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(Securities code: 1860)

June 5, 2024

(Start of electronic provision of documents: May 29, 2024)

**To Shareholders with Voting Rights:**

Seisuke Otani  
President and Representative Director  
TODA CORPORATION  
7-1 Kyobashi 1-chome, Chuo-ku,  
Tokyo

**NOTICE OF CONVOCAION FOR  
THE 101ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued supports.

We are pleased to announce that the 101st Annual General Meeting of Shareholders of TODA CORPORATION (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”). Matters subject to the electronic provision measures have been posted on the following website:

The Company’s website:

[https://www.toda.co.jp/english/investor\\_relations/general\\_meeting.php](https://www.toda.co.jp/english/investor_relations/general_meeting.php)

In addition to the above website, those matters have also been posted on the following website:

The Tokyo Stock Exchange’s website (Listed Company Search):

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

(Please access the above website, perform a search by entering “TODA CORPORATION” for “Issue name (company name)” or “1860” for “Code”, and then select “Basic information” and “Documents for public inspection/PR information” to review “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting]” in the “Filed information available for public inspection” section.)

You can exercise your voting rights in writing or by electromagnetic means (via the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision, and exercise your voting rights by 5:30 p.m. on Tuesday, June 25, 2024 (Japan Time).

- 1. Date and Time:** 10 a.m., Wednesday, June 26, 2024 (Japan Time)
- 2. Place:** AP Tokyo Yaesu Dori, 7F, KPP Yaesu Building  
10-7 Kyobashi 1-chome, Chuo-ku, Tokyo

**3. Meeting Agenda:**

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and results of audit thereof for the Company's 101st Fiscal Year (April 1, 2023–March 31, 2024)
  2. Non-consolidated Financial Statements for the Company's 101st Fiscal Year (April 1, 2023–March 31, 2024)

**Matters to be resolved:**

- Proposal No. 1** Appropriation of Surplus  
**Proposal No. 2** Election of Six (6) Directors  
**Proposal No. 3** Election of One (1) Audit & Supervisory Board Member  
**Proposal No. 4** Election of One (1) Substitute Audit & Supervisory Board Member  
**<Shareholder Proposal>**  
**Proposal No. 5** Acquisition of Treasury Stock

- (1) When attending the meeting, please submit the enclosed voting rights exercise form to the reception desk. Please also bring with you this Convocation Notice as a meeting material.
- (2) Of the items to be provided electronically, the following items are not included in the documents to be delivered to shareholders who requested delivery of written documents in accordance with the provisions of laws and regulations and the Articles of Incorporation. The documents to be delivered to the shareholders who requested the delivery of the documents are part of the documents that were audited by Audit & Supervisory Board Members and the accounting auditor in preparing the audit report.
  - (i) "The Company's System and Policy" in the Business Report
  - (ii) "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
  - (iii) "Notes to Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements
- (3) Any revisions to the matters subject to the measures for electronic provision will be posted on the above-listed websites.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### Proposal No. 1 Appropriation of Surplus

The basic policy of the Company is to make profit returns in accordance with its performance and business environment, while assuring continuous, stable dividend payments to shareholders and in consideration of the amount of internal reserves essential for strengthening the competitiveness and financial strength of the Company. To make direct profit distribution and to achieve shareholder return through medium- to long-term share price increase, the Company has set target for DOE at 2.5% or more, while total return ratio is set at 40% or more. Under this policy, the Company proposes the appropriation of surplus as follows.

#### Matters concerning year-end dividends

(1) Type of dividend property

Cash

(2) Matters concerning the allocation of dividend property to shareholders and the total amount thereof

14 yen per share of common stock of the Company

Total amount: 4,298,552,132 yen

As a result, annual dividends per share for the fiscal year ended March 31, 2024 will be 28 yen, including the interim dividend of 14 yen.



(3) Effective date of distribution of surplus


June 27, 2024


**Proposal No. 2 Election of Six (6) Directors**



The terms of office of all seven (7) Directors will expire at the conclusion of this Meeting. Accordingly, the Company proposes electing six (6) Directors (including three (3) Outside Directors).

No.	Name		Positions and responsibilities at the Company	Attendance at the Board of Directors' meeting
1	Masanori Imai	Reelection Candidate	Chairperson and Representative Director	100% (18 out of 18 meetings)
2	Seisuke Otani	Reelection Candidate	President and Representative Director President and Corporate Officer	100% (18 out of 18 meetings)
3	Toshihiro Yamazaki	Reelection Candidate	Executive Vice President Group General Manager, Corporate Administration Group Senior Manager, Investment Screening Division	100% (18 out of 18 meetings)
4	Toshihiko Itami	Reelection Candidate Outside Director Independent	Outside Director	100% (18 out of 18 meetings)
5	Kumi Arakane	Reelection Candidate Outside Director Independent	Outside Director	100% (18 out of 18 meetings)
6	Masahiro Muroi	Reelection Candidate Outside Director Independent	Outside Director	100% (18 out of 18 meetings)

No.	Name	Career summary, positions, and responsibilities	Number of shares of the Company held
1	 Masanori Imai <u>Reelection Candidate</u> (July 21, 1952)	April 1978    Joined the Company April 1999    Manager, Architectural Construction Work Division, Tokyo Branch October 2001    General Manager, Keiji General Construction Sales Office, Osaka Branch April 2008    Corporate Officer and Vice Branch Manager, Osaka Branch August 2009    Executive Officer and Branch General Manager, Osaka Branch April 2013    Corporate Officer and Executive Vice President June 2013    President and Representative Director President and Corporate Officer April 2021    Chairperson and Representative Director (to present) [Significant concurrent positions] Chairman, Japan Construction Occupational Safety and Health Association Vice Chairman, National General Contractors Association of Japan Executive Councilor, the Tokyo Chamber of Commerce and Industry Vice Chairperson, Ecofirst Council Co-Representative, Japan Climate Leaders' Partnership Outside Director, East Japan Construction Surety Co., Ltd. Chairperson, Toda Mirai Foundation	25,500 shares
[Reasons for nomination as candidate for Director] Mr. Masanori Imai, serving as President and Representative Director and Chairman and Representative Director, has played a leading role in increasing the Group's corporate value. He also engages in activities outside the Company to contribute to solving social challenges including environmental issues. The Company renominates him as a candidate for Director so that he will leverage his wealth of experience and broad insight, contributing to the sustainable growth of the Group through managerial supervision that gives consideration to all stakeholders and the strengthening of the decision-making function of the Board of Directors.			
2	 Seisuke Otani <u>Reelection Candidate</u> (May 25, 1958)	April 1982    Joined the Company March 2009    General Manager, Architectural Construction Work Division, Tokyo Branch March 2013    Deputy General Manager, Tokyo Branch October 2016    Branch General Manager, Chiba Branch April 2017    Corporate Officer March 2018    Corporate Officer and Branch General Manager, Kanto Branch March 2020    Corporate Officer in charge of Administration Group April 2020    Executive Officer June 2020    Director April 2021    President and Representative Director (to present) President and Corporate Officer (to present)	26,800 shares
[Reasons for nomination as candidate for Director] Mr. Seisuke Otani has been responsible for the architectural construction work department over many years, accumulating a wealth of experience and achievements in the area of architectural construction. Furthermore, he has been making significant contributions to increasing the corporate value such as by overseeing large-scale construction projects. Since April 2021, he has been leading the Group management as President and Representative Director. The Company renominates him as a candidate for Director as he can be expected to contribute to forward-looking, medium- to long-term growth strategy and to improving the corporate value.			

No.	Name	Career summary, positions, and responsibilities	Number of shares of the Company held
3	 <p>Toshihiro Yamazaki  <u>Reelection Candidate</u>  (July 10, 1958)</p>	<p>April 1982      Joined the Company  March 2008      General Manager, Financial Division, Administration Group  April 2015      Corporate Officer and General Manager, Financial Division, Administration Group  March 2016      Corporate Officer in charge of Administration Group  March 2021      Corporate Officer and Assistant General Manager, Management Administration Division  March 2022      Corporate Officer and Group General Manager, Corporate Administration Group and Senior Manager, Investment Screening Division (to present)  April 2022      Senior Executive Officer  June 2022      Director (to present)  April 2023      Corporate Officer and Executive Vice President (to present)</p>	39,100 shares
<p>[Reasons for nomination as candidate for Director]  Mr. Toshihiro Yamazaki has been responsible for finance department over many years, accumulating a wealth of experience and achievements in all aspects of financial matters in relation to corporate management. He currently supervises the personnel, administration, safety, and ICT departments, etc. as Group General Manager of Corporate Administration Group and is engaged in promotion of many investment development projects and strategic business as Senior Manager of Investment Screening Division. The Company nominates him as a candidate for Director as it believes that he is suitable for executing further growth investment and to strengthen financial strategy.</p>			

No.	Name	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	 <p data-bbox="272 734 501 992"> Toshihiko Itami  Reelection Candidate  Outside  Independent  (September 2, 1953) </p>	<p data-bbox="501 349 1299 405">April 1980 Appointed Public Prosecutor, Tokyo District Public Prosecutors Office</p> <p data-bbox="501 405 1299 461">April 2005 Director-General, Public Security Bureau, Tokyo District Public Prosecutors Office</p> <p data-bbox="501 461 1299 517">June 2010 Director, General Affairs Department, Supreme Public Prosecutors Office</p> <p data-bbox="501 517 1299 555">July 2012 Chief Prosecutor, Tokyo District Public Prosecutors Office</p> <p data-bbox="501 555 1299 611">July 2014 Deputy Prosecutor-General, Supreme Public Prosecutors Office</p> <p data-bbox="501 611 1299 667">December 2015 Superintending Prosecutor, Osaka High Public Prosecutors Office</p> <p data-bbox="501 667 1299 723">November 2016 Registered as an Attorney at Law</p> <p data-bbox="501 723 1299 779">Advisor, Nagashima Ohno &amp; Tsunematsu (to present)</p> <p data-bbox="501 779 1299 835">March 2018 Audit &amp; Supervisory Board Member, THE HOKKOKU SHIMBUN CO., LTD.</p> <p data-bbox="501 835 1299 891">June 2018 Outside Director, Seven Bank, Ltd.</p> <p data-bbox="501 891 1299 929">June 2018 Director, the Company (to present)</p> <p data-bbox="501 929 1299 992">June 2020 Outside Director (Audit &amp; Supervisory Committee Member), JP-HOLDINGS, INC. (to present)</p>	2,200 shares
<p data-bbox="201 1003 983 1032">[Reasons for nomination as candidate for Outside Director and expected roles]</p> <p data-bbox="201 1032 1439 1200">Mr. Toshihiko Itami has served in prominent positions including Chief Prosecutor of Tokyo District Public Prosecutors Office, Deputy Prosecutor-General of Supreme Public Prosecutors Office and Superintending Prosecutor of Osaka High Public Prosecutors Office, before engaging in corporate governance, corporate crisis management and corporate compliance matters as an attorney at law, and possesses a wealth of experience and a high level of expertise. The Company renominates him as Outside Director as we expect that he will provide appropriate advice and proposals concerning the management of the Company from an objective standpoint independent of the management team involved in the execution of duties. While he has never been involved in corporate management other than as an outside director/auditor, the Company believes that he can appropriately execute the duties of an Outside Director based on the above reasons.</p>			

No.	Name	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	 Kumi Arakane Reelection Candidate Outside Independent (July 4, 1956)	April 1981    Joined KOBAYASHI KOSÉ COMPANY LIMITED (currently KOSÉ Corporation) March 2002    Senior Chief Researcher, R&D Headquarters Advanced Cosmetic Research Laboratories March 2004    General Manager, Product Development Dept., Marketing Headquarters March 2006    Executive Officer, Deputy Director-General of Marketing Headquarters and General Manager of Product Development Dept. March 2010    General Manager, R&D Laboratories March 2011    General Manager, Quality Assurance Dept. (Marketing Supervisor-General) June 2011    Director (in charge of Quality Assurance Dept., Customer Service Center, Purchasing Dept., and Product Designing Dept.) June 2017    Audit & Supervisory Board Member March 2019    Outside Audit & Supervisory Board Member, Kubota Corporation March 2020    External Director, Kagome Co., Ltd. (to present) June 2020    Director, the Company (to present) March 2021    Outside Director, Kubota Corporation (to present)	4,500 shares
[Reasons for nomination as candidate for Outside Director and expected roles] Ms. Kumi Arakane has a wealth of experience and insight in corporate management, including being involved in the execution and supervision of management as a director and person in charge of corporate R&D, product development, and quality assurance as a Doctor of Pharmacology. The Company renominates her as Outside Director as we expect that she will provide to-the-point proposals and advice at the meetings of the Board of Directors from an objective standpoint independent of the management team involved in the execution of duties.			
6	 Masahiro Muroi Reelection Candidate Outside Independent (July 13, 1955)	April 1978    Joined the Nomura Computer Systems Co., Ltd. January 1988    The Nomura Research Institute, Ltd. and the Nomura Computer Systems Co., Ltd. Merge June 2000    Director and Group General Manager, Planning and Business Division, EC Knowledge Solution Division, Knowledge Solution Group April 2002    Director and Executive Officer, Senior Manager, e-Solution Division April 2008    Director and Senior Executive Officer, Senior Manager, Investigation & Creation Center, Headquarter Organization management April 2013    Representative Director and Executive Vice President, Senior Management, Headquarter Organization Division, Quality and Innovative Production Division April 2015    Director, Vice Chairman & Chair, Board of Directors June 2016    Outside Director, RYODEN CORPORATION (scheduled to retire in June 2024) June 2017    Outside Director, MARUI GROUP CO., LTD. June 2018    Auditor, The Norinchukin Bank (to present) June 2022    Director, the Company (to present)	2,200 shares
[Reasons for nomination as candidate for Outside Director and expected roles] Mr. Masahiro Muroi has served as Representative Director of a major private think tank, accumulating a wealth of experience in and insight into corporate management and high expertise in IT. The Company nominates him as Outside Director as we expect that he will provide effective advice that will help improve the efficiency of business operation while supervising the Company's overall management.			




- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. The numbers of shares of the Company held are the numbers of shares substantially held, which include each candidate's shareholding in Toda Corporation Officers' Shareholding Association.
  3. Mr. Toshihiko Itami, Ms. Kumi Arakane, and Mr. Masahiro Muroi are candidates for Outside Director. They are designated as candidates for independent directors as stipulated by the rules of the Tokyo Stock Exchange and notified thereof to the Exchange.
  4. Mr. Toshihiko Itami, Ms. Kumi Arakane, and Mr. Masahiro Muroi currently serve as Outside Director of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Toshihiko Itami will have served as Outside Director for six years, Ms. Kumi Arakane will have served as Outside Director for four years, and Mr. Masahiro Muroi will have served as Outside Director for two years.
  5. Mr. Toshihiko Itami has served as Advisor of Nagashima Ohno & Tsunematsu. The amount of monetary compensation paid by the Company to the law firm in the fiscal year ended March 31, 2024 was less than 0.1% of the law firm's total income.
  6. Although Ms. Kumi Arakane served as Executive Officer, Director, and Audit & Supervisory Board Member of KOSÉ Corporation until June 2019, she is not currently involved in the execution of KOSÉ Corporation's business. In addition, the amount of KOSÉ Corporation's construction transactions with the Company in the fiscal year ended March 31, 2024 was less than 0.1% of the Company's net sales.
  7. Although Mr. Masahiro Muroi served as Member of the Board and Representative Director of The Nomura Research Institute, Ltd., he is not currently involved in the execution of The Nomura Research Institute, Ltd.'s business. The amount of The Nomura Research Institute, Ltd.'s construction transactions with the Company in the fiscal year ended March 31, 2024 was less than 0.1% of the Company's net sales.
  8. To recruit talented people as Outside Directors of the Company, the Company stipulates in its Articles of Incorporation that it can enter into contracts with Outside Directors that limit the liability for damages to the Company to the minimum amount stipulated in laws and regulations. The Company has concluded this limited liability contract with Outside Director candidates, Mr. Toshihiko Itami, Ms. Kumi Arakane and Mr. Masahiro Muroi. The contracts will be retained if the reelection of the above three candidates is approved.
  9. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damages, litigation expense to be borne by the insured, in the event of a claim for damages caused by an act (including nonfeasance) in the course of their duties as directors and officers. However, the said insurance contract is not applicable to damages, etc. to directors and officers themselves who commit criminal acts or illegal acts deliberately, and measures are taken in order to prevent the impairment of the appropriateness of execution of duties by directors and officers. The insurance premiums are fully borne by the Company. The scope of the insured under the said insurance includes the directors, audit & supervisory board members, executive officers and managerial employees of the Company. If this proposal is approved as originally proposed, and candidates are reappointed, they will be insured under the said insurance contract. The Company plans to renew the said insurance contract with the same contents during their terms of office.
  10. Ms. Kumi Arakane's name in the family register is Ms. Kumi Kameyama.

### Proposal No. 3 Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member, Ms. Junko Nishiyama, will expire at the conclusion of this Meeting. Accordingly, the Company proposes to elect one (1) Audit & Supervisory Board Member.

The candidate for Audit & Supervisory Board Member is as below. This Proposal has been approved by the Audit & Supervisory Board in advance.

Name	Career summary and positions	Number of shares of the Company held
 <p>Junko Nishiyama  <span style="border: 1px solid black; padding: 2px;">Reelection Candidate</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span>                      (January 10, 1957)</p>	<p>April 1979      Joined Lion Fat &amp; Oil Co., Ltd. (currently Lion Corporation)</p> <p>March 2006      Director, Finished Product Department, Purchasing Headquarters</p> <p>March 2007      Director, Finished Product Purchasing, Production Coordinating Department No.2, Production Headquarters</p> <p>January 2009      Director, Packaging Engineering Research Laboratories, Research &amp; Development Headquarters</p> <p>January 2014      Director, CSR Promotion Department</p> <p>March 2015      Standing Corporate Auditor</p> <p>March 2019      Outside Director, Member of the Audit Committee, EBARA CORPORATION</p> <p>June 2019      Outside Director, JACCS CO., LTD.</p> <p>June 2020      Outside Audit &amp; Supervisory Board Member, the Company (to present)</p> <p>March 2021      Outside Director, Member of the Compensation Committee, EBARA CORPORATION</p> <p>March 2024      Outside Director, Member of the Audit Committee, EBARA CORPORATION (to present)</p>	<p>0 share</p>
<p>[Reasons for nomination as candidate for Audit &amp; Supervisory Board Member]                      Ms. Junko Nishiyama has a wealth of experience and achievements in corporate management in general, including being responsible for R&amp;D, environmental activities, and other activities at a major healthcare company, as well as being involved in auditing company-wide operations as a Standing Corporate Auditor. The Company renominates her as Outside Audit &amp; Supervisory Board Member as she has audited the execution of duties by Directors in an objective and fair manner based on her wealth of experience and high level of insight.</p>		

- Notes:
1. There is no special interest between candidate Ms. Junko Nishiyama and the Company.
  2. Ms. Junko Nishiyama is a candidate for Outside Audit & Supervisory Board Member. She is designated as a candidate for an independent Audit & Supervisory Board member as stipulated by the rules of the Tokyo Stock Exchange and notified thereof to the Exchange.
  3. Ms. Junko Nishiyama currently serves as Full-time Audit & Supervisory Board Member (outside) of the Company. At the conclusion of this General Meeting of Shareholders, he will have served as Audit & Supervisory Board Member for four years.
  4. Ms. Junko Nishiyama was with Lion Corporation until March 2019 and responsible for R&D, environmental activities, and other activities, as well as serving as Audit & Supervisory Board Member, but she is not currently involved in the execution of Lion Corporation's business. In addition, the amount of Lion Corporation's construction transactions with the Company in the fiscal year ended March 31, 2024 was less than 0.1% of the Company's net sales.
  5. To recruit talented people as Audit & Supervisory Board Member of the Company, the Company stipulates in its

Articles of Incorporation that it can enter into contracts with Audit & Supervisory Board Members that limit the liability for damages to the Company to the minimum amount stipulated in laws and regulations. The Company has concluded this limited liability contract with Audit & Supervisory Board Member candidate, Ms. Junko Nishiyama. The contract will be retained if the reelection of Ms. Junko Nishiyama is approved.

6. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damages, litigation expense to be borne by the insured, in the event of a claim for damages caused by an act (including nonfeasance) in the course of their duties as directors and officers. However, the said insurance contract is not applicable to damages, etc. to directors and officers themselves who commit criminal acts or illegal acts deliberately, and measures are taken in order to prevent the impairment of the appropriateness of execution of duties by directors and officers. The insurance premiums are fully borne by the Company. The scope of the insured under the said insurance includes the directors, corporate auditors, executive officers and managerial employees of the Company. If this proposal is approved as originally proposed, the candidate will be insured under the said insurance contract. The Company plans to renew the said insurance contract with the same contents during the term of office.

(Reference)

**Basic approach to the composition of the Board of Directors:**

- 1) The Board of Directors shall be composed of directors with an overall balance of expertise, experience, and skills, taking into consideration diversity, including in terms of gender, internationality, internal and external backgrounds, and age. The number of Directors shall not exceed 12 as stipulated in the Articles of Incorporation, which is an appropriate number considering the Company's management issues.
- 2) In order to further strengthen the objective validity and accountability of the Board of Directors, at least one-third of the directors shall be highly independent outside directors.

**Skills Matrix**

We have identified the following skill items that directors should possess in light of the Company's management strategy. The table below shows the skills matrix if Proposals 2 and 3 of this Annual General Meeting of Shareholders are approved as proposed, ensuring a balance of skills for the Board of Directors as a whole (including Audit & Supervisory Board members).

Name		Expected expertise, experience, and skills							Personnel and Compensation Advisory Committee
		Corporate management Management strategy	Finance/ Accounting	Human resources strategy Diversity	Legal/Risk management	Global businesses	Manufacturing technology	ICT/Digital transformation	
Directors	Masanori Imai	○					○		○
	Seisuke Otani	○		○			○		
	Toshihiro Yamazaki		○		○				
	Toshihiko Itami			○	○				○
	Kumi Arakane			○	○		○		○
	Masahiro Muroi	○	○			○		○	○
Audit & Supervisory Board	Shunji Momoi		○		○	○			
	Hidemi Wakabayashi		○	○	○				
	Junko Nishiyama				○		○	○	


Note: The above shows up to four specialties in which each candidate is particularly expected to possess expertise, experience and skills. It is not meant to show all skills of each candidate.

**Proposal No. 4 Election of One (1) Substitute Audit & Supervisory Board Member**

The terms of office of Audit & Supervisory Board Members, Mr. Keiichiro Maruyama and Mr. Fumio Sato, will expire at the conclusion of this Meeting. As the number of Audit & Supervisory Board Members of the Company is prescribed to be three (3), including Outside Audit & Supervisory Board Members, the Company proposes the election of one (1) Substitute Audit & Supervisory Board Member in case of a shortage in the number of Outside Audit & Supervisory Board Members stipulated by laws and regulations. Accordingly, the Company proposes to elect one (1) Substitute Audit & Supervisory Board Member.

Such Substitute Audit & Supervisory Board Member shall assume office only in the case of a deficiency in the number of Audit & Supervisory Board Members, and the term of office of such Substitute Audit & Supervisory Board Member shall be the remaining term of his/her predecessor. This resolution will remain in effect until the commencement of the next Annual General Meeting of Shareholders.

The candidate for Substitute Audit & Supervisory Board Member is as below. This Proposal has been approved by the Audit & Supervisory Board in advance.

Name	Career summary and positions	Number of shares of the Company held
 <p>Naoki Umikawa  <input type="checkbox"/> New Candidate  <input type="checkbox"/> Outside  <input type="checkbox"/> Independent                      (May 19, 1974)</p>	<p>April 2000 Registered as an Attorney at Law with Osaka Bar Association                      Joined Naniwakyodo L.P.C.                      December 2006 Re-registered as an Attorney at Law with Tokyo Bar Association                      April 2010 In charge of individual training of Legal Trainees Training Committee, Tokyo Bar Association (to present)                      June 2013 Committee Member of Japan Federation of Bar Associations, Information Issues Committee (to present)                      March 2023 Established Musashisogo Law Office                      Managing Partner, Musashisogo Law Office (to present)</p>	<p>0 share</p>
<p>[Reasons for nomination as candidate for Substitute Audit &amp; Supervisory Board Member]                      Mr. Naoki Umikawa has expert knowledge of overall legal affairs, including corporate legal affairs as an attorney at law. The Company nominates him as Substitute Outside Audit &amp; Supervisory Board Member as it believes that he can audit the execution of duties by Directors in an objective and fair manner.</p>		

- Notes:
1. There is no special interest between candidate Mr. Naoki Umikawa and the Company.
  2. Mr. Naoki Umikawa is a candidate for Substitute Outside Audit & Supervisory Board Member.
  3. If Mr. Naoki Umikawa is designated as an independent Audit & Supervisory Board member, we will notify thereof to the Tokyo Stock Exchange.
  4. Mr. Naoki Umikawa is an attorney at law, serving as the Managing Partner of Musashisogo Law Office. The Company has no transactions with the law office in the fiscal year ended March 31, 2024.

5. To recruit talented people as Audit & Supervisory Board Member of the Company, the Company stipulates in its Articles of Incorporation that it can enter into contracts with Audit & Supervisory Board Members that limit the liability for damages to the Company to the minimum amount stipulated in laws and regulations. The Company will conclude this limited liability contract with Substitute Audit & Supervisory Board Member candidate, Mr. Naoki Umikawa if the election of Mr. Naoki Umikawa is approved.
6. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damages, litigation expense to be borne by the insured, in the event of a claim for damages caused by an act (including nonfeasance) in the course of their duties as directors and officers. However, the said insurance contract is not applicable to damages, etc. to directors and officers themselves who commit criminal acts or illegal acts deliberately, and measures are taken in order to prevent the impairment of the appropriateness of execution of duties by directors and officers. The insurance premiums are fully borne by the Company. The scope of the insured under the said insurance includes the directors, corporate auditors, executive officers and managerial employees of the Company. If this proposal is approved as originally proposed, the candidate will be insured under the said insurance contract.

Proposal No. 5 is made by a shareholder (the “Proposing Shareholder”).

The following outline of the proposal and the reasons for the proposal present the relevant portions of the Shareholder’s Proposal letter submitted by the Proposing Shareholder in their original form and wording (in Japanese).

### **(Shareholder Proposal)**

#### **Proposal No. 5 Acquisition of Treasury Stock**

##### 1. Proposed Agenda

###### 1. Acquisition of Treasury Stock

##### 2. Outline of the Agenda and Reason for the Proposal

###### 1. Acquisition of Treasury Stock

###### (1) Outline of the Agenda

Pursuant to Article 156, Paragraph 1 of the Companies Act, the Company shall acquire up to 32,013,400 shares of its common stock at a total acquisition price of ¥33,614,028,000 by means of cash payment within one year from the conclusion of the Ordinary General Meeting of Shareholders.

###### (2) Reasons for the Proposal

The Board of Directors of the Company resolved on April 28, 2017 to acquire up to 3,000,000 shares, representing 0.98% of the total number of shares issued and outstanding (excluding treasury stock), for the period from June 29, 2017 to March 31, 2018, for a total maximum acquisition cost of ¥2.5 billion, and in the Medium-Term Management Plan, the Company set a target of 2.5% or more in the ratio of dividends to net assets as well as 40% or more in the total return ratio. The Board of Directors of the Company also resolved on November 13, 2023 to acquire up to 7,500,000 shares, representing 2.4% of the total number of shares issued and outstanding (excluding treasury stock), for the period from November 14, 2023 to November 13, 2024, for a total maximum acquisition cost of ¥5 billion, and the Company's implementation of measures to increase shareholder returns and improve capital efficiency is appreciated to a certain extent.

We also acknowledge the Company for taking steps to implement management that is conscious of cost of capital and stock price, as announced in November 2023, to improve P/B ratio, targeting ROIC of 5% or more and ROE of 8% or more by securing earnings in the core construction business, improving capital efficiency through reallocation of assets and sales of cross-shareholdings, enhancing shareholder returns, and strengthening IR activities. However, the stock price remains less than P/B ratio 1, lower than the book value of net assets, which means that the stock price is valued by the stock market lower than the liquidation value. Therefore, in order to improve the situation where P/B ratio below 1 and implement management that is conscious of stock price, and to further increase shareholder returns and improve capital efficiency, we believe that the required cash level should be presented in a form that is easy for investors to understand, and that measures should be adopted to continuously repurchase treasury stock in an amount considered to exceed this level. As stated in the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” released by Tokyo Stock Exchange

on March 31, 2023, the reason for the continuous underperformance of P/B ratio is thought to be that the Company “has not achieved profitability that exceeds its cost of capital” or that “the balance sheet does not effectively contribute to value creation” due to cross-shareholdings and real estate assets.

Regarding growth investment in the new TODA BUILDING, overseas business, and floating offshore wind power business, which is the basic policy in the “Medium-Term Management Plan 2024 - Rolling Plan”, the Company has a plan to invest ¥225.0 billion in the three years from FY2022 to FY2024, and as of the end of September 2023, the Company holds huge cross-shareholdings totaling ¥174.7 billion in 158 stocks. Moreover, even taking into account that the construction industry is a sector in which operating capital fluctuates greatly, the Company has cash and deposits of ¥88.8 billion as of the end of December 2023, and in addition, the Company intends to generate ¥67 billion in cash from asset sales and over ¥80.0 billion in operating income cumulatively from FY2022 through FY2024. Therefore, even if the Company implements the acquisition of treasury stock share of up to ¥33.6 billion as we propose, we believe that the Company will be able to smoothly execute growth investments for sustainable growth and secure sufficient funds for strategic businesses, M&A and other activities, as well as funds necessary to continue the Company's core businesses.

Accordingly, in order to further increase shareholder returns and improve capital efficiency, we believe that the Company should adopt a policy of repurchasing approximately 10% of the total number of shares issued and outstanding (excluding treasury stock) as treasury stock.

In particular, we believe that the reduction of cross-shareholdings is highly effective in realizing the Company's vision of improving capital efficiency and transforming the Company into a company capable of sustainable growth in the medium- to long-term, from the perspective of using capital that should originally be a source of earnings as a source of investment for growth, rather than as cross-shareholdings with low capital efficiency.

### **Opinion of the Board of Directors of the Company**

The Board of Directors opposes the Proposing Shareholder’s proposal.

To achieve medium- to long-term growth, the Company is proceeding with a business portfolio reform, which involves strengthening our core construction business, investing in growth areas such as the new TODA BUILDING, overseas business, and floating offshore wind power generation business. The Company plans to prioritize allocating retained earnings towards growth investments. While maintaining financial stability as a foundation for long-term development and securing active investment funds for sustainable growth, the Company is moving forward with investments that contribute to the enhancement of corporate value.

Individual investment projects are evaluated based on the internally set hurdle rate and internal rate of return (IRR), taking into account the risks involved, to determine the merits of the investments. Furthermore, in order to improve



the efficiency of company-wide investments, the Company verifies whether the return on invested capital (ROIC) for each business segment exceeds its financing cost (WACC). In addition, in financing investments for growth, the Company seeks to generate cash through the sales of cross-shareholdings and the sales of real estate holdings (including sales to private placement funds and private REITs).

The Company has established five goals to improve capital efficiency and market valuation: “Pursuing Growth and Earning Power”, “Improving Capital Efficiency”, “Optimizing Capital Composition”, “Delivering Consistent and Sustainable Shareholder Returns”, and “Commitment to Stakeholder Satisfaction”, and is making progress on these specific initiatives.

The continuation of such capital efficiency-oriented management will ensure the Company’s profitability target of ROIC of 5% or more and ROE of 8% or more and enhance our corporate value. The Company believes that developing businesses that are trusted and expected by our stakeholders will lead to higher P/B ratio.

As for the cross-shareholdings referred to in the Shareholder Proposal, the Company is making steady progress in sales, with ¥11.5 billion in the fiscal year ending March 2023 and ¥16.6 billion in the fiscal year ending March 2024, and the cash obtained from sales has been allocated to growth investments. In addition, the balance of cash and deposits of ¥88.8 billion as of the end of December 2023 is a temporary balance, and there is no constant lingering of funds.

Regarding shareholder returns, the Company's basic policy is to implement a continuous and stable dividend payment to our valued shareholders in line with business performance and the business environment. Specifically, in the Medium-Term Management Plan, the Company has set “DOE (dividend on equity) of 2.5% or more, with a total return ratio of 40% or more” as our shareholder return policy. In accordance with this policy, the Company has been acquiring its own shares up to a limit of ¥5 billion since November 14, 2023, and completed the acquisition in March of this year. In addition, on May 15, 2024, the Company announced that it will acquire its own shares up to a limit of an additional ¥5 billion. The Company will continue to flexibly implement the acquisition of treasury stock at appropriate times in appropriate amounts, taking full account of investment needs, financial strength, business performance, stock price, and other factors.

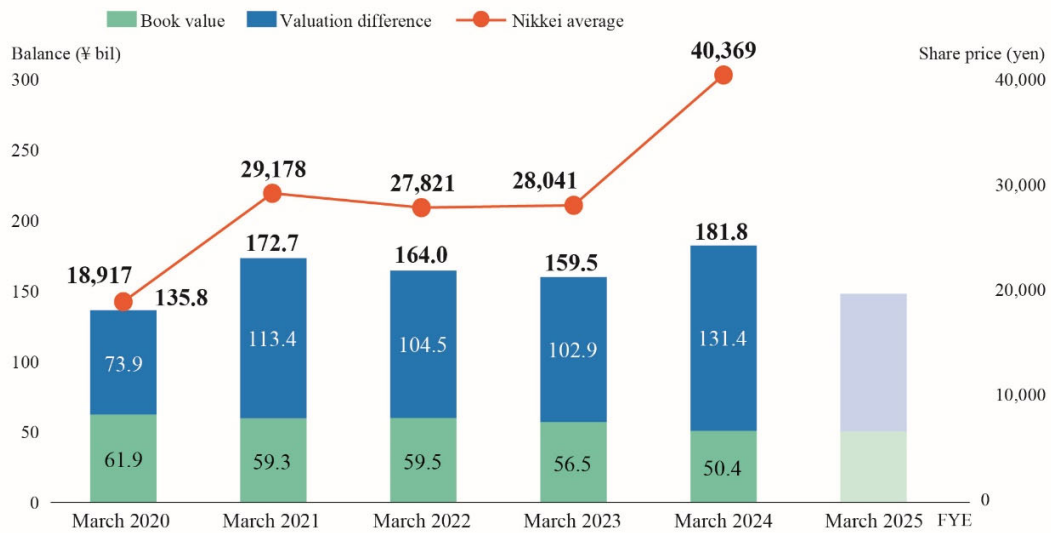
On the other hand, if the Shareholder Proposal is implemented, it will undermine the financial resources for investment in growth and stall the Company's medium- to long-term growth and improvement in corporate value. The Company also recognizes that it will result in a loss of financial stability and, as a consequence, will impair the medium- to long-term interests of our shareholders. Furthermore, considering the need for flexible funding for strategic initiatives, M&A, and other growth investments, in addition to funding for core businesses, the Company believes that our current cash level is appropriate. Therefore, the Company considers it inappropriate for us to conduct the acquisition of treasury stock on the scale of the Shareholder Proposal within one year, as it would not facilitate smooth execution of growth investments.

### Cross-shareholdings

The Company owns cross-shareholdings for the purpose of strengthening important cooperative and transactional relationships for promoting its business strategies and contributing to the enhancement of medium- to long-term corporate value. The Company has a basic policy to reduce the balance of cross-shareholdings to mitigate risks of owning cross-shareholdings and improve capital efficiency. If the Company finds no reasonableness in continuing to hold shares of a specific issue after verifying the meaning and economic rationality of holding such shares, the Company proceeds with sale of such shares through consultation with the partner company.

In the “Medium-Term Management Plan – Rolling Plan” announced by the Company in May 2022, the Company has planned to sell cross-shareholdings of 30 billion yen or more (at market value) over the three fiscal years from FY2022 to FY2024 to secure funds for growth investment while maintaining the capital efficiency and financial stability.

Balance of Cross-shareholdings (Non-consolidated)



Cross-shareholdings Sold (Non-consolidated)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sales value	2,882	5,770	4,520	11,584	16,697	
Number of stocks sold	13	21	12	10	14	

To be sold more than ¥30 bil in 3 years