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(Securities Code: 1934)

June 4, 2026

(Electronic Provision Measures Commencement Date: May 28, 2026)

To Shareholders with Voting Rights:

Toshinori Abe
Representative Director &
Chairman of the Board
Yurtec Corporation
4-1-1 Tsutsujigaoka, Miyagino-Ku, Sendai

**NOTICE OF
THE 112th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

You are cordially notified of the 112th Annual General Meeting of Shareholders to be held for the purposes described below.

In performing convocation procedures for this General Meeting of Shareholders, we are taking measures for electronic provision for information which is the contents of the Shareholders Meeting Reference Documents (Electronic Provision Measures Matters), and are posting those information on the following websites on internet:

[Company's website]

https://www.yurtec.co.jp/english/ir/stockholders_meeting.html

[Tokyo Stock Exchange's website]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

After visiting the above website, enter and search Company's name with "Yurtec" or its Securities Code with "1934," select [Basic information] > [Documents for public inspection/PR information] for view.

If you are not attending the meeting, please review the attached Reference Documents for the General Meeting of Shareholders, and **exercise your voting rights via mail or online by 5:30 p.m. on Thursday, June 25, 2026, Japan time.**

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

- 1. Date and Time:** Friday, June 26, 2026 at 10:00 a.m. Japan time (Doors open at 9:00 a.m.)
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- 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 112th Fiscal Year (April 1, 2025 to March 31, 2026) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company's 112th Fiscal Year (April 1, 2025 to March 31, 2026)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Seven (7) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of Four (4) Directors who are Audit and Supervisory Committee Members
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- 4. Other Decisions Pertaining to Convocation**
1. The following items are not included in the documents delivered to shareholders who have requested the delivery of documents in paper in accordance with laws and regulations and the provisions of the Company's Articles of Incorporation. The Audit and Supervisory Committee and the Accounting Auditor audit the documents subject to audit, including the following matters.
 - (1) "Matters related to the establishment of a system to ensure the appropriateness of business operations and the operational status of the system" in the Business Report
 - (2) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in Consolidated Financial Statements
 - (3) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in Non-consolidated Financial Statements
 2. 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.
 3. In the event voting rights are exercised multiple times via the Internet, etc., the last vote submitted will be deemed valid.
 4. In the event your Voting Rights Exercise Form does not indicate your vote for or against the proposals, it will be deemed to have indicated that your vote is for the proposals.
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Notes on General Meeting of Shareholders

- We are sending the Reference Documents for the General Meeting of Shareholders to shareholders who have not requested the delivery of documents in paper.
- Should any of the Electronic Provision Measures Matters require revision, the details of the revision will be posted on each website on which their respective original texts are posted.

Reference Documents for the General Meeting of Shareholders

Proposals and References

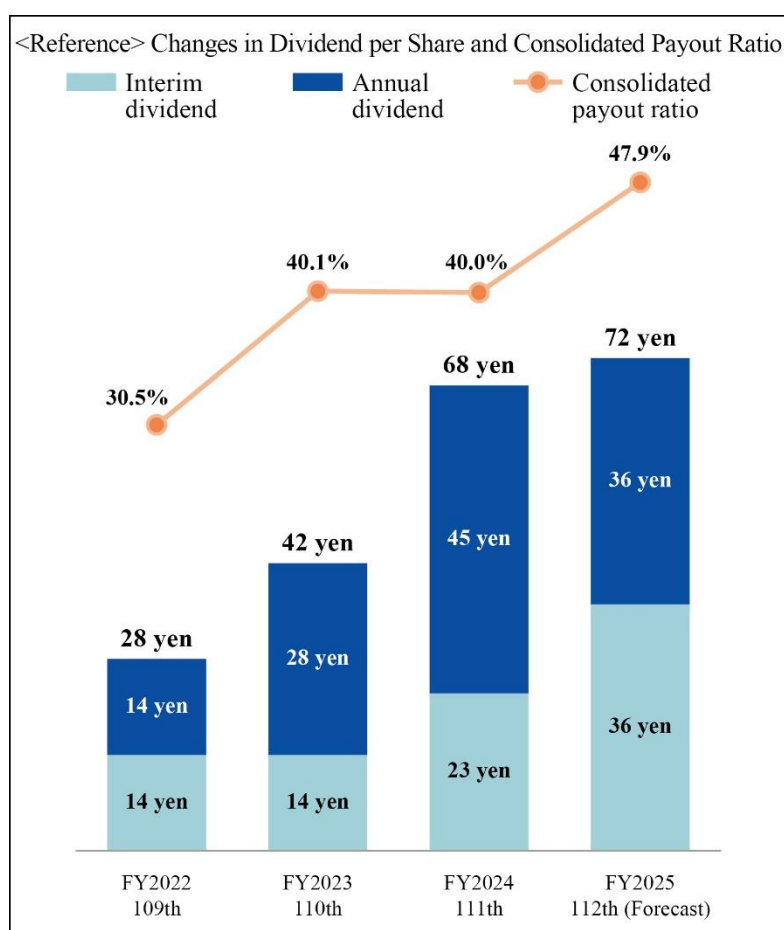
Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders to be an important management strategy. Accordingly, its basic policy is to stably return profits with a consolidated dividend payout ratio of 40% or more in accordance with business results, while taking into account business development and growth investment for the future.

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, 2026.

- (1) Type of dividend property
Cash
- (2) Matters pertaining to the allotment of dividend property and the total amount thereof

per common share	36 yen
Total	2,472,725,196 yen
- (3) Effective date of distribution of surplus
June 29, 2026



Proposal 2: Election of Seven (7) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Among the seven (7) Directors (Excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) of the Company elected at the 111th Annual General Meeting of Shareholders held on June 27, 2025, Mr. Yasuhiro Suzuki resigned as of March 31, 2026. Additionally, the terms of office of six (6) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of seven (7) Directors is proposed.

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

The candidates for Directors are as follows:

No.	Name	Candidate attributes	Current positions at the Company	Attendance at Board of Directors meetings
1	Toshinori Abe	Reappointment	Representative Director & Chairman of the Board	12 out of 12 meetings (100%)
2	Ikumi Kobayashi	Reappointment	Representative Director & President, Chief Executive Officer	12 out of 12 meetings (100%)
3	Koji Miura	Reappointment	Director & Senior Managing Executive Officer	11 out of 12 meetings (92%)
4	Hitoshi Nakanishi	New Appointment	Managing Executive Officer	–
5	Akemi Kato	Reappointment External Director Independent Officer	Director	12 out of 12 meetings (100%)
6	Chiharu Shibata	Reappointment External Director Independent Officer	Director	10 out of 10 meetings (100%)
7	Satoru Masagaki	New Appointment External Director Independent Officer	–	–

(Note) Since Ms. Chiharu Shibata was appointed on June 27, 2025, her 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	 Toshinori Abe (October 28, 1957) [Reappointment]	April 1981 June 2011 June 2014 June 2017 April 2018 April 2021 April 2022 June 2022 April 2023 June 2023 [Significant concurrent position] • Outside Director, The Bank of Iwate, Ltd.	Joined Tohoku Electric Power Co., Inc. General Manager of Human Capital Department, Tohoku Electric Power Co., Inc. Executive Officer; General Manager of Tokyo Branch Office, Tohoku Electric Power Co., Inc. Managing Director; General Manager of Customer Services Div., Tohoku Electric Power Co., Inc. Director & Managing Executive Officer; Head of the Power Generation Company and Sales Company, Tohoku Electric Power Co., Inc. Representative Director & Executive Vice President; Head of the Power Generation Company and Sales Company, Tohoku Electric Power Co., Inc. Representative Director & Executive Vice President; In charge of Compliance Promotion; In charge of Risk Management, Tohoku Electric Power Co., Inc. Director, the Company Director, Tohoku Electric Power Co., Inc. (left office in June 2023) Representative Director & Chairman of the Board, the Company (to present)	12,234
[Reason for nomination as candidate for Director] Having acquired business experience mainly in the areas of human capital and sales as well as having served in positions that included Representative Director & Executive Vice President since joining Tohoku Electric Power Co., Inc., Mr. Toshinori Abe is well versed in management overall. The Company nominated him again as a candidate for Director, given that he has been serving as its Director since June 2022 and as Representative Director & Chairman of the Board since June 2023, has abundant business experience with Tohoku Electric Power Co., Inc. and the Company, and is knowledgeable about management overall.				
2	 Ikumi Kobayashi (January 24, 1959) [Reappointment]	April 1981 June 2016 June 2017 June 2019 June 2020 June 2021 June 2022 April 2025	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 Representative Director & Executive Vice President; In charge of Business Operation Overall, General Manager of Sales Headquarters; In charge of Corporate Ethics; In charge of IR Representative Director & President, Chief Executive Officer (to present)	23,758
[Reason for nomination as candidate for Director] 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 as Representative Director & President, Chief Executive Officer since April 2025, has extensive business experience with 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
3	 Koji Miura (September 9, 1961) [Reappointment]	April 1984 July 2016 June 2017 April 2019 June 2019 June 2021 June 2022 April 2025	Joined the Company Manager of Technical Proposal Department, Sales Headquarters Executive Officer; General Manager of Business & Sales Planning Department, Sales Headquarters Senior Executive Officer status of the Company; Representative Director & Chairman of YURTEC VIETNAM CO., LTD. Managing Director status of the Company; Representative Director & Chairman of YURTEC VIETNAM CO., LTD. Managing Executive Director; Deputy General Manager of Sales Headquarters; General Manager of the Overseas Business Division Director & Managing Executive Officer; General Manager of Engineering Headquarters; Deputy General Manager of Electric Power Infrastructure Headquarters Director & Senior Managing Executive Officer, General Manager of Sales Headquarters (to present)	17,007
[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 and 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 again as a candidate for Director, given that he has been serving as its Director & Managing Executive Officer since June 2022 and as Director & Senior Managing Executive Officer since April 2025, has extensive business experience with the Company, and is knowledgeable about management overall.				
4	 Hitoshi Nakanishi (February 19, 1967) [New Appointment]	April 1989 July 2016 July 2019 June 2020 June 2021 June 2023 April 2025	Joined the Company Deputy General Manager of Akita Branch; General Manager of Installation Department Deputy General Manager of Niigata Branch; General Manager of Installation Department General Manager of Electrical Installation Department, Sales Headquarters Executive Officer; Deputy General Manager of Engineering Headquarters; General Manager of Electrical Installation Department Executive Officer; General Manager of Akita Branch Managing Executive Officer; General Manager of Engineering Headquarters (to present)	19,892
[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, Deputy General Manager of Engineering Headquarters, and General Manager of Electrical Installation Department since joining the Company, Mr. Hitoshi Nakanishi 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 Akita Branch since June 2023 and as Managing Executive Officer and General Manager of Engineering Headquarters since April 2025, and 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
7	 <p>Satoru Masagaki (December 29, 1960) [New Appointment] [External Director] [Independent Officer]</p>	<p>April 1983 Joined Japan Broadcasting Corporation June 2010 Head of Political News Division, News Gathering Center, News Department June 2012 Head of TV News Division, News Production Center, News Department June 2013 Editorial Controller, News Department May 2015 Director of Osaka Station April 2016 Director of News Department April 2017 Director of Public Relations Department April 2019 Senior Director January 2020 Vice President, Asia-Pacific Broadcasting Union (ABU) February 2020 Executive Vice President, Japan Broadcasting Corporation (retired in February 2023) November 2021 President, Asia-Pacific Broadcasting Union (ABU) (retired in February 2023) (to present)</p>	0
<p>[Reason for nomination as candidate for External Director and Outline of Expected Roles] Mr. Satoru Masagaki has experience in the organizational management of the Japan Broadcasting Corporation, which is responsible for a broadcasting business of high public interest. Given his career history and track record, the Company nominated Mr. Masagaki 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. Masagaki 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 regarding organizational management and business management.</p>			
<p>[Matters pertaining to independence] Mr. Satoru Masagaki 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.</p>			

- (Notes)
1. There are no special interests between the candidates and the Company.
 2. The Company has entered into a liability limitation agreement with Ms. Akemi Kato and Ms. Chiharu Shibata 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 Ms. Akemi Kato and Ms. Chiharu Shibata, the Company intends to renew the agreement. If election of Mr. Satoru Masagaki 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. Toshinori Abe, Mr. Ikumi Kobayashi, Mr. Koji Miura, Ms. Akemi Kato, and Ms. Chiharu Shibata 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 person, the Company intends to renew the agreement. If election of Mr. Hitoshi Nakanishi and Mr. Satoru Masagaki 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, 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.

Opinion of the Audit and Supervisory Committee

Regarding election and remuneration etc. of Directors who are not Audit and Supervisory Committee Members, the Audit and Supervisory Committee exchanged opinions with the Company's Representative Directors, and considered these matters, including review of discussion at the Nomination and Remuneration Advisory Committee. As a result, the Audit and Supervisory Committee has determined that there are no matters of concern on any of the election and remuneration of Directors who are not Audit and Supervisory Committee Members.



Proposal 3: Election of Four (4) Directors who are Audit and Supervisory Committee Members


The terms of office of all four (4) Directors who are Audit and Supervisory Committee Members of the Company will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of four (4) Directors who are Audit and Supervisory Committee Members is proposed.


For the selection of candidates for Directors, the Nomination and Remuneration Advisory Committee, a majority of the members of which are External Independent Directors, has deliberated on this matter to ensure independence and objectivity. Furthermore, this proposal has been approved by the Audit and Supervisory Committee.

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

No.	Name	Candidate attributes	Current positions at the Company	Attendance at Board of Directors meetings	Attendance at the Audit and Supervisory Committee meetings
1	Takeshi Sato	Reappointment	Audit and Supervisory Committee Member	12 out of 12 meetings (100%)	12 out of 12 meetings (100%)
2	Tokuko Yashima	Reappointment External Director Independent Officer	Audit and Supervisory Committee Member	12 out of 12 meetings (100%)	12 out of 12 meetings (100%)
3	Nobuyuki Hanashima	New Appointment External Director Independent Officer	—	—	—
4	Hironori Watanabe	New Appointment External Director Independent Officer	—	—	—

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Takeshi Sato (January 31, 1966) [Reappointment]	April 1989 July 2011 June 2014 June 2015 July 2016 April 2018 June 2018 April 2020 July 2022 June 2024 Joined Tohoku Electric Power Co., Inc. Head of the Office of Legal and Shareholders Affairs of General Affairs Department, Tohoku Electric Power Co., Inc. Secretary, Office of Secretaries, Tohoku Electric Power Co., Inc. Section Chief of Nuclear Power Department, Thermal/Nuclear Power Division; In charge of Nuclear Power Planning, Tohoku Electric Power Co., Inc. Vice Manager of Nuclear Power Department, Thermal/Nuclear Power Division; In charge of Nuclear Power Planning, Tohoku Electric Power Co., Inc. Vice Manager of Nuclear Power Department, Nuclear Power Division; In charge of Nuclear Power Planning, Tohoku Electric Power Co., Inc. Vice Manager of General Affairs Department, Internal Services Division, Tohoku Electric Power Co., Inc. General Manager of the Office of Legal and Shareholders Affairs, General Affairs Department, Internal Services Division; Nuclear Power Legal Task Force Leader, Office of Legal and Shareholders Affairs, General Affairs Department, Internal Services Division, Tohoku Electric Power Co., Inc. General Manager of the Office of Audit and Supervisory Committee, Tohoku Electric Power Co., Inc. Director who is an Audit and Supervisory Committee Member (to present)	900
[Reason for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Having acquired business experience mainly in the area of legal affairs as well as having served in positions that included General Manager of the Office of Audit and Supervisory Committee, Tohoku Electric Power Co., Inc., since joining Tohoku Electric Power Co., Inc., Mr. Takeshi Sato is well versed in management overall. Since Mr. Sato has served as an Audit and Supervisory Committee Member of the Company from June 2024 and has a wealth of business experience at Tohoku Electric Power Co., Inc. and the Company, the Company nominated him as a candidate for Director who is an Audit and Supervisory Committee Member with the expectation that he will audit and supervise the management of the Company with outstanding insight.			
2	 Tokuko Yashima (March 22, 1967) [Reappointment] [External Director] [Independent Officer]	April 1987 December 2006 July 2014 June 2021 June 2022 [Significant concurrent positions] • Certified Public Accountant, Tax Accountant • Representative, Office Yashima-CPA Joined Miyagi Prefectural Government (retired from the prefectural government in March 1999) Joined Shin Nihon Audit Corporation (current Ernst & Young ShinNihon LLC) (retired from the audit corporation in June 2014) Representative, Yashima CPA Office (current Office Yashima-CPA) Corporate Auditor, the Company Director who is an Audit and Supervisory Committee Member (to present)	1,600
[Number of years in office of the Company as External Director who is an Audit and Supervisory Committee Member] Four (4) years			
[Reason for nomination as candidate for External Director who is an Audit and Supervisory Committee Member and Outline of Expected Roles] Since Ms. Tokuko Yashima has experience and wide-ranging insight as a specialist in accounting and tax, the Company nominated her as a candidate for External Director who is an Audit and Supervisory Committee Member with the expectation that she will audit and supervise the execution of the Company's management from an objective and neutral standpoint. While she has never been directly involved in corporate management, the Company expects her to be able to appropriately perform her duties as External Director who is an Audit and Supervisory Committee Member for the above reasons.			
[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 she has been registered as an independent officer as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange Inc. Ms. Yashima is currently Representative of Office Yashima-CPA. There is no business relationship between the Company and Office Yashima-CPA.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 Nobuyuki Hanashima (May 2, 1965) [New Appointment] [External Director] [Independent Officer]	April 1997 Registered as an attorney-at-law (Sendai Bar Association) Joined Aoba Cooperative Law Office (currently Aoba Law Office) July 2002 Partner, Aoba Law Office (to present) [Significant concurrent positions] <ul style="list-style-type: none"> • Attorney-at-law • Partner, Aoba Law Office 	0
[Reason for nomination as candidate for External Director who is an Audit and Supervisory Committee Member and Outline of Expected Roles] Since Mr. Nobuyuki Hanashima has experience and wide-ranging insight as a legal specialist, the Company nominated him as a candidate for External Director who is an Audit and Supervisory Committee Member with the expectation that he will audit and supervise the execution of the Company's management from an objective and neutral standpoint. While he has never been directly involved in corporate management, the Company expects him to be able to appropriately perform his duties as External Director who is an Audit and Supervisory Committee Member for the above reasons.			
[Matters pertaining to independence] Mr. Nobuyuki Hanashima 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. Nobuyuki Hanashima is currently a partner at Aoba Law Office. There is no business relationship between the Company and Aoba Law Office.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	 <p>Hironori Watanabe (July 15, 1965) [New Appointment] [External Director] [Independent Officer]</p>	<p>April 1992 Assistant, Department of Architecture, School of Science and Engineering, Waseda University</p> <p>April 1995 Lecturer, Department of Building Equipment Environment, College of Science and Technology, Tohoku</p> <p>October 1998 Lecturer, Department of Architecture, Faculty of Engineering, Tohoku Institute of Technology</p> <p>April 2002 Associate Professor, Department of Architecture, Faculty of Engineering, Tohoku Institute of Technology</p> <p>April 2007 Associate Professor and Supervisor, Graduate School of Engineering (doctoral program), Tohoku Institute of Technology</p> <p>April 2008 Professor, Department of Architecture, Faculty of Engineering, Tohoku Institute of Technology</p> <p>Professor and Supervisor, Graduate School of Engineering (doctoral program), Tohoku Institute of Technology</p> <p>April 2012 Chair, Department of Architecture, Faculty of Engineering, Tohoku Institute of Technology</p> <p>April 2014 Councilor, Tohoku Institute of Technology Educational Association</p> <p>Dean, Faculty of Engineering, Tohoku Institute of Technology</p> <p>Dean, Graduate School of Engineering, Tohoku Institute of Technology</p> <p>April 2016 Director, Tohoku Institute of Technology Educational Association (to March 2026)</p> <p>Vice President, Tohoku Institute of Technology</p> <p>April 2021 President, Tohoku Institute of Technology (to March 2026)</p> <p>April 2026 Advisor, Tohoku Institute of Technology Educational Association</p> <p>Professor, Department of Architecture, Faculty of Architecture, Tohoku Institute of Technology</p> <p>(to present)</p> <p>[Significant concurrent position]</p> <ul style="list-style-type: none"> • Professor, Department of Architecture, Faculty of Architecture, Tohoku Institute of Technology 	0
<p>[Reason for nomination as candidate for External Director who is an Audit and Supervisory Committee Member and Outline of Expected Roles]</p> <p>Since Mr. Hironori Watanabe has experience working as a university president and extensive experience and outstanding insight as a university professor and an expert in architecture, the Company nominated him as a candidate for External Director who is an Audit and Supervisory Committee Member with the expectation that he will audit and supervise the execution of the Company's management from an objective and neutral standpoint.</p> <p>While he has never been directly involved in corporate management, the Company expects him to be able to appropriately perform his duties as External Director who is an Audit and Supervisory Committee Member for the above reasons.</p>			
<p>[Matters pertaining to independence]</p> <p>Mr. Hironori Watanabe 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.</p> <p>Mr. Hironori Watanabe is currently Professor in the Department of Architecture of the Faculty of Architecture at the Tohoku Institute of Technology. There is a business relationship, including construction contracts, between the Company and the university 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 the revenue from business activities of the university corporation is less than 0.4%.</p>			

- (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. Takeshi Sato and Ms. Tokuko Yashima 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 Mr. Takeshi Sato and Ms. Tokuko Yashima, the Company intends to renew the agreement. If election of Mr. Nobuyuki Hanashima and Mr. Hironori Watanabe is approved as originally proposed, the Company intends to newly enter into the same agreement with them.
 3. The Company has entered into an indemnity agreement with each of Mr. Takeshi Sato and Ms. Tokuko Yashima 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 Mr. Takeshi Sato and Ms. Tokuko Yashima, the Company intends to renew the agreement. If election of Mr. Nobuyuki Hanashima and Mr. Hironori Watanabe 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, 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.
 5. Ms. Tokuko Yashima served as an External Corporate Auditor of the Company for one year prior to her appointment as an External Director who is an Audit and Supervisory Committee Member of the Company. As a result, her tenure as an external officer has been five (5) years.
 6. Nobuyuki Hanashima's name on the family register is Nobuyuki Maruyama.

<For Your Reference for Proposal 2 and Proposal 3>

1. Composition of Board of Directors and Directors' Skill Matrix

Subject to approval of Proposal 2 and Proposal 3, the Company's Board of Directors will have six (6) External Independent Directors of the eleven (11) Directors in total, including Directors who are Audit and Supervisory Committee Members, for a composition ratio of 54.5% (a majority). There will be three (3) female directors for a composition ratio of 27.3%.

The Board of Directors 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 control	Legal matters/ Risk control	Finance/ Accounting	Global understanding	Sustainability promotion
Toshinori Abe			●	●		●			
Ikumi Kobayashi			●	●	●				
Koji Miura			●	●				●	
Hitoshi Nakanishi				●	●				●
Akemi Kato		○	●	●					●
Chiharu Shibata		○	●	●					●
Satoru Masagaki		○	●			●		●	
Takeshi Sato	○					●	●		●
Tokuko Yashima	○	○				●	●		●
Nobuyuki Hanashima	○	○				●	●		●
Hironori Watanabe	○	○	●		●				●

- (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 (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members

- (1) The basic policy is that the Board of Directors shall build an effective management structure, and be composed of the number of members necessary and appropriate to ensure substantial discussion and monitoring functions on business execution, and the number of Directors shall be an appropriate number not more than seventeen (17) as stipulated in the Company's Articles of Incorporation.
- (2) The Nomination and Remuneration Advisory Committee shall review election and dismissal of Directors, to ensure independence and objectivity of those election and dismissal.
- (3) Candidates of Internal Directors (excluding Directors who are Audit and Supervisory Committee Members) 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, and shall be selected among those who are knowledgeable about their respective fields, taking account into balance of expertise, extensive business experience, knowledge on management overall, etc.
- (4) Candidates for External Directors (excluding candidates of Directors who are Audit and Supervisory Committee Members) shall be elected by focusing on whether appropriate decision making and business management oversight under the Board of Directors can be achieved, with their practical experience based upon company management, etc., and their extensive knowledge on social and economic trends, etc.
- (5) Candidates of Directors who are Audit and Supervisory Committee Members shall be elected by focusing on whether they can properly carry out their duties as Audit and Supervisory Committee Members using their experiences and knowledge, and whether they can audit and oversee the execution of Directors' duties. Furthermore, candidates of External Directors who are Audit and Supervisory Committee Members shall be selected by focusing on whether they can audit and oversee those matters objectively and impartially.
- (6) The independence of candidates for External Directors shall be determined in accordance with the "Independence Standards for External Directors" stipulated by the Company.

3. Independence Standards for External Directors

The Company determines the independence of External Directors 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 Directors who are Audit and Supervisory Committee Members, emphasis is placed on whether the individual is capable of fully understanding the roles and responsibilities of an External Director who is an Audit and Supervisory Committee Member and conducting objective and impartial audits by drawing on his/her extensive experience and outstanding insight.

[The Company's Independence Standards for External Directors]

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

- (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) A close relative of a person falling under any of a to d below (excluding those who are not of importance):
 - a. A person falling under any of (1) to (4) 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. 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 a relevant External Director who is an Audit and Supervisory Committee Member as an independent external director)