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(Securities Code: 1934)
June 2, 2022

To Shareholders with Voting Rights:

Tsutomu Satake
Representative Director &
Chairman of the Board
Yurtec Co., Inc.
4-1-1 Tsutsujigaoka, Miyagino-Ku, Sendai

**NOTICE OF
THE 108th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

You are cordially notified of the 108th Annual General Meeting of Shareholders to be held for the purposes described below.

With regard to this General Meeting of Shareholders, for the purpose of giving health and safety the highest priority and preventing the spread of the novel coronavirus infection disease, all shareholders are encouraged to exercise their voting rights in advance via mail or online and refrain from visiting the venue on the day of the General Meeting of Shareholders.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with one of the following methods by 5:30 p.m. on Thursday, June 23, 2022, Japan time.

Internet Disclosure

○The matters described below are posted on the Company's website (<http://www.yurtec.co.jp/>) in accordance with laws and regulations as well as Article 14 of the Company's Articles of Incorporation and therefore are not stated in the attached documents of this Notice.

- (1) Establishment and operation of a system necessary to ensure proper operations of the Company in Business Report
- (2) Consolidated Statement of Changes in Net Assets of the Consolidated Financial Statements and Notes to the Consolidated Financial Statements
- (3) Statements of Changes in Equity of the Non-consolidated Financial Statements and Notes to the Non-consolidated Financial Statements

These matters, as well as the attached documents of this Notice, were audited by the Board of Corporate Auditors in preparing their audit report and by the Accounting Auditor in preparing its accounting audit report.

- Should any of the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revision, the details of the revision will be posted on the Company's website (<http://www.yurtec.co.jp/>).
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- 1. Date and Time:** Friday, June 24, 2022 at 10:00 a.m. Japan time (Doors open at 9:00 a.m.)
- 2. Place:** Third floor Main Auditorium of the Company located at 4-1-1 Tsutsujigaoka, Miyagino-Ku, Sendai
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3. Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 108th Fiscal Year (April 1, 2021 to March 31, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
 2. Non-consolidated Financial Statements for the Company's 108th Fiscal Year (April 1, 2021 to March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Eleven (11) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Four (4) Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Setting of the Remuneration Amount for Directors (Excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 6:** Setting of the Remuneration Amount for Directors who are Audit & Supervisory Committee Members
- Proposal 7:** Payment of Retirement Benefits for Retiring Directors
- Proposal 8:** Final Payment of Retirement Benefits for Retiring Directors in Conjunction with Abolition of the Retirement Benefit Plan for Directors
- Proposal 9:** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors who are Audit & Supervisory Committee Members and External Directors)
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4. Other Decisions Pertaining to Convocation

- (1) In the event voting rights are exercised via both the mailing of the Voting Rights Exercise Form and the Internet, etc., the vote submitted via the Internet, etc. will be deemed valid.
- (2) In the event voting rights are exercised multiple times via the Internet, etc., the last vote submitted will be deemed valid.

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Considering the status of the novel coronavirus infection disease, we have decided to take appropriate measures to ensure safety of all shareholders and prevent the infection and to hold this General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders to be an important management strategy. Taking into account the balance with internal reserves for business development and growth in the future, the Company changed its basic policy for dividends to issuing annual dividends of not less than 24 yen per share, with the aim of a consolidated payout ratio of 30%, in accordance with business results. (Resolution by the Board of Directors at its meeting on December 14, 2021)

In accordance with the above basic policy, the Company hereby proposes as follows on the year-end dividend for the fiscal year ended March 31, 2022.

1. Matters pertaining to year-end dividend

(1) Type of dividend property

Cash

(2). Matters pertaining to the allotment of dividend property and the total amount thereof

18 yen per common share Total amount of
1,287,222,516 yen

(3) Effective date of distribution of surplus

June 27, 2022

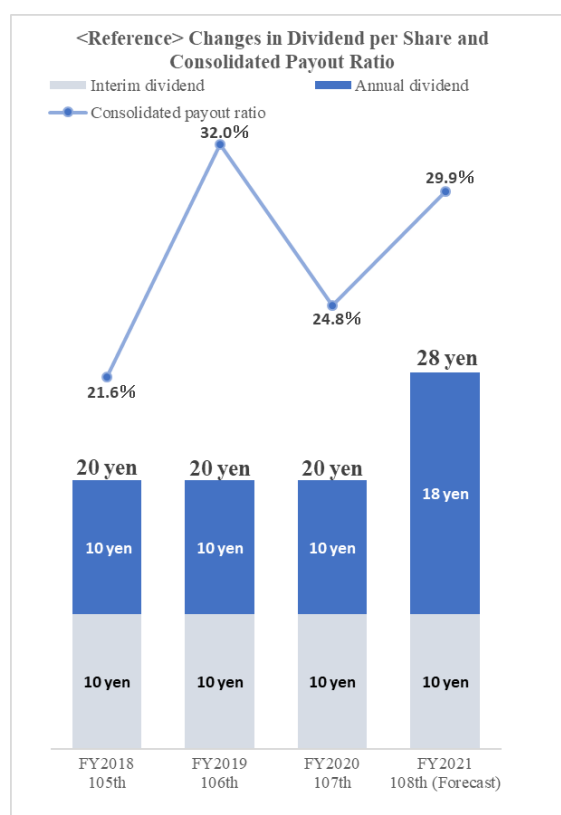
2. Matters pertaining to provision of general reserve

(1) Item of surplus to be increased and amount of increase

General reserve: 4,200,000,000 yen

(2) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: 4,200,000,000 yen



Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

(1) The Company plans to transition from company with a Board of Corporate Auditors to company with an Audit and Supervisory Committee. Consequently, Audit and Supervisory Committee Members, who assume the main role of auditing the execution of duties of the Board of Directors, will be members of the Board of Directors. This change aims to strengthen the supervisory function of the Board of Directors, accelerate the speed of decision making, and further enhance corporate governance. Accordingly, the Company proposes the new establishment of provisions for Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee as well as deletion of provisions for Corporate Auditors and the Board of Corporate Auditors.

(2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the proposed Article 15 (Measures for Electronic Provision, Etc.) shall be newly established and the current Article 14 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.), which will become unnecessary, shall be deleted in the Articles of Incorporation. In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

(3) In line with the above establishment and deletion of provisions, changes in the number of articles and wording as well as other necessary changes shall be implemented.

2. Details of amendments

The details of the amendments are as follows.

Changes in the Article of Incorporation related to this agenda shall come into effect at the conclusion of this General Meeting of Shareholders. (However, the timing of new establishment and deletion related to 1. (2) above coming to into effect shall be according to Article 2 of Supplementary Provisions.)

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter I General Provisions</p> <p>Article 1 (Text omitted)</p> <p>(Objectives of the Company)</p> <p>Article 2 The objectives of the Company shall be to engage in the following businesses:</p> <p><u>1.</u> Electric work, information telecommunications construction, civil engineering, and construction;</p> <p><u>2.</u> Air conditioning, heating and cooling, sanitary, water supply, and other plumbing construction;</p> <p><u>3.</u> Power generation and power supply related business;</p> <p><u>4.</u> Gauging and geological surveying;</p>	<p style="text-align: center;">Chapter I General Provisions</p> <p>Article 1 (Unchanged)</p> <p>(Objectives of the Company)</p> <p>Article 2 The objectives of the Company shall be to engage in the following businesses:</p> <p><u>(1)</u> Electric, information and telecommunications construction, civil engineering, and construction;</p> <p><u>(2)</u> Air conditioning, heating and cooling, sanitary, water supply, and other plumbing construction;</p> <p><u>(3)</u> Power generation and power supply related business;</p> <p><u>(4)</u> Gauging and geological surveying;</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>5.</u> Purchase, lease, and sales of automobiles, office appliances, information and telecommunications equipment, power generation equipment, and construction machinery and apparatus;</p> <p><u>6.</u> Survey, planning, measurement, design, maintenance, supervision, engineering, and consulting business related to the preceding items;</p> <p><u>7.</u> Cargo transportation business;</p> <p><u>8.</u> Treatment, processing, sales of industrial waste;</p> <p><u>9.</u> Manufacturing and sales of soft drinks;</p> <p><u>10.</u> Purchase and sales of electric machinery and apparatus and materials;</p> <p><u>11.</u> Lease, sales, and management of land and buildings;</p> <p><u>12.</u> Security service business;</p> <p><u>13.</u> Temporary personnel placement service;</p> <p><u>14.</u> Any and all business incidental to the items mentioned in the preceding items.</p>	<p><u>(5)</u> Purchase, lease, and sales of automobiles, office appliances, information and telecommunications equipment, power generation equipment, and construction machinery and apparatus;</p> <p><u>(6)</u> Survey, planning, measurement, design, maintenance, supervision, engineering, and consulting business related to the preceding items;</p> <p><u>(7)</u> Cargo transportation business;</p> <p><u>(8)</u> Treatment, processing, sales of industrial waste;</p> <p><u>(9)</u> Manufacturing and sales of soft drinks;</p> <p><u>(10)</u> Purchase and sales of electric machinery and apparatus and materials;</p> <p><u>(11)</u> Lease, sales, and management of land and buildings;</p> <p><u>(12)</u> Security service business;</p> <p><u>(13)</u> Temporary personnel placement service;</p> <p><u>(14)</u> Any and all business incidental to the items mentioned in the preceding items.</p>
<p>Article 3 (Text omitted)</p>	<p>Article 3 (Unchanged)</p>
<p style="text-align: center;"><Newly established></p>	<p><u>(Organizational Bodies)</u> <u>Article 4 The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and Directors.</u> <u>(1) Board of Directors</u> <u>(2) Audit & Supervisory Committee</u> <u>(3) Accounting Auditors</u></p>
<p>Article 4 (Text omitted)</p>	<p>Article 5 (Unchanged)</p>
<p style="text-align: center;">Chapter II Shares</p>	<p style="text-align: center;">Chapter II Shares</p>
<p>Article 5 to Article 8 (Text omitted)</p>	<p>Article 6 to Article 9 (Unchanged)</p>
<p>(Rights of Shareholders Holding Fractions of One Unit of Stock) Article 9 A shareholder holding fractions of one unit of stock cannot exercise any rights other than those shown hereunder: <u>1.</u> Rights shown in the Companies Act, Article 189, Paragraph 2, items thereof, <u>2.</u> Rights to request acquisition of shares combined with acquisition claims, <u>3.</u> Rights to receive allotment of owner-invited shares or owner-invited Stock Acquisition Rights, <u>4.</u> Rights to make requests for increasing the fractions of one unit of stock as provided for in the preceding Article.</p>	<p>(Rights of Shareholders Holding Fractions of One Unit of Stock) Article 10 A shareholder holding fractions of one unit of stock cannot exercise any rights other than those shown hereunder: <u>(1)</u> Rights shown in the Companies Act, Article 189, Paragraph 2, items thereof, <u>(2)</u> Rights to request acquisition of shares combined with acquisition claims <u>(3)</u> Rights to receive allotment of owner-invited shares or owner-invited Stock Acquisition Rights, <u>(4)</u> Rights to make requests for increasing the fractions of one unit of stock as provided for in the preceding Article.</p>
<p>Article 10 to Article 12 (Text omitted)</p>	<p>Article 11 to Article 13 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="220 219 730 253">Chapter III General Meeting of Shareholders</p> <p data-bbox="180 275 491 309">Article <u>13</u> (Text omitted)</p> <p data-bbox="180 331 762 398"><u>(Internet Disclosure of Reference Materials for the General Meeting of Shareholders, etc.)</u></p> <p data-bbox="180 398 762 689">Article <u>14</u> <u>The Company may, when convening a general meeting of shareholders, disclose information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p data-bbox="363 712 587 745">(Newly established)</p> <p data-bbox="180 1093 643 1126">Article <u>15</u> to Article <u>18</u> (Text omitted)</p> <p data-bbox="180 1149 683 1216"><u>(Remuneration for Directors and Corporate Auditors)</u></p> <p data-bbox="180 1216 754 1361">Article <u>19</u> <u>Remuneration for Directors shall be decided by resolution of a General Meeting of Shareholders, and the distribution shall be decided by resolution of a meeting of the Board of Directors.</u></p> <p data-bbox="363 1361 587 1395">(Newly established)</p> <p data-bbox="180 1507 738 1630"><u>2. Remuneration for Corporate Auditors shall be decided by resolution of a General Meeting of Shareholders and the distribution shall be decided by discussion by Corporate Auditors.</u></p> <p data-bbox="220 1653 730 1709">Chapter IV DIRECTORS AND BOARD OF DIRECTORS</p> <p data-bbox="180 1742 619 1776"><u>(Establishment of Board of Directors)</u></p> <p data-bbox="180 1776 738 1832">Article <u>20</u> <u>The Company shall have a Board of Directors.</u></p> <p data-bbox="180 1854 443 1888">(Number of Directors)</p> <p data-bbox="180 1888 699 1944">Article <u>21</u> <u>The number of Directors of the Company shall be not more than fifteen (15).</u></p> <p data-bbox="363 2000 587 2033">(Newly established)</p>	<p data-bbox="826 219 1337 253">Chapter III General Meeting of Shareholders</p> <p data-bbox="786 275 1082 309">Article <u>14</u> (Unchanged)</p> <p data-bbox="1026 342 1137 376">(Deleted)</p> <p data-bbox="786 712 1257 745">(Measures for Electronic Provision, Etc.)</p> <p data-bbox="786 745 1377 891">Article <u>15</u> <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p data-bbox="786 891 1377 1070"><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p data-bbox="786 1093 1233 1126">Article <u>16</u> to Article <u>19</u> (Unchanged)</p> <p data-bbox="786 1171 1121 1205">(Remuneration for Directors)</p> <p data-bbox="786 1216 1353 1361">Article <u>20</u> <u>Remuneration for Directors shall be decided by resolution of a General Meeting of Shareholders separately for Directors who are Audit & Supervisory Committee Members and other Directors.</u></p> <p data-bbox="786 1361 1361 1507"><u>2. Distribution of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be decided by resolution of a meeting of the Board of Directors.</u></p> <p data-bbox="786 1507 1369 1630"><u>3. Distribution of remuneration for Directors who are Audit & Supervisory Committee Members shall be decided by discussion by Directors who are Audit & Supervisory Committee Members.</u></p> <p data-bbox="826 1653 1337 1709">Chapter IV DIRECTORS AND BOARD OF DIRECTORS</p> <p data-bbox="1026 1742 1137 1776">(Deleted)</p> <p data-bbox="786 1854 1050 1888">(Number of Directors)</p> <p data-bbox="786 1888 1353 2011">Article <u>21</u> <u>The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company shall be not more than twelve (12).</u></p> <p data-bbox="786 2011 1305 2067"><u>2. The number of Directors who are Audit & Supervisory Committee Members of the</u></p>

Current Articles of Incorporation	Proposed Amendments
	Company shall be not more than <u>five (5)</u> .

Current Articles of Incorporation	Proposed Amendments
<p>(Method of Election) Article 22 Directors shall be elected by resolution of a General Meeting of Shareholders.</p> <p>2. (Text omitted) 3. (Text omitted)</p> <p>(Term of Office) Article 23 The term of office of Directors shall expire at the close of the Annual General Meeting of Shareholders held in respect of the last fiscal year ending within one (1) year after their election.</p> <p>(Newly established)</p>	<p>(Method of Election) Article 22 <u>Directors who are Audit & Supervisory Committee Members and other Directors shall be separately</u> elected by resolution of a General Meeting of Shareholders.</p> <p>2. (Unchanged) 3. (Unchanged)</p> <p>(Term of Office) Article 23 The term of office of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall expire at the close of the Annual General Meeting of Shareholders held in respect of the last fiscal year ending within one (1) year after their election.</p> <p><u>2. The term of office of Directors who are Audit & Supervisory Committee Members shall expire at the close of the Annual General Meeting of Shareholders held in respect of the last fiscal year ending within two (2) years after their election.</u></p>
<p>(Members of the Board of Directors and Notice of Calling of Meetings of the Board of Directors) Article 24 (Text omitted)</p> <p>2. (Text omitted) 3. Each of the Directors and <u>the Corporate Auditors</u> shall be notified of a meeting of the Board of Directors at least three (3) days before the date set for such meeting; provided, however, that in case consent from all Directors and <u>Corporate Auditors</u> is obtained, the meetings of Board of Directors may be held without following the set procedure to convene the meeting.</p> <p>Article 25 (Text omitted)</p>	<p>(Members of the Board of Directors and Notice of Calling of Meetings of the Board of Directors) Article 24 (Unchanged)</p> <p>2. (Unchanged)</p> <p>3. Each of the Directors shall be notified of a meeting of the Board of Directors at least three (3) days before the date set for such meeting; provided, however, that in case consent from all Directors is obtained, the meetings of Board of Directors may be held without following the set procedure to convene the meeting.</p> <p>Article 25 (Unchanged)</p>
<p>(Matters to be Resolved at a Meeting of the Board of Directors) Article 26 (Text omitted) (Newly established)</p>	<p>(Matters to be Resolved at a Meeting of the Board of Directors <u>and Delegation of Important Business Execution</u>) Article 26 (Unchanged) <u>2. The Company may delegate part or all decisions (except the cases prescribed in Article 399-13, paragraph (5)) on important business execution by resolution of a meeting of the Board of Directors according to provisions of Article 399-13, Paragraph (6) of the Companies Act.</u></p>
<p>(Manner of Adopting Resolutions of the Board of Directors) Article 27 Resolutions of the Board of Directors shall be made with a majority of the Directors in attendance, by a majority of those attending Directors.</p>	<p>(Manner of Adopting Resolutions of the Board of Directors) Article 27 Resolutions of the Board of Directors shall be made with a majority of the Directors <u>who are entitled to participate in resolution-making</u> in attendance, by a majority of those attending Directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Omission of Resolution of the Board of Directors) Article 28 With respect to the matters to be resolved by the Board of Directors, the Company shall deem that such matters were approved by a resolution of the Board of Directors when all the Directors express their agreement in writing or by an electromagnetic device. <u>However, this shall not apply when a Corporate Auditor states objection.</u></p> <p>(Minutes of Meetings of the Board of Directors) Article 29 With respect to the proceedings of meetings of the Board of Directors shall, pursuant to laws and regulations, minutes shall be created, to which the Directors <u>and the Corporate Auditors</u> present shall put their names and affix their seals or electronic signatures.</p> <p>(Representative Directors and Directors with Special Titles) Article 30 The Board of Directors shall, by its resolution, appoint the Representative Directors from the Directors.</p> <p>2. The Board of Directors may, by its resolution, appoint one (1) Chairman and one (1) President from the Directors.</p> <p>3. When the Chairman is appointed, “President” in Articles <u>13, 15, 24, and 25</u> shall be deemed to be replaced with “Chairman.”</p> <p>Article 31 to Article 34 (Text omitted)</p>	<p>(Omission of Resolution of the Board of Directors) Article 28 With respect to the matters to be resolved by the Board of Directors, the Company shall deem that such matters were approved by a resolution of the Board of Directors when all the Directors express their agreement in writing or by an electromagnetic device.</p> <p>(Minutes of Meetings of the Board of Directors) Article 29 With respect to the proceedings of meetings of the Board of Directors shall, pursuant to laws and regulations, minutes shall be created, to which the Directors present shall put their names and affix their seals or electronic signatures.</p> <p>(Representative Directors and Directors with Special Titles) Article 30 The Board of Directors shall, by its resolution, appoint the Representative Directors from the Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u>.</p> <p>2. The Board of Directors may, by its resolution, appoint one (1) Chairman and one (1) President from the Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u>.</p> <p>3. When the Chairman is appointed, “President” in Articles <u>14, 16, 24, and 25</u> shall be deemed to be replaced with “Chairman.”</p> <p>Article 31 to Article 34 (Unchanged)</p>
<p><u>Chapter V CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u></p>	<p>(Deleted)</p>
<p>(Establishment of Corporate Auditors and Board of Corporate Auditors) Article 35 <u>The Company shall have Corporate Auditors and a Board of Corporate Auditors.</u></p>	<p>(Deleted)</p>
<p>(Number of Corporate Auditors) Article 36 <u>The Company shall have not more than five (5) Corporate Auditors.</u></p>	<p>(Deleted)</p>
<p>(Method of Election) Article 37 <u>The Corporate Auditors shall be elected by resolution of a General Meeting of Shareholders.</u> 2. <u>With respect to a resolution for the election of Corporate Auditors, there shall be present thereat Shareholders aggregately holding one-third (1/3) or more of the total number of voting rights of all Shareholders who would be entitled to exercise their voting rights thereat and such a resolution shall be adopted by a majority of the votes of such Shareholders present.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Term of Office)</u> <u>Article 38 The term of office of Corporate Auditors shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the last financial year ending within four (4) years after their election as Corporate Auditors.</u> <u>2. The term of office of any Substitute Corporate Auditor elected as a Corporate Auditor to fill a vacancy shall be the remaining term of office of his/her predecessor.</u></p>	(Deleted)
<p><u>(Members of the Board of Corporate Auditors and Notice of Calling of Meeting of the Board of Corporate Auditors)</u> <u>Article 39 The Board of Corporate Auditors shall be composed of Corporate Auditors.</u> <u>2. Notice of Calling of Meetings of the Board of Corporate Auditors shall be given to each Corporate Auditor no later than three (3) days prior to the date for such Meeting; provided, however, that in case the consent from all Corporate Auditors is obtained, Meetings of Corporate Auditors may be held without following the set procedure to convene the meeting.</u></p>	(Deleted)
<p><u>(Method of Adopting Resolutions of the Board of Corporate Auditors)</u> <u>Article 40 Unless otherwise provided by laws or regulations, resolutions of the Board of Corporate Auditors shall be made with a majority of the Board of Corporate Auditors.</u></p>	(Deleted)
<p><u>(Minutes of the Board of Corporate Auditors)</u> <u>Article 41 With respect to the proceedings of meetings of the Board of Corporate Auditors shall, pursuant to laws and regulations, minutes shall be created, to which the Corporate Auditors present shall put their names and affix their seals or electronic signatures.</u></p>	(Deleted)
<p><u>(Full-time Corporate Auditor)</u> <u>Article 42 The Board of Corporate Auditors shall select full-time Corporate Auditors from the Corporate Auditors.</u></p>	(Deleted)
<p><u>(Board of Corporate Auditors Regulations)</u> <u>Article 43 Matters regarding the Board of Corporate Auditors shall be according to the Board of Corporate Auditors Regulations set forth by the Board of Corporate Auditors in addition to provisions in laws and regulations or Articles of Incorporation.</u></p>	(Deleted)
<p><u>(Exemption from Liability of Corporate Auditors)</u> <u>Article 44 In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from their liabilities set forth in Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations.</u> <u>2. Pursuant to the provisions of Article 427,</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<u>Paragraph 1 of the Companies Act, the Company may execute agreements with Corporate Auditors, which limit the liability of such Corporate Auditors provided for in Article 423, Paragraph 1 of the Companies Act to the liability amount prescribed by laws or regulations.</u>	

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>Chapter V AUDIT & SUPERVISORY COMMITTEE</u>
(Newly established)	<u>(Members of the Audit and Supervisory Committee and Notice of Calling of Meeting of the Audit and Supervisory Committee)</u> <u>Article 35 The Audit and Supervisory Committee shall be composed of Audit and Supervisory Committee Members.</u> <u>2. Notice of Calling of Meetings of the Audit and Supervisory Committee shall be given to each Corporate Auditor no later than three (3) days prior to the date for such Meeting; provided, however, that in case consent from all Audit and Supervisory Committee Members is obtained, the Meetings of Audit and Supervisory Committee may be held without following the set procedure to convene the meeting.</u>
(Newly established)	<u>(Manner of Adopting Resolutions of the Audit and Supervisory Committee)</u> <u>Article 36 Unless otherwise provided by laws or regulations, resolutions of the Audit and Supervisory Committee shall be made with a majority of Audit and Supervisory Committee Members who are entitled to participate in resolution-making in attendance, by a majority of those attending Audit and Supervisory Committee Members.</u>
(Newly established)	<u>(Minutes of Audit and Supervisory Committee)</u> <u>Article 37 With respect to the proceedings of meetings of the Audit and Supervisory Committee shall, pursuant to laws and regulations, minutes shall be created, to which the Audit and Supervisory Committee Members present shall put their names and affix their seals or electronic signatures.</u>
(Newly established)	<u>(Full-time Audit and Supervisory Committee Members)</u> <u>Article 38 The Audit and Supervisory Committee may shall select full-time Audit and Supervisory Committee Members from the Audit and Supervisory Committee Members.</u>
(Newly established)	<u>(Audit and Supervisory Committee Regulations)</u> <u>Article 39 Matters regarding the Audit and Supervisory Committee shall be according to Audit and Supervisory Committee Regulations set forth by the Audit and Supervisory Committee in addition to provisions in laws and regulations or Articles of Incorporation.</u>
Chapter VI ACCOUNTING AUDITOR	Chapter VI ACCOUNTING AUDITOR
<u>(Accounting Auditor)</u>	(Deleted)
<u>Article 45 The Company shall have an Accounting Auditor.</u>	
Article 46 to Article 47 (Text omitted)	Article 40 to Article 41 (Unchanged)
(Remuneration for Accounting Auditor)	(Remuneration for Accounting Auditor)

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>48</u> Remuneration for the Accounting Auditor shall be determined by the Representative Director with approval of the <u>Board of Corporate Auditors</u>.</p>	<p>Article <u>42</u> Remuneration for the Accounting Auditor shall be determined by the Representative Director with approval of the <u>Audit and Supervisory Committee</u>.</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER VII ACCOUNTS</p> <p>Article <u>49</u> to Article <u>52</u> (Text omitted)</p> <p style="padding-left: 40px;">(Newly established)</p> <p style="padding-left: 40px;">(Newly established)</p> <p style="padding-left: 40px;">(Newly established)</p>	<p style="text-align: center;">CHAPTER VII ACCOUNTS</p> <p>Article <u>43</u> to Article <u>46</u> (Unchanged)</p> <p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures Regarding Exemption from Liabilities of the Corporate Auditors Prior to Transition to a Company with an Audit & Supervisory Committee)</u></p> <p><u>Article 1. The Company may, by a resolution of the Board of Directors under Paragraph 1 of Article 426 of the Companies Act, exempt any person who served as a Corporate Auditor (including former Corporate Auditor) prior to the close of the 108th Annual General Meeting of Shareholders from their liabilities provided for in Paragraph 1 of Article 423 of the Companies Act to the extent permitted by law.</u></p> <p><u>2. An agreement with Corporate Auditors (including former Corporate Auditors) which limits their liability pursuant to Article 423, Paragraph 1 of the Companies Act shall be according to the provisions in Article 44, Paragraph 2 of the Articles of Incorporation prior to any change by resolution of the 108th Annual General Meeting of Shareholders.</u></p> <p><u>(Transitional Measures for Electronic Provision of Reference Materials for the General Meeting of Shareholders)</u></p> <p><u>Article 2 The deletion of Article 14 (Internet Disclosure of Reference Materials for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022 (“Effective Date”), the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) .</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 14 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six (6) months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Eleven (11) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The Company will transition to a company with an Audit and Supervisory Committee, subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.”

Accordingly, the terms of office of all eleven (11) Directors will expire at the time of changes to the Articles of Incorporation coming into effect. Therefore, the election of eleven (11) Directors (excluding Directors who are Audit and Supervisory Committee Members. The same applies hereinafter in this proposal) is proposed.

For the selection of candidates for Directors, the Nomination and Remuneration Advisory Committee, more than half of the members of which are External Independent Directors, has deliberated on this matter to ensure independence and objectivity.

The resolution of this proposal will come into effect on condition that changes to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” come into effect.

The candidates for Directors are as follows:

No.	Name		Current positions at the Company	Attendance at Board of Directors meetings
1	Tsutomu Satake	<u>Reappointment</u>	Representative Director & Chairman of the Board	10 out of 10 meetings (100%)
2	Yoshiharu Ota	<u>Reappointment</u>	Representative Director & President Chief Executive Officer	10 out of 10 meetings (100%)
3	Ikumi Kobayashi	<u>Reappointment</u>	Representative Director & Executive Vice President	10 out of 10 meetings (100%)
4	Kazuo Takasugi	<u>New Appointment</u>	-	-
5	Naoki Fujii	<u>Reappointment</u>	Director & Managing Executive Officer	8 out of 8 meetings (100%)
6	Hiroyuki Kagawa	<u>Reappointment</u>	Director & Managing Executive Officer	8 out of 8 meetings (100%)
7	Koji Miura	<u>New Appointment</u>	Managing Executive Officer & General Manager of the Overseas Business Department	-
8	Yasuhiro Suzuki	<u>New Appointment</u>	Executive Officer & General Manager of Yamagata Branch	-
9	Toshinori Abe	<u>New Appointment</u>	-	-

10	Seiichi Mitsui	Reappointment External Director Independent Officer	Director	10 out of 10 meetings (100%)
11	Keiichi Takano	Reappointment External Director Independent Officer	Director	8 out of 8 meetings (100%)

(Note) Since Mr. Naoki Fujii, Mr. Hiroyuki Kagawa, and Mr. Keiichi Takano were appointed on June 24, 2021, their attendance is for Board of Directors meetings held thereafter.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Tsutomu Satake (March 2, 1953) [Reappointment]	<p>April 1975 Joined Tohoku Electric Power Co., Inc.</p> <p>June 2009 Managing Director; General Manager of Customer Services Div., Tohoku Electric Power Co., Inc.</p> <p>June 2009 Corporate Auditor, the Company (left office in June 2012)</p> <p>June 2012 Director (left office in June 2013)</p> <p>June 2012 Executive Vice President and Director, Tohoku Electric Power Co., Inc.; In charge of CSR, In charge of Compliance Promotion, In charge of IR</p> <p>June 2014 President, the Company</p> <p>June 2019 Representative Director & President, Chief Executive Officer</p> <p>June 2021 Representative Director & Chairman of the Board</p> <p style="text-align: right;">(to present)</p> <p>[Significant concurrent positions] • Outside Director, Jimoto Holdings, Inc. (Scheduled to take office as of June 23, 2022)</p>	20,500	
<p>[Reason for nomination as candidate for Director]</p> <p>Having acquired business experience mainly in the areas of public relations and corporate planning as well as having served in positions that included Executive Vice President and Director since joining the Company's parent, Tohoku Electric Power Co., Inc., Mr. Tsutomu Satake is well versed in management overall. The Company nominated him again as a candidate for Director, given that he has been serving as its President since June 2014 and Representative Director & Chairman of the Board since June 2021, has extensive business experience with both the parent and the Company, and is knowledgeable about management overall.</p>				
2	Yoshiharu Ota (January 18, 1956) [Reappointment]	<p>April 1978 Joined the Company</p> <p>June 2011 Executive Officer; Manager of Electrical Installation Department, Sales Headquarters</p> <p>June 2014 Director, General Manager of Information & Communication Headquarters</p> <p>June 2015 Managing Director; Deputy General Manager of Sales Headquarters and General Manager of Information & Communication Headquarters</p> <p>June 2017 Senior Executive Managing Director; General Manager of Sales Headquarters; In charge of Corporate Ethics</p> <p>April 2018 Vice President; General Manager of Sales Headquarters; In charge of Corporate Ethics</p> <p>June 2019 Representative Director & Executive Vice President; General Manager of Sales Headquarters; In charge of Corporate Ethics</p> <p>June 2021 Representative Director & President, Chief Executive Officer</p> <p style="text-align: right;">(to present)</p>	15,938	
<p>[Reason for nomination as candidate for Director]</p> <p>Having acquired business experience mainly in the area of electrical installation as well as having served in positions that included Executive Officer and Manager of Electrical Installation Department., Sales Headquarters since joining the Company, Mr. Yoshiharu Ota is well versed in business operations overall. The Company nominated him again as a candidate for Director, given that he has been serving as its Director since June 2014 and Representative Director & President, Chief Executive Officer since June 2021, has extensive business experience with the Company, and is knowledgeable about management overall.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
3	Ikumi Kobayashi (January 24, 1959) [Reappointment]	April 1981 June 2016 June 2017 June 2019 June 2020 June 2021	Joined the Company Senior Executive Officer; General Manager of Business & Sales Planning Department, Sales Headquarters Managing Director; Deputy General Manager of Sales Headquarters and General Manager of Tokyo Headquarters Director & Managing Executive Officer; Deputy General Manager of Sales Headquarters, General Manager of Information & Communication Headquarters, and General Manager of Business & Sales Planning Department Director & Managing Executive Officer; Deputy General Manager of Sales Headquarters, and Deputy General Manager of Electric Power Infrastructure Headquarters Representative Director & Executive Vice President; General Manager of Sales Headquarters; In charge of Corporate Ethics (to present)	7,100
		<p>[Reason for nomination as candidate for Director]</p> <p>Having acquired business experience mainly in the areas of business & sales planning and corporate planning as well as having served in positions that included Senior Executive Officer and General Manager of Business & Sales Planning Department, Sales Headquarters since joining the Company, Mr. Ikumi Kobayashi is well versed in business operations overall. The Company nominated him again as a candidate for Director, given that he has been serving as its Managing Director since June 2017 and Representative Director & Executive Vice President since June 2021, has extensive business experience with the Company and is knowledgeable about management overall.</p>		
No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
4	Kazuo Takasugi (April 26, 1964) [New Appointment]	April 1987 July 2009 July 2012 July 2014 June 2017 April 2018 July 2018 April 2020 April 2022	Joined Tohoku Electric Power Co., Inc. Assistant Manager of the Distribution Engineering Department, Customer Services Div.; In charge of business planning, Tohoku Electric Power Co., Inc. Distribution Engineering Management Leader of the Customer Services Div. (Power Supply), Fukushima Branch, Tohoku Electric Power Co., Inc. General Manager of the Goshogawara Office, Tohoku Electric Power Co., Inc. Vice Manager of the Distribution Engineering Department, Power Network Division; In charge of next generation energy at Corporate Planning Department, Tohoku Electric Power Co., Inc. Vice Manager of the Distribution Engineering Department, Distribution Engineering Company; In charge of next generation energy at Corporate Planning Department, Tohoku Electric Power Co., Inc. General Manager of the Iwate Regional Office, Distribution Engineering Company, Tohoku Electric Power Co., Inc. General Manager of the Office of Internal Audit, Tohoku Electric Power Network Co., Inc. General Manager of the Corporate Strategy Div. , In charge of Group Governance, Tohoku Electric Power Co., Inc. (to present)	0
		<p>[Reason for nomination as candidate for Director]</p> <p>Having acquired business experience mainly in the area of power distribution engineering as well as having served in positions that included General Manager of the Office of Internal Audit of Tohoku Electric Power Network Co., Inc., since joining the Company's parent, Tohoku Electric Power Co., Inc., Mr. Kazuo Takasugi is well versed in management overall. The Company nominated him as a candidate for Director, given that he has extensive business experience in the parent.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	Naoki Fujii (June 25, 1960) [Reappointment]	April 1983	Joined the Company	7,600
		June 2016	Executive Officer; Manager of Air conditioning and Plumbing Installation Department, Sales Headquarters	
June 2017	Executive Officer; Manager of Technical Proposal Department, Sales Headquarters			
June 2019	Managing Executive Officer; General Manager of Aomori Branch			
June 2021	Director & Managing Executive Officer; Deputy General Manager of Sales Headquarters; Deputy General Manager of Engineering Headquarters; Deputy General Manager of Electric Power Infrastructure Headquarters (to present)			
[Reason for nomination as candidate for Director] Having acquired business experience mainly in the areas of air conditioning and plumbing installation as well as having served in positions that included Executive Officer and General Manager of Air Conditioning and Plumbing Installation Department since joining the Company, Mr. Naoki Fujii is well versed in business operations overall. The Company nominated him again as a candidate for Director, given that he has been serving as its Director & Managing Executive Officer since June 2021, has extensive business experience with the Company and is knowledgeable about management overall.				
6	Hiroyuki Kagawa (March 12, 1960) [Reappointment]	April 1983	Joined Tohoku Electric Power Co., Inc.	2,600
		June 2011	General Manager of Morioka Office	
June 2014	Deputy General Manager of Yamagata Branch; General Manager of Customer Services Div.			
June 2017	Senior Executive Officer; General Manager of General Affairs Department of the Company			
June 2019	Managing Executive Officer; General Manager of General Affairs Department of the Company			
June 2021	Director & Managing Executive Officer (to present)			
[Reason for nomination as candidate for Director] Having acquired business experience mainly in the areas of general affairs as well as having served as Deputy General Manager of Yamagata Branch and General Manager of Customer Services Div. since joining the Company's parent, Tohoku Electric Power Co., Inc., Mr. Hiroyuki Kagawa is well versed in business operations overall. The Company nominated him as a candidate for Director, given that he has been serving as Director & Managing Executive Officer since June 2021, has extensive business experience with both the parent and the Company, and is knowledgeable about management overall.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
7	Koji Miura (September 9, 1961) [New Appointment]	April 1984	Joined the Company	7,000
		July 2016	Manager of Technical Proposal Department, Sales Headquarters	
June 2017	Executive Officer; General Manager of Business & Sales Planning Department, Sales Headquarters			
April 2019	Senior Executive Officer status of the Company; Representative Director & Chairman of YURTEC VIETNAM CO.,LTD.			
June 2019	Managing Director status of the Company; Representative Director & Chairman of YURTEC VIETNAM CO.,LTD.			
June 2021	Managing Director; Deputy General Manager of Sales Headquarters; General Manager of the Overseas Business Division (to present)			
[Reason for nomination as candidate for Director] Having acquired business experience mainly in the areas of electrical installation as well as having served in positions that included Executive Officer; General Manager of Business & Sales Planning Department, Sales Headquarters since joining the Company, Mr. Koji Miura is well versed in business operations overall. The Company nominated him as a candidate for Director, given that he has been serving as Representative Director & Chairman of YURTEC VIETNAM CO., LTD. as Senior Executive Officer status of the Company since April 2019 and Managing Director, Deputy General Manager of Sales Headquarters, and General Manager of the Overseas Business Division since June 2021, and has extensive business experience with the Company.				
8	Yasuhiro Suzuki (May 5, 1961) [New Appointment]	April 1986	Joined the Company	7,200
		July 2015	Deputy General Manager of Yamagata Branch; General Manager of General Affairs Department	
June 2017	General Manager of Accounting and Finance Department			
June 2019	Executive Officer; General Manager of Yamagata Branch (to present)			
[Reason for nomination as candidate for Director] Having acquired business experience mainly in the areas of accounting and finance as well as having served in positions that included General Manager of Accounting and Finance Department since joining the Company, Mr. Yasuhiro Suzuki is well versed in business operations overall. The Company nominated him as a candidate for Director, given that he has been serving as its Executive Officer and General Manager of Yamagata Branch since June 2019, has extensive business experience with the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Toshinori Abe (October 28, 1957) [New Appointment]	<p>April 1981 Joined Tohoku Electric Power Co., Inc.</p> <p>June 2011 General Manager of Human Capital Department, Tohoku Electric Power Co., Inc.</p> <p>June 2014 Executive Officer; Tokyo Branch Office, Tohoku Electric Power Co., Inc.</p> <p>June 2017 Managing Director; General Manager of Customer Services Div., Tohoku Electric Power Co., Inc.</p> <p>April 2018 Director & Managing Executive Officer; Head of the Power Generation Company and Sales Company, Tohoku Electric Power Co., Inc.</p> <p>April 2021 Representative Director & Executive Vice President; Head of the Power Generation Company and Sales Company, Tohoku Electric Power Co., Inc.</p> <p>April 2022 Representative Director & Executive Vice President; In charge of Compliance Promotion, In charge of Risk Management, Tohoku Electric Power Co., Inc.</p> <p style="text-align: right;">(to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Representative Director & Executive Vice President, Tohoku Electric Power Co., Inc. 	0
<p>[Reason for nomination as candidate for Director]</p> <p>Given his experience in managing the electric power business as Representative Director & Executive Vice President of the Company's parent, Tohoku Electric Power Co., Inc., the Company nominated Mr. Toshinori Abe as a candidate for Director, with the expectation that he will contribute to its management from the perspective of its parent company by drawing on his extensive experience and outstanding insight.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
10	Seiichi Mitsui (July 11, 1942) [Reappointment] [External Director] [Independent Officer]	April 1966 Joined Shinko Sogo Bank, Ltd. (current The Sendai Bank, Ltd.) June 2001 President, Shinko Sogo Bank, Ltd. (current The Sendai Bank, Ltd.) June 2010 Corporate Auditor, the Company (left office in June 2015) October 2012 Chairman of the Board, Jimoto Holdings, Inc. (left office in June 2013) June 2013 Chairman of the Board, The Sendai Bank, Ltd. June 2014 Corporate Adviser, The Sendai Bank, Ltd. June 2015 Director, the Company June 2019 Outside Director, Kamei Corporation (to present) [Significant concurrent positions] • Outside Director, Kamei Corporation	9,900
	[Number of years in office of the Company as External Director] Seven (7) years		
	[Reason for nomination as candidate for External Director and outline of expected roles] Mr. Seiichi Mitsui has experience in managing The Sendai Bank, Ltd. and Jimoto Holdings, Inc. Given his career history and track record, the Company nominated Mr. Mitsui again as a candidate for External Director with the expectation that he will contribute to its management by drawing on his extensive experience and outstanding insight. Mr. Mitsui is expected to provide advice on and supervision of the Company's management policy and business from an objective and independent standpoint representing the common interests of all shareholders including minority shareholders by drawing on his extensive experience and wide-ranging insight as a manager in financial institutions.		
	[Matters pertaining to independence] Mr. Seiichi Mitsui is a candidate for external director as provided for in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act, and the Company has registered him as an independent officer, as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange Inc. Mr. Mitsui is Corporate Adviser to The Sendai Bank, Ltd., which is one of the main lenders of the Group; however, the ratio of the amount of borrowings of the Company from The Sendai Bank, Ltd. to the consolidated total assets of the Company is less than 0.4%. In addition, there is business relationships, including construction contracts, between the Company and The Sendai Bank, Ltd.; however, the ratio of the annual amount of such transactions to the consolidated net sales of the Company is less than 0.1% and the ratio to the ordinary income of The Sendai Bank, Ltd. is less than 0.2%. Also, Mr. Mitsui is currently an Outside Director of Kamei Corporation. There is business relationships, including construction contracts, between the Company and Kamei Corporation; however, the ratio of the annual amount of such transactions to the consolidated net sales of the Company is less than 0.1% and the ratio to that of Kamei Corporation is also less than 0.1%.		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
	Keiichi Takano (February 5, 1953) [Reappointment] [External Director] [Independent Officer]	April 1976 April 2009 June 2018 June 2019 April 2021 June 2021	Joined Nippon Zenyaku Kogyo Co., Ltd. President and Director, Nippon Zenyaku Kogyo Co., Ltd. Director and Corporate Adviser, Nippon Zenyaku Kogyo Co., Ltd. Corporate Adviser, Nippon Zenyaku Kogyo Co., Ltd. (left office in June, 2021) Director, ZENOAQ HOLDINGS CO., LTD. Director, the Company (to present) [Significant concurrent positions] • Director, ZENOAQ HOLDINGS CO., LTD.	100
	[Number of years in office of the Company as External Director] One (1) year			
11	[Reason for nomination as candidate for External Director and Outline of Expected Roles] Mr. Keiichi Takano has experience in managing Nippon Zenyaku Kogyo Co., Ltd., a leading veterinary drug company. Given his career history and track record, the Company nominated Mr. Takano again as a candidate for External Director with the expectation that he will contribute to its management by drawing on his extensive experience and outstanding insight. Mr. Takano is expected to give advice on and supervision of the Company's management policy and business from an objective and independent standpoint representing the common interests of all shareholders including minority shareholders by drawing on his extensive experience and wide-ranging insight as a corporate manager.			
	[Matters pertaining to independence] Mr. Keiichi Takano is a candidate for external director as provided for in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act, and he is a candidate for independent officer as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange Inc. Mr. Takano is currently a Director of ZENOAQ HOLDINGS CO., LTD. There is no business relationship between the Company and ZENOAQ HOLDINGS CO., LTD.			

- (Notes)
1. There are no special interests between the candidates and the Company.
 2. The Company has entered into a liability limitation agreement with Mr. Seiichi Mitsui and Mr. Keiichi Takano based on the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. Subject to the approval of the election of the candidate, the Company intends to renew the agreement. If election of Mr. Toshinori Abe is approved as originally proposed, the Company intends to newly enter into the same agreement with him.
 3. The Company has entered into an indemnity agreement with each of Mr. Tsutomu Satake, Mr. Yoshiharu Ota, Mr. Ikumi Kobayashi, Mr. Naoki Fujii, Mr. Hiroyuki Kagawa, Mr. Seiichi Mitsui and Mr. Keiichi Takano pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act. In accordance with the indemnity agreement, the Company will provide compensation for expenses in Item 1 of the said Paragraph and losses in Item 2 of the said Paragraph within the range stipulated by laws and regulations. Subject to the approval of the election of each candidate, the Company intends to renew the agreement. If election of Mr. Kazuo Takasugi, Mr. Koji Miura, Mr. Yasuhiro Suzuki and Mr. Toshinori Abe is approved as originally proposed, the Company intends to newly enter into the same agreement with them.
 4. The Company has entered into a directors and officers liability insurance contract, where the Company, Directors, Corporate Auditors, Executive Officers, and employees in management positions are the insureds, stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The said insurance contract will cover damages including compensation for damages and legal expenses to be borne by the insureds arising from performance of their duties. The Company pays the entire insurance premium amount. If the election of the candidates is approved as originally proposed, they will be included as the insureds under the said insurance contract.

Proposal 4: Election of Four (4) Directors who are Audit and Supervisory Committee Members

The Company will transition to a company with an Audit and Supervisory Committee, subject to approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.”

Accordingly, the election of four (4) Directors who Are Audit and Supervisory Committee Members is proposed.

For the selection of candidates for Corporate Auditors, the Nomination and Remuneration Advisory Committee, more than half of whose members are External Independent Directors, has deliberated on this matter to ensure independence and objectivity. The Board of Corporate Auditors has previously given its consent to this proposal.

The resolution of this proposal will come into effect on the condition that changes to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” come into effect.

The candidates are as follows:

No.	Name		Current positions at the Company	Attendance at Board of Directors meetings	Attendance at Board of Corporate Auditors meetings
1	Kazunari Sugawara	New Appointment	Full-time Corporate Auditor	100% (8 out of 8 meetings)	100% (10 out of 10 meetings)
2	Koichi Ono	New Appointment External Director Independent Officer	Corporate Auditor	100% (10 out of 10 meetings)	100% (12 out of 12 meetings)
3	Yasunari Takaura	New Appointment External Director Independent Officer	Corporate Auditor	100% (10 out of 10 meetings)	100% (12 out of 12 meetings)
4	Tokuko Yashima	New Appointment External Director Independent Officer	Corporate Auditor	100% (8 out of 8 meetings)	100% (10 out of 10 meetings)

(Note) Since Mr. Kazunari Sugawara and Ms. Tokuko Yashima were appointed on June 24, 2021, their attendance is for the Board of Directors meetings and Board of Corporate Auditors meetings held thereafter.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Kazunari Sugawara (January 31, 1960) [New appointment]	<p>April 1982 Joined Tohoku Electric Power Co., Inc.</p> <p>June 2010 Managing Auditor, Office of Internal Audits (internal control)</p> <p>June 2012 Deputy General Manager of Akita Branch; In charge of planning & administration and in charge of low-carbon society promotion at Corporate Planning Department</p> <p>March 2013 Deputy General Manager of Akita Branch, In charge of planning & administration and in charge of next generation energy promotion at Corporate Planning Department</p> <p>June 2014 Special assignment to Group Business Department, Tohoku Electric Power Co., Inc.; TDG Business Support Co., Inc.</p> <p>June 2017 General Manager of Office of Internal Audits, Tohoku Electric Power Co., Inc.</p> <p>June 2019 Director & Managing Executive Officer, the Company</p> <p>June 2021 Full-time Corporate Auditor, the Company (to present)</p>	5,000
<p>[Reason for nomination as candidate for Director who is an Audit and Supervisory Committee Member]</p> <p>Having acquired business experience mainly in the areas of accounting and finance as well as having served in positions that included General Manager of Office of Internal Audits since joining the Company's parent, Tohoku Electric Power Co., Inc., Mr. Kazunari Sugawara is well versed in business operations overall. The Company nominated him as a candidate for Director who is an Audit and Supervisory Committee Member, given that he has been serving as its Full-time Corporate Auditor since June 2021, has extensive business experience with both the parent and the Company, and is knowledgeable about management overall. The Company expects that he would draw on his extensive experience and outstanding insight to conduct audits and supervision.</p>			

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
2	Koichi Ono (June 7, 1962) [New appointment] [External Director] [Independent Officer]	September 2001 Registration in Sendai Bar Association September 2004 Partner of Kimura & Ono Law Firm March 2014 Representative, Higashi Niban-cho Dori Law Firm June 2015 Corporate Auditor of the Company (to present) [Significant concurrent positions] Lawyer, Representative, Higashi Niban-cho Dori Law Firm	0
	[Number of years in office as External Corporate Auditor] Seven (7) years		
	[Reason for nomination as candidate for External Director who is an Audit and Supervisory Committee Member and outline of expected roles] The Company nominated Mr. Koichi Ono as a candidate for External Director who is an Audit and Supervisory Committee Member with the expectation that he would draw on his extensive experience and outstanding insight as an expert in law to give valuable opinion to the Board of Directors and conduct objective and impartial audits and supervision in terms of the Company's business execution. The Company believes that Mr. Ono is capable of fulfilling his responsibility as an External Director who is an Audit and Supervisory Committee Member for the foregoing reason, despite not having been directly involved in corporate management in the past.		
	[Matters pertaining to independence] Mr. Koichi Ono is a candidate for External Director as provided for in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act, and the Company has registered him as an independent officer as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange Inc. Although Mr. Koichi Ono is a Representative of Higashi Niban-cho Dori Law Firm, there is no business relationship between the Company and Higashi Niban-cho Dori Law Firm.		

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
	Yasunari Takaura (September 24, 1973) [New appointment] [External Director] [Independent Officer]	<p>April 2001 Lecturer, Department of Management, Nagoya University of Commerce & Business</p> <p>April 2004 Associate Professor, Department of Management, Nagoya University of Commerce & Business</p> <p>April 2006 Research Associate, Graduate School of Economics and Management, Tohoku University</p> <p>April 2007 Associate Professor, Graduate School of Economics and Management, Tohoku University</p> <p>June 2018 Corporate Auditor of the Company</p> <p style="text-align: right;">(to present)</p> <p>[Significant concurrent positions] Associate Professor, Graduate School of Economics and Management, Tohoku University</p>	0
	[Number of years in office as External Corporate Auditor] Four (4) years		
3	<p>[Reason for nomination as candidate for External Director who is an Audit and Supervisory Committee Member and outline of expected roles]</p> <p>The Company nominated Mr. Yasunari Takaura as a candidate for External Director who is an Audit and Supervisory Committee Member with the expectation that he would draw on his extensive experience and outstanding insight as a university associate professor and an expert in business administration and economics to give valuable opinion to the Board of Directors and conduct objective and impartial audits and supervision mainly in terms of the Company's business execution. The Company believes that Mr. Takaura is capable of fulfilling his responsibility as an External Director who is an Audit and Supervisory Committee Member for the foregoing reason, despite not having been directly involved in corporate management in the past.</p>		
	<p>[Matters pertaining to independence]</p> <p>Mr. Yasunari Takaura is a candidate for External Director as provided for in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act, and the Company has registered him as an independent officer as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange Inc.</p> <p>Mr. Yasunari Takaura is an Associate Professor of Graduate School of Economics and Management of Tohoku University. There is business relationships, including construction contracts, between the Company and Tohoku University; however, the ratio of the annual amount of such transactions to the consolidated net sales of the Company is less than 0.1% and the ratio to the proceeds from operating activities of Tohoku University is less than 0.1%.</p>		

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
	Tokuko Yashima (March 22, 1967) [New appointment] [External Director] [Independent Officer]	<p>April 1987 Joined Miyagi Prefectural Government (Retired from the prefectural government in March 1999)</p> <p>December 2006 Joined Shin Nihon Audit Corporation (current Ernst & Young ShinNihon LLC) (Retired from the audit corporation in June 2014)</p> <p>July 2014 Representative, Yashima CPA Office (current Office_Yashima-CPA)</p> <p>June 2021 Corporate Auditor of the Company (to present)</p> <p>[Significant concurrent positions] <ul style="list-style-type: none"> • Certified Public Accountant • Tax Accountant • Representative, Office_Yashima-CPA </p>	300
4	[Number of years in office as External Corporate Auditor] One (1) year		
	[Reason for nomination as candidate for External Director who is an Audit and Supervisory Committee Member and outline of expected roles] The Company nominated Ms. Tokuko Yashima as a candidate for External Director who is an Audit and Supervisory Committee Member with the expectation that she would draw on her extensive experience and outstanding insight as an expert in accounting and tax to give valuable opinion to the Board of Directors and conduct objective and impartial audits and supervision in terms of legality of the Company's business execution. The Company believes that Ms. Yashima is capable of fulfilling her responsibility as an External Director who is an Audit and Supervisory Committee Member for the foregoing reason, despite not having been directly involved in corporate management in the past.		
	[Matters pertaining to independence] Ms. Tokuko Yashima is a candidate for External Director as provided for in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act, and the Company has registered her as an independent officer as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange Inc. Also, Ms. Yashima is currently Representative of Office_Yashima-CPA. There is no business relationship between the Company and Office_Yashima-CPA.		

- (Notes)
1. There are no special interests between the candidates and the Company.
 2. The Company has entered into a liability limitation agreement with each candidate based on the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. Subject to the approval of the election of each candidate, the Company intends to newly enter into the same agreement with each candidate.
 3. The Company has entered into an indemnity agreement with each candidate pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act. In accordance with the indemnity agreement, the Company will provide compensation for expenses in Item 1 of the said Paragraph and losses in Item 2 of the said Paragraph within the range stipulated by laws and regulations. Subject to the approval of the election of each candidate, the Company intends to enter into the same agreement with each candidate again.
 4. The Company has entered into a directors and officers liability insurance contract, where the Company, Directors, Corporate Auditors, Executive Officers, and employees in management positions are the insureds, stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The said insurance contract will cover damages including legal compensation for damages and legal expenses to be borne by the insureds arising from performance of their duties. The Company pays the entire insurance premium amount. If the election of the candidates is approved as originally proposed, they will be included as the insureds under the said insurance contract.

<For Your Reference for Proposals 3 and 4>

1. Board of Directors' Skill Matrix

Subject to approval of Proposals 3 and 4, the Board of Directors of the Company will be comprised of members with the following skills.

Name	Audit and Supervisory Committee Member	External Director/ Independent Officer	Directors' Skills						
			Corporate management/ Management strategy	Sales/ Marketing	Technology/ Safety & Quality	Legal matters/ Risk control	Finance/ Accounting	Global understanding	Sustainability promotion
Tsutomu Satake			●			●		●	
Yoshiharu Ota			●	●	●	●			●
Ikumi Kobayashi			●	●	●			●	●
Kazuo Takasugi					●	●			●
Naoki Fujii			●	●	●				
Hiroyuki Kagawa			●			●			●
Koji Miura				●	●			●	●
Yasuhiro Suzuki				●			●		
Toshinori Abe			●	●		●			
Seiichi Mitsui		○	●	●			●		
Keiichi Takano		○	●	●				●	
Kazunari Sugawara	○		●			●	●		
Koichi Ono	○	○				●	●		
Yasunari Takaura	○	○					●		●
Tokuko Yashima	○	○				●	●		

(Notes) 1. ● indicates the main skills possessed by each Director.

2. This table does not show all the skills possessed by each Director.

2. Policy on Nomination of Candidates for Directors and Corporate Auditors

The Company is resolved to ensure sustainable development and enhance corporate value as an all-round supporter of lifelines that supports the daily lives of residents while establishing a relationship based on deep trust with the local community and society in general. In order to conduct business operations appropriately in accordance with this direction, the Company has established its policy pertaining to the nomination of candidates for Directors and Corporate Auditors as follows.

- A candidate shall be an individual who is suitable for appointment as an officer of the Company in terms of personality, insight, competence, experience, ethics and other relevant elements.
- The independence of candidates for External Directors and External Corporate Auditors shall be determined in accordance with the "Independence Standards for External Officers" stipulated by the Company.

3. Independence Standards for External Officers

The Company determines the independence of External Officers based on the following requirements in conformity with the independence standards prescribed by the financial instruments exchange where the Company is listed. In electing External Directors, emphasis is placed on whether the individual is capable of making decisions at meetings of the Board of Directors appropriately as well as supervising business management by drawing on his/her practical experience and outstanding insight mainly on social and economic trends, which were acquired through corporate management or other means as well as understanding the management philosophy and social responsibilities of the Company and adequately recognizing the roles and responsibilities of an External Director. In electing External Corporate Auditors, emphasis is placed on whether the individual is capable of fully understanding the roles and responsibilities of an External Corporate Auditor and conduct objective and impartial audits by drawing on his/her extensive experience and outstanding insight.

[The Company's Independence Standards for External Officers]

As a general rule, the Company appoints individuals who do not fall under any of the following specifications as its independent officers:

- (1) A party or an executive officer of a party whose major business partner is the Company
- (2) A party or an executive officer of a party who is a major business partner of the Company
- (3) A consultant, an accounting expert or a legal expert who receives large sums of money or any other property from the Company other than remuneration for his/her service as a corporate officer (if the entity receiving such property is an organization, such as a corporation and association, a person belonging to such entity)
- (4) Any person who recently was any of (1) to (3) above.
- (5) Any person who was any of a to c below at a point in time in ten years before assuming office:
 - a. An executive officer or a Director who is not an executive officer of the Company's parent
 - b. A corporate auditor of the Company's parent (applicable only when the relevant External Corporate Auditor is to be designated as an independent officer)
 - c. An executive officer of a fellow subsidiary
- (6) A close relative of a person falling under any of a to f below (excluding those who are not of importance):
 - a. A person falling under any of (1) to (5) above
 - b. An executive officer of a subsidiary of the Company
 - c. A Director of a subsidiary of the Company who is not an executive officer
 - d. An executive officer or a Director who is not an executive officer of the Company's parent
 - e. An executive officer of a fellow subsidiary
 - f. A person who recently fell under b or c above or was an executive officer of the Company (includes any Director who was not an executive officer when designating an External Corporate Auditor as an independent officer)

(Note) Due to the transition to a company with an Audit and Supervisory Committee, in application of the policy in 2. and the standards in 3. above for the selection of each candidate proposed in Proposals 3 and 4, "Director" or "Directors" were replaced with Director or Directors (excluding Directors who are Audit and Supervisory Committee Members) and "Corporate Auditor" or "Corporate Auditors" were replaced with Director(s) who is a (are) Audit and Supervisory Committee Member(s).

Proposal 5: Setting of the Remuneration Amount for Directors (Excluding Directors who are Audit & Supervisory Committee Members)

The Company will transition to a company with an Audit and Supervisory Committee, subject to approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.”

At the 77th Annual General Meeting of Shareholders held on June 26, 1991, the maximum amount of monthly remuneration for Directors of the Company was approved at 20 million yen per month while the maximum amount of bonus approved at the 93rd Annual General Meeting of Shareholders was 100 million yen per year when the number of Directors does not exceed the number of Directors stipulated in the Articles of Incorporation (no more than fifteen (15) Directors). (However, employee salaries and bonuses of Directors who concurrently serve as employees are not included.)

Due to the transition to a company with an Audit and Supervisory Committee, this Proposal requests approval for abolition of the current provisions for the compensation amount for Directors and setting of the maximum total amount of fixed remuneration (monthly remuneration) to 200 million yen per year for Directors (excluding Directors who are Audit and Supervisory Committee Members. Hereinafter the same shall apply in this Proposal. Including 20 million yen per year for External Directors) and the maximum total amount of bonus to 100 million yen per year (excluding External Directors) in consideration of various circumstances including the economic climate.

In addition, in this Proposal, the amount of remuneration, etc. for Directors shall not include employee salaries and bonuses of Directors who concurrently serve as employees.

The Company plans to determine a “Policy, etc. for Determining the Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)” stated on page 38 of the Japanese version of this convocation notice by resolution of a meeting of the Board of Directors after transition to a company with an Audit and Supervisory Committee. The contents of this Proposal are consistent with the said policy, etc. to be determined. Furthermore, this Proposal was determined through deliberation by the Nomination and Remuneration Advisory Committee, more than half of the members of which are External Independent Directors, to ensure independence and objectivity. The Board of Directors believes that the details therein are appropriate.

The Company currently has eleven (11) Directors (including two (2) External Directors), and the number of Directors related to this Proposal will continue to be eleven (11) when Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Eleven (11) Directors (Excluding Directors who are Audit and Supervisory Committee Members)” are approved as originally proposed.

The resolution of this proposal will come into effect on the condition that changes to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” come into effect.

Proposal 6: Setting of the Remuneration Amount for Directors who are Audit & Supervisory Committee Members

The Company will transition to a company with an Audit and Supervisory Committee, subject to approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.”

Accordingly, in consideration of various circumstances including the economic climate, this Proposal requests approval for setting of the maximum total amount of remuneration, etc. to 60 million yen per year for Directors who are Audit and Supervisory Committee Members.

The Company plans to determine the “Policy for Determining the Remuneration of Directors who are Audit and Supervisory Committee Members” stated on page 39 of the Japanese version of this convocation notice by a discussion of Directors who are Audit and Supervisory Committee Members after the transition to a company with an Audit and Supervisory Committee. The contents of this Proposal are consistent with the said policy, etc. to be determined. Furthermore, this Proposal was determined through deliberation by the Nomination and Remuneration Advisory Committee, more than half of the members of which are External Independent Directors, to ensure independence and objectivity. The Company believes that the details therein are appropriate.

The number of Directors who are Audit and Supervisory Committee Members related to this Proposal will be four (4) (including three (3) External Directors) when Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of Four (4) Directors who are Audit and Supervisory Committee Members” are approved as originally proposed.

The resolution of this proposal will come into effect on the condition that changes to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” come into effect.

Proposal 7: Payment of Retirement Benefits for Retiring Directors

Director Masahiro Oikawa, Director Tatsuji Ogasawara, Director Hidetoshi Inazuma, and Director Hisaaki Hasegawa will retire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to pay a retirement benefit to reward their contribution made to the Company during their term of office in an amount deemed reasonable in accordance with the relevant standards of the Company, and also proposes that the determination of the specific amount, time, and method of payment, as well as other details be left to the discretion of the Board of Directors.

For the payment of the retirement benefits to the retiring Directors, the Nomination and Remuneration Advisory Committee, the majority of whose members are External Independent Directors, has deliberated on this matter from the perspective of ensuring independence and objectivity.

In addition, this Proposal, which requests approval for the payment of the retirement benefits as described above, is consistent with the “Policy for Determining Details of Individual Remuneration, etc. for Directors” determined by the Board of Directors of the Company and stated on page 53 of the Japanese version of this convocation notice. The Board of Directors believes that the details therein are appropriate.

The career summary of the retiring Directors is as follows:

Name	Career summary	
Masahiro Oikawa	June 2017	Senior Executive Managing Director, the Company
	June 2019	Representative Director & Senior Managing Executive Officer, the Company (to present)
Tatsuji Ogasawara	June 2017	Managing Director, the Company
	June 2019	Director & Managing Executive Officer, the Company (to present)
Hidetoshi Inazuma	June 2019	Director & Managing Executive Officer, the Company (to present)
Hisaaki Hasegawa	June 2019	Director & Managing Executive Officer, the Company (to present)

Proposal 8: Final Payment of Retirement Benefits for Retiring Directors in Conjunction with Abolition of the Retirement Benefit Plan for Directors

The Company resolved the abolition of retirement benefits for retiring Directors at the conclusion of this General Meeting of Shareholders in the Board of Directors meeting held on April 27, 2022, as part of a review of the Director remuneration system.

Accordingly, this Proposal requests approval for the final payment of retirement benefits for five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members), who will continue to take office, subject to approval of Proposal 3 “Election of Eleven (11) Directors who are not Audit and Supervisory Committee Members” as originally proposed, according to certain standards of the Company within the scope of the relevant amount.

The Company proposes that the payment of the retirement benefits be made at the time of their retirement and the determination of the specific amount, time, and method of payment, as well as other details be left to the discretion of the Board of Directors.

The contents of this Proposal are consistent with the “Policy for Determining Details of Individual Remuneration, etc. for Directors” determined by the Board of Directors of the Company and stated on page 53 of the Japanese version of this convocation notice. Furthermore, this Proposal was determined through deliberation by the Nomination and Remuneration Advisory Committee, more than half of the members of which are External Independent Directors, to ensure independence and objectivity. The Board of Directors believes that the details therein are appropriate.

The career summary of the Directors subject to the proposed final payment is as follows:

Name	Career summary	
Tsutomu Satake	June 2014	President, the Company
	June 2019	Representative Director & President, Chief Executive Officer, the Company
	June 2021	Chairman of the Board (to present)
Ryoji Ota	June 2014	Director, the Company
	June 2015	Managing Director, the Company
	June 2017	Senior Executive Managing Director, the Company
	April 2018	Vice President, the Company
	June 2019	Representative Director & Executive Vice President, the Company
	June 2021	Representative Director & President Chief Executive Officer, the Company (to present)
Ikumi Kobayashi	June 2017	Managing Director, the Company
	June 2019	Director & Managing Executive Officer, the Company
	June 2021	Representative Director & Senior Managing Executive Officer, the Company (to present)
Naoki Fujii	June 2021	Director & Managing Executive Officer, the Company (to present)
Hiroyuki Kagawa	June 2021	Director & Managing Executive Officer, the Company (to present)

Proposal 9: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors who are Audit & Supervisory Committee Members)

This Proposal requests the payment of remuneration for granting restricted shares to eligible Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors. Hereinafter, referred to as “Eligible Directors”) separately from remuneration requested for approval in Proposal 5 “Setting of the Remuneration Amount for Directors (excluding Directors who are Audit & Supervisory Committee Members)” for the purpose of providing an incentive for the Company’s Directors to continuously improve the Company’s corporate value and to promote further value sharing with shareholders.

The remuneration to be paid to the Eligible Directors for granting restricted shares based on this Proposal shall be monetary claims and its total amount shall be 50 million yen per year (however, this amount does not include employee salaries of Directors who concurrently serve as employees). The specific timing for providing thereof and the allocation to each Eligible Director will be left to the discretion of the Board of Directors through deliberation by the Nomination and Remuneration Advisory Committee.

The number of Directors is currently eleven (11) (including two (2) External Directors). Subject to the approval of Proposal 3 “Election of Eleven (11) Directors who are not Audit and Supervisory Committee Members” as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will continue to be eleven (11) (including two (2) External Directors).

In accordance with the resolution of the Board of Directors of the Company, the Eligible Directors shall pay all the monetary remuneration claims to be provided under this Proposal in the form of property contribution in kind, and shall, in return, receive shares of the Company’s common shares that shall be issued or disposed of by the Company. The total number of shares of the Company’s common shares to be issued or disposed of thereby shall be no more than 100,000 shares annually (provided, however, that if the Company performs a split of the Company’s common shares (including allotment of the Company’s common shares without contribution) or a consolidation thereof, or if any other event that requires adjustment of the total number of shares of the Company’s common shares to be issued or disposed of as restricted shares occurs on the day of approval of this Proposal or later, the relevant total number shall be adjusted to the reasonable extent as necessary).

The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous to the Eligible Directors who receive such common shares. Such issuance or disposal of the Company’s common shares thereby and provision of monetary claims in the form of property contribution in kind is based on the condition that an agreement on the allotment of shares with transfer restrictions that includes the provisions stated from the following page and later (hereinafter, the “Allotment Agreement”) will be entered into between the Company and each Eligible Director.

In addition, the maximum amount of remuneration and total number of the Company's common shares to be issued or disposed of in this Proposal as well as other conditions for granting restricted shares to Eligible Directors based on this Proposal are set in consideration of the above purposes, business condition of the Company, and the "Policy for Determining Details of Individual Remuneration, etc. for Directors" stated in page 53 of the Japanese version of this convocation notice (When this Proposal is approved, the contents of the said Policy is scheduled to be changed in accordance with the contents of the "Policy, etc. for Determining the Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)" so the "Policy for Determining Details of Individual Remuneration, etc. for Directors" is consistent with the approved contents.) and other various circumstances. This Proposal was determined through deliberation by the Nomination and Remuneration Advisory Committee, more than half of the members of which are External Independent Directors, to ensure independence and objectivity. The Board of Directors believes that the details therein are appropriate.

[Outline of Allotment Agreement]

(1) Restriction Period

The Eligible Directors shall not transfer, offer as security, or otherwise dispose of the Company's common shares allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") for a period from the date of allotment to the time immediately after the retirement from the officer or employee position of the Company or the Company's subsidiary specified by the Board of Directors of the Company in advance (hereinafter referred to as "Restriction Period") (hereinafter referred to as "Transfer Restrictions").

(2) Lifting of the Transfer Restrictions

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained in the position stipulated in (1) above throughout the period from the start date of the execution of duties of the Eligible Director to the time immediately before the conclusion of the first Annual Shareholders Meeting after the start date of the execution of duties of the Eligible Director (hereinafter, referred to as the "Service Period"). However, if the Eligible Director retires from the position stipulated in (1) above during the Service Period due to reasonable reasons, the Company shall reasonably adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted and the timing of lifting as needed.

Furthermore, pursuant to the provisions above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the transfer restrictions are lifted.

(3) Retirement from the Position Due to Reasons Other than Justifiable Reasons

Notwithstanding the provision of (2) above, when the Eligible Director retires from the position stipulated in (1) above due to reasons other than justifiable reasons during the Restriction Period, the Company shall automatically acquire without contribution all of the Allotted Shares.

(4) Procedures in case of organizational restructuring, etc.

Notwithstanding the provision of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of the Board of Directors of the Company in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of a meeting of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions are lifted.

(5) Other matters

Other matters with regard to the Allotment Agreement shall be determined by the Board of Directors of the Company.

The resolution of this Proposal will come into effect on the condition that changes to the Articles of Incorporation in Proposal 2 "Partial Amendments to the Articles of Incorporation" come into effect.

<For Your Reference for Proposals 5, 6, and 9>

Subject to approval of Proposals 2, 5, 6, and 9, the Company plans to determine the following policies, etc.

[“Policy, etc. for Determining the Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)”]

1. Basic Policy of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

The remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be composed of fixed remuneration, bonuses as performance-based remuneration, and restricted share remuneration.

However, the remuneration for External Directors shall be only fixed remuneration from the perspective of their roles and independence.

2. Policy for Determining Individual Remuneration Amount or Calculation Method and Time of Payment

(1) Fixed remuneration

The individual remuneration amount shall be at an appropriate level according to the title in comprehensive consideration of the medium-to-long term management environment and policies, etc. and be paid monthly in cash.

(2) Bonus

Bonuses shall fluctuate according to consolidated operating profit, which is a key index based on the Medium-term Management Plan.

For individual remuneration amounts, the standard amount based on fixed remuneration according to the position shall be stipulated, and the individual remuneration amounts shall be based on standards which stipulate that the bonuses will be adjusted within the range from 75% to 125% according to achievement level of the target consolidated operating profit of each fiscal year. The payment will be made in cash after the term of Directors expires in June every year.

(3) Restricted Share Remuneration

For the number of shares provided to individuals, the standard amount shall be stipulated based on the fixed remuneration according to the position, and the number of shares provided to individuals shall be determined based on the share price of the previous business day of the date of the resolution related to share allotment by the Board of Directors. The share allotment shall be resolved at the Board of Directors meeting held within one (1) month from the appointment of the Directors and the shares shall be provided within one (1) month from the said resolution date.

3. Policy for Determining the Individual Remuneration Payment Ratio

In order to enable remuneration to function effectively as an incentive for improving corporate value, the payment ratio of fixed remuneration and performance-based remuneration, etc. (bonuses and restricted share remuneration) for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be approximately 7:3 (the ratio of bonuses and restricted shares is approximately 2:1) when the target is achieved.

However, remuneration for External Directors is the fixed remuneration only.

4. Determination Method of Individual Remuneration

Fixed remuneration and performance-based remuneration, etc. (bonuses and restricted shares remuneration) for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by resolution of a meeting of the Board of Directors within the range of the total amount approved by a General Meeting of Shareholders after deliberation in the Nomination and Remuneration Advisory Committee, the majority of whose members are External Independent Directors.

5. Decision Method of the Policy for Determination

“Policy, etc. for Determining Details of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)” shall be deliberated by the Nomination and Remuneration Advisory Committee, more than half of the members of which are External Independent Directors, and determined by resolution of a meeting of the Board of Directors.

6. Resolution Contents at the General Meeting of Shareholders

(1) Fixed remuneration

No more than the annual total amount of 200 million yen for Directors (excluding Directors who are Audit and Supervisory Committee Members) (including no more than 20 million yen for External Directors)

(2) Bonus

No more than the annual total amount of 100 million yen for Directors (excluding Directors who are Audit and Supervisory Committee Members)

(3) Restricted shares remuneration

No more than the annual total amount of 50 million yen for Directors (excluding Directors who are Audit and Supervisory Committee Members)

[“Policy, etc. for Determining the Remuneration of Directors who are Audit and Supervisory Committee Members”]

The policy for determining details of remuneration for Directors who are Audit and Supervisory Committee Members shall be determined by discussion by Directors who are Audit and Supervisory Committee Members.

- Remuneration for Directors who are Audit and Supervisory Committee Members shall be monthly remuneration only as fixed remuneration and paid in cash every month.
- Remuneration for Directors who are Audit and Supervisory Committee Members shall be determined by discussion by Directors who are Audit and Supervisory Committee Members within the range of the total amount approved by a General Meeting of Shareholders.

[Resolution Content at the General Meeting of Shareholders]

No more than the annual total amount of 60 million yen

End