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Securities Code: 1814

June 6, 2025

To our shareholders:

Kazunori Murao, President & Representative Director
DAISUE CONSTRUCTION CO., LTD.
2-5-28 Kyutaro-machi, Chuo-ku, Osaka-shi, Osaka

Notice of the 79th Annual General Meeting of Shareholders

Please be notified that the 79th Annual General Meeting of Shareholders of DAISUE CONSTRUCTION CO., LTD. (the “Company”) 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 the measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the Company’s website by using the Internet address shown below to review the information.

The Company’s website:

<https://www.daisue.co.jp/ir/stock/meeting/> (in Japanese)

<https://www.daisue.co.jp/en/ir/meeting/>

In addition to posting items subject to measures for electronic provision on the website above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address shown below, enter the issue name (DAISUE CONSTRUCTION) or securities code (1814), and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Listed Company Search):

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

If you do not wish to attend the meeting in person, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Wednesday, June 25, 2025 (JST).

- 1. Date and Time:** Thursday, June 26, 2025, at 10:00 a.m. (JST)
(The venue opens at 9:00 a.m.)
- 2. Venue:** 9th floor Conference Room, Head Office of the Company
2-5-28 Kyutaro-machi, Chuo-ku, Osaka-shi, Osaka
- 3. Purpose of the Meeting:**
Matters to be reported:
 1. Business Report and the Consolidated Financial Statements for the 79th fiscal year (from April 1, 2024 to March 31, 2025), and report by the Financial Auditor and the Audit and Supervisory Committee on the results of audits of the Consolidated Financial Statements
 2. The Non-consolidated Financial Statements for the 79th fiscal year (from April 1, 2024 to March 31, 2025)**Matters to be resolved:**
 - Proposal No. 1:** Election of Seven Directors (Excluding Directors serving on the Audit and Supervisory Committee)
 - Proposal No. 2:** Determination of Amount and Details of Performance-based Equity Compensation for Directors (Excluding Directors serving on the Audit and Supervisory Committee, etc.)

4. Matters determined in relation to the convocation:

- (1) For this General Meeting of Shareholders, we have delivered paper-based documents to all shareholders, regardless of whether or not they have requested them. 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 delivered to shareholders. The Audit and Supervisory Committee and the Financial Auditor have audited the documents subject to audit, including the following matters.
 - (i) The following matters in the Business Report
 - “Principal Content of Business Undertakings,” “Important Business Offices,” “Status of Employees,” “Major Lenders,” “Summary of the Content of Limited Liability Agreements,” “Summary of the Content of Directors and Officers Liability Insurance Agreements,” “Status of the Financial Auditor,” “Systems for Ensuring Proper Business Activities,” and “Outline of the Operation of Systems for Ensuring Proper Business Activities”
 - (ii) “Consolidated Statement of Changes in Equity” in the Consolidated Financial Statements and “Notes to the Consolidated Financial Statements”
 - (iii) “Non-consolidated Balance Sheets,” “Non-consolidated Statements of Income,” and “Non-consolidated Statement of Changes in Equity” in the Non-consolidated Financial Statements and “Notes to the Non-consolidated Financial Statements”
 - (2) If voting rights are exercised in duplicate via the Internet and the voting form, the exercise of voting rights via the Internet shall be treated as valid. In addition, if voting rights are exercised multiple times via the Internet, the final vote submitted shall be treated as valid.
 - (3) If there is no indication of a vote for or against any proposal on a voting form that has been returned, it shall be deemed that you have indicated your approval.
- If you attend the meeting in person, please submit the enclosed voting form at the reception desk.
 - 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 the Company’s aforementioned website and the TSE website.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Election of Seven Directors (Excluding Directors serving on the Audit and Supervisory Committee)

The terms of office of all seven Directors (Excluding Directors serving on the Audit and Supervisory Committee; the same applies in this proposal) will expire upon the conclusion of this General Meeting of Shareholders.

Accordingly, the Company hereby requests the appointment of seven Directors.

A review by the Audit and Supervisory Committee found no matters requiring special mention.

The candidates for the positions are as follows:

Candidate No.	Name		Position	Number of Board of Directors meetings attended
1	Kazunori Murao	Reappointed Male	President & Representative Director, Executive President	17/17
2	Motohiro Kataoka	Reappointed Male	Director, Managing Executive Officer	17/17
3	Koichiro Tsuru	Reappointed Male	Director, Managing Executive Officer	17/17
4	Kenjo Matsuda	Reappointed Male	Director, Executive Officer	12/12
5	Hiroki Nakashotani	Reappointed Outside Male	Outside Director	17/17
6	Harumi Isowa	Reappointed Outside Independent Female	Outside Director	17/17
7	Yuriko Kajiwara	Reappointed Outside Independent Female	Outside Director	12/12

Note: The number of meetings of the Board of Directors of Kenjo Matsuda and Yuriko Kajiwara differs from that of the other Directors because they were newly elected and assumed office at the 78th Annual General Meeting of Shareholders held on June 21, 2024.

Candidate 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	Kazunori Murao (January 24, 1965) Reappointed Male	Apr. 1988	Joined the Company	21,219 shares
		Apr. 2010	Leader of West Japan Technology Group	
		Apr. 2012	General Manager of Building Work Department, Osaka Head Office	
		Apr. 2013	Executive Officer	
		Apr. 2015	General Manager of Osaka Head Office and in charge of Nagoya Branch	
		June 2015	Director	
		Apr. 2018	Managing Executive Officer	
		Apr. 2019	General Manager of Tokyo Head Office	
		Apr. 2020	President & Representative Director (current position)	
			Executive President (current position)	
		Apr. 2022	General Manager of DX Promotion Division	
		Apr. 2024	General Manager of Business Strategy Division	
[Reasons for appointment] Kazunori Murao has a wealth of experience and advanced knowledge relating to the Company's operations through his service as President & Representative Director. In addition, he has been engaged in corporate management as a Director of the Company since 2015, appropriately fulfilling his duties. Therefore, the Company considers him suitably qualified as a Director of the Company and has nominated him once again as a candidate for Director.				
2	Motohiro Kataoka (August 11, 1965) Reappointed Male	Apr. 1989	Joined The Sanwa Bank, Limited (current MUFG Bank, Ltd.)	7,774 shares
		Jan. 2015	General Manager of Tamatsukuri Branch Office	
		May 2018	Joined the Company	
			Executive Officer	
			In charge of Management Strategy Department (current position) and CSR Promotion Office	
		June 2019	Director (current position)	
		Apr. 2020	In charge of Audit & Supervisory Department and Start-up Strategy Department (current position)	
		Apr. 2022	Managing Executive Officer (current position)	
			In charge of DX Promotion Department, in charge of Systems Department, and in charge of Sales Promotion Department	
		Apr. 2024	In charge of DX Systems Strategy Department (current position)	
[Reasons for appointment] Motohiro Kataoka has broad financial knowledge and a wealth of experience gained through his service at a financial institution. As a Director of the Company since 2019, he has been in charge of Management Strategy Department, etc., appropriately fulfilling his duties. Therefore, the Company considers him suitably qualified as a Director of the Company and has nominated him once again as a candidate for Director.				

Candidate 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	Koichiro Tsuru (October 6, 1963) Reappointed Male	Apr. 1988	Joined the Company	7,662 shares
		Mar. 2010	General Manager of Tokyo Renewal Business Department	
		Apr. 2013	Executive Officer General Manager of Construction Sales Department, Tokyo Head Office	
		Oct. 2017	General Manager of Building Work Department, Tokyo Head Office	
		Apr. 2020	General Manager of Tokyo Head Office (current position) and Deputy General Manager of Sales Division	
		June 2021	Director (current position)	
		Apr. 2022	In charge of Design Department (current position)	
		Apr. 2024	In charge of Tokyo Real Estate Business Department (current position) and in charge of Osaka Real Estate Business Department (current position)	
		Apr. 2025	Managing Executive Officer (current position)	
[Reasons for appointment] Koichiro Tsuru has a wealth of experience and advanced knowledge relating to the Company's operations, having been in charge of units such as the sales department. In addition, he has been engaged in corporate management as an Executive Officer since 2013 and as a Director since 2021, appropriately fulfilling his duties. Therefore, the Company considers him suitably qualified as a Director of the Company and has nominated him once again as a candidate for Director.				
4	Kenjo Matsuda (July 16, 1965) Reappointed Male	Apr. 1988	Joined the Company	2,180 shares
		Apr. 2020	Executive Officer (current position) General Manager of Building Work Department, Tokyo Head Office	
		Apr. 2022	General Manager of DX Promotion Division	
		Apr. 2024	General Manager of Osaka Head Office (current position) and Deputy General Manager of Business Strategy Division	
		June 2024	Director (current position)	
		Apr. 2025	In Charge of Business Strategy Department (current position)	
[Reasons for appointment] Kenjo Matsuda has a wealth of experience and advanced knowledge relating to the Company's operations, having been in charge of units such as the technology department. In addition, he has been engaged in corporate management as an Executive Officer since 2020 and as a Director since 2024, appropriately fulfilling his duties. Therefore, the Company considers him suitably qualified as a Director of the Company and has nominated him once again as a candidate for Director.				

Candidate 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	Hiroki Nakashotani (March 12, 1970) Reappointed Outside Male	Apr. 1992	Joined the former Misawa Homes Co., Ltd.	—
		Apr. 2020	General Manager of Technology Department of Misawa Homes Co., Ltd.	
		Apr. 2022	Executive Officer (current position) Deputy General Manager of Product and Technology Development Division (current position) and General Manager of Technology Department of Product and Technology Development Division (current position)	
		June 2022	Outside Director of the Company (current position)	
[Reasons for appointment and outline of expected role] Hiroki Nakashotani has a wealth of experience and broad insight as a manager through his service as an Executive Officer of another company, and he has been engaged in corporate management as an outside Director of the Company since 2022, appropriately fulfilling his duties. Therefore, the Company has nominated him once again as a candidate for an outside Director. In addition, the Company expects him to make useful proposals, etc. in the technology departments to achieve the full effect of the business alliance.				
6	Harumi Isowa (April 12, 1963) Reappointed Outside Independent Female	Apr. 1988	Joined The Mainichi Newspapers Co., Ltd.	414 shares
		Apr. 2006	General Manager of Kofu Branch	
		Apr. 2017	General Manager of Digital Media Branch	
		June 2018	General Manager of Sales Division II Director of Mainichi Advertising Inc.	
		June 2020	General Manager of Representative's Office, Tokyo Headquarters	
		June 2021	Outside Director of Kobelco Eco-Solutions Co., Ltd.	
		June 2022	Outside Director of the Company (current position)	
		June 2023	Outside Director of the Oriental Shiraishi Corporation (current position)	
[Reasons for appointment and outline of expected role] Harumi Isowa has a wealth of experience and broad insight as a manager through her service as a director and an outside director of other companies, and has been appropriately performing her duties as an outside Director of the Company since 2022. Therefore, the Company has nominated her once again as a candidate for an outside Director. If she is reappointed, she will be involved as a chairperson of the Remuneration Advisory Committee and a member of the Nomination Advisory Committee from an independent standpoint in decisions on remuneration, etc. and in the selection of candidates for the Company's Board of Directors.				
7	Yuriko Kajiwara (October 13, 1963) Reappointed Outside Independent Female	Apr. 1988	Joined Japan Broadcasting Corporation	75 shares
		June 2017	General Manager of Programming Department, Osaka Broadcasting Station	
		June 2019	General Manager of Chiba Broadcasting Station	
		June 2021	Director-General of the Management Committee Secretariat	
		June 2024	Outside Director of the Company (current position) Outside Director of NSD Co., Ltd. (current position)	
[Reasons for appointment and outline of expected role] Yuriko Kajiwara has a wealth of experience and broad insight from her involvement at other companies, and she has been appropriately fulfilling her duties as an outside Director of the Company since 2024. Therefore, the Company has nominated her once again as a candidate for an outside Director. If she is reappointed, she will be involved as a member of the Remuneration Advisory Committee and the Nomination Advisory Committee from an independent standpoint in decisions on remuneration, etc. and in the selection of candidates for the Company's Board of Directors.				

Notes: 1. There is no special interest relationship between any of the candidates above and the Company.
2. Hiroki Nakashotani, Harumi Isowa, and Yuriko Kajiwara are candidates for outside Director.

3. The Company has entered into limited liability agreements with Hiroki Nakashotani, Harumi Isowa, and Yuriko Kajiware as provided for in Article 427, paragraph (1) of the Companies Act, and the amount of the liability limitation under said agreements is the minimum liability amount stipulated by laws and regulations. Upon the approval of their reappointments, the Company plans to continue such agreement with them.
4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act, and the insurance policy will cover any compensation for damages resulting from the insured person, including the Director of the Company, being liable as well as damages caused by disputes and litigation expenses. If each candidate is elected and assumes office as a Director, they will become an insured person under this insurance agreement.
5. Harumi Isowa and Yuriko Kajiware satisfy the requirements for independent officers as provided for by Tokyo Stock Exchange, and also satisfy the Company's independence standards, and the Company has submitted notification to the aforementioned exchange concerning their designation as independent officers. Upon the approval of their reappointment, the Company plans for their designation as independent officers to continue. At the conclusion of this meeting, the tenure of Harumi Isowa as an outside Director of the Company will have been three years, and the tenure of Yuriko Kajiware as an outside Director of the Company will have been one year.
6. At the conclusion of this meeting, the tenure of Hiroki Nakashotani as an outside Director of the Company will have been three years.

*The Company's independence standards are as set forth below.

[Independence standards for independent outside Directors]

The Company has established independence standards for outside Directors of the Company as follows to ensure the necessary objectivity and transparency for appropriate corporate governance of the Company. When an outside Director falls under any of the following items, they are deemed not to have sufficiently satisfied the Company's requirements for independence.

- (1) A person from the Company and its consolidated subsidiaries (hereinafter the "Group"). (A person from the Group refers to a person who has been employed or otherwise served in the Group within the past ten years of assuming position as Director of the Company.)
- (2) A major shareholder, defined as holding 10% or more of the total number of voting rights of the Company, or a person who executes the business of an entity that is a major shareholder.
- (3) A person who executes the business of an entity that is a major trading partner of the Group whose transactions with the Company make up more than 3% of the Company's consolidated sales.
- (4) A professional such as a consultant, accountant, or attorney who receives a large amount (over ¥10 million) of money or other property from the Group.
- (5) A person who receives donations of a large amount (over ¥10 million) from the Group.
- (6) A major lender of the Group (over 5% of consolidated net assets) or a person who executes the business of such an entity (including all such persons who have executed business of the entity within the past ten years of assuming position as Director of the Company).
- (7) A person whose close relative (within the second degree of kinship) falls under any of the above items (1) to (6).
- (8) A person who, at any time in the last five years, fell under any of the above items (2) to (5).
- (9) A person who, irrespective of whether they fall under any of the above items, can be reasonably judged unable to fulfill duties as an outside Director from an independent standpoint from the Company.

Proposal No. 2: Determination of Amount and Details of Performance-based Equity Compensation for Directors (Excluding Directors serving on the Audit and Supervisory Committee, etc.)

1. Reason for the proposal and reason that the compensation is appropriate

Remuneration for Directors of the Company (excluding outside Directors, Directors serving on the Audit and Supervisory Committee, and those who are non-residents of Japan; the same applies in this proposal) consists of “basic remuneration,” “performance-based monetary remuneration,” and a “performance-based equity compensation plan” (performance share unit plan; hereinafter, the “PSU Plan”). The Company proposes the introduction of a new performance-based equity compensation plan (hereinafter the “Plan”) upon the expiration of the period covered by the PSU Plan (from April 2022 to March 2025), under which the Company’s shares will be acquired by a trust established by the Company using funds contributed by the Company and the Company’s shares will be granted to Directors.

The Company has formulated “Road to 100th anniversary: Embracing new challenges,” its new Medium- to Long-Term Business Plan for the seven-year period from FY2024 to FY2030. The Plan will be introduced with the aim of further raising awareness of the importance of contributing to the enhancement of corporate value and sharing profits with shareholders, as well as motivating Directors to achieve the goals set forth in the Medium- to Long-Term Business Plan.

The Company has formulated a “Policy for Determining the Details of Individual Remuneration for Directors,” the contents of which are set forth on this notice of convocation (in Japanese only). If this proposal is approved, the Company plans to amend the summary of the policy as set forth in the “[Reference] Overview of “Policy for Determining the Details of Individual Remuneration for Directors”” on page 12 of this notice of convocation. The Company believes the introduction of the Plan is appropriate, as it is in line with the revised decision-making policy and has been decided by the Board of Directors after deliberation by the Remuneration Advisory Committee (chaired by an outside Director), which consists of a majority of outside Directors.

In the proposal, the Company requests approval for the payment of performance-based equity compensation to Directors, separately from the amount of monetary remuneration approved in Proposal No. 6

“Establishment of Amount of Remuneration for Directors (Excluding Directors Serving on the Audit and Supervisory Committee)” at the 70th Annual General Meeting of Shareholders held on June 24, 2016.

The number of Directors who will be eligible for the Plan will be four if Proposal No. 1 “Election of Seven Directors (Excluding Directors serving on the Audit and Supervisory Committee)” is approved and passed as originally proposed.

Furthermore, the Plan applies to Executive Officers who do not serve concurrently as Directors (excluding those who are non-residents of Japan; the same applies in this proposal), and remuneration under the Plan includes remuneration for Executive Officers. This proposal proposes the amount and details of the total remuneration under the Plan, taking into account the possibility that Executive Officers subject to this proposal may be newly appointed as Directors during the Plan period.

2. Amount and details of the Plan, etc.

(1) Overview of the Plan

The Plan is an equity compensation plan whereby shares of the Company are acquired through a trust using the amount of remuneration for Directors and Executive Officers (hereinafter “Directors, etc.”) contributed by the Company, and shares of the Company and cash equivalent to the proceeds from the sale of shares of the Company (hereinafter referred to as “Shares, etc.”) are granted and paid (hereinafter referred to as “Grant, etc.”) to Directors, etc.

(i) Persons eligible for Grant, etc. of Shares, etc. under the Plan	• Directors and Executive Officers of the Company (Excluding outside Directors, Directors serving on the Audit and Supervisory Committee, and those who are non-residents of Japan.)
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(ii) Impact of the Company's shares subject to the Plan on the total number of shares outstanding	
Maximum amount to be contributed by the Company (as stated in (2) below)	<ul style="list-style-type: none"> A total of ¥500 million in the applicable period of three fiscal years
Upper limit of the number of the Company's shares to be received by Directors, etc. in Grant, etc. and method of acquisition (as stated in (2) and (3) below)	<ul style="list-style-type: none"> The upper limit on the total number of Shares, etc. for Grant, etc. to Directors, etc. over the three fiscal years is 153,000 shares The ratio to 51,000 shares of issued shares, the average per fiscal year (as of March 31, 2025, excluding treasury shares), is approximately 0.48%. The Company's shares are purchased on the stock market or from the Company (disposition of treasury shares).
(iii) Details of the performance requirements (as stated in (3) below)	<ul style="list-style-type: none"> Fluctuates based on indicators, etc. related to the price of the Company's stock during the target period Indicators to be used during the initial target period will be stock price-related indicators (TSR of the Company), medium- to long-term company performance indicators (consolidated operating profit), and non-financial indicators (employee engagement). The performance-linked coefficient will be determined within the range of 0% to 150% according to the degree of achievement, etc.
(iv) Timing for Grant, etc., of Shares, etc. for Directors, etc. (as stated in (4) below)	<ul style="list-style-type: none"> In principle, when the Director, etc. has stepped down from office.

(2) Maximum amount to be contributed by the Company

The Plan covers three consecutive fiscal years (initially, the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028; if the trust period is extended, the subsequent three-year period) (the period covered by the Plan is hereinafter the "Target Period").

The Company will establish a trust (hereinafter the "Trust") with a trust period of three years, with a maximum amount of ¥500 million per Target Period to be paid as remuneration to Directors, etc., and with Directors, etc. who satisfy the beneficiary requirements as beneficiaries.

The Trust will acquire shares of the Company from the stock market or the Company (through the disposal of treasury shares) using the funds entrusted to it as capital, in accordance with the instructions of the trustee. Directors, etc. will be granted points in accordance with regulations on the granting of shares, and upon their retirement, the Trust will Grant, etc. Shares, etc. equivalent to the cumulative value of the points granted to them (hereinafter the "Cumulative Points").

At the expiration of the trust period of the Trust, the Company may continue the Trust by amending the trust agreement and adding a new trust in lieu of establishing a new Trust. In such case, the trust period of the Trust will be extended by the same period as the original trust period, and the three fiscal years following the extension of the trust period will be designated as the new Target Period. The Company will make additional contributions within the total amount of ¥500 million for each extended trust period and will continue to grant points to Directors, etc., and Grant, etc. Shares, etc. during the extended trust period.

However, in the event that such additional contributions are made, if there remain any shares of the Company (excluding shares of the Company equivalent to points granted to Directors, etc., for which Grant, etc. has not yet been completed) and cash (hereinafter the "Remaining Shares, etc.") within the trust property prior to the extension, the total amount of the Remaining Shares, etc. and the additional trust funds contributed by the Company shall not exceed ¥500 million.

Furthermore, even if the Trust is terminated, if there are Directors, etc. who may meet the beneficiary requirements at the end of the trust period, the trust period of the Trust may be extended for a certain period of time until such Directors, etc. retire and Grant, etc. of Shares, etc. to such Directors, etc. is completed. However, in such case, no new points will be granted to Directors, etc.

- (3) Calculation method and upper limit of the number of Shares, etc., for Grant, etc., to Directors, etc.
The number of Shares, etc. for Grant, etc. to Directors, etc. will be determined in accordance with regulations on the granting of shares, based on the Company's stock price-related indicators, etc. during the Target Period, and will be determined based on the Cumulative Points granted after the expiration of the Target Period in principle. The total number of Shares, etc. for Grant, etc. to Directors, etc. shall not exceed 153,000 points over a period of three fiscal years.
One point is equivalent to one share of the Company's common shares. In the event of a share split, reverse share split, or other similar event affecting the shares of the Company held in the Trust during the trust period, the number of shares of the Company for Grant, etc. will be adjusted in accordance with the split ratio, reverse split ratio, or other applicable ratio.
- (4) Method and timing for Grant, etc. of Shares, etc. for Directors, etc.
Directors, etc. who meet the beneficiary requirements will receive from the Trust the grant, etc. of the number of Shares, etc. equivalent to the Cumulative Points accumulated at the time of their retirement by completing the prescribed beneficiary determination procedures.
At such time, such Directors, etc. will receive the grant of a number of shares of the Company (with fractional shares rounded up to the nearest whole share) equivalent to a certain percentage of the Cumulative Points, and will receive monetary payment equivalent to the proceeds from the sale of the remaining shares of the Company within the Trust.
If a Director, etc. who meets the beneficiary requirements during the trust period ceases to be a resident of Japan due to overseas assignment, said Director, etc. will receive monetary payment equivalent to the proceeds from the sale of all shares of the Company corresponding to the Cumulative Points granted at that time within the Trust.
In addition, if a Director, etc. who meets the beneficiary requirements dies during the trust period, the heirs of said Director, etc. will receive monetary payment equivalent to the proceeds from the sale of all shares of the Company corresponding to the Cumulative Points granted at that time within the Trust.
- (5) Mars/clawback system, etc.
The Company will establish a system whereby, in the event of any serious misconduct or violations committed by a Director, etc., the Director, etc. may lose or forfeit the right to receive the Grant, etc. of Shares, etc. under the Plan (Mars), or the Company may request the return of the cash equivalent of granted Shares, etc. (clawback).
- (6) Voting rights related to the Company's shares within the Trust
Voting rights related to the Company's shares within the Trust will not be exercised during the trust period in order to ensure neutrality in management.
- (7) Treatment of residual shares, etc. at the end of the trust period
If, as a result of a decrease in the number of Directors, etc., during the Target Period or other factors, any residual shares remain when the Trust is terminated (or at the end of the extended period if the trust period of the Trust is extended), the Company plans to transfer such residual shares to the Company free of charge and cancel them by resolution of the Board of Directors as a shareholder return measure.
Additionally, any residual dividends from the Company's shares held within the Trust at the expiration of the trust period will be utilized as funds for acquiring shares if the Trust is continued. However, if the Trust is terminated, any amount exceeding the trust expense reserve will be donated to an organization unaffiliated with the Company and its Directors, etc.
- (8) Other details of the Plan
Other details of the Plan will be determined by the Board of Directors each time the Trust is established, the trust agreement is amended or extended, or additional contributions are made to the Trust.

[Reference] Overview of “Policy for Determining the Details of Individual Remuneration for Directors”

The following is an overview of the “Policy for Determining the Details of Individual Remuneration for Directors” in the event that Proposal No. 2 is approved and passed as originally proposed.

(1) Basic policy

- Executive Directors (excluding outside Directors and Directors serving on the Audit and Supervisory Committee)

Remuneration is structured to raise Director awareness of the importance of contributing to achieving short-term performance targets and enhancing medium- to long-term corporate value as well as sharing profits with shareholders.

- Non-executive Directors (outside Directors)

Remuneration consists solely of basic remuneration in consideration of their role of supervising and advising management with high objectivity and independence.

- Directors serving on the Audit and Supervisory Committee

Remuneration consists solely of basic remuneration in consideration of their role of auditing the execution of duties of Directors regardless of corporate performance.

Under the above policy, the remuneration system is designed to attract talented individuals and raise awareness of the importance of contributing to the sustainable enhancement of corporate value. Remuneration levels are reviewed regularly by the Remuneration Advisory Committee, considering changes in the business environment and also taking surveys conducted by external third-party organizations, employee salary levels, and other factors into account, and revised by resolution of the Board of Directors based on the Committee’s recommendations.

The amount of individual remuneration for Directors (excluding Directors serving on the Audit and Supervisory Committee) is determined by the Board of Directors based on the recommendations of the Remuneration Advisory Committee. However, performance-based remuneration does not take into account assessments or other factors.

(2) Remuneration system and remuneration ratio

1) Remuneration system

- a. Directors (excluding outside Directors and Directors serving on the Audit and Supervisory Committee)

Remuneration consists of basic remuneration, performance-based monetary remuneration, and performance-based equity compensation.

Basic remuneration is monetary remuneration determined by position based on job responsibilities.

Performance-based monetary remuneration, which is intended as a short-term incentive, is monetary remuneration based on the Company’s performance (consolidated operating profit) for a single fiscal year.

Performance-based equity compensation, which is intended as a medium- to long-term incentive, is equity compensation linked to improvements in corporate value (stock price-related indicators), medium- to long-term company performance (consolidated operating profit), and non-financial indicators (employee engagement).

- b. Outside Directors and Directors serving on the Audit and Supervisory Committee

Remuneration consists solely of basic remuneration.

2) Remuneration ratio

The remuneration ratio for Directors (excluding outside Directors and Directors serving on the Audit and Supervisory Committee) consists of approximately 60% basic remuneration, 20% performance-based monetary remuneration, and 20% performance-based equity compensation for the President & Representative Director. However, this ratio may vary depending on position, company performance, and fluctuations in stock price. The remuneration for outside Directors and Directors serving on the Audit and Supervisory Committee is entirely basic remuneration.

[Reference]

**Diversity of the Board of Directors and the Audit and Supervisory Committee
(If Proposal No. 1 is approved)**

Candidate No. of Directors (excluding Directors serving on the Audit and Supervisory Committee)	Name	Gender	Outside	Independence (outside only)	Knowledge and experience expected by the Company*					
					Corporate management	Finance and accounting	Legal compliance	DX IT	Sales	Technology
1	Kazunori Murao	Male			●			●	●	●
2	Motohiro Kataoka	Male			●	●	●	●	●	
3	Koichiro Tsuru	Male			●				●	●
4	Kenjo Matsuda	Male			●			●	●	●
5	Hiroki Nakashotani	Male	●		●					●
6	Harumi Isowa	Female	●	●	●			●	●	
7	Yuriko Kajiwara	Female	●	●	●			●	●	

* The above list does not represent all the knowledge and experience of the candidates.

Directors serving on the Audit and Supervisory Committee	Name	Gender	Outside	Independence (outside only)	Knowledge and experience expected by the Company*					
					Corporate management	Finance and accounting	Legal compliance	DX IT	Sales	Technology
Incumbent members	Nobuhiro Maeda	Male			●	●	●	●	●	●
	Masaaki Yasuoka	Male	●	●	●	●	●		●	
	Akinori Tani	Male	●	●	●	●	●			

* The above list does not represent all the knowledge and experience of the candidates.