articles of Incorporation	Proposed amendments
	<p data-bbox="817 255 1118 286"><u>2. (Redemption Amount)</u></p> <p data-bbox="847 295 1401 797"><u>The Redemption Amount per class A preferred share is 500 yen plus the Accumulated Unpaid Preferred Dividends and Preferred Dividend Per Diem Calculation Amount (defined in item (2) of this Article) calculated using the effective date of the Redemption Request as the Per Diem Calculation Record Date (defined in item (1) of this Article). When a fractional amount of less than one yen is produced when multiplying the Redemption Amount per class A preferred share by the number of class A preferred shares, to which rights are owned by Class A Preferred Shareholders, etc., such fractional amount shall be rounded down.</u></p> <p data-bbox="847 824 1401 987"><u>(1) The “Per Diem Calculation Record Date” is the date that class A preferred shares are acquired either through Redemption Request or Forced Redemption (defined in Article 12-6).</u></p> <p data-bbox="847 1003 1401 1771"><u>(2) The “Preferred Dividend Per Diem Calculation Amount” is the amount calculated for the amount of Preferred Dividends to be paid with the record date of the final day of the fiscal year to which the Per Diem Calculation Record Date belongs using a per diem calculation where one year is 365 days for the actual number of days between the first day of the fiscal year in question (including that day) through the Per Diem Calculation Record Date (including that day) (division performed last, fractional yen amounts calculated to the fourth decimal place, and rounded off to the third decimal place. ) (However, where surpluses are distributed to Class A Preferred Shareholders on a record date that falls prior to the Per Diem Calculation Record Date in the fiscal year in question (excluding Accumulated Unpaid Preferred Dividends associated with fiscal years prior to the fiscal year in question), that amount will be deducted).</u></p> <p data-bbox="817 1798 1401 1910"><u>3. (Place of Receipt of Redemption Request)</u> <u>6-4, Tsukiji 5-chome, Chuo-ku, Tokyo, Japan</u> <u>Mitsui E&amp;S Holdings Co., Ltd.</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p data-bbox="817 255 1305 286"><u>4. (Effectuation of Redemption Request)</u></p> <p data-bbox="847 295 1378 495"><u>Redemption Request shall take effect at the time the redemption request form arrives at the place of receipt of Redemption Request, or on the desired effective date provided on the redemption request form, whichever is later.</u></p> <p data-bbox="804 521 1378 618"><u>Article 12-6 (Acquisition Clause for which the Consideration is Cash (Forced Redemption))</u></p> <p data-bbox="817 645 1394 1384"><u>At any point in time on or after the payment date, the Company may, upon the arrival of a date separately determined by the Company’s Board of Directors (“Forced Redemption Date”), regardless of the intentions of Class A Preferred Shareholders, etc., in exchange for delivering cash equivalent to the Redemption Amount to Class A Preferred Shareholders, etc. within the distributable amount on the Forced Redemption Date in question (however, the amount shall be calculated by replacing “effective date of the Redemption Request” in the definition of the Redemption Amount in Article 12-5, paragraph 2 with “Forced Redemption Date”), acquire all or part of the class A preferred shares (acquisition of class A preferred shares through this rule shall be referred to as the “Forced Redemption”). Furthermore, when making a partial acquisition, the Company’s Board of Directors will decide the number of class A preferred shares to be acquired using a lottery or pro rata method.</u></p>
(Newly established)	<p data-bbox="804 1413 1378 1473"><u>Article 12-7 (Share Splits and Consolidations, Etc.)</u></p> <ol data-bbox="817 1503 1394 1877" style="list-style-type: none"> <li data-bbox="817 1503 1394 1599"><u>1. The Company shall not conduct share splits or share consolidations for class A preferred shares.</u></li> <li data-bbox="817 1626 1394 1756"><u>2. The Company will not grant rights to Class A Shareholders to receive the allocation of shares offered for subscription or stock acquisition rights offered for subscription.</u></li> <li data-bbox="817 1783 1394 1877"><u>3. The Company will not implement the gratis allotment of shares or stock acquisition rights to Class A Shareholders.</u></li> </ol>

Current Articles of Incorporation	Proposed amendments
<p>(Newly established)</p> <p>Chapter III General Meeting of Shareholders</p> <p>Articles 13 to 19 (Text omitted)</p> <p>(Newly established)</p> <p>Articles 20 to 41 (Text omitted)</p>	<p><u>Article 12-8 (Restrictions on Transfer)</u></p> <p><u>Any acquisition of Class A Shares by means of transfer requires the approval of the Company's Board of Directors.</u></p> <p>Chapter III General Meeting of Shareholders</p> <p>Articles 13 to 19 (Unchanged)</p> <p><u>Article 19-2 (General Meeting of Class Shareholders)</u></p> <p><u>1. The provisions of Article 14 shall apply to general meetings of class shareholders held on the same day as ordinary general meetings of shareholders.</u></p> <p><u>2. The provisions of Article 15, Article 16, Article 18, and Article 19 shall apply to general meetings of class shareholders.</u></p> <p><u>3. The provisions of the first and second sentences of Article 17 shall apply to resolutions at the general meeting of class shareholders as provided for in Article 324, paragraph (1) of the Companies Act, and the provisions of the third sentence of Article 17 shall apply to resolutions of general meetings of class shareholders as provided for in Article 324, paragraph (2) of the Companies Act, respectively.</u></p> <p>Articles 20 to 41 (Unchanged)</p>

## **For Agenda Item No. 2: Issuance of class A preferred shares through third-party allotment**

Pursuant to the provisions of Article 199 of the Companies Act and for the reasons provided in 1. and 2. below, the Company requests approval of the issuance of class A preferred shares (“Class A Preferred Shares”) through a third-party allotment (“Class A Preferred Share Third-Party Allotment”) to SMBCCP Investment Limited Partnership 1 (“Party Receiving Class A Preferred Share Allotment”), a fund in which SMBC Capital Partners Co., Ltd. (“SMBC Capital Partners”) invests within the framework provided in 3. below.

Furthermore, the Class A Preferred Share Third-Party Allotment shall be conducted on the condition that Agenda Item No. 1 being approved as proposed and the partial amendments to the Articles of Incorporation in Agenda Item No.1 taking effect. Moreover, in the investment agreement concluded on March 31, 2022 between the Company and Party Receiving Class A Preferred Share Allotment (“Investment Agreement”), the payment related to Class A Preferred Shares by the Party Receiving Class A Preferred Share Allotment shall be conducted on the condition that Agenda Item No. 1 and Agenda Item No. 3 being approved as proposed.

### **1. Purpose and reasons for subscription**

#### **(1) Backdrop and purpose for subscription**

The Group runs its business centered on the four business pillars of ship, ocean development, machinery, and engineering. However, large-scale losses in overseas EPC projects in the engineering business have damaged our financial base, and we have experienced declining revenue in our existing businesses including our shipbuilding business. We recognize the necessity of recovering equity capital and securing funds, as well as for the withdrawal from unprofitable businesses and development of growth businesses. Based on this recognition, in May 2019, we formulated our “Mitsui E&S Group Business Revival Plan” (“Business Revival Plan”). Thereafter, in August 2020, we formulated our “Mid-term Business Plan 2020” (“Current Mid-term Plan”). Through this process, the Group is concentrating its business and clarifying cooperation, and in addition to creating markets through alliances, it aims to become “A company adding digital value to all machines” and transition from our traditional flow-type business model to a stock-type business model that boosts earnings over the long term.

Amid these conditions, the Group has been making an all-out effort to slim down its business scale and employee scale. During the period starting from the fiscal 2018, we have sold a total of approximately 100 billion yen in non-core businesses and assets, such as reorganizing our shipbuilding business, and made progress in slimming down our employee scale. Through the progress in the Business Revival Plan, the Group aims to capture growth opportunities and make a transition to a stable earnings structure that allows sustainable growth going forward. The Group sees the following as its growth opportunities.

Firstly, we are focusing on the shift to green technology in our marine propulsion system business and our port logistics system business. Currently, there is rapidly increasing momentum to



strengthen environmental regulations\*<sup>1</sup>. To respond to these international and social demand to reduce environmental burden, we will proactively make the necessary investments. Specifically, in the marine propulsion system business, thus far the Group has led the industry in real ship introductions aimed at commercializing marine engines using natural gas with a relatively low environmental impact as a power source and expanded our lineup. Going forward, based on the strong sense of mission, as a corporate group holding a global top-class market share, to promote the early commercialization of green fuel such as ammonia, the Group is accelerating its business development investment. Furthermore, in our port logistics system business, the Group has introduced the world's first Hybrid-type Transtainer\*<sup>2</sup> with a low environmental burden to the market. We will continue to promote the spread of near-zero emission types ("NZE") with a low environmental burden for which development has been completed. Additionally, to achieve zero emissions ("ZE"), we are also diligently pursuing the development of new types that use fuel cells as a power source.

Secondly, we are pursuing digital transformation ("DX") in the marine propulsion system business and the port logistics system business. In the marine propulsion system business, we are engaged in business development investment to strengthen our service system using predictive maintenance (predicting the timing of breakdowns and repairs from real-time engine data using DX technology). Furthermore, we will accelerate investments for business development in the port logistics system business in light of the progress and early practical application of remotely operated port cranes as well as automation technology of terminals, etc. By expanding and strengthening the service field in both businesses and providing stock-type digital services that link shipping organizations and port services, we will transition from our traditional flow-type business model to a stock-type business model and accelerate reforms to create a stable earnings structure.

Furthermore, in order to promote the above policies even more strongly at the Group, we are also moving forward with rebuilding of our Group organization. As stated in the "(Progress in Disclosure Items) Notification on Absorption-type Mergers (Simplified Mergers / Short-form Mergers) of Wholly Owned Subsidiaries and Change in Trade Name (Japanese only)" released on March 31, 2022, we are working to increase the speed of the Group's strategy planning and execution, to promote growth strategies, and to further streamline management. Furthermore, on April 1, 2023 (tentative), we plan to change our trade name to "Mitsui E&S Co., Ltd." (tentative). With the rebuilding of our Group organization, we are revising the meaning of the "E" and "S" included in our trade name in line with our future vision and business domains. The "E&S" in our new trade name stands for "Engineering & Services for Evolution & Sustainability." By focusing on engineering and services aimed at social evolution and sustainability, the Group is working to build a corporate stance that aims for sustainable improvement of its corporate value. Furthermore, to accelerate these initiatives, the Group has formulated its new medium-term business plan "Mid-term Business Plan 2023" ahead of schedule, without waiting for the final fiscal year of the Current Mid-Term Plan period, and released the plan on May 13, 2022.

Against this backdrop, the Group believes that it is important to raise the required funds to materialize results from the above policies it has implemented and to capture further growth opportunities while boosting equity and improving financial soundness. The Group believes that this financing will benefit its stakeholders including existing shareholders by utilizing the funds to improve its corporate value in the future.

\*1: As an example, in April 2018, the International Maritime Organization has adopted the goals to improve per-shipment emissions by 40% compared to 2008 by 2030 and to reduce total greenhouse gas emissions by 50% compared to 2008 by 2050.

\*2: Registered trademark of the container yard crane of PACECO®, with which the Group has a technological partnership.

## (2) Reasons for selecting the Class A Preferred Share Third-Party Allotment

While considering the benefits to existing shareholders, as described in “(1) Backdrop and purpose for subscription” above, the Company believed that it is desirable to conduct business operations and investment through the long-term, steady supply of capital for strengthening of equity and improvement of financial soundness while aiming to steadily capture growth opportunities from the green transition and DX in our marine propulsion system business and port logistics system business and to implement reforms toward a transition to a stable earnings structure. We performed a comparative evaluation of various financing methods until deciding to implement the Class A Preferred Share Third-Party Allotment.

As a result, based on the characteristics of Class A Preferred Shares listed below, the Company has deemed that the issuance of Class A Preferred Shares is the best decision, which is in line with the above policy and satisfies the Company’s needs, at the current stage. Accordingly, the Company has resolved the issuance of Class A Preferred Shares.

### A. Characteristics of Class A Preferred Shares

- (a) Class A Preferred Shares do not have attached put options, for which the consideration is the Company’s common shares, and they do not dilute existing shares.
- (b) By enhancing our financial soundness, we expect to maintain and control borrowing costs from financial institutions and to expand our financing capacity.
- (c) Class A Preferred Shares have attached put options, for which the consideration is cash, but the Investment Agreement provides that they can only be exercised if June 30, 2027 is reached or if certain other conditions are met, meaning we do not expect them to be exercised in the short term.
- (d) Excluding cases separately provided for by laws and regulations, Class A Preferred Shares do not grant voting rights at the general meeting of shareholders and do not affect shareholder composition.

### B. Points of attention for Class A Preferred Shares (disadvantages)

- (a) A certain level of cash outflow is expected with dividend payments and redemption request for which the consideration is cash for Class A Preferred Shares.

C. Comparison of the Class A Preferred Share Third-Party Allotment and other financing methods

- (a) The issuance of the Company's common shares through public offering allows the Company to conduct large-scale financing. However, as the preparation requires a certain amount of time, and as earnings per share are simultaneously diluted significantly at the time of issuance, the direct effect on the stock price is larger.
- (b) The issuance of the Company's shares through third-party allotment allows the Company to conduct large-scale financing in a short amount of time. However, as earnings per share are simultaneously diluted significantly at the time of issuance, the direct effect on the stock price is larger. Additionally, as the party receiving the allotment will become a major shareholder with a significant number of voting rights, it could affect the Company's shareholder composition and corporate governance.
- (c) With moving strike convertible bonds with stock acquisition rights in which the conversion price is adjusted by linking to the stock price ("MSCB"), the party to which the MSCB are allotted hold the conversion rights, meaning the issuing company has no control. Moreover, because the number of conversions (dilution ratio) is undetermined until conversion is completed, it is difficult to predict the impact of dilution on earnings per share, placing the shareholders in an unstable position.
- (d) Rights offerings, financing methods using gratis allotments of stock acquisition rights, include commitment-type rights offerings in which the Company and a financial instruments business operator conclude a principal underwriting agreement, and non-commitment-type rights offerings in which the Company does not conclude a principal underwriting agreement and relies on the shareholders to decide the exercise of stock acquisition rights. There are few examples of commitment-type rights offerings being executed in Japan, and the evaluation of the structure and preparation will take considerable time. As such, commitment-type rights offerings are not an appropriate financing method for the Company at present. Furthermore, because the participation ratio of existing investors to which rights will be allotted is unclear in non-commitment-type rights offerings, it is also unclear whether sufficient funds can be raised through this method.
- (e) While funds can be raised at once through corporate bonds or borrowings, the debt incurred through the funds raised lowers our financial soundness and does not match the needs of the Company to promote a stable business strategy. On the other hand, because the Class A Preferred Share Third-Party Allotment is a capital-type financing method, it should improve our financial soundness.

(3) Reasons for selecting the Party Receiving Class A Preferred Share Allotment

The Company has always discussed the state of implementation of its Business Revival Plan and Current Mid-Term Plan with the financial institutions with which it does business starting with its main financing bank and received support including commitment line agreements and continued financing. Under such circumstances, the Company received a proposal from SMBC Capital

Partners, the subsidiary of the Company's transacting bank Sumitomo Mitsui Banking Corporation and operating partner of the Party Receiving Class A Preferred Share Allotment. SMBC Capital Partners is the subsidiary of the Company's transacting financial institution and has demonstrated a deep awareness of the Company's management philosophy, business policy, and the intent of the Class A Preferred Share Third-Party Allotment to improve financial soundness, capture growth opportunities that allows sustainable growth, and to facilitate reforms to create a stable earnings structure. As such, the Company decided on the allotment to the Party Receiving Class A Preferred Share Allotment.

Furthermore, in the Investment Agreement, the Company has agreed with the Party Receiving Class A Preferred Share Allotment on investment in the Company and certain other items, a summary of which is provided below.

A. Conditions precedent for payment obligations

The following items represent a broad summary of the conditions precedent for the exercise of payment obligations associated with Class A Preferred Shares by the Party Receiving Class A Preferred Share Allotment.

- (a) The Company's representations and warranties in the Investment Agreement must be true and accurate for the key points
- (b) The obligations of the Company must be performed and complied with for the key points
- (c) At the Company, the resolutions at the ordinary general meeting of shareholders approving each agenda item associated with (i) partial amendments to the Articles of Incorporation associated with Agenda Item No. 1, (ii) Class A Preferred Shares Third-Party Allotment (favorable issuance), and (iii) Reduction of the Amount of Stated Capital, etc. (defined in Agenda Item No. 3) must be made legally and effectively, and these resolutions and procedures must be maintained without being changed or withdrawn
- (d) All the procedures required by the payment date when the Reduction of the Amount of Stated Capital, etc. takes effect are completed and there is a reasonable expectation that the Reduction of the Amount of Stated Capital, etc. will take effect on the payment date
- (e) The Company submits extraordinary reports on the Class A Preferred Share Third-Party Allotment based on the Financial Instruments and Exchange Act and other relevant laws and regulations
- (f) No requests, lawsuits, or procedures requesting the restriction or prohibition of the issuance of Class A Preferred Shares have been made to courts or government organizations, no decisions exist from courts or government organizations restricting or prohibiting the issuance of Class A Preferred Shares, and there is no concrete risk of such
- (g) Of concluded agreements to which the Company and/or its subsidiaries are parties, for agreements that are necessary for the Company and/or its subsidiaries to conduct their own business, neither the Company nor its subsidiaries failed to fulfil their obligations, nor can any concrete risk of defaults on obligations exist

- (h) From the day that the Investment Agreement is concluded, no events that could cause serious negative effects on the assets, management, financial status, or future forecast of the Company or its subsidiaries occurred, nor any concrete risk of these events exist
- (i) No conditions can be objectively recognized as occurring that could make the receipt or payments of Class A Preferred Shares impossible or difficult, including (i) natural disasters, war, or terrorist attacks, (ii) disconnection or malfunction of electricity, communication, or various payment clearing systems, (iii) conditions that prevent yen-based lending and borrowing transactions occurring in the Tokyo interbank market, (iv) other conditions that are not the responsibility of the Party Receiving Class A Preferred Share Allotment

B. The Company's covenants items

The following items represent a broad summary of the items that the Company pledges to the Party Receiving Class A Preferred Share Allotment.

- (a) Where the Company attempts to decide or implement certain items (amendments to the Articles of Incorporation provided for in Article 322, paragraph (1), item (i) of the Companies Act, the issuance of class A preferred shares of the same type as Class A Preferred Shares, the disposal of treasury shares, the acquisition of treasury shares, increase or deduction in common stock or reserves, dividends of surplus, a request to file bankruptcy proceedings, an application for delisting, changes in the business plan, etc.), it must receive the prior written agreement of the Party Receiving Class A Preferred Share Allotment (however, the Party Receiving Class A Preferred Share Allotment may not unreasonably refuse or delay this approval), and where formulating a new business plan, the Company must receive the approval of the Party Receiving Class A Preferred Share Allotment through discussion (however, the Party Receiving Class A Preferred Share Allotment must respect the rough draft of the business plan formulated by the Company and must not unreasonably refuse or delay its approval.)
- (b) Until the Company has received all of the Class A Preferred Shares according to the issuing guidelines for Class A Preferred Shares and the Investment Agreement, the Company will make every effort to ensure that financial institutions provide financial support to the Company in a way that reasonably satisfies the Party Receiving Class A Preferred Share Allotment
- (c) At the end of every quarter following the payment date, assuming that the Company acquires all of the Class A Preferred Shares, the Company will create or maintain an amount of distributable funds that exceeds the amount of funds needed to be exchanged for the acquisition of Class A Preferred Shares, make every effort to secure the necessary cash, and to maintain the amount of net assets on the Group's consolidated balance sheet at the end of every quarter following the payment date at 30% or more of the net assets on the Group's consolidated balance sheet as of March 31, 2022

C. Restrictions on right to request redemption for which the consideration is cash

After June 30, 2027 has passed or when certain other conditions are met, the Party Receiving Class A Preferred Share Allotment may exercise the right to request redemption for which the consideration is cash for Class A Preferred Shares.

D. Restrictions on exercising acquisition clause for which the consideration is cash

Until June 30, 2023, the Company cannot exercise the acquisition clause for which the consideration is cash for Class A Preferred Shares.

## **2. Reasonableness of issuance conditions, etc.**

- (1) Basis and concrete details by which the Company has deemed the issuance conditions to be reasonable

To ensure fairness in Class A Preferred Share Third-Party Allotment, the Company requested an evaluation of the Class A Preferred Shares by PLUTUS CONSULTING Co., Ltd. (“PLUTUS CONSULTING”), a third-party evaluation organization independent from the Company and the Party Receiving Class A Preferred Share Allotment, and on March 30, 2022, received the Mitsui E&S Holdings Co., Ltd. Class A Preferred Share Evaluation Report (“Class A Preferred Share Evaluation Report”). As a result of a consideration of evaluation methods for Class A Preferred Shares, PLUTUS CONSULTING selected the discounted cash flow method, a standard value calculation model. Having considered the issuing guidelines for Class A Preferred Shares and the various conditions established in the Investment Agreement, it performed an evaluation of the Class A Preferred Shares under a certain set of assumptions. In the Class A Preferred Share Evaluation Report, the value of one Class A Preferred Share is set at between 400.6 to 501 yen.

After a consideration of the above evaluation results by PLUTUS CONSULTING and earnest negotiations and discussion with the Party Receiving Class A Preferred Share Allotment, the Company and the Party Receiving Class A Preferred Share Allotment reached an agreement, with the details, including terms and conditions, deemed reasonable for the Company, setting the amount of payment for Class A Preferred Shares at 500 yen per share. The Company has made a comprehensive consideration, taking into account the above evaluation results by PLUTUS CONSULTING and the fact that the issuance conditions for Class A Preferred Shares are based on earnest negotiations and discussion with the Party Receiving Class A Preferred Share Allotment that consider the business environment and financial status surrounding the Company as provided in “1. Purpose and reasons for subscription (1) Backdrop and purpose for subscription” above, and determined that the amount of payment for Class A Preferred Shares shall not be considered as favorable issuance, and that the price is appropriate and valid. However, there is no objective market price for Class A Preferred Shares, and evaluating class shares is sophisticated and complicated, meaning there are various possible opinions on the evaluation. As such, under the Companies Act, we cannot fully rule out the possibility that the payment amount for Class A Preferred Shares could be found to be a particularly advantageous price for the Party Receiving Class A Preferred Share Allotment. Accordingly, we believe that it is appropriate to confirm the

intentions of our shareholders. Therefore, as a precautionary measure, based on Article 199, paragraph (2) of the Companies Act, we have conditioned the issuance of Class A Preferred Shares on approval with a special resolution on favorable issuance at this General Meeting of Shareholders.

- (2) Basis for deciding that the number of issued shares and the scale of share dilution is reasonable  
By issuing 18,000,000 Class A Preferred Shares, the Company will raise a total of 9,000,000,000 yen. In light of the above purpose and use of funds in the issuance of Class A Preferred Shares, we deem that the number of Class A Preferred Shares being issued is reasonable.  
Furthermore, Class A Preferred Shares do not grant voting rights at the general meeting of shareholders nor acquisition clause or right to request redemption for which the consideration is common shares of the Company. Therefore, we believe that the Class A Preferred Share Third-Party Allotment will not cause dilution for our existing shareholders.

### **3. Details of subscription items**

- (1) Class and number of shares offered for subscription  
18,000,000 shares of Class A Preferred Shares
- (2) Amount of payment for shares offered for subscription  
500 per share
- (3) Total amount of payment  
9,000,000,000 yen
- (4) Amount of increase in stated capital and amount of increase in capital reserves
- |   |                   |
|---|-------------------|
| Amount of increase in stated capital:   | 4,500,000,000 yen |
| Amount of increase in capital reserves: | 4,500,000,000 yen |
- (5) Payment date  
June 30, 2022
- (6) Issuing method  
All shares allotted through a third-party allotment to SMBCCP Investment Limited Partnership 1.
- (7) Details of shares offered for subscription  
Please refer to Agenda Item No. 1 for the details on shares offered for subscription.

## For Agenda Item No. 3: Reduction of the amount of stated capital and capital reserve

### 1. Reason for the reduction of the amount of stated capital and capital reserve

In an effort to establish the financial basis that can accommodate more flexible and maneuverable capital policy, including capacity for raising funds for dividend payouts (distributable amount), we propose, in accordance with the provisions of Article 447, paragraph (1) and Article 448, paragraph (1) of the Companies Act, to reduce the amounts of stated capital and capital reserve, which will be transferred to other capital surplus, in conjunction with the issuance of class A preferred shares (hereinafter the “Reduction of the Amount of Stated Capital, etc.”).

The Reduction of the Amount of Stated Capital, etc. will be carried out, subject to the resolution for approval of originally proposed Agenda Item No. 1: “Partial amendments to the Articles of Incorporation (1)” as well as Agenda Item No. 2: “Issuance of class A preferred shares through third-party allotment,” and the completion of the payment in return for the third-party allotment of class A preferred shares.

### 2. Outline of the reduction of the amount of stated capital

Amount of decrease in stated capital	46,884,954,321 yen
Amount of increase in other capital surplus	46,884,954,321 yen
Effective date of the reduction of the amount of stated capital	June 30, 2022

(Note) The amount of stated capital will be reduced by 46,884,954,321 yen (if it is 48,884,954,321 yen or more) after the issuance of class A preferred shares.

### 3. Outline of the reduction of the amount of capital reserve

Amount of decrease in capital reserve	22,154,033,402 yen
Amount of increase in other capital surplus	22,154,033,402 yen
Effective date of the reduction of the amount of capital reserve	June 30, 2022

(Note) The amount of capital reserve will be reduced by 22,154,033,402 yen (if it is 22,654,033,402 yen or more) after the issuance of class A preferred shares.



#### **For Agenda Item No. 4: Appropriation of surplus**

In accordance with Article 452 of the Companies Act, we propose to transfer a portion of other capital surplus, which will increase as a result of a reduction in the amount of stated capital and capital reserve, to retained earnings brought forward, as follows, in order to ameliorate the deficit if the reduction in the amount of stated capital and capital reserve arises as a result of Agenda Item No. 3: “Reduction of the amount of stated capital and capital reserve.”

Item of surplus to be decreased and amount of decrease	Other capital surplus: 60,015,597,395 yen
Item of surplus to be increased and amount of increase	Retained earnings brought forward: 60,015,597,395 yen
Effective date of the appropriation of surplus	June 30, 2022

## **For Agenda Item No. 5: Partial amendments to the Articles of Incorporation (2)**

### **1. Reason for the amendments**

Since the transition to a pure holding company structure in April 2018, the Company Group has been working to strengthen the Company Group's competitiveness while driving growth. As a result of progress in various strategies such as "execution of selling off assets and businesses," and "reform of business structure and pursue collaborations and partnerships with other companies" based on the "Mitsui E&S Group Business Revival Plan" launched in fiscal 2019, we have achieved certain results in the Plan, including bold implementation of various strategies under the current structure, along with further concentration on the selected few objectives.

Under such circumstance, to achieve future growth and drive profitability, we have determined it most appropriate to adopt a new structure which brings together the group management function of the Company and Mitsui E&S Machinery Co., Ltd. (hereinafter "Mitsui E&S Machinery"), which is a wholly-owned subsidiary of the Company and engaged in core business of the Company Group, to formulate and implement strategies as one at a faster speed, with a view to transform the Group's organizational structure focusing on growth areas.

Specifically, with a view to accelerate growth strategies and enhance management efficiency, the current pure holding company structure will be changed to an operating holding company structure on April 1, 2023 (tentative), whereby Mitsui E&S Machinery, which is expected to play the central role in our growth strategies, and Mitsui E&S Business Service Co., Ltd., another wholly-owned subsidiary engaged in corporate services, shall be merged by absorption-type merger into the Company (hereinafter the "Merger").

Accordingly, in order to change the trade name and business objectives of the Company, we propose to amend Article 1 (Trade name) and Article 2 (Object) of the current Articles of Incorporation of the Company, subject to the taking effect of the Merger. Moreover, if Agenda Item No. 1: "Partial amendments to the Articles of Incorporation (1)" is approved as proposed and the partial amendment of Agenda Item No. 1 takes effect, subject to the taking effect of the Merger, Article 12-5, paragraph 3 (Place of Receipt of Redemption Request) of the Articles of Incorporation amended in accordance with Agenda Item No. 1 shall be amended in line with the abovementioned amendments to Article 1 and Article 2.

## 2. Details of the amendments

Details of the amendments are as follows. These amendments to the Articles of Incorporation will take effect on the effective date of the Merger, subject to the taking effect of the Merger.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
<p>Article 1 (Trade Name)</p> <p>The name of the Company shall be <u>Kabushiki Kaisha Mitsui E&amp;S Holdings</u> and in English it shall be referred to as <u>Mitsui E&amp;S Holdings Co., Ltd.</u></p> <p>Article 2 (Object)</p> <p>1. The Company shall have as its object controlling and managing business activities of business companies and so on (including companies overseas), associations (including equivalent entities overseas), and other comparable organizations which have following lines of business by means of holding their shares or equities.</p> <p>(1) to (31) (Text omitted)</p> <p>2. (Text omitted)</p>	<p>Article 1 (Trade Name)</p> <p>The name of the Company shall be <u>Kabushiki Kaisha Mitsui E&amp;S</u> and in English it shall be referred to as <u>MITSUI E&amp;S Co., Ltd.</u></p> <p>Article 2 (Object)</p> <p>1. The Company shall have as its object <u>operating following lines of business, while</u> controlling and managing business activities of business companies and so on (including companies overseas), associations (including equivalent entities overseas), and other comparable organizations which have following lines of business, by means of holding their shares or equities.</p> <p>(1) to (31) (Unchanged)</p> <p>2. (Unchanged)</p>

Furthermore, if the partial amendment of Agenda Item No. 1 takes effect as per 1. Reasons for the amendments, the amended Article 12-5, paragraph 3 (Place of Receipt of Redemption Request) shall be amended as follows, as of the date of the absorption-type merger, if this absorption-type merger takes effect.

(Underlined parts are amended.)

Articles of Incorporation before amendments	Proposed amendments
<p>Article 12-5 (Right to Request Redemption for Cash (Right to Request Redemption))</p> <p>1. to 2. (Text omitted)</p> <p>3. (Place of Receipt of Redemption Request) 6-4, Tsukiji 5-chome, Chuo-ku, Tokyo, Japan <u>Mitsui E&amp;S Holdings Co., Ltd.</u></p> <p>4. (Text omitted)</p>	<p>Article 12-5 (Right to Request Redemption for Cash (Right to Request Redemption))</p> <p>1. to 2. (Text omitted)</p> <p>3. (Place of Receipt of Redemption Request) 6-4, Tsukiji 5-chome, Chuo-ku, Tokyo, Japan <u>MITSUI E&amp;S Co., Ltd.</u></p> <p>4. (Text omitted)</p>

(Note) “Articles of Incorporation before amendments” are contingent on Agenda Item No. 1 being approved as proposed at this Ordinary General Meeting of Shareholders and the partial amendment of the Articles of Incorporation proposed Agenda Item No. 1 taking effect.

## **For Agenda Item No. 6: Partial amendments to the Articles of Incorporation (3)**

### **1. Reason for the amendments**

- (1) We propose to amend Articles 15, 23, and 24 of the current Articles of Incorporation with a view to developing a more maneuverable and flexible management structure, following the termination of the current pure holding company structure as described in Agenda Item No. 5.
  
- (2) The system for providing general shareholder meeting materials in electronic format is scheduled to be introduced, following the enforcement on September 1, 2022 of the amended provisions as stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019). Accordingly, we propose to amend the Articles of Incorporation as follows.
  - a. In compliance with the requirement of stipulating in the Articles of Incorporation that measures for providing information contained in the reference documents for the general meeting of shareholders, etc. in electronic format, Article 16 (Measures, etc. for Providing Information in Electronic Format) paragraph 1 of proposed amendments will be established.
  
  - b. With respect to the items about the measures for providing information contained in the reference documents for the general meeting of shareholders, etc. in electronic format, Article 16 (Measures, etc. for Providing Information in Electronic Format), paragraph 2 of proposed amendments will be established for allowing the Company to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents, within the scope as statutorily prescribed under the relevant Ministry of Justice Order.
  
  - c. Article 16 (Disclosure through Internet and Deemed Delivery of Reference Materials, etc. for General Meeting of Shareholders) of the current Articles of Incorporation will be deleted as it will become unnecessary following the introduction of the system for providing general shareholder meeting materials in electronic format.
  
  - d. Supplementary Provisions regarding the effect of the aforementioned establishment and deletion of provisions will be established. The Supplementary Provisions will be deleted after the effective date of the amendments.

## 2. Details of the amendments

Details of the amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
<p>Article 15 (<u>Convener and Chairman</u>)</p> <p>The General Meeting of Shareholders shall be <u>convened by the President according to resolution of the Board of Directors, unless otherwise stipulated by laws or regulations, and the President shall act as chairman.</u> If <u>the President</u> is unable to conduct his duty, another <u>Representative Director</u> will act as chairman according to the order the Board of Directors decides in advance.</p> <p>Article 16 (<u>Disclosure through Internet and Deemed Delivery of Reference Materials, etc. for General Meeting of Shareholders</u>)</p> <p><u>In convening a General Meeting of Shareholders, the Company may be deemed to have provided shareholders with necessary information that should be described or indicated in reference materials for the General Meeting of Shareholders, Business Report, Financial Statements for the Company and Consolidated Financial Statements, on the condition that such information is disclosed through the Internet in accordance with the Ministry of Justice Order.</u></p> <p>(Newly established)</p>	<p>Article 15 (Chairman)</p> <p>The General Meeting of Shareholders shall be <u>chaired by the Director designated by the Board of Directors in advance,</u> unless otherwise stipulated by laws or regulations. If <u>such Director</u> is unable to conduct his duty, another <u>Director</u> will act as chairman according to the order the Board of Directors decides in advance.</p> <p>(Deleted)</p> <p>Article 16 (<u>Measures for Electronic Provision, etc.</u>)</p> <p><u>In convening a General Meeting of Shareholders, the Company shall carry out measures for providing information contained in the reference materials for the General Meeting of Shareholders, etc. in electronic format.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>Articles 17 to 22 (Text omitted)</p> <p>Article 23 (Representative Directors and <u>Directors, etc. in Managerial Position</u>)</p> <p>The Board of Directors shall by resolution elect from among <u>its members</u> one or more Representative Directors.</p> <p>The Board of Directors may by resolution designate <u>one as each of Chairman and President of the Company (including Chairman (concurrently assigned as Director) and President (concurrently assigned as Director)), and one or more as Vice Presidents (including Vice President (concurrently assigned as Director)) and Managing Directors.</u></p> <p>Article 24 (Convener and Chairman of Board of Directors)</p> <p>The <u>Chairman of the Board of Directors</u> shall convene <u>and shall act as Chairman at the meeting of the Board of Directors unless otherwise stipulated by laws or regulations.</u></p> <p>When the <u>Chairman is not in office or unable to conduct this duty, the President (concurrently assigned as Director) of the Company shall replace him. When the President (concurrently assigned as Director) of the Company is not in office or unable to conduct this duty, Director shall replace him according to the order designated by the Board of Directors in advance.</u></p> <p>Articles 25 to 41 (Text omitted) (Newly established)</p>	<p><u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>Articles 17 to 22 (Unchanged)</p> <p>Article 23 (Representative Directors and <u>Officers, etc. in Managerial Position</u>)</p> <p>The Board of Directors shall, by resolution, elect from among <u>Directors</u> one or more Representative Directors.</p> <p>The Board of Directors may by resolution designate <u>Officers, etc. in Managerial Position (including Chairman, President and Vice Presidents).</u></p> <p>Article 24 (Convener and Chairman of the Board of Directors)</p> <p>The <u>chairman designated in advance by the Board of Directors</u> shall convene the meeting of the Board of Directors unless otherwise stipulated by laws or regulations. When the <u>chairman</u> is unable to conduct his duty, <u>another Director shall replace him according to the order designated by the Board of Directors in advance.</u></p> <p>Articles 25 to 41 (Unchanged)</p> <p><u>Supplementary Provisions</u></p> <p><u>Article 1 (Transitional Measures with Respect to Electronic Provision, etc.)</u></p>

Current Articles of Incorporation	Proposed amendments
	<ol style="list-style-type: none"> <li data-bbox="821 235 1401 705">1. <u>Deletion of Article 16 (Disclosure through Internet and Deemed Delivery of Reference Materials, etc. for General Meeting of Shareholders) of the current Articles of Incorporation, along with the new establishment of Article 16 (Measures for Electronic Provision, etc.) of proposed amendments shall become effective on September 1, 2022, which is the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act for Partially Amending the Companies Act (Act No. 70 of 2019).</u></li> <li data-bbox="821 716 1401 918">2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain effective for the General Meeting of Shareholders held within six months from September 1, 2022.</u></li> <li data-bbox="821 929 1401 1153">3. <u>This Article 1 of the Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the General Meeting of Shareholders mentioned in the preceding paragraph, whichever is later.</u></li> </ol>

## For Agenda Item No. 7: Election of seven (7) Directors

The terms of office of all Directors (6 members) are to expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we propose to elect seven (7) members of the Board of Directors, increasing the number of members by one (1) to strengthen the supervisory function of the Board of Directors.

The candidates are as follows:

No.	Name	Current position and area of responsibility in the Company	Classification	Frequency of attendance at the Board of Directors meetings (during the Term)
1	Ryoichi Oka	Chairman (of the Board of Directors)	Reappointment	19 out of 19 (100%)
2	Takeyuki Takahashi	President Representative Director CEO, CCO and in charge of General Control, Growth Business Promoting Dept. and Auditing & Legal Dept.	Reappointment	13 out of 13 (100%)*
3	Taketsune Matsumura	Vice President Representative Director Assistant to President, CSO, CISO and in charge of Engineering Business Management Dept., Corporate Planning Dept. and Human Resources & General Affairs Dept.	Reappointment	19 out of 19 (100%)
4	Keigo Matsubara	Vice President Representative Director Assistant to President, CFO and in charge of Finance & Accounting Dept. and IR Dept.	Reappointment	19 out of 19 (100%)
5	Toshikazu Tanaka	Outside Director	Reappointment Outside Independent	19 out of 19 (100%)



No.	Name	Current position and area of responsibility in the Company	Classification	Frequency of attendance at the Board of Directors meetings (during the Term)
6	Yoshio Haga	Outside Director	Reappointment Outside Independent	19 out of 19 (100%)
7	Haruyuki Nagata		New candidate Outside Independent	

(Notes)

1. New candidate: a candidate for a new Director
  2. Reappointment: a candidate for reappointment as a Director
  3. Outside: a candidate for an Outside Director
  4. Independent: a candidate for an independent Director
- \* Frequency of attendance is calculated based on the number of the meetings held after the candidate was appointed to Director.

(Reference) Skills and areas of expertise specifically expected from respective candidates for Directors

In selecting and determining candidates for Directors, the Company is striving to ensure a certain number of inside Directors familiar with the business and management control of the Company Group. At the same time, with a view to meeting the demand of the era of diversity, the Company is working to ensure a balance between knowledge, experience and capability, as well as diversity within the Board of Directors as a whole, by inviting Outside Directors with abundant experience in other industries.

The Company classifies the skills and areas of expertise specifically expected from Directors into the following six categories:

- (1) Corporate management    (2) International experience    (3) Finance/M&A  
 (4) Legal affairs/auditing    (5) Marketing    (6) Technologies/IT

Skill matrix illustrating the skills and areas of expertise specifically expected from each candidate for Directors is as follows:

No.	Name	<i>Corporate management</i>	<i>International experience</i>	<i>Finance/ M&amp;A</i>	<i>Legal affairs/ auditing</i>	<i>Marketing</i>	<i>Technologies/ IT</i>
1	Ryoichi Oka	•	•		•		•
2	Takeyuki Takahashi	•	•		•	•	
3	Taketsune Matsumura	•	•	•			•
4	Keigo Matsubara	•	•	•			
5	Toshikazu Tanaka	•	•	•		•	
6	Yoshio Haga	•	•	•			•
7	Haruyuki Nagata	•		•	•		

## Career summary of candidates for Directors

### 1. Ryoichi Oka (October 8, 1958 / 10,500 shares) Reappointment

Term of office as Director: 4 years

Frequency of attendance at the Board of Directors meetings: 19 out of 19 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1981	Joined the Company
April	2014	Associate Executive Officer and General Manager of Technoservice Dept., Machinery & Systems Hq.
April	2015	Executive Officer
April	2016	Deputy General Manager of Machinery & Systems Hq. (in charge of industrial machinery)
April	2017	Managing Executive Officer and General Manager of Machinery & Systems Hq.
June	2017	Director
April	2018	President and Representative Director of Mitsui E&S Machinery Co., Ltd.
June	2018	Retired from Director of the Company
April	2019	President, COO, CISO and in charge of Corporate Planning Dept.
June	2019	Representative Director in charge of Auditing Dept.
November	2019	In charge of Engineering Business Management Dept.
January	2020	CEO
April	2021	In charge of Growth Business Promoting Dept.
April	2022	Chairman (of the Board of Directors) (to date) Outside Director of MODEC, Inc. (to date)

[The reason he was selected as a candidate for a Director]

Since his appointment as President of the Company in 2019, Mr. Ryoichi Oka has taken leadership to promote the Business Revitalization Plan and made efforts to improve business performance of the Company Group. We successively selected him as a candidate for Director, considering that his experience and insights are necessary for us to strengthen the Company Group's governance and to ensure the effectiveness of supervision over the management as a whole.

[Important concurrent position outside the Company]

Outside Director of MODEC, Inc.

2. Takeyuki Takahashi (October 9, 1964 / 4,100 shares) Reappointment

Term of office as Director: 2 years

Frequency of attendance at the Board of Directors meetings: 13 out of 13 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1987	Joined the Company
October	2007	General Manager of Cranes & Systems Sales Dept., Steel Structure & Logistic Systems Hq.
June	2012	General Manager of Cranes & Systems Sales Dept., Machinery & Systems Hq.
September	2015	Manager of Corporate Planning Dept.
October	2015	General Manager of Global Strategy Sect., Corporate Planning Dept.
October	2016	General Manager of Strategic Planning Sect., Corporate Planning Dept., Corporate Planning Hq.
February	2018	Assistant to General Manger of Machinery & Systems Hq.
April	2018	Executive Officer of Mitsui E&S Machinery Co., Ltd.
April	2019	President and Representative Director of Mitsui E&S Machinery Co., Ltd.
June	2019	Director of the Company
June	2020	Retired from Director
March	2021	Director of MODEC, Inc.
April	2021	General Manager of Growth Business Promoting Dept. and Human Resources & General Affairs Dept., the Company
June	2021	Director, CCO and in charge of Auditing & Legal Dept. (to date) In charge of Human Resources & General Affairs Dept.
November	2021	Outside Director of MODEC, Inc.
April	2022	President, Representative Director, CEO and in charge of General Control and Growth Business Promoting Dept., the Company (to date)

[The reason he was selected as a candidate for a Director]

Mr. Takeyuki Takahashi has excellent marketing abilities acquired through international sales experience and outstanding management abilities acquired through his experience as President and Representative Director of Mitsui E&S Machinery Co., Ltd. We successively selected him as a candidate for Director, considering that his experience and insights are necessary for us to develop growth businesses and drive the Company Group's advancement.

3. Taketsune Matsumura (May 25, 1967 / 2,400 shares) Reappointment

Term of office as Director: 2 years

Frequency of attendance at the Board of Directors meetings: 19 out of 19 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1991	Joined the Company
April	2015	General Manager of Basic Design Dept., Ship & Ocean Project Hq.
February	2018	General Manager of Strategic Planning Sect. of Corporate Planning Dept., Corporate Planning Hq.
March	2018	Director of MODEC, Inc.
March	2019	General Manager of Corporate Planning Dept., the Company
June	2020	Director, CISO and in charge of Corporate Planning Dept. (to date)
April	2022	Vice President, Representative Director, Assistant to President, CSO and in charge of Engineering Business Management Dept. and Human Resources & General Affairs Dept. (to date)

[The reason he was selected as a candidate for a Director]

Mr. Taketsune Matsumura is leading the preparation and execution of the Business Revitalization Plan of the Company Group as an executive in charge of the Corporate Planning Dept. and playing a central role for promoting the Mid-term Business Plan 2020 and preparing the Mid-term Business Plan 2023. We successively selected him as a candidate for Director, considering that his experience and insights are necessary for us to coordinate future group strategies and complete the final stage of the structural reform.

4. Keigo Matsubara (December 10, 1955 / 3,900 shares) Reappointment

Term of office as Director: 3 years

Frequency of attendance at the Board of Directors meetings: 19 out of 19 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1979	Joined Mitsui & Co.
April	2007	Manager of Work Process Management Div. 1, Mitsui & Co.
April	2009	General Manager of Finance Division, Mitsui & Co.
April	2011	Manager of Accounting Division, Mitsui & Co.
April	2012	Executive Officer and Assistant CFO of Mitsui & Co.
April	2015	Senior Executive Officer and CFO of Mitsui & Co.
June	2015	Representative Director, Senior Executive Officer and CFO of Mitsui & Co.
April	2017	Representative Director, Executive Managing Officer and CFO of Mitsui & Co.
April	2018	Director, Mitsui & Co.
June	2018	Adviser, Mitsui & Co.
March	2019	Adviser of the Company
June	2019	Director, Vice President, Assistant to President, CFO and in charge of Finance & Accounting Dept. and IR Dept. (to date)
January	2020	Representative Director (to date)

[The reason he was selected as a candidate for a Director]

Mr. Keigo Matsubara has made efforts to improve the financial structure of the Company Group by utilizing his competent knowledge based on his experience as an executive of a general trading company and outstanding expertise acquired through his experience in financial affairs and accounting. We successively selected him as a candidate for Director, considering that his experience and insights are necessary for us to further reinforce the financial structure and promote future financial strategies.

5. Toshikazu Tanaka (February 7, 1945 / 2,000 shares)

Candidate for reappointment as an independent, Outside Director

Term of office as Outside Director: 7 years

Frequency of attendance at the Board of Directors meetings: 19 out of 19 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1968	Joined Toyo Koatsu Industries Co., Ltd. (Mitsui Toatsu Chemicals Inc.)
June	1999	Director and General Manager of Phenols Division, Basic Chemicals Business Sector of Mitsui Chemicals, Inc.
June	2003	Managing Director and Deputy President of Basic Chemicals Business Group of Mitsui Chemicals, Inc.
June	2004	Basic Chemicals Business Group President of Mitsui Chemicals, Inc.
June	2005	Vice President and Basic Chemicals Business Group President of Mitsui Chemicals, Inc.
April	2007	Responsible for Basic Chemicals Business Sector, Corporate Planning Division, Group Management Division, Branch Offices and Overseas Subsidiaries & Affiliates of Mitsui Chemicals, Inc.
June	2009	President of Mitsui Chemicals, Inc.
April	2014	Director of Mitsui Chemicals, Inc.
June	2014	Senior Advisor of Mitsui Chemicals, Inc.
June	2015	Outside Director of the Company (to date)
June	2018	Advisor of Mitsui Chemicals, Inc.
June	2020	Honorary Advisor of Mitsui Chemicals, Inc. (to date)

[The reason he was selected as a candidate for an Outside Director and overview of expected roles]

Mr. Toshikazu Tanaka has sufficient and overall experience and knowledge of domestic and overseas business operations and corporate management acquired as an executive of a major integrated chemical company for a long period. Accordingly, we expect him to advise the overall management of the Company Group with a broad perspective and to oversee and supervise management of the Company from an independent position. Considering those described above, we successively selected him as a candidate for Outside Director.

[Important concurrent position outside the Company]

Honorary Advisor of Mitsui Chemicals, Inc.

[Matters concerning independence]

Mr. Toshikazu Tanaka satisfies the conditions of “The Independence Criteria” provided by Tokyo Stock Exchange, and “The Independence Criteria of Outside Directors and Corporate Auditors,” which the Company determines (hereinafter collectively referred to as “The Independence Criteria, etc.”). When this agenda item is approved, the Company intends to continue assigning him as independent Director.

There is a business connection about sales, etc. of machinery with Mitsui Chemicals, Inc., where he was an executive in the past and now is engaged as an Honorary Advisor. However, in the Term, there are no net sales of said company from the Company Group and the share of the net sales of the Company Group from said company is less than 0.1% of the total consolidated net sales of the Company for the Term. Therefore, the business connection has no importance as to influence his independence as Outside Director.



6. Yoshio Haga (December 24, 1949 / 0 shares)

Candidate for reappointment as an independent, Outside Director

Term of office as Outside Director: 2 years

Frequency of attendance at the Board of Directors meetings: 19 out of 19 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1974	Joined Jujo Paper Co., Ltd.
July	1995	General Manager of Pulp Production Dept., Ishinomaki Mill of Nippon Paper Industries Co., Ltd.
June	2002	Associative Director and General Manager of Komatsushima Mill of Nippon Paper Industries Co., Ltd.
June	2005	Director, General Manager of Corporate Planning Div. and Corporate Planning Dept., Nippon Paper Industries Co., Ltd. Director of Nippon Paper Group, Inc.
April	2006	Managing Director and General Manager of Corporate Planning Div. of Nippon Paper Industries Co., Ltd.
June	2006	Director of Nippon Paper Group, Inc.
June	2007	Director of Nippon Paper Group, Inc. and General Manager of Corporate Planning Div. of Nippon Paper Group Co., Ltd.
May	2008	Chairman of Japan Paper Association
June	2008	President and Representative Director of Nippon Paper Group, Inc. President and Representative Director of Nippon Paper Industries Co., Ltd.
April	2013	President, Representative Director, and President Corporate Officer of Nippon Paper Industries Co., Ltd.
June	2014	Chairman and Representative Director of Nippon Paper Industries Co., Ltd.
June	2019	Special Corporate Advisor of Nippon Paper Industries Co., Ltd.
June	2020	Outside Director of the Company (to date)
June	2021	Retired from Special Corporate Advisor of Nippon Paper Industries Co., Ltd.

[The reason he was selected as a candidate for an Outside Director and overview of expected roles]

Mr. Yoshio Haga has sufficient and overall experience and knowledge of domestic and overseas business operations and corporate management acquired as an executive of a major paper manufacturing company for a long period. Accordingly, we expect him to advise the overall management of the Company Group with a broad perspective and to oversee and supervise management of the Company from an independent position. Considering those described above, we successively selected him as a candidate for Outside Director.

[Matters concerning independence]

Mr. Yoshio Haga satisfies the conditions of “The Independence Criteria” provided by Tokyo Stock Exchange, and “The Independence Criteria of Outside Directors and Corporate Auditors,” which the Company determines. When this agenda item is approved, the Company intends to continue assigning him as independent Director.

7. Haruyuki Nagata (February 20, 1963 / 0 shares)

New candidate for appointment as an independent, Outside Director

[Candidate's career summary, position and area of responsibility in the Company]

April	1985	Joined Mitsui Bank
April	2011	General Manager of Financial Accounting Dept., Sumitomo Mitsui Financial Group, Inc.
April	2013	Executive Officer of Sumitomo Mitsui Banking Corporation
April	2015	Managing Executive Officer of Sumitomo Mitsui Banking Corporation
April	2016	Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc.
March	2018	Director and Managing Executive Officer of Sumitomo Mitsui Banking Corporation
April	2018	Director and Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation
April	2019	Senior Managing Corporate Executive Officer of Sumitomo Mitsui Financial Group, Inc.
June	2019	Director Senior Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc.
April	2021	Retired from Director Senior Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc. Retired from Director of Sumitomo Mitsui Banking Corporation Retired from Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation
June	2021	President and Representative Director of Muromachi Co., Ltd. (to date) President and Representative Director of Muromachi Building Co., Ltd. (to date)

[The reason he was selected as a candidate for an Outside Director and overview of expected roles]

Mr. Haruyuki Nagata has been engaged in finance, risk management, internal audit and other operations at a major financial institution group for a long period, and possesses sufficient and overall experience and knowledge as an executive. Accordingly, we expect him to advise the overall management of the Company Group with a broad perspective and to oversee and supervise management of the Company from an independent position. Considering those described above, we newly selected him as a candidate for Outside Director.

[Important concurrent position outside the Company]

President and Representative Director of Muromachi Co., Ltd.

President and Representative Director of Muromachi Building Co., Ltd.

[Matters concerning independence]

Mr. Haruyuki Nagata satisfies the conditions of “The Independence Criteria” provided by Tokyo Stock Exchange, and “The Independence Criteria of Outside Directors and Corporate Auditors,” which the Company determines (hereinafter collectively referred to as “The Independence Criteria, etc.”). When this agenda item is approved, the Company intends to report him as independent Director to Tokyo Stock Exchange.

- (1) Mr. Haruyuki Nagata was an executive at Sumitomo Mitsui Banking Corporation (hereinafter the “Bank”) and its parent Sumitomo Mitsui Financial Group, Inc. until April 2021. As of March 31, 2022, the Company borrows 49,380 million yen from the Bank, which holds a portion of shares of the Company. However, the Company’s degree of dependency on borrowings from the Bank and the Bank’s shareholding ratio in the Company are not remarkably high compared with other companies, while more than one year has passed since he retired from the Bank’s executive. Therefore, he is not deemed to conflict with the “The Independence Criteria, etc.,” and this connection has no importance as to influence his independence as Outside Director.

In the meantime, the Company has concluded an investment agreement with SMBCCP Investment Limited Partnership 1, which is a fund operated by its managing partner SMBC Capital Partners Co., Ltd. (a wholly-owned subsidiary of Sumitomo Mitsui Banking Corporation). The Company plans to issue Class A preferred stock through a third-party allotment having said fund as the allottee, subject to the necessary approval at this Ordinary General Meeting of Shareholders. In addition, the Company, based on the resolution at the Board of Directors meeting held on March 31, 2022, issued 1st stock acquisition rights with an exercise price amendment clause through a third-party allotment having SMBC Nikko Securities Inc. (a wholly-owned subsidiary of Sumitomo Mitsui Financial Group, Inc.) as the allottee. The Company has also concluded a facility agreement (with a suspension of exercise designation clause and a target price clause) with said company with regard to the exercise of such stock acquisition rights.

- (2) Mr. Haruyuki Nagata is now an executive of Muromachi Co., Ltd. and Muromachi Building Co., Ltd. While the Company holds shares of Muromachi Co., Ltd., its shareholding ratio is 5% of the total number of issued shares. Therefore, the business connection has no importance as to influence his independence as Outside Director.

(Notes)

1. There is no special interest between each candidate and the Company.
2. The Company has entered into a Liability Limitation Agreement with Mr. Toshikazu Tanaka and Mr. Yoshio Haga that limits the amount of their liability as set forth in Article 423, paragraph (1) of the Companies Act, based on the provision of Article 427, paragraph (1) of said Act. The limit on liability for damages under the agreement is ten (10) million yen or the minimum liability amount provided by laws and regulations, whichever is higher. In addition, when this agenda item is approved, the Company intends to continue said agreement that has been entered with both of them, and newly enter into the equivalent agreement with Mr. Haruyuki Nagata.
3. The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance agreement covers damages to be borne by the insured that may arise when they assume liability for the execution of their duties or receives a claim related to the pursuit of such liability. If each of the candidates is reappointed or selected, they will be insured under the insurance agreement. During their terms of office, said insurance agreement is to be renewed.

**<For reference 1> Policy on Designation of the Company’s Executives, etc.**

In electing candidates for Directors or Corporate Auditors, the Company had established a voluntary advisory committee on personnel affairs to the President. However, the Company newly established a voluntary Nomination Committee (an advisory body to the Board of Directors) on April 1, 2022 as a replacement for the previous advisory committee on personnel affairs, in order to strengthen independence, objectivity and accountability of the function of the Board of Directors concerning the nomination of management executives and Directors. The proposal for electing seven candidates for Directors in Agenda Item No. 7 has been submitted for deliberation at the Board of Directors, following the procedure for confirmation by the previous advisory committee on personnel affairs.

The Nomination Committee, at the request of the Board of Directors, deliberates and reports on the selection criteria for Directors and proposed candidates. The Committee also confirms whether candidates for Corporate Auditors satisfy the conditions provided by the Board of Corporate Auditors. After the reports and confirmation described above, the President will submit a proposal for electing candidates for Directors to the Board of Directors and/or the President will submit a proposal for electing candidates for Corporate Auditors with prior consent of the Board of Corporate Auditors. The Committee consists of four members in total: two independent Outside Directors appointed by the Board of Directors, the President, and one Director, and is chaired by one independent Outside Director designated by the Board of Directors.

**<For reference 2> Independence of Outside Directors and Outside Corporate Auditors**

The Company will not judge a person to be independent if he/she conflicts with “The Independence Criteria” provided by Tokyo Stock Exchange, or if he/she corresponds to any of the conditions of “The Independence Criteria of Outside Directors and Corporate Auditors” described below, as a general rule.

**The Independence Criteria of Outside Directors and Outside Corporate Auditors (established on October 30, 2015)**

The Company judges whether an Outside Director and an Outside Corporate Auditor is independent by considering the conditions described below as well as considering “The Independence Criteria” provided by Tokyo Stock Exchange.

- a. A person or an entity to whom/which the Company or its consolidated subsidiaries (hereinafter referred to as “the Company Group”) is a main customer (\*1), or a person who executes business in an entity to which the Company Group is a main customer

- b. A main customer of the Company Group (\*2), or a person who executes business in an entity that is a main customer of the Company Group
- c. A large creditor of the Company (\*3), or a person who executes business in a large creditor of the Company
- d. A main shareholder of the Company (\*4), or a person who executes business in a main shareholder of the Company
- e. A person who belongs to an auditor which conducts statutory auditing of the Company Group
- f. A consultant, an accounting specialist, or a legal specialist who received money or other monetary benefits amounting to 10 million yen or more, separate from Officers' remuneration from the Company Group during the last fiscal year (if an entity such as a corporation or an association received the monetary benefit described above from the Company Group, a person who belongs to such an entity.)
- g. A person or an entity who/which corresponds to any of the conditions of "a" to "f" described above during the last fiscal year
- h. A close relative (\*5) of a person (except for a person who does not have importance to the Company Group) who corresponds to any of the conditions of "a" to "g" described above

\*1. A person or an entity to whom/ which the Company Group is a main customer:

A person or an entity whose transaction amount of the last fiscal year with the Company Group is higher than 2 % of his/her/its total consolidated net sales for the last fiscal year

\*2. A main customer of the Company Group:

A person or an entity with whom/which the Company Group transacted business during the last fiscal year with a transaction amount that is higher than 2 % of the total consolidated net sales for the last fiscal year of the Company Group

\*3. A large creditor of the Company:

A financial institution or another creditor which/who is essential and cannot be substituted for fundraising of the Company

\*4. A main shareholder of the Company:

A shareholder which/who holds shares of the Company and whose proportion of voting rights held is 10 % or above

\*5. A close relative:

A spouse or a relative within the second degree