

Independent Director/Auditor Notifications

1. Fundamental Information

Name	TOYO CONSTRUCTION CO., LTD.		Securities Code Number	1890
Filing Date	May 24, 2024	Date (Scheduled Date) of Status Change	June 26, 2024	
Reason for Submitting Notification	To discuss proposals for election of outside officers at an annual general meeting of shareholders			
<input checked="" type="checkbox"/> All of those qualified as independent officers are appointed as independent officers (*1)				

2. Matters Regarding Independent Officers and Independence of Outside Officers

No.	Name	Outside Director / Outside Corporate Auditor	Independent Officer	Attributes of Officers (*2, 3)													Details of Status Change	Consent of the Said Person	
				a	b	c	d	e	f	g	h	i	j	k	l	N/A			
1	Takashi Nurusawa	Outside Director	○														○		Yes
2	Kazumichi Matsuki	Outside Director	○														○		Yes
3	Masato Uchiyama	Outside Director	○														○		Yes
4	Masaharu Okada	Outside Director	○												△				Yes
5	Katsuya Natori	Outside Director	○														○		Yes
6	Yoshiko Fujii	Outside Director	○											△			New election	Yes	
7	Shiho Boda	Outside Corporate Auditor	○														○		Yes
8	Tomoko Nonaka	Outside Corporate Auditor	○														○		Yes
9	Koichi Kawaguchi	Outside Corporate Auditor	○														○		Yes

3. Descriptions of Attributes of Independent Officers and Reason for Their Election

No.	Descriptions of the Applicability of Attributes (*4)	Reason for the Election (*5)
1		Mr. Nurusawa has expertise in corporate management and abundant experience in overseas business acquired through management consulting work in Japan and abroad over the years at Nomura Research Institute, Ltd. He also has practical experience in operating companies, having taken initiative at Starts Corporation Inc. as Senior Managing Executive Officer in the overseas development of said company. By utilizing these experiences and knowledge, the Company believes that he will continue to provide advice and supervision of the Company's overall management from an analyst's viewpoint, and has once again nominated him as a candidate for outside director. After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between him and ordinary shareholders, and has designated him as an independent officer.
2		Mr. Matsuki has expertise based on a wide range of practical experience, including leading legal and compliance departments at Mitsubishi Corporation, where he handled complex legal issues. As an outside director of several companies, he also has extensive experience in governance of listed companies. By utilizing these experiences and knowledge, the Company believes that he will continue to provide advice to strengthen the governance function of the Company's Board of Directors from an independent standpoint, and has once again nominated him as a candidate for outside director. After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between him and ordinary shareholders, and has designated him as an independent officer.
3		Mr. Uchiyama has extensive experience and expertise from his experience in finance, HR, planning and general administration, as well as energy-related operations, at Electric Power Development Co., Ltd. (J-Power). He also has extensive experience and expertise in corporate management, as he led that company by serving in positions as Director and Managing Executive Officer and Representative Director & Vice President Executive Officer. By utilizing these experiences and knowledge, the Company believes that he will continue to provide advice on how to improve the oversight and governance of the offshore wind power construction business, which is a growth driver for the Company, and has once again nominated him as a candidate for outside director. After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between him and ordinary shareholders, and has designated him as an independent officer.
4	The Company has a business contract with Taisei Corporation where Mr. Okada was an executing person in the past; however, the volume of the transaction is 0.18% of the Company's consolidated sales.	Mr. Okada has extensive experience and expertise in areas including private construction sales strategies, having served as General Manager of Construction Department, Kanto Branch and General Manager of Sales Department, Kanto Branch (Construction) of Taisei Corporation, and also as an executive officer to lead the construction sales division of 20 locations globally, including Southeast Asia. By utilizing these experiences and knowledge, the Company believes that he will continue to provide advice and oversight on initiatives to develop sales strategies for the private construction business, and has once again nominated him as a candidate for outside director. After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between him and ordinary shareholders, and has designated him as an independent officer.

5		<p>Mr. Natori is not only an international lawyer with extensive experience but has also been involved in the management of several Japanese and foreign-affiliated companies, and has expertise in legal affairs, compliance, risk management, as well as in management and governance of listed companies.</p> <p>By utilizing these experiences and knowledge, the Company believes that he will continue to provide oversight on strengthening the governance at the Board of Directors and the overall execution of business operations, and has once again nominated him as a candidate for outside director.</p> <p>After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between him and ordinary shareholders, and has designated him as an independent officer.</p>
6	The Company has a business contract with ORIX Corporation where Ms. Fujii was an executing person in the past; however, the volume of the transaction is less than 0.1% of the Company's consolidated sales.	<p>Ms. Fujii has extensive business experience and a high level of expertise in finance and investment, having worked in the finance and planning divisions of ORIX Corporation, and she also has experience in business management, having served as an Executive Officer of said company.</p> <p>Inorganic growth is essential for the Company's sustainable growth in the future, and by utilizing these experiences and knowledge, the Company believes that she will provide appropriate advice and oversight on future strategic investment initiatives, and has newly nominated her as a candidate for outside director.</p> <p>After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between her and ordinary shareholders, and has designated her as an independent officer.</p>
7		<p>As an attorney at law, Ms. Boda has experience and a proven track record in Japan, Malaysia and Thailand as well as expert knowledge gained from that experience. Therefore, the Company believes that she will enhance the audit function from an independent and objective standpoint.</p> <p>She has never been involved in the management of a company, except as an outside auditor in the past. However, the Company considers her capable of properly executing her duties as Outside Corporate Auditor based on the reasons above.</p> <p>After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between her and ordinary shareholders, and has designated her as an independent officer.</p>
8		<p>Ms. Nonaka has many years of experience as a lawyer and has extensive experience in handling various legal issues. She has also served as an instructor of Civil Defense at the Legal Training and Research Institute of the Supreme Court of Japan and bar examiner for New Bar Examination and Preliminary Bar Examination (Civil Procedure) of the Ministry of Justice, and her legal knowledge and expertise has been highly regarded. Therefore, the Company believes that she will enhance the audit function from an independent and objective standpoint.</p> <p>After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between her and ordinary shareholders, and has designated her as an independent officer.</p>
9		<p>Mr. Kawaguchi has business experience in Japan and abroad at ITOCHU Corporation and has abundant experience and expertise in overall business administration, governance, business risk management and compliance through involvement in business administration work as the head of the management area of ITOCHU-SHOKUHIN Co., Ltd. Therefore, the Company believes that he will enhance the audit function from an independent and objective standpoint.</p> <p>After referring to the criteria for independent officers stipulated by the Tokyo Stock Exchange as well as the Criteria for Determining Independence of Outside Officers stipulated by the Company (see 4. Supplemental Explanation below), the Company judged that there is no risk of a conflict of interests between him and ordinary shareholders, and has designated him as an independent officer.</p>

4. Supplemental Explanation

From among candidates for outside director and outside corporate auditor, person who does not fall under any of the following 1 to 10 is determined as "independent outside officer."

<Criteria for Determining Independence of Outside Officers>

1. A person who, at present or in the past, is or was an executing person of the Company and/or its group companies.
2. A shareholder who holds 10% or more of a total number of voting rights of the Company share or its executing person.
3. An executing person of a company whose voting rights are held by the Company and/or its group companies, directly or indirectly, with 10% or more of a total number of voting rights.
4. An executing person of a client whose sales account for 2% or more of consolidated sales of both or either of the Company group or a company to which a candidate belonged in any of the past three fiscal years.
5. An executing person of a financial institution which is a major lender shown in the immediately preceding Business Report.
6. A person set forth in any of the preceding 2 through 5 in any of the past three years.
7. A person belonging to an audit corporation which is the Company's accounting auditor.
8. An expert such as an attorney, accountant or consultant (in the case of a recipient of compensation being a corporation, a person belonging to the corporation) which has received 5 million yen or more of compensation on average for the past three years from the Company and/or its group companies.
9. A person belonging to a university or association which has received 10 million yen or more of donation on average for the past three years from the Company and/or its group companies.
10. A spouse or relative within the second degree of a person set forth in any of the preceding 1 through 9.

*1 Check the box if all of outside officers who qualify as independent officers are notified as independent officers.

*2 Items to be checked concerning the attributes of officers

- a. Person who executes business for the Company or its subsidiary
- b. A non-executive director or an accounting advisor of the Company or its subsidiaries (where the person is an outside corporate auditor)
- c. Person who executes business for or a non-executive director of the Company's parent company
- d. Corporate auditor of the parent company of the Company (where the person is an outside corporate auditor)
- e. Person who executes business for a fellow subsidiary
- f. Person/entity for which the Company is a major client or a person who executes business for said person/entity
- g. Major client of the Company or a person who executes business for said client
- h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to compensation as an officer
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, and h above) (applies to the director (corporate auditor) him/herself only)
- k. Person who executes business for an entity to which outside officers are mutually appointed (applies to the director (corporate auditor) him/herself only)
- l. Person who executes business for an entity receiving donations from the Company (applies to the director (corporate auditor) him/herself only)

Note that the description of the items a. to l. above is a brief statement of the items provided in the rules of the Exchange.

*3 Indicate "○" when the director (corporate auditor) presently falls or has recently fallen under the category; indicate "△" when the director (corporate auditor) fell under the category in the past; indicate "●" when a close relative of the director (corporate auditor) presently falls or has recently fallen under the category; and indicate "▲" when a close relative of the director (corporate auditor) fell under the category in the past.

*4 If an officer falls under any of the items a. to l., briefly describe the status.

*5 State the reason for election as an independent officer.