



February 13, 2025

Company name : Kumagai Gumi Co., Ltd.
Representative : Shin Ueda, President
(Code: 1861, Prime Market in the Tokyo Stock Exchange)

Notice Regarding Transition to Company with Audit & Supervisory Committee and Prospective Corporate Officers

Kumagai Gumi Co., Ltd. (the "Company") announces that at a meeting of the Board of Directors held today, it has decided to shift to a company with an Audit & Supervisory Committee, and decided on the following candidates for directors subject to the approval of the 88th Ordinary General Meeting of Shareholders to be held in June 2025.

The details of changes in the Articles of Incorporation following the shift to a company with an Audit & Supervisory Committee will be also announced as soon as they are finalized.

1. Shift to a company with an Audit & Supervisory Committee

(1) Purpose of transition

In order to make its management philosophy, namely, "We aim to serve as a corporate group that contributes to society through business activities centered on construction" a reality, it has positioned the enhancement of its corporate governance efficacy as one of the most important issues in its basic policy.

Following this basic policy, under the current organizational design (a company with an Audit & Supervisory Board), the Company has been continuously moving forward with a range of initiatives to increase efficacy, taking into account issues for improvement based on the evaluation of effectiveness by the Board of Directors.

As part of such initiatives, by appointing Audit & Supervisory Committee, which is in charge of auditing the execution duties of directors, as members of the Board of Directors, the Company will strengthen the supervisory function of the Board of Directors and further enhance corporate governance. Additionally, by allowing the Board of Directors to broadly delegate its decisions-making authority to respective directors, we will facilitate the separation of business execution and supervision, as well as faster management decision-making, thereby enabling further enhancement of corporate value. With these objectives in mind, the Company has recently decided to shift from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee.

(2) Timing of transition

At the 88th Ordinary General Meeting of Shareholders to be held in June 2025 the Company plans to make a transition to a company with an Audit & Supervisory Committee after obtaining the approval of the necessary amendments to the Articles of Incorporation.

2. Personnel changes of Corporate Officers after transition to a company with an Audit & Supervisory Committee
 (1) Director (excluding Audit & Supervisory Committee members) candidates
 (To be submitted as an agenda item at the 88th Ordinary General Meeting of Shareholders scheduled to be held in June 2025)

Name	Title after transition	Current title
Shin Ueda	President & Representative Director	Same as left
Koji Okaichi	Representative Director	Same as left
Hiroyasu Yaguchi	Director	Same as left
Testsuo Ono	Director	Same as left
Taiji Ito	Director	Same as left
Tatsuru Sato	Director	Same as left
Shigeru Okada	*Outside Director	* Director
Kimie Sakuragi	*Outside Director	* Director
Masaya Nara	*Outside Director	* Director

- (2) Candidates for directors who will concurrently serve as Audit & Supervisory Committee members
 (To be submitted as an agenda item at the 88th Ordinary General Meeting of Shareholders scheduled to be held in June 2025)

Name	Title after transition	Current title
Masahiro Kawanowa	Director (Full-time Audit & Supervisory Committee Member)	Full-time Audit & Supervisory Board Member
Akio Yamada	*Outside Director (Audit & Supervisory Committee Member)	** Audit & Supervisory Board Member
Miho Ueda	*Outside Director (Audit & Supervisory Committee Member)	** Audit & Supervisory Board Member

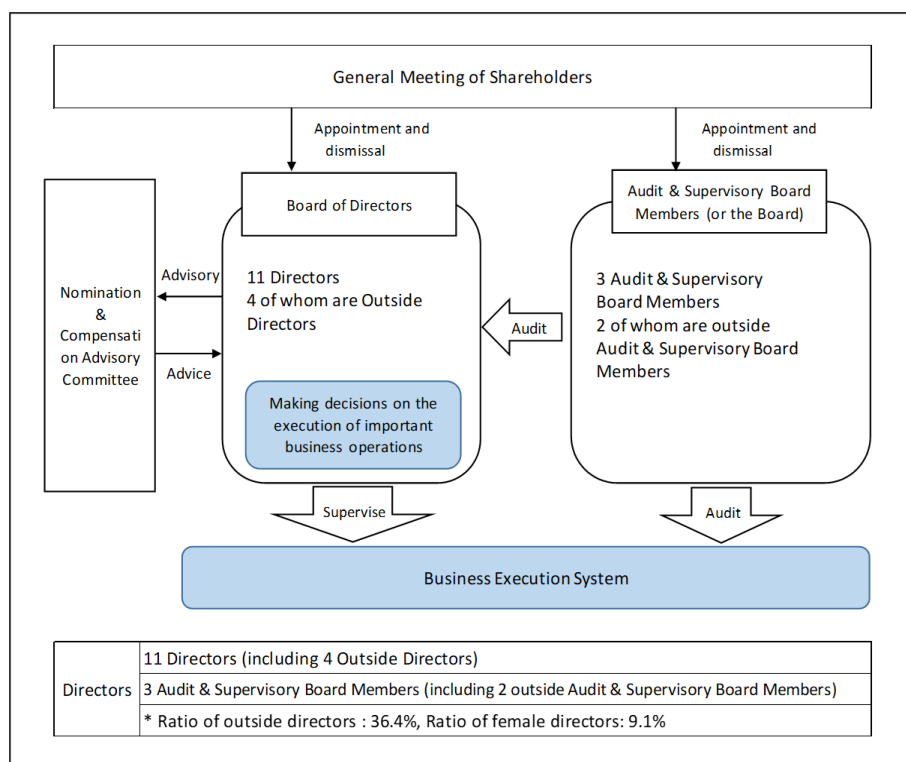
- (3) Director to retire
 (Will retire from the Board Director as of the 88th Ordinary General Meeting of Shareholders scheduled to be held in June 2025)

Name	Title after the retirement	Current title
Yasunori Sakurano	Chairperson	Chairperson, Director
Sakae Yoshida	—	* Director

- (Note)1. * is an Outside Director as prescribed in Article 2, Item 15 of the Companies Act. **is an Outside Director as prescribed in Article 2, Item 16 of the Companies Act. In line with the transition to a Company with an Audit & Supervisory Committee, the title of an outside director has been changed from “Director” to “Outside Director.”
2. The selection of each candidate has been made based on deliberations made at the Nomination & Compensation Advisory Committee, which is an advisory body to the Company’s Board of Directors, and its reports. In addition, the selection of candidates for directors who are Audit & Supervisory Committee members has been made with the consent of the Audit & Supervisory Board.
3. With respect to the appointment of a chairperson who is not a director, such chairperson’s tenure is limited to one year without any authority to influence the Company’s decisions on management.

Attachment: Overview of the organizational design after the shift to a company with an Audit & Supervisory Committee.

■Company with an Audit & Supervisory Board (present)



■After transition to company with Audit & Supervisory Committee

