



**ES CON**  
JAPAN  
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Securities code: 8892

## ES-CON JAPAN Ltd.

**29**th Regular General Meeting  
of Shareholders

### Announcement

#### Date and time

10:00 a.m. June 25 (Tue.), 2024

#### Location

4-1 Mita 1-chome, Meguro-ku, Tokyo  
Kaedenoma, B1, Westin Tokyo

(The venue differs from the venue for the previous Regular General Meeting of Shareholders. Please refer to the "Map for General Meeting of Shareholders" at the end of this Announcement.)

#### Items for voting

- Agenda Item 1 Disposal of surplus
- Agenda Item 2 Election of six directors  
(excluding directors who  
are auditor directors)
- Agenda Item 3 Election of one director  
who is auditor director
- Agenda Item 4 Partial revision of  
performance-based stock  
reward system for  
directors (excluding  
directors who are auditor  
directors, external  
directors, or non-  
executive directors) and  
(authorized) executive  
managing officers



Smart  
announcement

The important information  
in this Announcement  
may be viewed on  
personal computers and  
smartphones as well.  
<https://p.sokai.jp/8892/>



Securities code: 8892  
June 10, 2024

To all shareholders:

2-10-4 Toranomom, Minato-ku, Tokyo  
ES-CON JAPAN Ltd.  
Takatoshi Ito, President and Representative Director

## Announcement of 29<sup>th</sup> Regular General Meeting of Shareholders

Thank you for your ongoing support.

We request your attendance at the 29th Regular General Meeting of Shareholders. Information on the Meeting is provided below.

Information for this General Meeting of Shareholders, including reference documents for the General Meeting of Shareholders (items provided digitally), is posted to the following websites. Please access any of these websites to review this information.

[Company website (Japanese)]  
<https://www.es-conjapan.co.jp/investor/library.php>



(Visit the above website to review the Announcement of 2024 Regular General Meeting of Shareholders.)

[General Meeting of Shareholders reference documents site]

<https://d.sokai.jp/8892/teiji/>



[Tokyo Stock Exchange website (TSE listed firms information service)]

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



(Visit the Tokyo Stock Exchange website above and search by entering “ES-CON JAPAN” under “Issue name (company name)” or the Company’s securities code “8892” under “Code”; first choose “Basic information,” then “Documents for public inspection/PR information,” then check “Notice of General Shareholders Meeting/Informational Materials for General Shareholders Meeting” under “Filed information available for public inspection.”)

If you cannot attend, you are entitled to exercise your voting rights via the Internet or in writing (by post) by either of the two methods given below. Refer to the “Reference Documents for the General Meeting of Shareholders.” Note that you must exercise your voting rights no later than the end of business hours (6:00 p.m.) on Monday, June 24, 2024.

[Exercising Voting Rights via the Internet, etc.]

Indicate either your approval or disapproval of each agenda item on the Voting Right Execution Form sent with this Announcement, then return the form so that it is received by the above deadline.

[Exercising Voting Rights by Post Mail]

Give either your approval or disapproval of each agenda item in the enclosed Voting Right Execution Form, and then return so that it will be received by the above deadline.

1. Date and time 10:00 a.m. (reception opens at 9:00 a.m.) June 25 (Tue.), 2024  
(The date of this Regular General Meeting of Shareholders differs substantially from that of the previous Regular General Meeting of Shareholders due to the change in the ending date of the fiscal term of ES-CON JAPAN Ltd. from December 31 to March 31 effective with Term 29 (the current term), under a resolution passed in the Extraordinary General Meeting of Shareholders held on November 29, 2023.)

2. Location 4-1 Mita 1-chome, Meguro-ku, Tokyo  
Kaedenoma, B1, Westin Tokyo

\* The venue differs from the venue for the previous Regular General Meeting of Shareholders. Please refer to the "Map for General Meeting of Shareholders" at the end of this Announcement.

3. Objectives

Reported items

1. Term 29 (January 1, 2023 to March 31, 2024)  
Contents of business reports and consolidated account statements, as well as consolidated account statement audit reports from account auditors and the Auditors Committee
2. Term 29 (January 1, 2023 to March 31, 2024)  
Items reported in account statements

Items for voting

- Agenda Item 1 Disposal of surplus
- Agenda Item 2 Election of six directors (excluding directors who are auditor directors)
- Agenda Item 3 Election of one director who is auditor director
- Agenda Item 4 Partial revision of performance-based stock reward system for directors (excluding directors who are auditor directors, external directors, or non-executive directors) and (authorized) executive managing officers

4. Decisions related to this Announcement (exercise of voting rights)

1. When exercising voting rights in writing (by post), a Voting Right Execution Form on which neither approval nor disapproval is indicated for an agenda item shall be treated as indicating approval of the agenda item.
2. If voting rights have been exercised multiple times, the exercise received by ES-CON JAPAN last shall be treated as the valid exercise of voting rights. If exercise of voting rights via the Internet or other means and exercise of voting rights in writing are received on the same date, the exercise of voting rights via the Internet shall be treated as the valid exercise of voting rights.

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- Please submit the enclosed form for Exercise of Voting Right to the reception desk at the venue when you arrive.
  - Any revisions of items or information provided digitally will be announced on the above websites, together with the relevant items before and after their revision.
  - Shareholders who request printed documents will be sent printed documents containing the items provided digitally. However, pursuant to applicable laws, regulations, and the provisions of Article 17, Paragraph 2 of the Company Articles of Association, such printed documents will not include the following items:
    - (i) The following items from consolidated financial statements: Consolidated statement of changes in net assets and Notes to consolidated financial statements
    - (ii) The following items from nonconsolidated financial statements: Statement of changes in net assets and Notes to non-consolidated financial statementsAccordingly, the business report, consolidated financial statements, and nonconsolidated financial statements contained in such documents constitute documents subject to audit by the account auditors and the Auditor Committee when preparing the account audit report and the audit report, respectively.
  - Exercise of a voting right by proxy shall be possible only if the person commissioned as a proxy is a shareholder with voting rights. Furthermore, only one proxy can be used.
  - No souvenirs will be provided to shareholders attending the Regular General Meeting of Shareholders.

# Reference Documents for the General Meeting of Shareholders

## Agenda Items and References

### Agenda Item 1 **Disposal of surplus**

ES-CON JAPAN Ltd. views the returning of profits to all of its shareholders as one of its main tasks, and its basic policy is to make decisions after comprehensively taking into consideration performance, replenishment of internal reserves, and dividend trends, etc., and to return profits to shareholders in an ongoing and stable manner corresponding to the company's growth potential.

Based on this policy, dividends at the end of the current term will be as follows:

1	Type of dividend assets	Cash
2	Items relating to allocation of dividend assets to shareholders, and total amount thereof	48 yen per share of common stock of ES-CON JAPAN Ltd. 4,648,700,976 yen
3	Date on which surplus dividend takes effect	June 26, 2024

**Election of six directors (excluding directors who are auditor directors)**

Except for directors who are auditor directors (the same applying hereafter), the term of office will expire for all six directors at the end of this General Meeting. We therefore propose the election of six directors.

To ensure fairness and transparency, the selection of each candidate involved consultations with the Nomination and Remuneration Advisory Committee, key members of which consist of external directors.

Moreover, regarding this agenda item, the Auditor Committee has examined each candidate and stated that there are no issues needing to be pointed out.

Candidates are as follows:

Candidate No.	Name (Date of Birth)	History and Position / Area of Responsibility in Our Company (Main Concurrent Posts)	Number of Company Shares Owned
1	Takatoshi Ito (September 1, 1971)	September 2001 - Joined ES-CON JAPAN Ltd. February 2006 - Operating Officer, ES-CON JAPAN Ltd. March 2007 - Managing Director, ES-CON JAPAN Ltd. November 2010 - Head of Business Division, ES-CON JAPAN Ltd. March 2011 - President and Representative Director, ES-CON JAPAN Ltd. (present post) January 2012 - Head of Tokyo Office, ES-CON JAPAN Ltd. May 2013 - President and Representative Director, ES-CON PROPERTY Ltd. August 2013 - Head of Development Division, ES-CON JAPAN Ltd. July 2014 - Director, ES-CON ASSET MANAGEMENT Ltd. November 2014 - President and Corporate Officer, ES-CON JAPAN Ltd. (present post) September 2016 - Director, ES-CON LIVING SERVICE Ltd. July 2018 - Director, ES-CON PROPERTY Ltd. July 2019 - Director, One's Own House Co., Ltd. (currently ES-CON HOME Ltd.) July 2019 - Director, Rise Home Co., Ltd. (currently ES-CON CRAFT Ltd.) December 2019 - Director, ES-CON GLOBAL WORKS Ltd. January 2020 - Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (present post) October 2020 - Director, Ryomon Co., Ltd. (present post) October 2021 - Director, Picasso Co., Ltd. (present post) Director, Yuki Sangyo Co., Ltd. (present post) January 2022 - Director, FUEL Inc. July 2023 - Director, Shijo Omiya Building Co., Ltd. (present post) December 2023 – Executive Chairman, ES-CON Sports & Entertainment Ltd. (present post)	1,286,600
		<b>Reason for Candidacy as Director</b> Mr. Ito has handled the management of our group as the company's President and Director, has led the group through his strong leadership, and has contributed to development and expansion into multiple businesses. We propose that he be reappointed as a director to allow him to continue contributing to the functional enhancements of the Board of Directors, leveraging his track record in establishing firm management foundations and his abundant knowledge of and experience with overall business management.	

Candidate No.	Name (Date of Birth)	History and Position / Area of Responsibility in Our Company (Main Concurrent Posts)	Number of Company Shares Owned
Reappointment 2	<b>Minoru Nakanishi</b> (September 14, 1952)	<p>April 1975 - Joined Yasuda Trust &amp; Banking Co., Ltd. (currently Mizuho Trust &amp; Banking Co., Ltd.)</p> <p>April 2005 - Executive Officer (Head of Osaka Branch Office)</p> <p>April 2008 - Joined SOKEN Co., Ltd. Inaugurated as Senior Managing Director</p> <p>August 2011 - Joined ES-CON JAPAN Ltd.</p> <p>June 2012 - Executive Officer (Head of Finance and Accounting Dept.), ES-CON JAPAN Ltd.</p> <p>March 2013 - Director, ES-CON JAPAN Co., Ltd.</p> <p>May 2013 - Director, ES-CON PROPERTY, Ltd.</p> <p>August 2013 - Head of Management Division, ES-CON JAPAN Ltd.</p> <p>July 2014 - Director, ES-CON ASSET MANAGEMENT, Ltd.</p> <p>November 2014 - Operating Officer, ES-CON JAPAN Ltd.</p> <p>March 2015 - Executive Director, ES-CON JAPAN Ltd. Managing Executive Officer, ES-CON JAPAN Ltd.</p> <p>September 2016 - Director, ES-CON LIVING SERVICE Ltd.</p> <p>March 2017 - Senior Managing Director, ES-CON JAPAN Ltd. (present post) Senior Executive Officer, ES-CON JAPAN Ltd. (present post)</p> <p>December 2019 - Director, ES-CON GLOBAL WORKS Ltd.</p> <p>October 2020 - Director, Ryomon Co., Ltd. (present post)</p> <p>October 2021 - Director, Picasso Co., Ltd. (present post) Director, Yuki Sangyo Co., Ltd. (present post)</p> <p>January 2023 – Head of Management Planning Division, ES-CON JAPAN Ltd. (present post)</p> <p>July 2023 - Director, Shijo Omiya Building Co., Ltd. (present post)</p>	<b>213,000</b>
		<p><b>Reason for Candidacy as Director</b></p> <p>As an administrator of our company, Mr. Nakanishi has been supervising administrative divisions including Finance/Accounting, Personnel, General Affairs, and Legal Affairs, and took the initiative to establish a firm management foundation as a defensive keystone. He is also involved in drafting long-term company growth and progress strategies and promoting their implementation as Head of the Management Planning Division. It was determined that he is an essential human resource for contributing to the improvement of our company group's corporate value, and that he will contribute to sustainable improvement of corporate value in the future. Therefore, we propose that he be reappointed as a director.</p>	

Candidate No.	Name (Date of Birth)	History and Position / Area of Responsibility in Our Company (Main Concurrent Posts)	Number of Company Shares Owned
Newly appointed 3	<b>Mitsuhiko Matsuzawa</b> (February 19, 1965)	April 1987 - Joined Chubu Electric Power Co., Inc. July 2014 - General Manager, Office of the Corporate Auditor, Chubu Electric Power Co., Inc. July 2016 - General Manager, General Affairs Division, Gifu Branch, Chubu Electric Power Co., Inc. April 2018 - General Manager, General Affairs Division, Power Networks Company, Chubu Electric Power Co., Inc. April 2020 - Corporate Auditor, Chubu Electric Power Grid Co., Inc. (present post)	<b>0</b>
	<b>Reason for Candidacy as Director</b> Mr. Matsuzawa offers a wealth of experience and a strong track record of achievement acquired as General Manager of the Office of Corporate Auditor and General Affairs Division General Manager with Chubu Electric Power Co., Inc. He has experience as a Corporate Auditor of a Chubu Electric Power Co., Inc. subsidiary. We have determined that the capacity to apply the keen insights he offers based on his experience and track record makes him an essential director. Thus, we propose his appointment as a director.		



Candidate No.	Name (Date of Birth)	History and Position / Area of Responsibility in Our Company (Main Concurrent Posts)	Number of Company Shares Owned
4  Reappointment	<b>Atsushi Kawashima</b> (January 4, 1959)	<p>April 1982 - Joined Mitsubishi Corporation  April 1990 - Joined Yasuda Trust &amp; Banking Co., Ltd.  (currently Mizuho Trust &amp; Banking Co., Ltd.)  June 1998 - Joined Kennedy-Wilson Japan Co., Ltd.  (currently Kenedix, Inc.)  March 2001 - Director, Kenedix, Inc.  March 2003 - Managing Director/COO, Kenedix, Inc.  October 2004 - Director, KW REIT Management, Inc.  (currently Kenedix Realty Investment Corporation)  January 2007 - Representative Director and President,  Kenedix, Inc.  Representative Director and President, Kenedix  Development Corporation  Representative Director and President, Kenedix Advisors  Corporation (currently Kenedix Realty Investment  Corporation)  December 2009 - Representative Director and President,  Kenedix Property Corporation  Representative Director and President, Kenedix Asset  Management, Inc.  May 2010 - Director, MAX-REALTY INC.  July 2010 - Director, Touchstone Holdings Co., Ltd.  March 2013 - Representative Director and President,  Kenedix, Inc.  October 2013 - Representative Director, Space Design, Inc.  August 2014 - Director, Touchstone Capital Management  Co., Ltd.  October 2014 - Director, Nippon Parking Development Co.,  Ltd.  March 2016 - Director and Chairperson, Kenedix, Inc.  May 2018 - Director, SQUEEZE Co., Ltd.  March 2019 - Advisor, Kenedix, Inc. (present post)  March 2021 - Director, ES-CON JAPAN Ltd. (present post)  July 2021 - Advisor, SMBC Trust Bank Ltd. (present post)  March 2023 - Member, Nomination and Remuneration  Advisory Committee, ES-CON JAPAN Ltd. (present  post)</p> <p>(Main concurrent posts)  Advisor, Kenedix, Inc.  Advisor, SMBC Trust Bank Ltd.</p>	<b>3,000</b>
	<p><b>Reason for Candidacy as External Director and Overview of Expected Roles</b>  Mr. Kawashima offers a wealth of experience and a strong track record of achievements over many years leading the management of Kenedix, Inc. We have determined that the capacity to apply the strong insights he offers makes him an essential external director. Thus, we propose that he be appointed as an external director. He is expected to exercise highly effective management and oversight from a perspective independent of the management team, thereby strengthening the transparency and soundness of ES-CON JAPAN's management; he is also expected to contribute to decisions from an objective and neutral standpoint, as a member of the Nomination and Remuneration Advisory Committee, on matters such as executive compensation and the selection of candidates for company directors. His tenure as External Director of ES-CON JAPAN Ltd. will be three years and three months at the end of this General Meeting.</p>		

Candidate No.	Name (Date of Birth)	History and Position / Area of Responsibility in Our Company (Main Concurrent Posts)	Number of Company Shares Owned
5	<b>Keiko Otsuki</b> (August 10, 1955)	April 1979 - Joined Mitsubishi Electric Corporation February 1985 - Joined Credit Lyonnaise Bank (currently Credit Agricole Bank) January 1991 - Joined Morgan Stanley Dean Witter (currently Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.) January 1996 - Joined UBS Securities Japan (currently UBS Securities Co., Ltd.) January 1998 - Joined Morgan Stanley Dean Witter (currently Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.) Vice President/Senior Analyst, Equities Research Division April 2003 - Joined Morgan Stanley Japan Global Properties (currently Morgan Stanley Capital Co., Ltd.) Executive Director January 2008 - Joined Morgan Stanley Japan (currently Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.) Managing Director June 2018 - Director, MRD (present post) February 2020 - External Director, KRS Corporation (present post) March 2021 - Director, ES-CON JAPAN Ltd. (present post) March 2023 - Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (present post)	0
		(Main concurrent posts) Director, MRD External Director, K.R.S. Corporation	
<b>Reason for Candidacy as External Director and Overview of Expected Roles</b> Ms. Otsuki offers a wealth of experience and a strong track record of achievements, including work as a securities analyst overseas. In light of the remarkable insights she can provide, we have determined that she is an essential external director. We propose that she be appointed as an external director. For the reasons stated above, although the candidate has no previous involvement in the company's management other than as external director, she is deemed capable of performing the duties of an external director. She is expected to exercise highly effective management and oversight from a perspective independent of the management team, thereby strengthening the transparency and soundness of ES-CON JAPAN's management; she is also expected to contribute to decisions from an objective and neutral standpoint, as a member of the Nomination and Remuneration Advisory Committee, on matters such as executive compensation and the selection of candidates for company directors. Her tenure as External Director of ES-CON JAPAN Ltd. will be three years and three months at the end of this General Meeting.			

Candidate No.	Name (Date of Birth)	History and Position / Area of Responsibility in Our Company (Main Concurrent Posts)	Number of Company Shares Owned
Reappointment 6	<b>Hiroaki Hattori</b> (December 4, 1956)	<p>April 1980 – Joined Taiyo-Kobe Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2010 – Executive Officer/General Manager, Kobe Corporate Sales Division, Sumitomo Mitsui Banking Corporation</p> <p>April 2012 – Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>June 2015 – Representative Director/Vice-President, Executive Officer/Vice-President, Minato Bank, Ltd.</p> <p>April 2016 – Representative Director/President and CEO, Minato Bank, Ltd.</p> <p>April 2018 – Representative Director, Kansai Mirai Financial Group, Inc.</p> <p>April 2021 – Representative Director/Chairperson, Minato Bank, Ltd.</p> <p>May 2021 – Chairperson, Kobe Association of Corporate Executives (present post)</p> <p>June 2021 – External Auditor, Osaka Small and Medium Business Investment &amp; Consultation Co., Ltd. (present post)</p> <p>April 2022 – Director/Chairperson, Minato Bank, Ltd. (present post)</p> <p>March 2023 - External Director, ES-CON JAPAN Ltd. (present post)</p> <p>Member, Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (present post)</p> <p>(Main concurrent posts) Director/Chairperson, Minato Bank, Ltd. External Auditor, Osaka Small and Medium Business Investment &amp; Consultation Co., Ltd.</p>	<b>0</b>
	<p><b>Reason for Candidacy as External Director and Overview of Expected Roles</b></p> <p>Mr. Hattori offers a wealth of experience and an extensive track record with financial institutions. He has played a leadership role in management as Representative Director/President and CEO and Representative Director/Chairperson of Minato Bank, Ltd. In light of the remarkable insights he offers from his years of experience and track record in corporate management, we have decided to nominate him as external director. If appointed, he is expected to exercise highly effective management and oversight from a perspective independent of the management team, thereby strengthening the transparency and soundness of ES-CON JAPAN's management, and to contribute to decisions from an objective and neutral standpoint, as a member of the Nomination and Remuneration Advisory Committee, on matters such as executive compensation and the selection of candidates for company directors. His tenure as External Director of ES-CON JAPAN Ltd. will be one year and three months at the end of this General Meeting.</p>		

- (Note)
- No special interests exist between the candidates and our company.
  - Mitsuhiko Matsuzawa has served as an executive at ES-CON JAPAN's parent company, Chubu Electric Power Co., Inc., for the past 10 years. He currently serves as Corporate Auditor of Chubu Electric Power Grid Co., Inc., a subsidiary of the parent company. His positions and responsibilities with Chubu Electric Power and its subsidiary over the past 10 years and at present are shown under "History and Position/Area of Responsibility in Our Company (Main Concurrent Posts)" above.
  - Atsushi Kawashima, Keiko Otsuki and Hiroaki Hattori are candidates for external director.
  - ES-CON JAPAN Ltd. has executed limited liability agreements with Atsushi Kawashima, Keiko Otsuki, and Hiroaki Hattori in accordance with Article 427, Paragraph 1 of the Companies Act of Japan. If their reappointments are approved, we plan to execute

renewing agreements with them containing terms and conditions similar to those of the existing agreements.

The following is an overview of these agreements:

- In the event that a director (excluding personnel who are managing directors) causes ES-CON JAPAN Ltd. to bear liability for compensation for damages attributable to his/her own negligence in the performance of his/her duties, that director shall bear the legally established minimum liability.
5. The Tokyo Stock Exchange has been notified of the status of Atsushi Kawashima, Keiko Otsuki, and Hiroaki Hattori as independent officers. If their reappointments are approved, we plan to notify the Tokyo Stock Exchange that they will continue to serve as independent officers.
  6. ES-CON JAPAN Ltd. has concluded an executive liability insurance policy with an insurer as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan, naming its directors as the insured. We plan to continue to renew this policy. If each of the candidates is reappointed or newly appointed, he or she will continue to be the named insured under this policy.  
This policy covers damages related to compensation for damages and litigation costs borne by the insured for matters within the liability of directors to third parties and to ES-CON JAPAN. It does not cover matters due to deliberate action or gross negligence.

Agenda Item 3

**Election of one director who is auditor director**

The term of office of Tomohiko Wakayama, one of four directors who are auditor directors, will expire at the end of this General Meeting. We propose the appointment of one auditor director.

This agenda item has been approved by the Auditors Committee.

Candidate is as follows:

Name (Date of Birth)	History and Position / Area of Responsibility in Our Company (Main Concurrent Posts)	Number of Company Shares Owned
<p><b>Tomohiko Wakayama</b> (March 30, 1963)</p>	<p>April 1985 – Joined Chubu Electric Power Co., Inc.                      July 2010 – General Manager, Budget Group, Accounting Division, Chubu Electric Power Co., Inc.                      November 2011 – Seconded to Toenec Corporation while affiliated with the Group Business Promotion Division, Chubu Electric Power Co., Inc.                      July 2013 – General Manager, Fuels Division, Chubu Electric Power Co., Inc.                      October 2013 – Seconded to Chubu Electric Power Australia Pty Ltd while affiliated with the Fuels Division, Chubu Electric Power Co., Inc.                      July 2016 – General Manager, Business Strategy Office, Sales Company, Chubu Electric Power Co., Inc.                      April 2018 - General Manager, General Affairs Division, Sales Company, Chubu Electric Power Co., Inc.                      June 2019 – Auditor, Cenergy Co.                      June 2022 – Auditor, CEPO Handa Biomass Power Co., Ltd. , Auditor, CS Aqua Co., Ltd. , Auditor, Nakao Geothermal Power Generation Corporation                      March 2023 - Director (Auditor Director), ES-CON JAPAN Ltd.                      June 2023 - Director (Full-Time Auditor Director), ES-CON JAPAN Ltd. (present post)</p>	<p>0</p>

**Reason for Candidacy as Director**

Mr. Wakayama has accumulated a wealth of experience and built a strong track record as General Manager, General Affairs Division, Sales Company, General Manager, Business Strategy Office, Sales Company, and General Manager, Fuels Division of Chubu Electric Power Co., Inc. His experience as an auditor of four member companies of the Chubu Electric Power Group gives him wide-ranging knowledge on matters related to management oversight. We have chosen to nominate him for reappointment as a director capable of serving as an auditor director with the experience required to offer effective insights on company audits.

- (Note)
1. No special interests exist between the candidates and our company.
  2. Tomohiko Wakayama has been an executive of ES-CON JAPAN's parent company, Chubu Electric Power Co., Inc., for the past 10 years. His positions and responsibilities with Chubu Electric Power over the past 10 years are shown under "History and Position/Area of Responsibility in Our Company (Main Concurrent Posts)" above.
  3. ES-CON JAPAN Ltd. has executed a limited liability agreement with Tomohiko

Wakayama in accordance with Article 427, Paragraph 1 of the Companies Act of Japan. If his reappointment is approved, we plan to renew the agreement based on terms and conditions similar to those of the existing agreement.

The following is an overview of these agreements:

- In the event that a director (excluding personnel who are managing directors) causes ES-CON JAPAN Ltd. to bear liability for compensation for damages attributable to his/her own negligence in the performance of his/her duties, that director shall bear the legally established minimum liability.
4. ES-CON JAPAN Ltd. has concluded an executive liability insurance policy with an insurer as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan, naming its directors as the insured. We plan to continue to renew this policy. If each of the candidates is reappointed or newly appointed, he or she will continue to be the named insured under this policy.
- This policy covers damages related to compensation for damages and litigation costs borne by the insured for matters within the liability of directors to third parties and to ES-CON JAPAN. It does not cover matters due to deliberate action or gross negligence.

**Partial revision of performance-based stock reward system for directors (excluding directors who are auditor directors, external directors, or non-executive directors) and (authorized) executive managing officers**

1. Reason for proposal, background, and purpose of revision

This agenda item requests approval for the continuation and partial revision of the performance-based stock reward system ("system" hereinafter) for directors (excluding directors who are auditor directors, external directors, or non-executive directors) and (authorized) executive managing officers of ES-CON JAPAN adopted starting with the fiscal year ended December 2015. Details of the system would be entrusted to the Board of Directors within the framework under 2 below.

This revision is intended to further improve business results over the medium to long term and to strengthen awareness of contributions that strengthen corporate value by clarifying the relationship between compensation of beneficiaries and ES-CON JAPAN's business performance and share value, so that beneficiaries share with shareholders not merely the benefits of rising share prices but the risks of falling share prices. It is also intended to incentivize sustained growth in corporate value by issuing to beneficiaries during their terms in office shares of stock with transfer restrictions until the retirement or resignation of the beneficiary. This agenda item is considered to be appropriate for these purposes.

For more information on the existing system, see the following news releases: "Notice on Introduction of Performance-Based Stock Reward System," announced February 13, 2015; "Notice on Continuation and Partial Revision of Performance-Based Stock Reward System," announced January 30, 2020; "(Revised) Partial Amendment to the 'Notice on Continuation and Partial Revision of Performance-Based Stock Reward System,'" announced March 13, 2020; "Notice on Partial Revision of Performance-Based Stock Reward System for Directors," announced February 24, 2021; and "Notice of Partial Revision of Performance-Based Stock Reward System for Directors," announced August 29, 2023.

Plans call for continuing to exclude from director compensation addressed by this system the employee salary portion of compensation paid to directors serving concurrently in posts as employees. Assuming that Agenda Item 2 is approved as proposed, the number of directors and (authorized) executive managing officers of ES-CON JAPAN eligible for this system will be four.

2. Details of revisions to this system

Conditional on approval by this General Meeting of Shareholders, this system as it currently stands will be revised with respect to the following points:

(Major revisions from the current system)

Item	Before revision	After revision
Name	Officer share trust	<u>(RS-issuance) officer share trust</u>
Beneficiaries	Directors (excluding auditor directors, external directors, or non-executive directors) and (authorized) executive managing officers of ES-CON JAPAN	Directors (excluding auditor directors, external directors, non-executive directors, and <u>nonresidents of Japan</u> ) and (authorized) executive managing officers <u>(excluding nonresidents of Japan)</u> of ES-CON JAPAN (" <u>directors</u> "; <u>the same hereinafter, except as specified otherwise</u> )
Granting of shares in ES-CON JAPAN to ES-CON JAPAN's directors	Upon the resignation from their posts as Directors (excluding auditor directors, external directors, and non-executive directors) and (authorized) executive managing officers of ES-CON JAPAN	<u>Except in certain cases, following the finalization of results for the final fiscal term of the target period, shares in ES-CON JAPAN shall be granted in accordance with points awarded after the conclusion of a transfer restriction agreement. (Restrictions on transfer shall be lifted upon resignation from any and all posts of Company director and other positions.)</u>

3. Overview of the Revised System

(1) Overview of the System

The System is an incentive system whereby ES-CON JAPAN contributes money to establish a trust (“Trust”; the trust agreement concluded with Resona Bank, Ltd. to establish the Trust is referred to as the “Trust Agreement” hereinafter) (the upper limit of which is as per (6) below), with the Trust acquiring shares in ES-CON JAPAN with applicable funds as capital, and shares of ES-CON JAPAN being granted to ES-CON JAPAN’s directors through the Trust in accordance with the performance achievement rates and other relevant factors based on stock ownership regulations established by the ES-CON JAPAN Board of Directors (“officer stock ownership regulations” hereinafter).

Moreover, in principle, the shares will be granted to the director of ES-CON JAPAN after the finalization of business results for the final fiscal term of the target period. If the director receives shares during the term of office, any transfer of the shares shall be restricted until the resignation of the director from any and all posts of Company director (“resignation of director” hereinafter) based on the conclusion of a transfer restriction agreement between ES-CON JAPAN and the director before they are granted. (See (9) and 4 below for more information.)

(2) System beneficiaries

Directors of ES-CON JAPAN

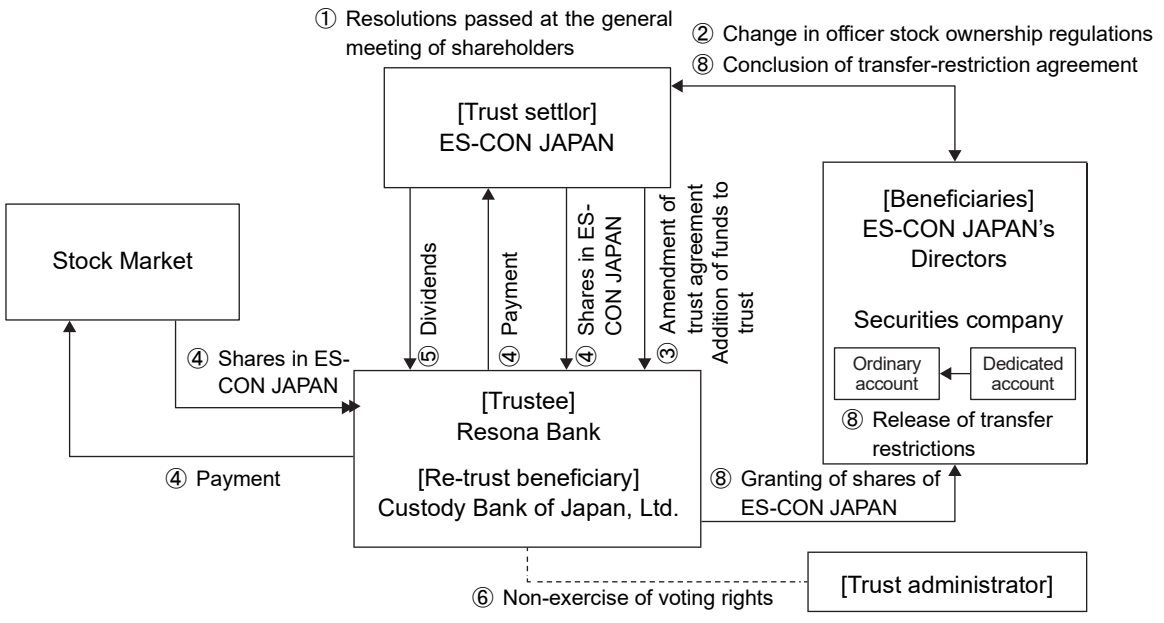
(3) Target period following the revision of the system

The first target period following the revision of the system will be three fiscal years from the fiscal year closing at the end of March 2025 until the fiscal year closing at the end of March 2027 (“first target period” hereinafter).

Target periods starting after the end of the first target period correspond to the fiscal years of the medium-term management plans.

(4) Establishment of trust associated with System operations

ES-CON JAPAN shall establish and manage the following trust for operating the System based on a mutual agreement with the trustee:



- ① ES-CON JAPAN shall obtain a resolution for approval at the General Meeting of Shareholders concerning the continuation and partial revision of the System.
- ② ES-CON JAPAN shall change officer stock ownership regulations within the scope approved at the General Meeting of Shareholders.
- ③ ES-CON JAPAN shall change the existing trust agreement and add funding within the scope



approved at the General Meeting of Shareholders.

- ④ The Trust shall acquire shares in ES-CON JAPAN through the stock market or by other means or by underwriting ES-CON JAPAN's disposal of treasury shares using the funds entrusted in (3) above.
- ⑤ Dividends shall be paid on shares in ES- CON JAPAN under the Trust in the same manner as for other shares in ES-CON JAPAN.
- ⑥ Voting rights shall not be exercised during the trust term with regard to shares in ES-CON JAPAN under the Trust.
- ⑦ During the trust term, ES-CON JAPAN directors will be granted points in accordance with their positions and performance achievement rates based on the stipulations of the officer stock ownership regulations in (2) above. Shares in ES-CON JAPAN will be granted after the finalization of business results for the final fiscal term of the target period to directors who have fulfilled certain beneficiary requirements stipulated in the officer stock ownership regulations (including conclusion of the transfer restriction agreement under 8 below) at the number corresponding to the number of points assigned. The shares will be managed in dedicated accounts opened with securities companies.
- ⑧ In principle, a transfer restriction agreement between ES-CON JAPAN and the director designating as the transfer restricted period the period from the date of the grant to the resignation from the post of Company director of ES-CON JAPAN shall lift transfer restrictions on shares granted at the time at which the beneficiary resigns from the post of Company director (ES-CON JAPAN shall obtain *gratis* any shares for which transfer restrictions were not lifted.)

(5) Trust term

From April 1, 2015, to the closing of the Trust (No specific closing date is determined for the trust term of the Trust. The Trust shall survive for as long as the System continues. The System shall end due to the delisting of shares in ES-CON JAPAN or the abolishment of officer stock ownership regulations.)

(6) Funds contributed to the Trust

ES-CON JAPAN will contribute to the Trust funds to the limit calculated by multiplying 150 million yen per fiscal year by the number of fiscal years in the target period (450 million yen\* in the first target period of three fiscal years) as funds for acquisition of shares in ES-CON JAPAN to grant shares of ES-CON JAPAN to ES-CON JAPAN's directors.

Moreover, following the expiration of the first target period and until the end of the System, ES-CON JAPAN in each target period shall make additional contributions not exceeding the amount calculated by multiplying the above amount by the number of years in the target period.

However, when making contributions or additional contributions, when there exist residual company shares (excluding items for which granting to ES-CON JAPAN's directors has not been completed with shares in ES-CON JAPAN in proportion to the number of points assigned to ES-CON JAPAN's directors in each target period) and money (hereinafter collectively referred to as "residual shares" immediately before the start of the target period"), the total value of the residual shares immediately before the start of the target period and the amount of the trust funds to be additionally contributed must fall below the upper limit for trust funds approved at the General Meeting of Shareholders.

\*The funds to be allocated to trust expenses for the Trust and for the cost of system operations, such as trust fees, will not count toward the upper limit of the funds for acquisition of shares in ES-CON JAPAN mentioned above. Additional funding may be provided, where necessary.

(7) Calculation method and upper limit of number of shares to be granted to ES-CON JAPAN's directors

After the continuation of the System, consolidated operating income and total shareholder return (TSR) shall be adopted as the method for calculating the number of shares in ES-CON JAPAN to be granted to ES-CON JAPAN's directors. The goal is to provide incentives for achieving sustained growth and setting as clear indicators from the viewpoint of shareholders the return of profits to shareholders and enhancements in corporate value. Specifically, ES-CON JAPAN will assign points ("annually granted points") in accordance with the achievement of goals for consolidated operating income ("performance-based coefficient (1) (\*1)"), based on the number of standard shares for each position stipulated at the beginning of the fiscal year ending March 2025. Annually granted points assigned to the subject parties will be accumulated ("cumulative granted points during the target period") in the

performance for the fiscal year ending March 2027. The obtained points (“granted points ultimately determined”) are calculated by multiplying the cumulative granted points during the target period by a performance-based coefficient determined by the Board of Directors following deliberation by the Nomination and Remuneration Advisory Committee, based on the rate of deviation between ES-CON JAPAN’s TSR and the growth rate of the TSE Real Estate TOPIX (“performance-based coefficient (2) (\*2)”). The points are converted at a rate of one company share for every 10 points when granting shares. However, when a stock split, free stock allocation or reverse stock split, etc. has been carried out with regards to the shares in ES-CON JAPAN after the approval of this proposal, the conversion rate shall be adjusted appropriately in accordance with the relevant rates and other relevant factors

The number of points awarded during each target period shall not exceed the value obtained by multiplying 1.1 million points (110,000 shares) per fiscal year by the number of fiscal years included in the target period (3.3 million points [330,000 shares] in the first three-year target period).

Point calculation formulas

(Annual)

Number of points awarded per year = base number of shares per position \* performance-based coefficient ①

(After end of target period)

Assigned points ultimately determined – cumulative number of points assigned during target period \* performance-based coefficient ②

\*1 Performance-based coefficient ①: rate of achievement of goal on consolidated operating income

Rate of achievement of goal on consolidated operating income	Performance-based coefficient
Less than 100%	0.0
100% or more but less than 110%	1.0
110% or more but less than 120%	1.2
Less than 120%	1.5

\*2 Performance-based coefficient ②: Rate of deviation between ES-CON JAPAN’s TSR and the growth rate of the TSE Real Estate TOPIX  
To be determined by the Board of Directors following deliberation by the Nomination and Remuneration Advisory Committee, based on the following table

Rate of deviation	Performance-based coefficient
Less than 60%	0.5
60% or more but less than 80%	0.7
80% or more but less than 90%	0.9
90% or more	1.0

(8) Method of acquisition of shares in ES-CON JAPAN by the Trust

The Trust shall acquire shares in ES-CON JAPAN through financial instrument exchange or other markets or by the method of underwriting ES-CON JAPAN’s disposal of treasury shares within the upper limit of the amount of money to be contributed in to the Trust in (6) and (7) above.

(9) Granting of shares in ES-CON JAPAN to ES-CON JAPAN’s directors

In principle, shares in ES-CON JAPAN will be issued in accordance with the granted points ultimately determined under this revised system via beneficiary finalization procedures stipulated in the officer stock ownership regulations when the beneficiary conditions established in those regulations, including the conclusion of a transfer restriction agreement as described under 4 below, are satisfied following finalization of business results for the final fiscal year in the target period.

However, if an ES-CON JAPAN director resigns during the target period or plans to resign after the end of the target period but before the shares are granted, the beneficiary condition of conclusion of a

transfer restriction agreement shall not be satisfied; shares in ES-CON JAPAN in this case are granted through beneficiary finalization procedures in accordance with the total of the points awarded added to those awarded based on this system before the revision (total number of points assigned under this system before and after revision are referred to hereinafter as “total number of points assigned”). In such cases, shares in ES-CON JAPAN equivalent to 70% of the total number of points assigned based on the System before the revision and the number of granted points ultimately determined based on the System after the revision will be granted to ES-CON JAPAN’s directors. For shares in ES-CON JAPAN equivalent to 30% of the total points, funds equivalent to the fair market value of shares in ES-CON JAPAN will be granted in place of shares in ES-CON JAPAN, thereby securing funds for tax payments. In addition, in the event of certain cases, including the death of an ES-CON JAPAN director during the target period or an ES-CON JAPAN director reasonably being expected to become a nonresident of Japan due to an overseas job posting or other reasons, no transfer restriction agreement shall be concluded; funds equivalent to the fair market value of all shares in ES-CON JAPAN equivalent to the total number of points assigned shall be paid instead. Furthermore, the total amount of shares in ES-CON JAPAN equivalent to the total number of points assigned will be granted to directors who retire at their own convenience.

(10) Exercise of voting right of shares in ES-CON JAPAN within the Trust

To secure the independence of ES-CON JAPAN’s management from the Trust, voting rights pertaining to shares in ES-CON JAPAN shall not be exercised, without exception.

(11) Handling of dividends of shares in ES-CON JAPAN within the Trust

Dividends pertaining to shares in ES-CON JAPAN within the Trust shall be received by the Trust and used for trust-related expenses, including the acquisition of shares in ES-CON JAPAN and trust fees. When the Trust closes, the dividends remaining in the Trust will be granted to beneficiaries of the System in office at that point in time by proportionally dividing the dividends in accordance with the accumulated points of each individual or donated to public interest corporations.

(12) Handling at the closing of the Trust

The Trust shall be closed if shares in ES-CON JAPAN are delisted or the officer stock ownership regulations are abolished.

Of the residual assets of the Trust in the event that it is closed (excluding shares to be granted to directors in office at the time of the closing of the Trust with the possibility of fulfilling the beneficiary requirements), shares in ES-CON JAPAN shall be cancelled or donated to public interest corporations based on a resolution of the Board of Directors, after all of the shares in ES-CON JAPAN have been acquired by ES-CON JAPAN at no cost. Of the residual assets of the Trust when it is closed, money shall be paid to the beneficiaries of the System who are in office at that point in time by proportionally dividing the money in accordance with the accumulated points of each individual, or donated to public interest corporations.

4. Transfer restriction agreements on shares in ES-CON JAPAN granted to ES-CON JAPAN directors

If it has been determined that ES-CON JAPAN directors will receive shares in ES-CON JAPAN during their terms in office, they will, before the granting of such shares in ES-CON JAPAN, conclude with ES-CON JAPAN a transfer restriction agreement (“transfer restriction agreement” hereinafter) containing the following terms and conditions. (ES-CON JAPAN directors may be granted shares in ES-CON JAPAN conditional on having concluded the transfer restriction agreement.)

However, if certain requirements of the officer stock ownership regulations are satisfied at the time of granting the shares, shares in ES-CON JAPAN may be granted without concluding the transfer restriction agreement. (See 3 (9) above for more information.)

- ① ES-CON JAPAN directors may not transfer, pledge as security, or otherwise dispose of shares in ES-CON JAPAN granted under this System to any third party during the period from the date they were granted to the resignation from any position as an ES-CON JAPAN director (hereinafter, this includes the death of the director) (“transfer restricted period” hereinafter).

- ② The transfer restrictions will be lifted immediately following the resignation of an ES-CON JAPAN director during the transfer restricted period due to the expiration of the term of office or other valid reason for all subject shares held by the ES-CON JAPAN director.
- ③ ES-CON JAPAN will obtain the subject shares gratis in certain situations.
- ④ During the transfer restricted period, if the decision is made at the ES-CON JAPAN General Meeting of Shareholders or by the Board of Directors to approve a merger agreement or other reorganization in which ES-CON JAPAN will be the company extinguished, transfer restrictions of shares held by ES-CON JAPAN directors may be lifted, by resolution of the ES-CON JAPAN Board of Directors, at the point in time immediately before the business day immediately preceding the effective date of such reorganization.

To ensure that shares in ES-CON JAPAN subject to transfer restrictions under the transfer restriction agreement may not be transferred, pledged as security, or otherwise disposed of during the transfer restricted period, they will be managed during the transfer restricted period in dedicated accounts opened by ES-CON JAPAN directors with securities companies. Additionally, the provisions of the transfer restriction agreement shall apply to methods of indication of intent and notification under the transfer restriction agreement, methods of amending the transfer restriction agreement, and other matters as determined by the Board of Directors.