

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 1945

June 5, 2025

To our shareholders:

Toshiaki Majima

President

TOKYO ENERGY & SYSTEMS INC.

1-3-1 Nihonbashi Kayabacho, Chuo-ku, Tokyo

Notice of the 78th Annual General Meeting of Shareholders

We are pleased to announce the 78th Annual General Meeting of Shareholders of TOKYO ENERGY & SYSTEMS INC. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format will be taken) in electronic format, and posts this information on each of the following websites. Please access either of the websites by using the Internet address shown below to review the information.

The Company’s website:

<https://www.qtes.co.jp/ir/> (in Japanese)

Website of Tokyo Stock Exchange, Inc. (TSE):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

On the TSE website, enter and search the name or securities code of the Company in the issue search, select “Basic information” and “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

Websites for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/1945/teiji/> (in Japanese)

Apart from attending the meeting on the day, you can exercise your voting rights in one of the methods listed below. We request that you review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. (JST) on June 26, 2025 (Thursday).

[Exercising your voting rights via the Internet]

Please review the “Guide to Exercising Voting Rights” (in Japanese only) and enter your approval or disapproval for each of the proposals by the deadline.

[Exercising your voting rights in writing (by postal mail)]

Please review the “Guide to Exercising Voting Rights” (in Japanese only), indicate your approval or disapproval for each of the proposals on the Voting Rights Exercise Form and return it to arrive by the deadline.

- 1. Date and time:** Friday, June 27, 2025, at 10:00 a.m. (JST)
- 2. Venue:** Banquet hall “Opal 17” on 17th floor of Main Tower, Shinagawa Prince Hotel
4-10-30 Takanawa, Minato-ku, Tokyo
(please refer to the “General Meeting of Shareholders Venue Guide” at the end of this document.)

3. Purposes of the Meeting:

Items to be reported:

1. The Business Report and the Consolidated Financial Statements for the 78th fiscal year (from April 1, 2024, to March 31, 2025), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee.
2. The Non-Consolidated Financial Statements for the 78th fiscal year (from April 1, 2024, to March 31, 2025)

Items to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal No. 3: Election of Four Directors Who Are Audit and Supervisory Committee Members

- When attending the meeting in person on the day, you are kindly requested to submit the Voting Rights Exercise Form to the reception desk at the venue.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each website on the previous page.
- If any major change arises in operating the General Meeting of Shareholders due to future circumstances, the Company will notify the change on its website (<https://www.qtes.co.jp/ir/>) (in Japanese).
- Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents. The Audit and Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including the following items.
 - (1) The “System to Ensure the Propriety of Operations and Status of Operation of Said System” in the Business Report
 - (2) The “Consolidated Statements of Changes in Equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
 - (3) The “Non-consolidated Statements of Changes in Equity” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements

Note that, for this general meeting of shareholders, paper-based documents stating items subject to measures for electronic provision, excluding the above items, will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company takes a medium to long-term perspective with a basic policy to maintain stable dividends and seeks to pay progressive dividends in accordance with profit growth after comprehensive consideration of matters such as performance, the state of internal reserves and preparations for future business developments.

In respect of the year-end dividend for the fiscal year under review, the Company has decided from the perspective of the above policy and to focus on return of profits to our shareholders to pay an ordinary dividend of ¥26 per share. Therefore, the dividend for the fiscal year under review, including the interim dividend, shall be ¥52 per share.

Matters concerning the year-end dividend

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥26 per common share of the Company
Total amount of dividends: ¥866,042,840
- (3) Effective date of distribution of dividends of surplus
June 30, 2025

Proposal No. 2: Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company asks shareholders to elect six Directors.

This proposal has already been deliberated by the voluntary Nomination and Remuneration Advisory Committee, the majority of which is comprised of Independent Outside Directors, and determined by the Board of Directors.

In addition, this proposal has been reviewed by the Audit and Supervisory Committee without objection.

The candidates for Directors are as follows:

No.	Name	Gender	Attributes	Current position and responsibility in the Company
1	Toshiaki Majima	Male	Reelection	President and Chief Executive Officer
2	Soichiro Horikawa	Male	Reelection	Senior Vice President and Chief Operating Officer Executive General Manager of Energy Division
3	Shigeru Nishiyama	Male	Reelection Outside Independent	Outside Director
4	Sonoe Hasegawa	Female	Reelection Outside Independent	Outside Director
5	Naoya Ito	Male	Reelection Outside Independent	Outside Director
6	Megumi Oshima	Female	New election Outside Independent	—

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company’s shares owned
1	Toshiaki Majima (October 20, 1963) Reelection	Apr. 1988	Joined Tokyo Electric Power Co., Inc.	24,000 shares
		July 2011	General Manager of Narita Service Center, Chiba Branch Office	
		July 2014	Technology Integration Dept., Head Office (in charge of Technological Innovations)	
		July 2016	Business Management Office, Corporate Planning Unit Group (in charge of Technology and Operational Innovation Promotion)	
		June 2017	Executive Managing Director of TEPCO Fuel & Power, Incorporated	
		Apr. 2019	Associate Director of Tokyo Electric Power Company Holdings, Incorporated	
		June 2019	Senior Vice President and Chief Operating Officer in charge of New Business Development of the Company	
		Oct. 2020	Senior Vice President, Chief Operating Officer and Executive General Manager of Corporate Planning Division	
		June 2021	Senior Vice President, Chief Operating Officer and Executive General Manager of Corporate Planning Division	
		June 2022	President and Chief Executive Officer (current position)	
<Reasons for nomination as candidate for Director> Mr. Toshiaki Majima has served in key positions at electric power companies that are major business partners of the Company, and is familiar with the energy business. Since assuming office as Senior Vice President and Chief Operating Officer of the Company in June 2019, Mr. Majima has fulfilled his executive responsibility through positions managing new business development and corporate planning. Since assuming office as President and Chief Executive Officer of the Company in June 2022, Mr. Majima has formulated the vision for the future of the Company’s group and the Mid-term Management Plan, and has demonstrated strong leadership in corporate management. In order for him to drive further growth and development of the Company’s group, the Company asks shareholders to elect Mr. Majima so that he may continue in the role of Director.				

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Soichiro Horikawa (December 16, 1963) Reelection	Jan. 1989 Joined the Company Feb. 2017 Executive Officer, General Manager of Renewable Energy Project Department, Energy and Industry Division, and General Manager of International Department June 2018 Senior Executive Officer, Deputy Executive General Manager of Energy and Industry Division (in charge of Architecture), General Manager of Project I Department, General Manager of International Department and Deputy Executive General Manager of Sales Division June 2019 Director and Managing Executive Officer, Deputy Executive General Manager of Energy and Industry Division (in charge of Architecture), General Manager of International Department and Deputy Executive General Manager of Sales Division Apr. 2020 Director and President of Tokyo Enesys (Thailand) Co., Ltd. Oct. 2020 Director and Managing Executive Officer, Acting Executive General Manager of Electric Power Division, General Manager of Electric Power Sales Department, and General Manager of Overseas Division of the Company June 2022 Director and Managing Executive Officer, Executive General Manager of Energy and Industry Division June 2023 Director and Managing Executive Officer, Executive General Manager of Electric Power Division, Executive General Manager of Energy and Industry Division June 2024 Senior Vice President, Chief Operating Officer, Executive General Manager of Energy Division (current position)	19,200 shares
<Reasons for nomination as candidate for Director> Mr. Soichiro Horikawa has abundant experience and knowledge of general electric power facilities and has fulfilled his executive responsibility through positions overseeing the electricity business field, general industry field and overseas business field. Based on these achievements, the Company believes that Mr. Horikawa will be able to appropriately perform his duties as a Director striving for further growth and development of the Company's group. Accordingly, the Company asks shareholders to elect Mr. Horikawa so that he may continue in the role of Director.			

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company’s shares owned
3	Shigeru Nishiyama (October 27, 1961) Reelection Outside Independent	Apr. 1984	Joined Sanwa & Co. (currently Deloitte Touche Tohmatsu LLC)	4,100 shares
		Mar. 1987	Registered as a certified public accountant (Japan)	
		Apr. 2002	Associate Professor, Waseda Business School	
		Apr. 2006	Professor, Waseda Business School (current position)	
		June 2021	Outside Director of the Company (current position)	
		<Significant concurrent positions outside the Company> Professor, Waseda Business School External Audit & Supervisory Board Member, NH Foods Ltd.		
<Reasons for nomination as candidate for Outside Director and overview of expected roles> Mr. Shigeru Nishiyama has high-level professional knowledge as a graduate school (business school) professor and a certified public accountant and has extensive experience as an outside director of other companies. Consequently, Mr. Nishiyama has fulfilled his role in supervising business execution from an objective and professional perspective based on his experience and knowledge. Based on these achievements, the Company believes that Mr. Nishiyama will be able to appropriately perform his duties as an Outside Director. Accordingly, the Company asks shareholders to elect Mr. Nishiyama so that he may continue in the role of Outside Director. Mr. Nishiyama’s term of office as an Outside Director of the Company will be four years at the conclusion of this General Meeting of Shareholders.				
4	Sonoe Hasegawa (July 11, 1967) Reelection Outside Independent	Oct. 1995	Joined Shinohara Accounting Office	0 shares
		Oct. 1996	Joined Sanwa Research Institute Corporation (currently Mitsubishi UFJ Research and Consulting Co., Ltd.)	
		Oct. 1997	Joined Chuo Audit Corporation	
		July 2000	Registered as a certified public accountant (Japan)	
		Dec. 2005	Joined AZSA & Co. (currently KPMG AZSA LLC)	
		Nov. 2009	Representative of Hasegawa Certified Public Accountant and Tax Accountant Office (current position)	
		Sept. 2010	Registered as a tax accountant	
		June 2022	Outside Director of the Company (current position)	
		<Significant concurrent positions outside the Company> Certified Public Accountant, Certified Public Tax Accountant (Hasegawa Certified Public Accountant and Tax Accountant Office) Outside Director (Audit and Supervisory Committee Member), UNIPRES CORPORATION Outside Director (Audit and Supervisory Committee Member), Chi-technology Co., Ltd.		
<Reasons for nomination as candidate for Outside Director and overview of expected roles> Although Ms. Sonoe Hasegawa has no experience of being directly involved in corporate management, she has high-level professional knowledge as a certified public accountant and a tax accountant. Consequently, Ms. Hasegawa has fulfilled her role in supervising business execution from an objective and professional perspective based on her experience and knowledge. Based on these achievements, the Company believes that Ms. Hasegawa will be able to appropriately perform her duties as an Outside Director. Accordingly, the Company asks shareholders to elect Ms. Hasegawa so that she may continue in the role of Outside Director. Ms. Hasegawa’s term of office as an Outside Director of the Company will be three years at the conclusion of this General Meeting of Shareholders.				

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
5	Naoya Ito (October 15, 1961) Reelection Outside Independent	Apr. 1984	Joined Tokio Marine Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)	0 shares
		July 2008	General Manager of Human Resources Planning Department, Leader of Human Resources and Recruiting Group and Associate Director (seconded to Tokio Marine Holdings, Inc.)	
		July 2013	Senior General Manager and General Manager of Government Sector Dept. 2	
		Apr. 2014	Executive Officer	
		Apr. 2016	Managing Executive Officer	
		Apr. 2020	Managing Director	
		Apr. 2022	Senior Managing Executive Officer	
		Apr. 2023	Representative Director and President of Tokio Marine Business Support Co., Ltd. (current position)	
		June 2023	Outside Director of the Company (current position)	
		<Significant concurrent positions outside the Company> Representative Director and President of Tokio Marine Business Support Co., Ltd.		
<Reasons for nomination as candidate for Outside Director and overview of expected roles> Mr. Naoya Ito has a wealth of experience and expertise as an officer of a general insurance company, and based on this experience and expertise he has fulfilled the role of supervising the execution of business from an objective and professional perspective. Based on these achievements, the Company believes that Mr. Ito will be able to appropriately perform his duties as an Outside Director. Accordingly, the Company asks shareholders to elect Mr. Ito so that he may continue in the role of Outside Director. Mr. Ito's term of office as an Outside Director of the Company will be two years at the conclusion of this General Meeting of Shareholders.				
6	Megumi Oshima (August 15, 1969) New election Outside Independent	Aug. 1996	Joined Pediatric Department of Showa University Hospital	0 shares
		Jan. 2000	Joined Alc Inc.	
		Jan. 2003	Joined Kato Legal and Accounting Office	
		July 2006	Joined Tokyo Central Patent Firm	
		Mar. 2011	Joined the Waseda University School of Law Office (part time)	
		Dec. 2013	Joined Authense LPC (part time)	
		Apr. 2022	Registered as an attorney-at-law	
		Apr. 2022	Joined Oshima Law Firm (current position)	
		<Significant concurrent positions outside the Company> Attorney-at-law (Oshima Law Firm)		
		<Reasons for nomination as candidate for Outside Director and overview of expected roles> Although Ms. Megumi Oshima has no experience of being directly involved in corporate management, she has diverse experience and achievements, including counseling as a psychological researcher at a university hospital, engaging in social contribution activities utilizing her professional knowledge and living abroad for an extended period, and has professional knowledge and experience as an attorney at law. Based on this background, the Company believes that she will fulfill her role in supervising business execution from diverse perspectives. Accordingly, the Company asks shareholders to elect Ms. Oshima so that she be newly appointed as an Outside Director.		

- (Notes)
1. Mr. Naoya Ito, a candidate for Outside Director, was an executive officer of our business partner, Tokio Marine & Nichido Fire Insurance Co., Ltd., until March 2023. The value of transactions with that company for the fiscal year ended March 31, 2025 was less than 1% of consolidated net sales.
 2. There are no special interests between the candidates and the Company.
 3. Mr. Shigeru Nishiyama, Ms. Sonoe Hasegawa, Mr. Naoya Ito, and Ms. Megumi Oshima are candidates for Outside Director.

4. The Company has submitted notification to the Tokyo Stock Exchange, Inc. that Mr. Shigeru Nishiyama, Ms. Sonoe Hasegawa, and Mr. Naoya Ito have been designated as independent directors as provided for by the aforementioned exchange. In this proposal, if the election of these candidates is approved, they will continue to serve as independent directors. In addition, Ms. Megumi Oshima satisfies the requirements to serve as an independent director as stipulated by the Tokyo Stock Exchange, Inc. and, if appointed, will be reported as an independent director.
5. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Shigeru Nishiyama, Ms. Sonoe Hasegawa, and Mr. Naoya Ito to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. Under these agreements, the maximum amount of liability for damages is the minimum total liability provided for under laws and regulations. In this proposal, if the election of the three candidates is approved, the Company plans to continue the said agreements with them. In addition, if the election of Ms. Megumi Oshima is approved, the Company plans to enter into a similar agreement to limit her liability for damages as a Director.
6. The Company has entered into a liability insurance contract with an insurance company for directors and corporate officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The aforementioned insurance agreement covers the insured directors' and corporate officers' damages against claims for damages arising from the execution of their duties (excluding compensation for damages arising from acts committed with the knowledge that such acts violate laws and regulations). If each candidate is elected and assumes position as a Director, the candidate will become an insured director in the aforementioned insurance agreement. In addition, the Company intends to renew the agreement with the same details at the time of the next renewal.

Proposal No. 3: Election of Four Directors Who Are Audit and Supervisory Committee Members

The terms of office of all four Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company asks shareholders to elect four Directors who are Audit and Supervisory Committee Members.

The Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

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

No.	Name	Gender	Attributes	Current position and responsibility in the Company
1	Makoto Sato	Male	Reelection	Director Full-time Audit and Supervisory Committee Member
2	Teruoki Ninomiya	Male	Reelection Outside Independent	Outside Director Audit and Supervisory Committee Member
3	Hidefumi Mori	Male	Reelection Outside Independent	Outside Director Audit and Supervisory Committee Member
4	Keiko Kakiuchi	Female	New election Outside Independent	—

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company’s shares owned
1	Makoto Sato (February 17, 1965) Reelection	Apr. 1987	Joined the Company	6,600 shares
		June 2018	General Manager of Business Management Department	
Oct. 2020	General Manager of Corporate Audit and Internal Control Department (in charge of internal control)			
June 2021	Executive Officer and General Manager of Corporate Audit and Internal Control Department			
June 2023	Director (Full-time Audit and Supervisory Committee Member) of the Company (current position)			
<Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member> Mr. Makoto Sato has abundant experience and knowledge of internal control as, among others, a previous General Manager of Corporate Audit and Internal Control Department of the Company. Mr. Sato expresses his opinions from a fair and objective standpoint and fulfills the role of auditing and supervising business execution as a Director who is an Audit and Supervisory Committee Member. Based on these achievements, the Company believes that Mr. Sato will be able to appropriately perform his duties as a Director who is an Audit and Supervisory Committee Member. Accordingly, the Company asks shareholders to elect Mr. Sato so that he may continue in the role of Director, who is an Audit and Supervisory Committee Member.				
2	Teruoki Ninomiya (June 3, 1960) Reelection Outside Independent	Apr. 1989	Registered as an attorney-at-law	0 shares
		Apr. 1992	Established Maruichi Law Firm (currently Maruichi Sogo Law Firm) (current position)	
June 2019	Outside Audit & Supervisory Board Member of the Company			
June 2021	Outside Director (Audit and Supervisory Committee Member) (current position)			
<Significant concurrent positions outside the Company>				
Attorney-at-law (Maruichi Sogo Law Firm) Outside Audit & Supervisory Board Member, Fuji Nihon Corporation				
<Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles> Although Mr. Teruoki Ninomiya has no experience of being directly involved in management of a company, he has high-level professional knowledge as a lawyer. Also, Mr. Ninomiya has extensive experience as an outside director of other companies. Consequently, Mr. Ninomiya has fulfilled his role in auditing and supervising business execution from a neutral and objective standpoint as an Outside Director who is an Audit and Supervisory Committee Member. Based on these achievements, the Company believes that Mr. Ninomiya will be able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member. Accordingly, the Company asks shareholders to elect Mr. Ninomiya so that he may continue in the role of Outside Director, who is an Audit and Supervisory Committee Member. Mr. Ninomiya is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company, but his term of office will be four years at the conclusion of this General Meeting of Shareholders. Mr. Ninomiya was an officer (audit & supervisory board member) who was not a business executor of the Company in the past.				

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Hidefumi Mori (January 18, 1953) Reelection Outside Independent	Apr. 1971 Joined Tokyo Regional Taxation Bureau July 2001 District Director of Mobara Tax Office July 2009 Director of Corporation Taxation Division, Taxation Department, National Tax Agency July 2011 Director-General of Takamatsu Regional Taxation Bureau Aug. 2013 Senior Partner, Hidefumi Mori Certified Public Tax Accountant Office (current position) June 2020 Outside Audit & Supervisory Board Member of the Company June 2021 Outside Director (Audit and Supervisory Committee Member) (current position) <Significant concurrent positions outside the Company> Certified public tax accountant (Hidefumi Mori Certified Public Tax Accountant Office) Outside Corporate Auditor, NAKANO REFRIGERATORS CO., LTD	0 shares
	<Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles> Although Mr. Hidefumi Mori has no experience of being directly involved in management of a company, he has high-level professional knowledge as a tax accountant. Also, Mr. Mori has extensive experience as an outside director of other companies. Consequently, Mr. Mori has fulfilled his role in auditing and supervising business execution from a neutral and objective standpoint as an Outside Director who is an Audit and Supervisory Committee Member. Based on these achievements, the Company believes that Mr. Mori will be able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member. Accordingly, the Company asks shareholders to elect Mr. Mori so that he may continue in the role of Outside Director, who is an Audit and Supervisory Committee Member. Mr. Mori is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company, but his term of office will be four years at the conclusion of this General Meeting of Shareholders. Mr. Mori was an officer (audit & supervisory board member) who was not a business executor of the Company in the past.		
4	Keiko Kakiuchi (June 21, 1973) New election Outside Independent	Oct. 2000 Joined ChuoAoyama Audit Corporation Mar. 2005 Registered as a certified public accountant (Japan) Nov. 2006 Joined AZSA & Co. (currently KPMG AZSA LLC) July 2022 Representative of Kakiuchi Certified Public Accountant Office (current position) <Significant concurrent positions outside the Company> Certified public accountant (Kakiuchi Certified Public Accountant Office)	0 shares
	<Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles> Although Ms. Keiko Kakiuchi has no experience of being directly involved in corporate management, she has high-level professional knowledge and experience as a certified public accountant, and also has diverse perspectives on promoting the active participation of women, diversity, and other related matters based on her extensive experience both personally and professionally. The Company believes that she will fulfill her role in supervising and auditing business execution from a neutral and fair perspective. Accordingly, the Company asks shareholders to elect Ms. Kakiuchi so that she be newly appointed as an Outside Director who is an Audit and Supervisory Committee Member.		

- (Notes)
1. There are no special interests between the candidates and the Company.
 2. Mr. Teruoki Ninomiya, Mr. Hidefumi Mori, and Ms. Keiko Kakiuchi are candidates for Outside Director.
 3. The Company has submitted notification to the Tokyo Stock Exchange, Inc. that Mr. Teruoki Ninomiya and Mr. Hidefumi Mori have been designated as independent directors as provided for by the aforementioned exchange. In this proposal, if the election of two candidates is approved, they will continue to serve as independent directors. In addition, Ms. Keiko Kakiuchi satisfies the requirements to serve as an independent director as stipulated by the Tokyo Stock Exchange, Inc. and, if appointed, will be reported as an independent director.

4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Teruoki Ninomiya and Mr. Hidefumi Mori to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. Under these agreements, the maximum amount of liability for damages is the minimum total liability provided for under laws and regulations. In this proposal, if the election of the two candidates is approved, the Company plans to continue the said agreements with them. In addition, if the election of Ms. Keiko Kakiuchi is approved, the Company plans to enter into a similar agreement to limit her liability for damages as a Director.
- 5 The Company has entered into a liability insurance contract with an insurance company for directors and corporate officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The aforementioned insurance agreement covers the insured directors' and corporate officers' damages against claims for damages arising from the execution of their duties (excluding compensation for damages arising from acts committed with the knowledge that such acts violate laws and regulations). If each candidate is elected and assumes position as a Director, the candidate will become an insured director in the aforementioned insurance agreement. In addition, the Company intends to renew the agreement with the same details at the time of the next renewal.

(Reference)

Board of Directors after Proposals No. 2 and No. 3 are approved at the General Meeting of Shareholders

Name	Title	Skill					
		Corporate Management	Financial Accounting	Construction Technology Safety and Quality	Sales Marketing	Risk Management Legal Affairs	Sustainability
Toshiaki Majima	President and Chief Executive Officer	○		○	○	○	○
Soichiro Horikawa	Senior Vice President and Chief Operating Officer	○		○	○		○
Shigeru Nishiyama	Outside Director		○				○
Sonoe Hasegawa	Outside Director		○				○
Naoya Ito	Outside Director	○			○	○	○
Megumi Oshima	Outside Director					○	○
Makoto Sato	Director Full-time Audit and Supervisory Committee Member					○	○
Keiko Kakiuchi	Outside Director Full-time Audit and Supervisory Committee Member		○			○	○
Teruoki Ninomiya	Outside Director Audit and Supervisory Committee Member					○	○
Hidefumi Mori	Outside Director Audit and Supervisory Committee Member		○				○

(Reference)

Matters concerning cross-shareholdings

1. Policy on cross-shareholdings

The Company makes it a policy to keep its shareholdings to a minimum and to retain shares as cross-shareholdings that can be judged to contribute to the improvement of the Company's corporate value from a medium- to long-term perspective, taking into account the maintenance and improvement of transactional relationships, necessity in business activities, etc. In regards to shares of listed companies, the Board of Directors determines the necessity of the holdings each year after individually examining the purpose of the holding, economic rationale, future outlook, etc., and shares deemed lacking necessity in holding are sold in consideration of stock price trends, market environment, etc.

2. Reduction of cross-shareholdings

In accordance with the FY2024 Medium-Term Management Plan, the Company is working to reduce cross-shareholdings, improve capital efficiency, and increase ROE.

In FY2024 (78th fiscal year), the Company sold ¥1,899 million in listed shares (based on sale value). As a result, the amount of cross-shareholdings accounted for 8.9% of the Group's consolidated net assets as of March 31, 2025.

3. Status of cross-shareholdings (as of March 31, 2025)

Balance sheet amount (millions of yen)	Unlisted shares	378
	Shares other than unlisted shares	5,729
	Total	6,107
Consolidated net assets (millions of yen)		68,427
Percentage to consolidated net assets		8.9%

* In addition to the above, the Company holds investments in silent partnerships that are not investment shares (total of ¥6,747 million).