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(Stock Exchange Code 1898)
June 7, 2022

To Shareholders with Voting Rights:

Yoshikazu Taira
Director, President
SEKITOKYU KOGYO CO., LTD.
3-13-16 Mita, Minato-ku, Tokyo, Japan

Notice of the 73rd Annual General Meeting of Shareholders

Dear Shareholders:

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

Please be notified that SEKITOKYU KOGYO CO., LTD. (the “Company”) will hold the 73rd Annual General Meeting of Shareholders for the purposes as described below.

If you are not attending the meeting, you can exercise your voting rights in writing or via the Internet etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 6:00 p.m. (JST) on Wednesday, June 22, 2022.

1. **Date and Time:** Thursday, June 23, 2022 at 10:00 a.m. (JST)
2. **Venue:** ZUIUN, 5F, HOTEL MIELPARQUE TOKYO
2-5-20, Shibakoen, Minato-ku, Tokyo, Japan
3. **Purpose of the Meeting**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements, and Audit Reports for the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 73rd fiscal year (from April 1, 2021 to March 31, 2022)
 2. Non-consolidated Financial Statements for the 73rd fiscal year (from April 1, 2021 to March 31, 2022)

Proposals to be resolved:

Company Proposals (Proposals 1 to 4)

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Seven (7) Directors
Proposal 4: Election of Two (2) Audit & Supervisory Board Members

Shareholder Proposals (Proposals 5 and 7)

- Proposal 5:** Appropriation of Surplus
Proposal 6: Amendment to the Articles of Incorporation Pertaining to the Abolition of the Advisor Position
Proposal 7: Amendment to the Articles of Incorporation Pertaining to the Disclosure of Individual Remuneration for Advisors

Proposals 5 to No. 7 have been proposed by two shareholders of the Company and the Board of Directors opposes both of the proposals. The content of each proposal is as shown in the attached Reference Documents for the General Meeting of Shareholders.

- ◎ When attending the meeting, please submit the enclosed voting rights exercise form to the reception desk.
- ◎ Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on the Company's website.
- ◎ The Business Report, which is included in the documents attached to this Notice, is part of the documents audited by the Audit & Supervisory Board Members, and the Consolidated Financial Statements and Non-consolidated Financial Statements are part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board Members. "System to Ensure the Appropriateness of Operations and Overview of the Operational Status" in the Business Report, "Consolidated Statements of Changes in Shareholders' Equity" and "Notes to the Consolidated Financial Statements," which are part of the Consolidated Financial Statements, and "Non-consolidated Statements of Changes in Shareholders' Equity" and "Notes to the Non-consolidated Financial Statements," which are part of the Non-consolidated Financial Statements, have been posted on the Company's website in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company. Please access the website to view these documents.
- ◎ The novel coronavirus infection has been spreading recently. If there are any significant changes to the holding or operation of the General Meeting of Shareholders due to future situations, the Company will make an announcement on its website.

The Company's website: <https://www.seikitokyu.co.jp/>

Reference Documents for the General Meeting of Shareholders

Proposals and references

Company Proposals (Proposals 1 to 4)

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Matters concerning year-end dividends

The Company's basic policy is to provide stable returns to its shareholders continuously, in consideration of the results of operations for the current fiscal year, financial condition, future business environment and other factors, while working to strengthen the business foundation for sustainable growth and maintain and enhance its earning power. In addition, in the Medium-term Management Plan (FY2021 - FY2023), the Company set out its stance on its shareholder return policy, stating that it makes stable and continuous shareholder returns with a target payout ratio of approximately 30% and a target total return ratio of 50% or higher.

As a result of consideration based on the above policies, the year-end dividend for the current fiscal year shall be as follows.

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and its total amount

30 yen per share of common stock of the Company

Total amount of dividends: 1,122,524,940 yen

(3) Effective date of dividend from surplus

June 24, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) In order to respond to the diversification of the Company’s business activities and prepare for its future business development, Article 2 of the current Articles of Incorporation on the purpose of business shall be amended for addition.
- (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 Articles of Incorporation of the Company shall be amended as follows.
 - 1) The proposed Article 16, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
 - 2) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - 3) The provisions of Article 16 of the current Articles of Incorporation will become unnecessary and will therefore be deleted.
 - 4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 2 The purposes of the Company shall be to engage in the following businesses.</p> <p>1. to 6. [Omitted]</p> <p><Newly established></p> <p><u>7.</u> [Omitted]</p>	<p><u>Article 2 The purposes of the Company shall be to engage in the following businesses.</u></p> <p>1. to 6. [No change]</p> <p><u>7. Generation of electricity from renewable energy sources and other sources and supply and sale of electricity</u></p> <p><u>8.</u> [No change]</p>
<p><u>Article 16 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p><Newly established></p>	<p><Deleted></p> <p><u>Article 16 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><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</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>have requested it by the record date for voting rights.</u></p>
<Newly established>	<p><u>Supplementary provisions</u></p> <p><u>Article 1. The deletion of Article 16 of the current Articles of Incorporation and the establishment of proposed Article 16 shall come into effect on September 1, 2022, 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) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 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 (6) 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 Seven (7) Directors

The terms of office of all nine (9) of the current Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of seven (7) Directors.

The candidates for Director are as follows.

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings in the current fiscal year
1	Yoshikazu Taira [Reappointment] [Male]	Representative Director, President President, Executive Officer	14/14 (100%)
2	Tsukasa Furukawa [Reappointment] [Male]	Representative Director Vice President, Executive Officer; General Manager, Business Promotion Division; Work Style Reform Project Leader	14/14 (100%)
3	Kazushi Ishida [Reappointment] [Male]	Director Managing Executive Officer, General Manager, Business Administration Division; General Manager, Corporate Planning Department; Sustainable Management Strategy Project Leader	14/14 (100%)
4	Yuji Ooteki [Reappointment] [Male]	Director Managing Executive Officer, Deputy General Manager, Business Promotion Division; General Manager, Engineering Department	11/11 (100%)
5	Shinya Fukuda [Reappointment] [Outside] [Independent] [Male]	Director	14/14 (100%)
6	Masato Tamura [Reappointment] [Outside] [Independent] [Male]	Director	14/14 (100%)
7	Rena Shimizu [Reappointment] [Outside] [Independent] [Female]	Director	14/14 (100%)

Note: Attendance at the Board of Directors meetings in the current fiscal year indicated for Mr. Yuji Ooteki is for the Board of Directors meetings held after her assumption of office on June 23, 2021.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions
1	<p data-bbox="316 320 539 380">Yoshikazu Taira (November 23, 1961)</p> <p data-bbox="339 409 515 461">[Reappointment] [Male]</p> <p data-bbox="252 483 600 557">Term of office (as of the conclusion of this General Meeting of Shareholders): 5 years</p> <p data-bbox="252 580 600 654">Attendance at the Board of Directors meetings: 14/14 (100%)</p> <p data-bbox="252 676 600 728">Number of shares of the Company held: 47,417 shares</p>	<p data-bbox="616 239 735 266">April 1984</p> <p data-bbox="616 271 735 297">April 2011</p> <p data-bbox="616 302 735 329">April 2011</p> <p data-bbox="616 356 735 383">April 2015</p> <p data-bbox="616 387 735 414">April 2017</p> <p data-bbox="616 441 735 468">June 2017</p> <p data-bbox="616 472 735 499">April 2019</p> <p data-bbox="616 504 735 530">April 2019</p> <p data-bbox="616 544 1115 571">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="616 575 1417 799">Since joining the Company, he had been engaged mainly in the construction departments, accumulating a wealth of experience in and broad insight into operational management of the construction departments. He then oversaw the business departments as a whole and is currently engaged in the management of the Company as Director, President. The Company renominates him as Director as it believes that he can continue to take charge of management of the Company towards enhancing the corporate value, utilizing the above experience and knowledge.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	
2	<p>Tsukasa Furukawa (February 7, 1958)</p> <p>[Reappointment] [Male]</p> <p>Term of office (as of the conclusion of this General Meeting of Shareholders): 10 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p> <p>Number of shares of the Company held: 42,957 shares</p>	<p>April 1980 April 2008 April 2011 April 2012</p> <p>June 2012 April 2014 April 2018 April 2019</p> <p>April 2022 April 2022</p>	<p>Joined Tokyu Road KK</p> <p>General Manager, Finance Department, the Company</p> <p>Executive Officer, the Company</p> <p>General Manager, Business Administration Division; General Manager, Corporate Planning Department, the Company</p> <p>Director, the Company (current)</p> <p>Managing Executive Officer, the Company</p> <p>Senior Managing Executive Officer, the Company</p> <p>General Manager, Business Promotion Division, the Company (current)</p> <p>Vice President, Executive Officer, the Company (current)</p> <p>Work Style Reform Project Leader (current)</p>
3	<p>Kazushi Ishida (August 10, 1961)</p> <p>[Reappointment] [Male]</p> <p>Term of office (as of the conclusion of this General Meeting of Shareholders): 3 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p> <p>Number of shares of the Company held: 21,838 shares</p>	<p>April 1985 April 2013</p> <p>April 2018 April 2019 April 2019</p> <p>June 2019 April 2022</p>	<p>Joined the Company</p> <p>General Manager, Internal Control Department, the Company</p> <p>Executive Officer, the Company</p> <p>Managing Executive Officer, the Company (current)</p> <p>General Manager, Business Administration Division; General Manager, Corporate Planning Department (current)</p> <p>Director, the Company (current)</p> <p>Sustainable Management Strategy Project Leader, the Company (current)</p>
4	<p>Yuji Ooteki (May 1, 1964)</p> <p>[Reappointment] [Male]</p> <p>Term of office (as of the conclusion of this General Meeting of Shareholders): 1 year</p> <p>Attendance at the Board of Directors meetings: 11/11(100%)</p> <p>Number of shares of the Company held: 15,723 shares</p>	<p>April 1988 April 2016 April 2017 April 2020</p> <p>April 2021 April 2021</p> <p>June 2022</p>	<p>Joined the Company</p> <p>General Manager, Kyushu Branch, the Company</p> <p>Executive Officer, the Company</p> <p>General Manager, Engineering Department, Business Promotion Division, the Company (current)</p> <p>Managing Executive Officer, the Company (current)</p> <p>Deputy General Manager, Business Promotion Division, the Company (current)</p> <p>Director, the Company (current)</p>

5	<p style="text-align: center;">Shinya Fukuda (February 26, 1944)</p> <p style="text-align: center;">[Reappointment] [Outside] [Independent] [Male]</p> <p>Term of office (as of the conclusion of this General Meeting of Shareholders): 6 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p> <p>Number of shares of the Company held: 0 shares</p>	<p>September 1966 Joined CPA Hiroshi Kawakita Office</p> <p>January 1971 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu)</p> <p>March 1971 Registered as Certified Public Accountant</p> <p>May 1987 Representative Partner, Tohmatsu Awoki & Co.</p> <p>July 1992 Executive Board Member, The Japanese Institute of Certified Public Accountants</p> <p>July 2007 Member, Securities and Exchange Surveillance Commission, Financial Services Agency</p> <p>December 2013 Established CPA Shinya Fukuda Office (current)</p> <p>June 2016 Director, the Company (current)</p> <p>(Significant concurrent positions) Certified Public Accountant</p> <p>[Reasons for nomination as a candidate for Outside Director and overview of the expected role]</p> <p>The Company renominates him as Outside Director as it believes that he can provide valuable guidance and advice regarding management as a whole as well as continue to appropriately oversee the execution of duties of the Company from an independent standpoint based on a technical perspective and a high level of insight backed by his deep knowledge and a wealth of experience in corporate accounting as a certified public accountant. He had been involved in the accounting audit of the Company up to the year ended March 31, 2002 as a Representative Partner of Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC), which had been the accounting auditor of the Company until June 2007, and therefore has insight into the Company's management.</p>
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6	<p>Masato Tamura (August 3, 1946)</p> <p>[Reappointment] [Outside] [Independent] [Male]</p> <p>Term of office (as of the conclusion of this General Meeting of Shareholders): 6 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p> <p>Number of shares of the Company held: 0 shares</p>	<p>July 1971 June 1991</p> <p>July 1997 July 1998</p> <p>June 2002</p> <p>April 2013 June 2016</p>	<p>Joined Ministry of Construction Director, Land Division, Kanto Regional Development Bureau, Ministry of Construction</p> <p>Deputy Director General, National Land Agency Executive Board Member, Japan Parking Facilities Promotion Organization</p> <p>Managing Director, West Japan Construction Surety Co., Ltd.</p> <p>Chief Executive, National Housing Industry Association Director, the Company (current)</p> <p>(Significant concurrent positions) Director (Outside Director), NISSHIN GROUP HOLDINGS Company, Limited</p>
		<p>[Reasons for nomination as a candidate for Outside Director and overview of the expected role] The Company renominates him as Outside Director as it believes that he can provide valuable guidance and advice regarding management as a whole as well as continue to appropriately oversee the execution of duties of the Company from an independent standpoint based on a wealth of experience and broad insight backed by his experience engaging in a broad range of operations including social capital development in the administrative fields.</p>	
7	<p>Rena Shimizu (July 3, 1973)</p> <p>[Reappointment] [Outside] [Independent] [Female]</p> <p>Term of office (as of the conclusion of this General Meeting of Shareholders): 2 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p> <p>Number of shares of the Company held: 287 shares</p>	<p>April 1996 January 2002 January 2008 June 2010 February 2012 February 2012 June 2020</p>	<p>Joined Recruit Cosmos Co., Ltd. Joined Manpower Japan Co., Ltd. Joined COACH A Co., Ltd. Opened Rena Shimizu Office Established CHANCE for ONE Co., Ltd. Director, President, CHANCE for ONE Co., Ltd. (current) Director, the Company (current)</p> <p>(Significant concurrent positions) Representative Director, President, CHANCE for ONE Co., Ltd.</p>
		<p>[Reasons for nomination as a candidate for Outside Director and overview of the expected role] As an expert on women's empowerment and a corporate manager, she provides consultation to companies and local governments, gives lectures, and conducts diverse activities. The Company renominates her as Outside Director as it believes that she can provide valuable guidance and advice regarding management as a whole, including diversity, as well as continue to appropriately oversee the execution of duties of the Company from an independent standpoint based on a wealth of experience and broad insight.</p>	

- Notes: 1. The number of shares of the Company held by each of the Director candidates is as of March 31, 2022, and includes each candidate's shareholdings in Seikitokyu Officers' Shareholding Association.
2. There are no special interests between Director candidates and the Company.
3. Shinya Fukuda, Masato Tamura and Rena Shimizu are Outside Director candidates.
4. The Company has entered into a liability limitation contract with Shinya Fukuda, Masato Tamura and Rena Shimizu to limit the liability for damages provided in Article 423, Paragraph 1 of the Companies Act. The limit of liability under the above contract shall be the amount stipulated in laws and regulations. The Company plans to renew this contract when the reelection of each of the candidates is approved.
5. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damages that may arise when compensation for damages and litigation expenses are to be borne by the insured in the event that a claim for damages is filed due to an act committed (including failure to act) by the insured in execution of his/her duties. However, damages caused as a result of any criminal act or willful misconduct committed by the insured are outside the scope of the insurance coverage so as not to compromise the appropriateness of execution of duties. The insurance premiums are fully borne by the Company. Each Director candidate will be the insured under the said insurance contract.
6. The Company has designated Shinya Fukuda, Masato Tamura and Rena Shimizu as independent director/auditor based on the rules of Tokyo Stock Exchange, Inc. and notified the Exchange as such.

Proposal 4: Election of Two (2) Audit & Supervisory Board Members

The term of office of Yoshihiko Suzuki and Yoichi Saito will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of two (2) Audit & Supervisory Board Members.

The consent of the Audit & Supervisory Board has been obtained in advance for this proposal.

The candidates for Audit & Supervisory Board Members are as follows.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	
1	<p>Tsunehisa Otsuki (April 2, 1956)</p> <p>[New appointment] [Outside] [Independent] [Male]</p> <p>Number of shares of the Company held: 0 shares</p>	<p>April 1979 Joined MITSUI CONSTRUCTION CO., LTD.</p> <p>October 2012 Executive Officer, Sumitomo Mitsui Construction Co., Ltd.</p> <p>April 2013 Deputy Division Director, Civil Engineering Division, Sumitomo Mitsui Construction Co., Ltd.</p> <p>April 2014 Managing Executive Officer, Sumitomo Mitsui Construction Co., Ltd.</p> <p>June 2019 Chairman of the Board, SMC Tech Co., Ltd.</p> <p>June 2020 President and Director, SMC Tech Co., Ltd.</p> <p>April 2022 Director, SMC Tech Co., Ltd.</p>	<p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member] He has engaged in diverse areas of work in the construction business and has a wealth of experience and broad insight as a corporate manager. The Company nominates him as Outside Audit & Supervisory Board Member as it believes that he can appropriately perform his duties as an Outside Audit & Supervisory Board Member based on his expertise mentioned above.</p>
2	<p>Yoichi Saito (December 12, 1973)</p> <p>[Reappointment] [Outside] [Independent] [Male]</p> <p>Term of office (as of the conclusion of this General Meeting of Shareholders): 4 years</p> <p>Attendance at the Board of Directors meetings: 14/14 (100%)</p> <p>Attendance at the Audit & Supervisory Board meetings: 9/9 (100%)</p> <p>Number of shares of the Company held: 0 share</p>	<p>September 2007 Registered as Attorney</p> <p>September 2007 Member of Crime Victim Support Center of Daini Tokyo Bar Association</p> <p>September 2008 Joined Saito SogoLaw Office (current)</p> <p>September 2015 Member of Discipline Committee of Daini Tokyo Bar Association</p> <p>April 2016 Member of Legal Apprenticeship Committee of Daini Tokyo Bar Association (current)</p> <p>June 2018 Audit & Supervisory Board Member, the Company (current)</p>	<p>(Significant concurrent positions) Attorney Audit & Supervisory Board Member of Tokyu Construction Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member] He has legal expertise and a wealth of experience in legal matters as an attorney. The Company nominates him as Outside Audit & Supervisory Board Member as it believes that he can appropriately perform his duties as an Outside Audit & Supervisory Board Member based on a technical perspective and a high level of insight.</p>

- Notes:
1. There is no special interest between the Audit & Supervisory Board Member candidates and the Company.
 2. Tsunehisa Otsuki and Yoichi Saito are candidates for Outside Members of the Audit & Supervisory Board.
 3. The Company has entered into a liability limitation contract with Yoichi Saito to limit the liability for damages provided in Article 423, Paragraph 1 of the Companies Act. The limit of liability under the above contract shall be the amount stipulated in laws and regulations. The Company plans to renew this contract when the reelection of the candidate is approved. The Company plans to enter into a contract to the same effect also with Tsunehisa Otsuki if his election is approved.
 4. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damages that may arise when compensation for damages and litigation expenses are to be borne by the insured in the event that a claim for damages is filed due to an act committed (including failure to act) by the insured in execution of his/her duties. However, damages caused as a result of any criminal act or willful misconduct committed by the insured are outside the scope of the insurance coverage so as not to compromise the appropriateness of execution of duties. The insurance premiums are fully borne by the Company. The Audit & Supervisory Board Member candidate will be the insured under the said insurance contract.
 5. The Company has designated Yoichi Saito as independent director/auditor based on the rules of Tokyo Stock Exchange, Inc. and notified the Exchange as such. The Company plans to designate Tsunehisa Otsuki as independent director/auditor based on the rules of Tokyo Stock Exchange, Inc. and notify the Exchange as such if his election is approved.

[Reference] Management structure following the approval and resolution of Proposals 3 and 4 as originally proposed (scheduled)

Name	Position	Outside Officer	Nomination and Compensation Committee	Areas where officers have particular expertise and experience											
				Non-engineering field	Engineering field	Business administration	Construction	Products	Management experience	Legal affairs / compliance	Administrative experience	Finance / accounting	Human resources / labor affairs	Empowerment of women	
Yoshikazu Taira	Representative Director, President, President, Executive Officer		○		●		●			●					
Tsukasa Furukawa	Representative Director Vice President, Executive Officer		○	●		●		●			●		●	●	
Kazushi Ishida	Director Managing Executive Officer			●		●	●				●				
Yuji Ooteki	Director Managing Executive Officer				●		●								
Shinya Fukuda	Director	◎	◎								●	●			
Masato Tamura	Director	◎	○						●		●				
Rena Shimizu	Director	◎	○						●				●	●	
Masayuki Koide	Full-time Audit & Supervisory Board Member			●		●	●			●		●			
Tsunehisa Otsuki	Full-time Audit & Supervisory Board Member	◎			●		●		●						
Yoichi Saito	Audit & Supervisory Board Member	◎								●					
Yukio Ono	Audit & Supervisory Board Member	◎										●			

- Notes: 1. ◎ in the “Outside Officer” column indicates that the person is an independent director/auditor.
2. ◎ in the “Nomination and Remuneration Committee” column indicates that the person chairs the committee.

Shareholder Proposals (Proposals 5 to 7)

Proposals 5 to 7 are based on proposals from two shareholders (hereinafter referred to as “Proposing Shareholders”).

With respect to Proposals 2, 4 and 5 below (“AOI Amendment Proposals”), if approval or rejection of any other proposal (including those proposed by the Company) at this Annual General Meeting of Shareholders necessitates any formal adjustment (including, but not limited to, the adjustment of subsequent article numbers) to the proposed text of any of the chapters or articles in the AOI Amendment Proposal, then the text proposed in the AOI Amendment Proposal shall be replaced by duly adjusted text. A press release from Strategic Capital, Inc. should be referenced for detailed explanation on each of the Shareholder Proposals below. All figures about the Company mentioned in the Shareholder Proposals are based on the consolidated financial statements unless noted as “(unconsolidated).”

Company Note: Above is the description of the details of the proposal and the reason for the proposal as contained in the original shareholder proposal letter submitted by a Proposing Shareholder. “Proposals 4 and 5” in the above text means “Proposals 6 and 7” below.

Proposal 5: Appropriation of Surplus

1. Details of proposal

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and its total amount

The amount of dividend per share of common stock calculated by deducting the amount of dividend per share of common stock (hereinafter referred to as the “Company-proposed Dividend Amount”) based on the proposal regarding appropriation of surplus proposed by the Board of Directors of the Company, which was approved at the 73rd Annual General Meeting of Shareholders (hereinafter referred to as the “Company Proposal Regarding Profit Appropriation”), from 86 yen, shall be distributed together with the Company-proposed Dividend Amount.

If the amount of earnings per share of the 73rd term rounded down to the decimal point (hereinafter referred to as “Actual EPS”) differs from 86 yen, the 86 yen in the preceding paragraph shall be deemed Actual EPS.

The total amount of dividends shall be the above-mentioned dividend per common share multiplied by the number of shares subject to dividends as of the record date of the voting rights for the 73rd Annual General Meeting of Shareholders of the Company.

(3) Effective date of dividend from surplus

The day after the 73rd Annual General Meeting of Shareholders of the Company

This proposal is independent of and compatible with the Company Proposal Regarding Profit Appropriation, if such proposal is proposed at the 73rd Annual General Meeting of Shareholders.

1. Reason for proposal

The Company published its Long-term Vision and Medium-term Management Plan (“MTMP”) in May 2021 which set numerical targets of 50% for equity ratio and 10% for ROE for figures at the end of March 2031.

However, the MTMP at the same time mentions “a total return ratio of 50%.” According to our calculation based on this shareholder return policy, then equity ratio is estimated to increase to 63.2% and ROE is estimated to decrease to 8.2% by the end of March 2031. Hence, the shareholder return policy indicated by the MTMP will lead to building up the Company’s equity and decreasing ROE, but not to increasing shareholder value. It should be noted that the Company’s management team including Representative Director, President itself has admitted that the equity ratio will exceed the target set in the MTP while the numerical target for ROE will not be attained.

In light of the fact that the Company already has a solid financial base with an equity ratio of 53.7% and equity capital of 39.2 billion yen as of the end of December 2021, if the Company increases its equity further, ROE will only decrease. Returning surplus funds to shareholders will raise shareholder value and, consequently, lead to an increase in the share price, so dividends from surplus should be greatly increased. And the Company should adopt a payout ratio of 100% as its capital policy for the medium to long term.

As of December 31, 2021, the Company had cash and deposits of about 14.9 billion yen and interest-bearing debt of no more than about 5.1 billion yen. The amount obtained by deducting interest-bearing debt from cash and deposits (hereinafter referred to as “net cash”) was about 9.8 billion yen. Accordingly, even if the proposed appropriation of surplus is implemented, the total amount of dividends would be within the scope of profit, and therefore the Company’s levels of net cash and equity would not change significantly, and the Company’s financial condition would remain healthy.

Company Note: The above is a description of the details of the proposal and the reason for the proposal in the

shareholder proposal submitted by a Proposing Shareholder.

Opinion of the Board of Directors

The Board of Directors of the Company opposes this proposal.

As the Company's corporate philosophy is "creating infrastructure for living that contributes to the creation of a prosperous community," the Company is aware that continuous investment and ensuring financial soundness are indispensable for it to secure healthy sustainability and continuous growth and thereby increase corporate value over the medium to long term. Accordingly, the Company's basic policy in its capital policy is to strive to maintain necessary shareholders' equity while taking into account the balance between capital efficiency and shareholder returns. In the Long-term Vision established and published in May 2021, "Where We Should Be in 2030," the Company has set the targets for fiscal year 2030 in terms of Key Performance Indicators (KPI), which are "equity of 50.0 billion yen," "equity ratio of 50.0%" and "ROE of 10%". In terms of cash flow allocations, while maintaining a total return ratio of 50%, the Company plans to allocate the remaining free cash flow in a best possible manner by finding out the best balance of measures including additional shareholder return, strengthening its financial position and additional investment, based on management decisions as occasions arise, with a view to attaining the Long-term Vision.

In addition, with regard to the distribution of profits, the Company has a basic policy of implementing stable and continuous shareholder returns while comprehensively taking into account the business results for the current fiscal year, financial condition, future business environment, etc., while strengthening the management base for sustainable growth and maintaining and improving profitability. Under the "Medium-term Management Plan (FY2021 - FY2023)" which started from the fiscal year ended March 31, 2022, the Company revised its policy on shareholder returns to "stable and continuous shareholder returns with a target payout ratio of approximately 30% and a target total return ratio of 50% or higher" in a change from the former target of "stable and continuous shareholder returns with a target total return ratio of approximately 30%," and is striving to further enhance shareholder returns.

Based on these policies, the Company's proposal "Proposal 1: Appropriation of Surplus" states that the year-end dividend for the year ended March 31, 2022 shall be 30 yen per share (total return ratio of 35.4%).

Furthermore, in fiscal 2021, the Company purchased its own shares at a total cost of 2.5 billion yen, taking into account the operating results and the situation regarding improvement of the financial condition during the period covered by the "Medium-term Management Plan (FY2018 - FY2020)." As a result, the total shareholder return ratio for the fiscal year ended March 2022 was 109.6%.

As announced on May 11, 2022, based on the above policies, the Company intends to purchase its own shares within fiscal 2022 at a maximum total cost of 800 million yen or up to 1.2 million shares for the purpose of enhancing shareholder returns and improving capital efficiency.

On the other hand, the shareholder proposal proposing change in shareholder return policy to continuously achieve a payout ratio of 100% and the payment of the full amount of profit as dividends for the year ended March 31, 2022 is based on a short-term perspective that does not take into account future changes in the business environment and the need for continuous business investment. As a result, the Company believes there is a risk of damaging shareholder interests.

Therefore, from the viewpoint of realizing healthy sustainability and continuous growth and thereby increase corporate value over the medium to long term, the Company judges that it is not appropriate to dispose of surplus as in the shareholder proposal.

[Reference]

As for the Company's financial position as of March 31, 2022, the balance of cash and deposits was 12.8 billion yen, the balance of interest-bearing debt was 7.0 billion yen, and the balance of cash and deposits minus the balance of interest-bearing debt ("net cash") was 5.8 billion yen. The balance of cash and deposits, the balance of interest-bearing debt, and net cash have now changed considerably from the figures cited by the Proposing Shareholder in the reason for the proposal, which were 14.9 billion yen, 5.1 billion yen, and 9.8 billion respectively.

Proposal 6: Amendment to the Articles of Incorporation Pertaining to the Abolition of the Advisor Position

1. Details of proposal

Article 28 of the current Articles of Incorporation shall be deleted and each of the subsequent article numbers shall be forwarded by one.

2. Reason for proposal

Although the Company currently has no Advisor in office, it has disclosed that Mr. Toshiaki Sato ("Mr. Sato"), who had previously served as President and Chairman and was Director and Chairman as of April 1, 2022, is scheduled to assume the position of Advisor in late June of the same year. Concerning the advisor/counselor system, "Practical Guidelines for Corporate Governance Systems (CGS Guidelines) (Revised on September 28, 2018)" (the "CGS Guidelines") pointed out problems associated with it on page 47 and thereafter, and a number of listed companies have since abolished this system.

The Company only abstractly describes the role of an Advisor as "to provide advice at the Company's request based on experience and knowledge gained through years of engagement in management," and no explanation is given as to the rationale for hiring Mr. Sato as an Advisor and paying him remuneration.

In addition, while Mr. Sato served as Representative Director and President of the Company from 2012 to 2019, he not only failed to prevent the six (6) cases of violation of the Antimonopoly Act committed by the Company between 2011 and 2015, but also failed to detect the Company's repeated violations of the Antimonopoly Act until the Japan Fair Trade Commission conducted an on-site inspection in 2015.

To the contrary, in a shareholder derivative suit against four (4) of the Company's Directors and former Directors, including Mr. Sato, seeking damages from the Company, the Tokyo District Court found that Mr. Sato had been aware of and tolerated, since March 2011 at the latest, the violations of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade ("Antimonopoly Act") committed by the Company between 2011 and 2015. The Tokyo District Court thus found that Mr. Sato breached his duty of care as a Director and ordered him to pay 1,732,270,000 yen in damages (hereinafter referred to as the "Judgment"). The Proposing Shareholder believes that eliminating the influence of a person who was found by the Judgment to have overlooked or tolerated the six (6) violations of the Antimonopoly Act despite being in a top management position would contribute to improving shareholder value of the Company over the medium to long term, rather than expecting him to provide useful advice to the Company.

In order to prevent the occurrence of such a condition in which a person whose influence should be eliminated can be appointed as an Advisor, the Company should enhance its corporate governance by abolishing the advisor system itself, which is not deemed reasonable.

Company Note: The above is the description of the details of the proposal and the reason for the proposal in the shareholder proposal submitted by a Proposing Shareholder. (The correct Japanese spelling of the full name of "Mr. Sato" is "佐藤俊昭.")

Opinion of the Board of Directors

The Board of Directors of the Company opposes this proposal.

The Company has appointed former Directors and Auditors to serve as Advisors as necessary. Their role is to provide advice on general management issues at the request of the President and other officers and to engage in external activities beneficial to the smooth operation of the Company's business. We believe that the current system under which the Company can appoint advisors at the request of the Board of Directors is beneficial to increasing the Company's corporate value.

According to the "Practical Guidelines on Corporate Governance Systems" provided by the Ministry of Economy, Trade and Industry of Japan, when appointing a former president as an advisor or the like, companies are expected to disclose the number and roles of such persons. Accordingly, in an effort to ensure transparency, the Company discloses through timely disclosure its plans to appoint an advisor or the like whenever it has any, and also discloses when applicable, in the Corporate Governance Report submitted to the Tokyo Stock Exchange, the names of advisors or the like who have served as a president or other officer, their duties, whether they are remunerated, and the process of their appointment.

It should be noted also that Advisors do not attend meetings of the Board of Directors, etc., and are not involved in any of the Company's decision-making on management. Furthermore, the Company ensures objectivity by consulting with the Nomination and Compensation Committee prior to appointing any Advisor, and Independent Outside Directors constitute more than one-third of the Company's Board of Directors, which ensures an environment that eliminates the risk of undue influence by Advisors on decision making. In the light of these, we do not believe that there are any governance concerns regarding the appointment of Advisors.

We therefore believe that the amendments to the Articles of Incorporation proposed in this Proposal are not

necessary.

[Reference]

The Proposing Shareholder states as the reason for the proposal that the person who is scheduled to be appointed as an Advisor in June this year is unsuitable as an Advisor because he failed to prevent the Company's violations of the Antimonopoly Act. However, the person is also highly knowledgeable in compliance issues and thus made a business decision to apply for the leniency program for a reduction or exemption of surcharge ahead of others in the industry. The Company believes that he can contribute to the enhancement of the Company's corporate value by assisting in management as an Advisor.

Proposal 7: Amendment to the Articles of Incorporation Pertaining to the Disclosure of Individual Remuneration for Advisors

1. Details of proposal

Provided that Proposal 4 is rejected, the following chapter and article shall be added to the current Articles of Incorporation.

Chapter 8 Disclosure of Individual Remuneration for Advisors
(Disclosure of Individual Remuneration for Advisors)

Article 43 The Company shall disclose the amounts paid as remuneration (including non-monetary remuneration) to each Advisor in the previous fiscal year individually in the Corporate Governance Report that the Company submits to the Tokyo Stock Exchange.

2. Reason for proposal

This proposal is intended to have disclosure of the individual remuneration for Mr. Sato as an Advisor for the fiscal year ending March 31, 2023 and thereafter if Proposal 4 is rejected, in light of the plan to appoint Mr. Sato as an Advisor in late June 2022.

The Companies Act, in the first place, requires a resolution of the general meeting of shareholders to determine the total amount of remuneration to be paid to directors. It also requires a policy for determining individual remuneration for directors to be established by the board of directors, urging companies to establish governance regarding remuneration for directors. The act of appointing him nevertheless as an Advisor after the retirement as a Director and automatically paying him remuneration as an Advisor is contrary to the intent of the Companies Act.

Furthermore, Mr. Sato voluntarily returned 30% of his monthly remuneration from October 2016 to December 2016, when he was Representative Director, President, in response to the discovery of violations of the Antimonopoly Act and the resulting cease and desist order from the Japan Fair Trade Commission. On page 51 of the CGS Guidelines, it is pointed out that the advisor's remuneration "has almost the same meaning as a deferred payment" of the remuneration the person should have received as a director. If Mr. Sato is paid an Advisor's remuneration as a deferred payment of the remuneration he should have received as a director, the return of his remuneration during his service as Representative Director would lose its meaning as a sanction for violating the Antimonopoly Act and also as a deterrent for preventing recurrence in future.

According to the Judgment, Mr. Sato is found liable for the violation of the Antimonopoly Act and is obligated to pay compensation of 1,732,270,000 yen to the Company. However, not only has the Company's Board of Directors failed to hold Mr. Sato sufficiently accountable to date, it has not withdrawn its intent to appoint him as an Advisor even after the Judgment. In light of the above, there is a strong concern that an unhealthy cozy relationship has developed between the Board of Directors or the Nomination and Compensation Committee and Mr. Sato, and thus governance cannot be expected to work in determining Mr. Sato's remuneration as an Advisor.

In order to dispel the above concerns, the Company should disclose the remuneration for its advisors individually to show that the remunerations they receive as advisors are reasonable.

Company Note: The above is the description of the details of the proposal and the reason for the proposal in the shareholder proposal submitted by a Proposing Shareholder. "Proposal 4" therein means "Proposal 6."

Opinion of the Board of Directors

The Board of Directors of the Company opposes this proposal.

When that the Company appoints an Advisor as necessary, the Company sets an appropriate amount of remuneration commensurate with the role of the Advisor always after ensuring objectivity with respect to remuneration by consulting the Nomination and Compensation Committee. We also believe that the disclosure of the specific amounts of individual remunerations should be restricted from the standpoint of privacy protection.

Therefore, we do not believe that it is appropriate to establish such a provision in the Articles of Incorporation as proposed in this proposal.