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Dear Shareholders:

(Securities Code 4956)

May 30, 2022

1-6-10 Dosho-machi, Chuo-ku, Osaka

(Head Office
1-7-1 Dosho-machi, Chuo-ku, Osaka)

Konishi Co., Ltd.

President and
Representative Director **Keiichi Oyama**

Notice of the 97th Ordinary General Meeting of Shareholders

We would like to express our gratitude for your continued support.

You are cordially invited to attend the 97th Ordinary General Meeting of Shareholders of Konishi Co., Ltd. (the “Company”) as described below.

You may exercise your voting rights in writing or via the Internet instead of attending the meeting in person. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Monday, June 20, 2022.

- Date and time 10 a.m., Tuesday, June 21, 2022
 - Place 1-7-1 Dosho-machi, Chuo-ku, Osaka (Kitahama Konishi Building, 4th Floor)
Company’s Conference Hall
(Please see the guide map at the end of this document.)
 - Purposes
- Matters to be reported:
1. Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the 97th Fiscal Year (April 1, 2021 to March 31, 2022)
 2. Independent Auditor’s and Audit and Supervisory Committee’s Reports on the Results of Audit of the Consolidated Financial Statements for the 97th Fiscal Year

Matters to be resolved:

Company’s Proposals (Proposal No. 1 – Proposal No. 3)

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Eight (8) Directors (excluding Directors who are members of the Audit and Supervisory Committee)

Shareholders’ Proposals (Proposals No. 4 and No. 5)

Proposal No. 4: Approval of Amount of Compensation Relating to Restricted Stock Compensation Plan

Proposal No. 5: Acquisition of Treasury Stock

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- When you attend the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk.
 - The following matters will be posted on our website (<http://www.bond.co.jp>) in accordance with laws and regulations and the provision of Article 16 of the Articles of Incorporation of the Company, and thus they are not included in this document.
(1) System to ensure appropriate business reporting operations (2) Notes to consolidated financial statements (3) Notes to non-consolidated financial statements
The Business Report audited by the Audit and Supervisory Committee and the consolidated financial statements and non-consolidated financial statements audited by the Audit and Supervisory Committee and the independent auditor include the documents stated in this notice, and a system to ensure appropriate business operations, notes to consolidated financial statements and notes to non-consolidated financial statements, which are posted on our website (<http://www.bond.co.jp>).
 - Any changes to be made in the Business Report, consolidated financial statements, non-consolidated financial statements, or Reference Documents for the General Meeting of Shareholders will be posted on our website (<http://www.bond.co.jp>).

Reference Documents for the General Meeting of Shareholders

Company's Proposals (Proposal No. 1 – Proposal No. 3)

Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as outlined below:

1. Year-end dividend

The Company considers returning profits to shareholders as an important management imperative, under a basic policy to pay stable dividends while striving to strengthen its management foundation.

The Company proposes to pay a year-end dividend of 22 yen per share for the 97th fiscal year, in consideration of the business results for the fiscal year under review. With a regular dividend of 22 yen per share already paid as an interim dividend in December 2021, the annual dividend will be 44 yen per share, an increase of 4 yen from the previous fiscal year.

■ Type of dividend property	Cash
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■ Allotment of dividend property and its total amount	22 yen per common share of the Company Total amount: 784,080,858 yen
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■ Effective date of dividends of surplus	June 22, 2022
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2. Appropriation of other surplus

The Company proposes the following appropriation of other retained earnings in an effort to reinforce the management foundation for future business developments by using them as investments for improving corporate value and other purposes.

■ Item and amount of reduction in surplus	Retained earnings brought forward	2,000,000,000 yen (2 billion yen)
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■ Item and amount of increase in surplus	General reserve	2,000,000,000 yen (2 billion yen)
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Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70, 2019) will become effective on September 1, 2022. To prepare for the implementation of an electronic delivery system for shareholders meetings' materials, the Company proposes to make the following amendments to the Articles of Incorporation:

- (1) The proposed amendment to Article 16, Paragraph 1 stipulates that the Company takes measures to electronically deliver information contained in the Reference Documents for the General Meeting of Shareholders, etc.
- (2) The proposed amendment to Article 16, Paragraph 2 sets a provision to limit the scope of matters to be stated in a document delivered in writing to a shareholder who makes a request thereof.
- (3) The provision regarding the Internet disclosure and deemed provision of the Reference Documents for the General Meeting of Shareholders, etc. (the current Article 16 of the Articles of Incorporation) is deleted as it is no longer necessary.
- (4) Following the above new stipulation and deletion, supplementary provisions concerning the effective date, etc. are established.

2. Details of the amendments

The details of the amendments are as follows:

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents etc. for General Meetings of Shareholders)</u> <u>Article 16</u> When convening a general meeting of shareholders, the Company may deem that information required to be described or indicated in reference documents for the general meeting of shareholders, business reports, financial statements, and consolidated financial statements has been provided to shareholders when such information is disclosed through a method that uses the Internet pursuant to the Ministry of Justice Order.</p> <p style="text-align: center;">New</p> <p style="text-align: center;"><u>Supplementary Provision</u></p>	<p style="text-align: center;">Deleted</p> <p><u>(Electronic Delivery Measures, Etc.)</u> <u>Article 16</u> When convening a general meeting of shareholders, the Company shall take measures to electronically deliver information contained in reference documents for the general meeting of shareholders, etc. 2. The Company shall not be required to state all or part of the matters to be electronically delivered that are set forth in the Ordinance of the Ministry of Justice in a document to be delivered in writing to a shareholder who makes a request thereof by the record date for voting rights.</p> <p style="text-align: center;"><u>Supplementary Provision</u></p>
<p>Article 41 Abridged</p> <p style="text-align: center;">New</p>	<p>Article 41 No change</p> <p><u>(Transitional Measures for Electronic Delivery of Reference Materials for General Meetings of Shareholders)</u> <u>Article 42.</u> The deletion of the current Article 16 (Internet Disclosure and Deemed Provision of Reference Documents, etc. for General Meeting of Shareholders) of the Articles of Incorporation and the new amended Article 16 (Electronic Delivery Measures, Etc.) of the Articles of Incorporation shall be effective from the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70, 2019) (hereinafter the “date of enforcement”). 2. Notwithstanding the provision of the preceding paragraph, the current Article 16 (Internet Disclosure and Deemed Provision of Reference Documents, etc. for General Meeting of Shareholders) of the Articles of Incorporation shall remain effective with respect to the General Meeting of Shareholders to be held on a day falling within six months from the date of enforcement. 3. This article shall be deleted after the later of the date six months from the date of enforcement or the date three months from the date of the General Meeting of Shareholders as set forth in the preceding paragraph.</p>

Proposal No. 3: **Election of Eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

The terms of office of all eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of eight (8) Directors including two (2) Outside Directors.

The Company has nominated persons who are capable of making contributions to the sustainable growth as well as long-term maximization of corporate value of the Company and its group and resolved matters at the Board of Directors meeting.

Listed below are the candidates for Directors:

Candidate No.	Name (Date of Birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1 Reappointment	Takashi Yokota (July 12, 1953)	<p>April 1979 Joined the Company April 2004 Head of Business Department, I, Sales Division, Bond Division April 2006 Head of Tochigi Factory, Production Division, Bond Division April 2008 Executive Officer, Head of Production Division, Business Promotion Division June 2009 Director, Head of Production Division, Bond Division April 2011 Managing Director, Head of Bond Division April 2013 President and Representative Director April 2017 Joint Representative, Konishi Group and CEO, Bond Group April 2018 CEO, Bond Group April 2021 Chairman and Representative Director (to the present) Group CEO (to the present)</p> <p>(Significant concurrent positions outside the Company) Chairman and Representative Director, Wall Bond Industry Co., Ltd. Chairman and Representative Director, Sunrise Corporation Chairman and Representative Director, Maruyasu & Co., Ltd. Komisaris, PT. KONISHI INDONESIA</p>	59,700 shares
<p>Reasons for election of the candidate Mr. Takashi Yokota has served as Head of the Production Division, Bond Division, Head of Bond Division and President and Representative Director. He has considerable experience as a corporate manager. The Company nominates him as a candidate for Director in the expectation that he will continue to serve for the enhancement of the Group's corporate value and play his full part in supervising management execution for the entire Group by leveraging such experience.</p>			

Candidate No.	Name (Date of Birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
2 Reappointment	Keiichi Oyama (August 14, 1960)	<p>April 1984 Joined the Company</p> <p>April 2012 Head of Construction Business Department, Bond Sales Division, Bond Division</p> <p>April 2014 General Manager of Corporate Planning Department, President's Office</p> <p>June 2014 Executive Officer, Head of President's Office and General Manager of Personnel Department</p> <p>April 2015 General Manager of Konishi Group General Administration Department</p> <p>June 2016 Director</p> <p>April 2017 CEO, Overseas Business Group</p> <p>October 2017 CEO of R&D/Production/Logistics Group and Head of R&D/Production Division</p> <p>April 2018 Managing Executive Officer</p> <p>April 2019 Head of Bond Sales Division, Bond Group</p> <p>September 2019 Head of Kanto Branch Office</p> <p>April 2021 President and Representative Director (to the present)</p>	95,700 shares
		<p>Reasons for election of the candidate</p> <p>Mr. Keiichi Oyama has engaged in the sales and administration departments for many years and served as Head of the Construction Business Department (under the Bond Sales Division, Bond Division), President's Office, and R&D and Production Division. He has considerable experience as a corporate manager. The Company nominates him as a candidate for Director in the expectation that he will continue to serve for the enhancement of the Group's corporate value and play his full part in supervising management execution for the entire Group by leveraging such experience.</p>	
3 Reappointment	Satoru Kusakabe (May 31, 1957)	<p>April 1980 Joined the Company</p> <p>April 2007 Head of Construction Business Department, Bond Sales Division, Business Promotion Division</p> <p>April 2011 Executive Officer, Head of Civil Engineering & Construction Division, Bond Division</p> <p>April 2012 Head of Bond Sales Division, Bond Division</p> <p>June 2012 Director (to the present)</p> <p>April 2013 Head of Bond Sales Division</p> <p>April 2015 Managing Executive Officer</p> <p>April 2017 Senior Managing Executive Officer (to the present)</p> <p>April 2017 CEO, Civil Engineering & Construction Group</p> <p>April 2021 In charge of Construction Business Group (to the present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President and Representative Director, Bond Engineering Co., Ltd.</p> <p>Chairman and Representative Director, Konishi Kouei Co., Ltd.</p> <p>Chairman and Representative Director, KAKUMARU KENSETSU Co., Ltd.</p>	41,800 shares
		<p>Reasons for election of the candidate</p> <p>Mr. Satoru Kusakabe has engaged in the sales department for many years and served as Head of the Civil Engineering & Construction Division (under Bond Division) and Bond Sales Division and CEO of the Civil Engineering & Construction Group. He has considerable experience as a corporate manager. The Company nominates him as a candidate for Director in the expectation that he will continue to serve for the enhancement of the Group's corporate value and play his full part in supervising management execution for the division he is in charge of by leveraging such experience.</p>	

Candidate No.	Name (Date of Birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
4 Reappointment	Shozo Arisawa (March 25, 1958)	<p>April 1980 Joined the Company</p> <p>April 2008 Head of Osaka Institute, R&D Division, Business Promotion Division</p> <p>April 2011 Executive Officer, Head of R&D Division, Bond Division</p> <p>April 2013 Head of Production and R&D Division</p> <p>June 2013 Director (to the present)</p> <p>April 2016 Managing Executive Officer</p> <p>April 2017 CEO of R&D/Production/Logistics Group and Head of R&D/Production Division</p> <p>October 2017 Head of President's Office and Head of Material Science Institute in charge of Administrative Headquarters and R&D</p> <p>April 2018 Senior Managing Executive Officer (to the present)</p> <p>Head of Administrative Headquarters in charge of Personnel Department and Corporate Planning Department</p> <p>April 2021 In charge of Administrative Headquarters, Personnel Department and Corporate Planning Department (to the present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Chairman and Representative Director, Bond Chemical Co., Ltd.</p> <p>Chairman and Komisaris, PT. KONISHI LEMINDO INDONESIA</p>	30,300 shares
		<p>Reasons for election of the candidate</p> <p>Mr. Shozo Arisawa has engaged in the research & development department for many years and served as Head of the Production and R&D Division, President's Office, and Administrative Headquarters. He has considerable experience as a corporate manager. The Company nominates him as a candidate for Director in the expectation that he will continue to serve for the enhancement of the Group's corporate value and play his full part in supervising management execution for the division he is in charge of by leveraging such experience.</p>	
5 Reappointment	Hirofumi Matsubata (April 9, 1961)	<p>April 1985 Joined the Company</p> <p>April 2010 Head of Industrial Business Department, Sales Division, Bond Division</p> <p>April 2012 Head of Industrial Business Department I, Bond Sales Division, Bond Division</p> <p>April 2014 Executive Officer, Deputy Head of Bond Sales Division</p> <p>April 2017 Senior Executive Officer</p> <p>Head of Bond Sales Division, Bond Group</p> <p>June 2018 Director (to the present)</p> <p>April 2019 Managing Executive Officer (to the present)</p> <p>CEO of R&D/Production Group and Head of R&D/Production Division</p> <p>April 2021 Head of Chemical Products Division (to the present) and Head of Kanto Branch Office (to the present)</p>	11,800 shares
		<p>Reasons for election of the candidate</p> <p>Mr. Hirofumi Matsubata has engaged in the sales department for many years and served as Head of the Bond Sales Division (under the Bond Group) and R&D and Production Division. He has considerable experience as a corporate manager. The Company nominates him as a candidate for Director in the expectation that he will continue to serve for the enhancement of the Group's corporate value and play his full part in supervising management execution for the division he is in charge of by leveraging such experience.</p>	

Candidate No.	Name (Date of Birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
6 Reappointment	Toshihiko Iwao (June 4, 1960)	April 1984 Joined the Company	17,200 shares
		April 2009 Head of General-Use Products Business Department II, Sales Division, Bond Division	
April 2012 Head of General-Use Products Business Department I, Bond Sales Division, Bond Division			
April 2015 Executive Officer, Head of Business Department I, Bond Sales Division			
January 2016 Head of Business Department III, Bond Sales Division			
April 2017 Senior Executive Officer			
Head of Civil Engineering & Construction Sales Division, Civil Engineering & Construction Group			
June 2018 Director (to the present)			
April 2020 Managing Executive Officer (to the present)			
April 2021 Head of Bond Division (to the present) and Civil Engineering & Construction Sales Division			
April 2022 Head of Production Division (to the present)			
Reasons for election of the candidate Mr. Toshihiko Iwao has engaged in the sales department for many years and served as Head of the Civil Engineering & Construction Sales Division. He has considerable experience as a corporate manager. The Company nominates him as a candidate for Director in the expectation that he will continue to serve for the enhancement of the Group's corporate value and play his full part in supervising management execution for the division he is in charge of by leveraging such experience.			
7 Reappointment	Keiko Takase (June 27, 1952)	April 1984 Admitted to Osaka Bar Association (to the present)	-
		April 1984 Joined Kishida Law Office	
April 1989 Joined Takase Law Office (to the present)			
June 2015 Outside Director of the Company (to the present)			
(Significant concurrent positions outside the Company) Chairperson, Osaka Prefectural Public Safety Commission			
Reasons for election of the candidate and outline of expected roles Ms. Keiko Takase has considerable experience and expertise as a lawyer, as well as deep insight, serving as a member of the Osaka Prefectural Public Safety Commission. The Company nominates her as a candidate for Outside Director in the expectation that she will continue to strengthen corporate governance of the Group by leveraging such experience. She does not have any previous experience of engaging in corporate management other than as an outside director; however, the Company believes that she should be able to perform her duties appropriately based on the above reasons.			

Candidate No.	Name (Date of Birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
8 Reappointment	Makoto Kimura (March 15, 1960)	<p>April 1985 Joined Department of Transportation Engineering, Faculty of Engineering, Kyoto University</p> <p>April 1994 Associate Professor, Department of Transportation Engineering, Faculty of Engineering, Kyoto University</p> <p>April 1997 Associate Professor, Department of Civil Engineering, Graduate School of Engineering, Kyoto University</p> <p>July 2006 Professor, International Innovation Center, Kyoto University</p> <p>October 2010 Professor, Department of Civil and Earth Resources Engineering, Graduate School of Engineering, Kyoto University (to the present)</p> <p>June 2016 Outside Director of the Company (to the present)</p> <p>(Significant concurrent positions outside the Company) Professor, Department of Civil and Earth Resources Engineering, Graduate School of Engineering, Kyoto University Member of Technology Council and Business Assessment and Monitoring Committee, Hanshin Expressway Company Limited Member of Civil Engineering Technology Research Committee, Osaka Metro Co., Ltd. Director of Japan Foundations Engineering Association</p>	-
<p>Reasons for election of the candidate and outline of expected roles</p> <p>Mr. Makoto Kimura has deep insight as professor of the Department of Civil and Earth Resources Engineering, Graduate School of Engineering of Kyoto University. The Company nominates him as a candidate for Outside Director in the expectation that he will continue to strengthen corporate governance of the Group by leveraging such expertise and experience. He does not have any previous experience of engaging in corporate management other than as an outside director; however, the Company believes that he should be able to perform his duties appropriately based on the above reasons.</p>			

(Note 1) There are no special conflicts of interest between each of the candidates and the Company.

(Note 2) Ms. Keiko Takase and Mr. Makoto Kimura are candidates for Outside Director.

(Note 3) Ms. Keiko Takase is an incumbent Outside Director of the Company and will have been in office as Outside Director for seven years at the conclusion of this meeting.

(Note 4) Mr. Makoto Kimura is an incumbent Outside Director of the Company and will have been in office as Outside Director for six years at the conclusion of this meeting.

(Note 5) The Company has entered into agreements with Ms. Keiko Takase and Mr. Makoto Kimura to limit their liabilities for damages caused by negligence of their duties, in accordance with the provision of Article 427, Paragraph 1 of the Companies Act. The amount of the limitation on their liabilities under these agreements shall be the amount as stipulated in laws and regulations, and the Company intends to extend the agreements upon the approval of the reappointment of Ms. Keiko Takase and Mr. Makoto Kimura.

(Note 6) The Company has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all of the candidates as the insured; any loss incurred by the insured in the event that a claim is made against damages arising from an act by the insured including Directors of the Company in performing his/her duties as a Director (except for the case of violation of laws and regulations) shall be covered by the policy. The Company will renew the insurance policy with the same contents at the next renewal, with the candidates as the insured upon the approval of their reappointment.

(Note 7) The Company has registered Ms. Keiko Takase and Mr. Makoto Kimura as Independent Directors as set forth in the regulations of the Tokyo Stock Exchange, Inc.

(Note 8) The "number of the Company's shares held" indicates the number as of March 31, 2022.

*Directors' Skill Matrix

Name	Position	Management	Production/ R&D	Marketing/ Sales	Finance/ Accounting	Legal / Risk management	Personnel/ Labor
Takashi Yokota	Chairman and Representative Director	○	○	○	○		○
Keiichi Oyama	President and Representative Director	○		○	○		○
Satoru Kusakabe	Director and Senior Managing Executive Officer	○		○			
Shozo Arisawa	Director and Senior Managing Executive Officer	○	○		○	○	○
Hirofumi Matsubata	Director and Managing Executive Officer			○			
Toshihiko Iwao	Director and Managing Executive Officer		○	○			
Keiko Takase	Outside Director					○	
Makoto Kimura	Outside Director		○				
Shinya Enomoto	Director (Full-time Audit and Supervisory Committee Member)		○			○	
Kenji Kawada	Outside Director (Audit and Supervisory Committee Member)	○			○		
Motoyuki Nakata	Outside Director (Audit and Supervisory Committee Member)	○					
Yoshiki Yamada	Outside Director (Audit and Supervisory Committee Member)				○		

Shareholders' Proposals (Proposals No. 4 and No. 5)

Proposals 4 and 5 are submitted by a shareholder.

The following subject, outline and reasons for proposals are shown as originally submitted by the shareholder except for the item numbers in the proposal.

Proposal No. 4: Approval of Amount of Compensation Relating to Restricted Stock Compensation Plan

(1) Outline of the proposal

At the 96th Ordinary General Meeting of Shareholders held on June 22, 2021, the total amount of compensation for Directors of the Company (excluding those who are members of the Audit and Supervisory Committee) was approved at 350 million yen or less per year (however, salaries for employees who concurrently act as a Director are not included), with the total amount of stock compensation for Directors excluding those who are members of the Audit and Supervisory Committee and Outside Directors set separately at 60 million yen or less per year (however, salaries for employees who concurrently act as a Director are not included). The total amount of compensation for Directors who are members of the Audit and Supervisory Committee was approved at 45 million yen or less per year at the 96th Ordinary General Meeting of Shareholders held on June 22, 2021. For the purpose of providing incentives for Directors of the Company to pursue the sustainable improvement of corporate value and further promoting the sharing of value between Directors and shareholders, we propose that the Company replace the above stock compensation plan for Directors excluding those who are members of the Audit and Supervisory Committee and Outside Directors and provide monetary compensation claims to allot restricted shares of 350 million yen or less per year or up to 233,300 shares for Directors (excluding those who are members of the Audit and Supervisory Committee) and monetary compensation claims to allot restricted shares of 45 million yen or less per year or up to 30,000 shares for Directors who are members of the Audit and Supervisory Committee, respectively. The transfer restriction period shall be three (3) years from the allotment. The specific timing of payment and allotment shall be determined by the Board of Directors. However, the new plan shall be designed as a performance-linked incentive plan and to allot restricted shares in total worth three times fixed compensation within the next three years if the performance criteria are met.

(2) Reasons for the proposal

The Company adopts the restricted stock compensation plan (hereinafter the "Plan"), but its amount is too small to ensure value-sharing between Directors and shareholders adequately. We believe that not only all Directors of the Company (including those who are members of the Audit and Supervisory Committee and Outside Auditors) but also the top twenty (20) executives of the Company, including Executive Officers, should be eligible for the Plan. We also propose to allot restricted shares in total worth three times the fixed compensation or salary over the next three years to eligible officers and employees under the Plan. As described in the "Guidebook for Introducing Incentive Plans for Sustainable Corporate Growth as Board Members' Compensation to Encourage Companies to Promote Proactive Business Management," released in April 2014 and since continuously revised by the Ministry of Economy, Trade and Industry, we believe that it is desirable to provide appropriate and effective stock compensation for executive management in order to encourage management from shareholders' point of view and provide incentives to improve medium- to long-term performance.

Opinions of the Board of Directors on the shareholders' proposal

(1) Opinion of the Board of Directors

The Board of Directors opposes the shareholders' proposal.

(2) Reasons for opposition

The shareholders' proposal suggests including Directors who are Audit and Supervisory Committee Members, Outside Directors and Executive Officers, etc. as persons eligible for the current restricted stock compensation plan, making a substantial raise in the amount of stock compensation and having a shortened transfer restriction period of three years. The Board of Directors of the Company opposes this proposal from the following point of view.

(i) Including of Directors who are Audit and Supervisory Committee Members, Outside Directors and Executive Officers, etc. as persons eligible for the current restricted stock compensation plan

Directors who are Audit and Supervisory Committee Members and Outside Directors are paid basic compensation only which is not subject to performance, from the perspective of the independence of their

duties. This is because importance is placed on the functions of Directors who are Audit and Supervisory Committee Members and Outside Directors to audit and supervise the execution of duties by Directors and the management by the Board of Directors. The Company's policy is not to cover them by the restricted stock compensation plan.

Furthermore, the proposal suggests to include not only Directors but also Executive Officers, etc. as eligible, but the Company's restricted stock compensation plan already covers Executive Officers and restricted stock is allotted to them in the same way as to eligible Directors.

(ii) Substantial raise in restricted stock compensation

On the compensation for Directors of the Company, our basic policy is to set a compensation system linked to shareholders' interests to sufficiently function as an incentive for sustainable improvements in corporate value. It is composed of "basic compensation," "bonuses," and "stock compensation." "Basic compensation" is comprehensively reviewed and determined based on position and scope of duties, while the level of other companies is also considered. "Bonuses" are performance-linked compensation with corporate performance taken into account, and "stock compensation" is restricted stock-based compensation as an incentive to sustainably improve corporate value. The ratio of "basic compensation" : "bonuses" : "stock compensation" is set roughly at 65% : 20% : 15%. However, the shareholders' proposal calls for an excessive stock compensation plan, which significantly differs from the Company's compensation ratio. For this reason, the Board believes it is not appropriate.

(iii) Transfer restriction period of three (3) years

The current transfer restriction period is 10 to 30 years after the allotment, as laid down by the Board of Directors of the Company. This is appropriate as it is designed to pursue sustainable improvements in corporate value from a medium- to long-term perspective during one's term of office. Setting the shortened transfer restriction period of three years is not appropriate as a sound incentive for the sustainable growth of the Company, because that would make Directors overly conscious of short-term improvements in performance.

For these reasons, the Company's Board of Directors opposes the shareholders' proposal.

Proposal No. 5: Acquisition of Treasury Stock

(1) Outline of the proposal

Pursuant to the provision of Article 156, Paragraph 1 of the Companies Act, we propose that the Company acquire a total of 3,500,000 common shares of the Company, not exceeding the aggregate acquisition amount of 5,250,000,000 yen, within one (1) year from the conclusion of this Ordinary General Meeting of Shareholders, by delivery of cash.

(2) Reasons for the proposal

For the purpose of increasing shareholder returns and enhancing capital efficiency, we believe that the Company should acquire approximately 10% of its total issued shares (excluding treasury shares) as treasury stock and cancel them in accordance with Article 178 of the Companies Act.

Opinions of the Board of Directors on the shareholders' proposal

(1) Opinion of the Board of Directors

The Board of Directors opposes the shareholders' proposal.

(2) Reasons for opposition

The Company has flexibly acquired treasury stock, with its cumulative acquisitions since 2015 standing at 2,563,900 treasury shares, totaling 4,981,628,300 yen. The Company thus recognizes that the acquisition of treasury stock is an important measure to return profits to its shareholders. For this reason, the Company's policy is to acquire treasury stock in a flexible manner through in-depth discussions at the Board of Directors meetings based on the medium- to long-term management strategy and capital policy. Therefore, the Board believes that it is not appropriate at this point to vote on the resolution on the large-scale acquisition of treasury stock as requested by the shareholders' proposal, with its execution set at a specific timing.

In addition, the Company considers returning profits to shareholders as an important management imperative and adopts a basic policy to pay sustainable and stable dividends while taking account of business results etc. each fiscal year. The Company's dividends per share and payout ratio for the past five years are as follows. We have steadily increased dividends per share as well as payout ratio.

	Year ended March 2018	Year ended March 2019	Year ended March 2020	Year ended March 2021	Year ended March 2022
Dividends per share	26 yen	26 yen	36 yen	40 yen	44 yen*
Payout ratio	20.6%	21.4%	28.5%	29.1%	30.5%*

*Subject to the approval of Proposal No. 1

For these reasons, the Company's Board of Directors opposes the shareholders' proposal.