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Securities code: 1980

June 2, 2021

To our shareholders:

Ichiro Fujisawa
President and Director
DAI-DAN CO., LTD.
1-9-25 Edobori, Nishi-ku, Osaka-city

NOTICE OF THE 92ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 92nd Ordinary General Meeting of Shareholders of DAI-DAN CO., LTD. (the “Company”), which will be held as described below.

In light of preventing the spread of novel coronavirus disease (COVID-19), we ask our shareholders to refrain from attending the venue of the General Meeting of Shareholders on the day of the meeting. Instead of attending the meeting in person, you may exercise your voting rights by postal mail or via the Internet in advance. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m., Monday, June 28, 2021 (Japan Standard Time).

The General Meeting of Shareholders will be streamed live via the Internet, so that you may watch the proceedings of the meeting in real time, even if you do not attend the venue of the meeting. Please exercise your voting rights by postal mail or via the Internet in case you watch the streamed live of the General Meeting of Shareholders.

1. Date and Time: Tuesday, June 29, 2021 at 10:00 a.m. (Japan Standard Time)

2. Place: 8F Ballroom “Naniwa,” Swissotel Nankai Osaka
5-1-60 Namba, Chuo-ku, Osaka-city

3. Purposes:

Items to be reported:

1. Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the 92nd Term (from April 1, 2020 to March 31, 2021)
2. The results of audit of the Consolidated Financial Statements for the 92nd Term by the Accounting Auditors and the Board of Corporate Auditors

Items to be resolved:

- Proposal 1:** Appropriation of surplus
Proposal 2: Election of nine (9) Directors
Proposal 3: Election of one (1) Corporate Auditor
Proposal 4: Election of one (1) substitute Corporate Auditor

Disclosure via the Internet

- Among the documents to be provided upon this Notice of the Ordinary General Meeting of Shareholders, the following documents are posted on our website on the Internet (<https://www.daidan.co.jp/>) in accordance with laws and regulations and the provision in Article 15 of the Articles of Incorporation, and are not included in the attached documents of this Notice of the Ordinary General Meeting of Shareholders: Consolidated Statements of Changes in Equity, Non-Consolidated Statements of Changes in Equity, Notes to Consolidated Financial Statement, and Notes to Non-Consolidated Financial Statements. In addition, Consolidated and Non-Consolidated Financial Statements provided in the attached documents of this Notice of the Ordinary General Meeting of Shareholders are part of the Consolidated and Non-Consolidated Financial Statements that were audited by the Accounting Auditors and Corporate Auditors in the course of preparing the Audit Report.
- Any changes in matters described in Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, and Reference Documents for the General Meeting of Shareholders will be posted on our website.

Notice Regarding Measures Against COVID-19

Upon holding the 92nd Ordinary General Meeting of Shareholders, we would like to inform you of the following measures that will be taken to prevent the spread of COVID-19 and to ensure the safety of our shareholders. We ask for the understanding and cooperation of our shareholders.

<Requests to Shareholders>

In light of preventing the spread of COVID-19, we ask our shareholders to consider refraining from attending the venue of the General Meeting of Shareholders. In particular, shareholders who are elderly, have any underlying disease, are pregnant or are feeling unwell, are asked to refrain from attending the meeting in person.

Instead of attending the meeting in person, you may exercise your voting rights by postal mail or via the Internet in advance. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m., Monday, June 28, 2021 (Japan Standard Time). (Please see pages 4 to 5 of the notice to convene for details.)

The General Meeting of Shareholders will be streamed live via the Internet, so that you may watch the proceedings of the meeting in real time, even if you do not attend the venue of the meeting. Please exercise your voting rights by postal mail or via the Internet in case you watch the streamed live of the General Meeting of Shareholders. (Please refer to page 3 of the notice to convene for detail.)

<Measures at the venue>

- Shareholders in attendance will be asked to use alcohol-based sanitizer and wear a face mask.
- Shareholders in attendance will be subject to body temperature checks using a thermography device at the reception. Staff members may reach out to shareholders who look unwell, and may refuse their admission. We ask for your understanding and cooperation in this matter.
- As the number of seats are to be reduced in order to provide extra distance between seating for shareholders compared to previous years, the number of shareholders allowed to enter the venue may be limited in the event that a large number of shareholders attend the meeting.
- To reduce the risk of infection through contact, we will refrain from providing gifts and beverages at the meeting.
- Staff members and speakers at the General Meeting of Shareholders will be wearing face masks (and gloves in some cases).
- We will consider ways to ensure smooth and efficient progress of the proceedings and shorten the meeting compared to previous years.
- The items to be reported that are video streamed at the venue every year will not be available this year; however, you can watch the video on the Company's website as below. (<https://www.daidan.co.jp/ir/shareholder/video-202106/>)

If future developments necessitate a major change in the way the General Meeting of Shareholders will be run, shareholders will be informed via the Company's website. (<https://www.daidan.co.jp/ir/shareholder/>)

Proposals and Reference Matters

Proposal 1: Appropriation of surplus

The Company considers the return of profits to its shareholders to be its top management priority. The Company adopts the basic policy of ensuring the stable and continuous payment of cash dividends while establishing a sound financial position. The Company set the target of 30% or higher dividend payout ratio in the Mid-Term Management Plan, “Stage 2030/Phase 1, a stage for getting things ready” that starts from the fiscal year 2021.

Taking into consideration the need to return profits commensurate with the strong performance in the fiscal year, the Company proposes an ordinary dividend of 45 yen per share as set forth below.

The Company has already paid an interim dividend of 45 yen per share; therefore, the annual dividend totals 90 yen per share.

Matters related to year-end dividends

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
45 yen per common share of the Company
Total amount of dividends: 967,539,690 yen
- (3) Effective date of distribution of dividends of surplus
June 30, 2021

Proposal 2: Election of nine (9) Directors

The tenures of all nine (9) currently serving Directors (including three (3) outside Directors) will expire at the close of this meeting. In that regard, the Company proposes the election of nine (9) Directors (including three (3) outside Directors).

The candidates for Director are as follows:

No.	Name		Current position and responsibilities in the Company	Tenure as a Director
1	Shohei Kitano	Reelection	Representative Director, Chairman, and Corporate Officer	12 years
2	Ichiro Fujisawa	Reelection	Representative Director, President, and Corporate Officer	12 years
3	Takayuki Ikeda	Reelection	Director, Senior Executive Corporate Officer General Manager of West Japan Division, and General Manager of Osaka Head Office	6 years
4	Yasuhiro Yamanaka	Reelection	Director, Senior Executive Corporate Officer General Manager of East Japan Division, and General Manager of Tokyo Head Office	1 year
5	Hisao Sasaki	Reelection	Director, Executive Corporate Officer, and Head of Engineering Division	1 year
6	Yasuo Kamei	Reelection	Director, Corporate Officer, and Head of General Administration Division	3 years
7	Fumio Matsubara	Reelection Outside Independent	Outside Director	6 years
8	Ikumi Sato	New election Outside Independent	Outside Corporate Auditor	—
9	Kenkichi Kosakai	New election Outside Independent		—

Outside: Candidate for outside Director

Independent: Candidate for independent officer

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p style="text-align: center;">Shohei Kitano (October 13, 1955) 65 years old</p> <p style="text-align: center;">Reelection Tenure as a Director 12 years Attendance to Board of Directors Meetings 15/16 times (94%)</p>	<p>Apr. 1979 Joined the Company</p> <p>Apr. 2009 Corporate Officer, Deputy General Manager of Tokyo Head Office, and Manager of Administration Department</p> <p>June 2009 Director, Corporate Officer, Deputy General Manager of Tokyo Head Office, and Manager of Administration Department</p> <p>Apr. 2011 Director, Executive Corporate Officer, in charge of East Japan Area, and General Manager of Tokyo Head Office</p> <p>Apr. 2013 Representative Director, President, Corporate Officer, COO, and Head of Sales Division</p> <p>Apr. 2014 Representative Director, President, Corporate Officer, and COO</p> <p>Apr. 2017 Representative Director, President, Corporate Officer, in charge of Sales Division, and in charge of International Business</p> <p>Apr. 2018 Representative Director, Chairman, and Corporate Officer (present position)</p>	27,800
<p>[Reasons for nomination as candidate for Director]</p> <p>Shohei Kitano is familiar with a wide range of businesses including the Accounting Division. He assumed office as a Director of the Company in June 2009, served as Representative Director and President for five (5) years from April 2013, and has served as Representative Director and Chairman since April 2018, and is leading the management as a whole. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			
2	<p style="text-align: center;">Ichiro Fujisawa (October 19, 1956) 64 years old</p> <p style="text-align: center;">Reelection Tenure as a Director 12 years Attendance to Board of Directors Meetings 15/16 times (94%)</p>	<p>Apr. 1979 Joined the Company</p> <p>Apr. 2009 Corporate Officer, Head of Industrial Facilities Division, and Manager of Technical Department</p> <p>June 2009 Director, Corporate Officer, Head of Industrial Facilities Division, and Manager of Technical Department</p> <p>Apr. 2010 Director, Corporate Officer, and Head of Technical Division</p> <p>Apr. 2011 Director, Executive Corporate Officer, and Head of Technical Division</p> <p>Oct. 2011 Director, Executive Corporate Officer, and Head of Technical Development Division</p> <p>Apr. 2013 Director, Senior Executive Corporate Officer, in charge of East Japan Area, and General Manager of Tokyo Head Office</p> <p>Apr. 2016 Director, Vice President, Corporate Officer, in charge of East Japan Area, General Manager of Tokyo Head Office, and Head of Technical Development Group</p> <p>Apr. 2018 Representative Director, President, and Corporate Officer (present position)</p>	22,900
<p>[Reasons for nomination as candidate for Director]</p> <p>Ichiro Fujisawa is familiar with a wide range of businesses including the Technical Development Division and Technical Construction Division, etc. He assumed office as a Director of the Company in June 2009, has served as Representative Director and President since April 2018, and is leading the Company with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p>Takayuki Ikeda (July 25, 1961) 59 years old</p> <p>Reelection Tenure as a Director 6 years Attendance to Board of Directors Meetings 16/16 times (100%)</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2014 Corporate Officer, Deputy Head of General Administration Division, Manager of Accounting Department, and in charge of Compliance Committee</p> <p>May 2015 Senior Corporate Officer and Head of General Administration Division</p> <p>June 2015 Director, Corporate Officer, and Head of General Administration Division</p> <p>Apr. 2016 Director, Executive Corporate Officer, Head of General Administration Division, and Manager of International Affairs Office</p> <p>Apr. 2018 Director, Senior Executive Corporate Officer, in charge of Central Japan Area, and General Manager of Nagoya Branch</p> <p>Apr. 2019 Director, Senior Executive Corporate Officer, General Manager of Central Japan Division, and General Manager of Nagoya Branch</p> <p>Apr. 2020 Director, Senior Executive Corporate Officer, General Manager of West Japan Division, and General Manager of Osaka Head Office (present position)</p>	7,300
		<p>[Reasons for nomination as candidate for Director]</p> <p>Takayuki Ikeda has many years of experience in the Accounting Division. He assumed office as a Director of the Company in June 2015, and in his current role in charge of the West Japan Division, he is leading with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>	
4	<p>Yasuhiro Yamanaka (August 25, 1962) 58 years old</p> <p>Reelection Tenure as a Director 1 year Attendance to Board of Directors Meetings 12/13 times (92%) Attendance after assuming office on June 26, 2020</p>	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2011 Manager of Yokohama Branch</p> <p>Apr. 2012 Deputy Sales Coordination in Tokyo Head Office and Manager of Sales Department 4</p> <p>May 2015 Sales Coordination in Tokyo Head Office</p> <p>Apr. 2017 Corporate Officer and Head of Sales Division</p> <p>July 2017 Senior Corporate Officer and Head of Sales Division</p> <p>Apr. 2020 Executive Corporate Officer, General Manager of East Japan Division, and General Manager of Tokyo Head Office</p> <p>June 2020 Director, Executive Corporate Officer, General Manager of East Japan Division, and General Manager of Tokyo Head Office</p> <p>Apr. 2021 Director, Senior Executive Corporate Officer, and General Manager of East Japan Division, and General Manager of Tokyo Head Office (present position)</p>	3,200
		<p>[Reasons for nomination as candidate for Director]</p> <p>Yasuhiro Yamanaka has a broad range of experience in the Sales Division and the Technical Construction Division. In his current role in charge of the East Japan Division, he is leading with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)		Number of the Company's shares owned
5	Hisao Sasaki (September 7, 1965) 55 years old Reelection Tenure as a Director 1 year Attendance to Board of Directors Meetings 13/13 times (100%) Attendance after assuming office on June 26, 2020	Apr. 1988 Apr. 2016 Apr. 2017 Apr. 2018 Apr. 2019 Apr. 2020 June 2020	Joined the Company Head of Industrial Facilities Division Corporate Officer and Head of Industrial Facilities Division Senior Corporate Officer and Head of Technical Development Group Senior Corporate Officer and Head of Engineering Division Executive Corporate Officer and Head of Engineering Division Director, Executive Corporate Officer, and Head of Engineering Division (present position)	2,900
	<p>[Reasons for nomination as candidate for Director] Hisao Sasaki has many years of experience in the Technical Development Division. In his current role in charge of the Engineering Division, he responds quickly to changes in the business environment. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			
6	Yasuo Kamei (November 27, 1962) 58 years old Reelection Tenure as a Director 3 years Attendance to Board of Directors Meetings 15/16 times (94%)	Apr. 1986 Apr. 2013 Apr. 2014 Apr. 2018 June 2018 Apr. 2019	Joined the Company Manager of Accounting Department, General Administration Division Manager of Administration Department at Tokyo Head Office Corporate Officer, Head of General Administration Division, and Manager of International Affairs Office Director, Corporate Officer, Head of General Administration Division, and Manager of International Affairs Office Director, Corporate Officer, and Head of General Administration Division (present position)	4,800
	<p>[Reasons for nomination as candidate for Director] Yasuo Kamei has many years of experience in the Accounting Division. He assumed office as a Director of the Company in June 2018, and in his current role in charge of the General Administration Division, he responds quickly to changes in the business environment. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	<p>Fumio Matsubara (March 20, 1950) 71 years old</p> <p><Candidate for outside Director> Reelection Outside Independent Tenure as a Director 6 years Attendance to Board of Directors Meetings 16/16 times (100%)</p>	<p>Apr. 1973 Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>July 2004 Senior Executive Director, Development Bank of Japan</p> <p>July 2006 Director-General, Land and Water Resources Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Apr. 2008 Senior General Manager, Mizuho Research Institute Ltd.</p> <p>July 2009 Vice President, Japan Sewage Works Agency</p> <p>July 2011 Registered as an Attorney at Law Joined Asunaro Law Firm (present position)</p> <p>Aug. 2011 Commission, Construction Industry Transaction Improvement Organization</p> <p>June 2013 Executive Officer, Urban Renewal Fund Investment Corp. President, Sewerage Business Management Centre</p> <p>June 2015 Director, the Company (present position) [Significant concurrent positions outside the Company] Attorney at Law, Asunaro Law Firm</p>	0
<p>[Reasons for nomination as candidate for outside Director and expected roles, etc.] Fumio Matsubara has extensive experience as a government administrator, extensive insight into the construction industry and wide knowledge through his activities as an attorney at law. He has worked hard to strengthen management oversight functions, and based on his track record of positive opinions and suggestions about the Company's management, we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as an outside Director. In addition, after the election, he will be designated as a member of the Independent Directors Meeting, which functions as the Nomination and Compensation Committee.</p> <p>In addition, on the assumption that he would assume office as the Company's outside Director, he served as a part-time Advisor for a period from June 2014 to June 2015, before assuming office as the Company's outside Director. Since his work was to provide advice from an outside perspective independent of the Company management, and he did not receive a large amount of remuneration (less than 10 million yen), he meets the Company's criteria for independence of outside Directors. Therefore, the Company deems him to be independent as an outside Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
8	<p style="text-align: center;">Ikumi Sato (December 25, 1963) 57 years old</p> <p style="text-align: center;"><Candidate for outside Director> New election Outside Independent Tenure as a Director — Attendance to Board of Directors Meetings 16/16 times (100%) Attendance as a Corporate Auditor</p>	<p>Apr. 1990 Registered as an Attorney at Law (Tokyo Bar Association)</p> <p>Mar. 1992 Canceled the Registration of Tokyo Bar Association due to leaving for the U.S.</p> <p>Sept. 1995 Re-registered as an Attorney at Law (Daini Tokyo Bar Association) Registered as an Attorney at Law (New York State, U.S.)</p> <p>Mar. 2013 Joined Yabuki Law Offices</p> <p>Apr. 2017 Vice President, Daini Tokyo Bar Association</p> <p>Apr. 2018 Executive Governor, Japan Federation of Bar Associations</p> <p>Apr. 2019 Member, Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications (present position)</p> <p>June 2019 Corporate Auditor, the Company (present position)</p> <p>Jan. 2021 Joined Nozomi Sogo Attorneys at Law (present position)</p> <p>Apr. 2021 Managing Director, Japan Attorneys National Pension Fund (present position)</p> <p>[Significant concurrent positions outside the Company] Attorney at Law, Nozomi Sogo Attorneys at Law Managing Director, Japan Attorneys National Pension Fund</p>	0
<p>[Reasons for nomination as candidate for outside Director and expected roles, etc.] Although Ikumi Sato has never been involved in corporate management other than as an outside officer in the past, she has abundant experience as an attorney at law, and extensive insight especially into the Intellectual Property Act and the Anti-Monopoly Act. She has worked hard to strengthen management oversight functions in her role as outside Corporate Auditor. Based on her track record of positive opinions and suggestions about the Company's management, we have determined that she is qualified to realize sustainable growth and improvement of corporate value of the Company, and we newly propose her election as an outside Director. In addition, after the election, she will be designated as a member of the Independent Directors Meeting, which functions as the Nomination and Compensation Committee.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
9	<p style="text-align: center;">Kenkichi Kosakai (August 9, 1953) 67 years old</p> <p style="text-align: center;"><Candidate for outside Director> New election Outside Independent Tenure as a Director — Attendance to Board of Directors Meetings —</p>	<p>Apr. 1976 Joined Mitsubishi Chemical Industries Limited (currently Mitsubishi Chemical Corporation).</p> <p>June 2010 Member of the Board, Managing Executive Officer, Mitsubishi Tanabe Pharma Corporation</p> <p>Apr. 2014 Member of the Board Managing Executive Officer, Mitsubishi Chemical Holdings Corporation</p> <p>Apr. 2015 Senior Managing Director Director of the Board, Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation)</p> <p>June 2015 Representative Corporate Executive Officer, Senior Managing Corporate Executive Officer, Chief Financial Officer, Mitsubishi Chemical Holdings Corporation</p> <p>June 2016 Director of the Board, Mitsubishi Plastics, Inc. (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2017 Representative Corporate Executive Officer, Deputy Chief Executive Officer, and Chief Financial Officer, Mitsubishi Chemical Holdings Corporation</p> <p>June 2017 Director of the Board, Representative Corporate Executive Officer, Deputy Chief Executive Officer, and Chief Financial Officer</p> <p>Apr. 2018 Director of the Board, Representative Corporate Executive Officer, Deputy Chief Executive Officer Director of the Board, Mitsubishi Chemical Corporation</p> <p>June 2018 Member of the Board, TAIYO NIPPON SANSO CORPORATION</p> <p>Apr. 2019 Director of the Board, Mitsubishi Chemical Holdings Corporation</p> <p>June 2019 Advisor</p> <p>Mar. 2021 Director, Shonan Country Club Co., Ltd. (present position)</p>	0
<p>[Reasons for nomination as candidate for outside Director and expected roles, etc.]</p> <p>Kenkichi Kosakai has experience of serving as Director of the Board, Representative Corporate Executive Officer, Deputy Chief Executive Officer of Mitsubishi Chemical Holdings Corporation and served director positions at several listed companies. In addition to his abundant experience and extensive insight as a corporate manager, he has advanced and specialized insight on corporate finance as a person in charge of finance. Based on this, we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we newly propose his election as an outside Director. In addition, after the election, he will be designated as a member of the Independent Directors Meeting, which functions as the Nomination and Compensation Committee.</p> <p>In addition, he was working for Mitsubishi Chemical Corporation, and the Company has ordinary business relations with the company including orders of construction work. However, the Company deems him to be independent as an outside Director, since the transaction amount with the company accounts for only 0.59% of the Company's net sales, and thus he meets the Company's criteria for independence of outside Directors.</p>			

- Notes:
1. There is no special interest between the candidates and the Company.
 2. Fumio Matsubara, Ikumi Sato, and Kenkichi Kosakai are candidates for outside Director.
 3. Fumio Matsubara is currently an outside Director of the Company, and at the close of this meeting, his tenure as an outside Director will be six (6) years. Ikumi Sato is currently an outside Corporate Auditor of the Company, and at the close of this meeting, her tenure as an outside Director will be two (2) years.
 4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Fumio Matsubara, who is currently an outside Director of the Company, and Ikumi Sato, who is currently an outside Corporate Auditor of the Company, to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damages under this agreement is up to the total of the

minimum liability amount specified in Article 425, Paragraph 1 of the same Act. If the reelection of Fumio Matsubara is approved, the Company plans to renew the aforementioned agreement with him. In addition, if the election of Ikumi Sato, and Kenkichi Kosakai is approved, the Company plans to conclude the agreement with each of them.

5. 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, and the insurance contract will cover the legal indemnification and litigation expenses that will be borne by the insured, which is scheduled to be renewed in September 2021. If the election of each of the above persons is approved, they will become the insured of the relevant insurance policy.
6. The Company has submitted notification to the Tokyo Stock Exchange that Fumio Matsubara, who is currently an outside Director of the Company, and Ikumi Sato, who is currently an outside Corporate Auditor of the Company, have been designated as independent officers as provided for by the aforementioned exchange. If the reelection of Fumio Matsubara and election of Ikumi Sato are approved, the Company plans to continue to appoint them as independent officers. In addition, if the election of Kenkichi Kosakai is approved, the Company also plans to appoint him as an independent officer.
7. The Company's criteria for independence of outside Directors are as follows.
The Company deems outside Directors or candidates for outside Director to be independent when they do not fall under any of the following items:
 - (1) (i) A person who is an Executive Director, a Corporate Officer, or an employee, including a manager, of the Company or any of its subsidiaries (hereinafter referred to as an "Executing Person"), or who was an Executing Person of the Company or any of its subsidiaries for ten (10) years before assuming the office
 - (ii) A person who was a Director or a Corporate Auditor (excluding the person who used to be an Executing Person), of the Company or any of its subsidiaries at any time during the ten (10) years before assuming the office, and who was an Executing Person of the Company or any of its subsidiaries for ten (10) years before assuming the office as a Director or a Corporate Auditor
- (2) A person who is a major business partner of the Company or an Executing Person thereof
(A person who is a major business partner of the Company means a person who received the payment of 2% or more of the annual consolidated net sales of the person from the Company for the most recent fiscal year.)
- (3) A major business partner of the Company or an Executing Person thereof
(A major business partner of the Company means a person who has made the payment of 2% or more of the average annual consolidated net sales of the Company to the Company over the past three (3) fiscal years, or a person who has loaned the amount of 2% or more of the average total consolidated assets of the Company to the Company over the past three (3) fiscal years.)
- (4) A major shareholder of the Company (a person who directly or indirectly holds 10% or more of the total voting rights) or an Executing Person thereof
- (5) A person of a corporation of which 10% or more of the total voting rights are directly or indirectly held by the Company or an Executing Person thereof
- (6) An attorney at law, a certified public accountant, a tax accountant or a consultant, etc. who receives a large amount of cash and other financial assets in addition to officer remuneration from the Company
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (7) A person who belongs to an organization such as a corporation or association including a law firm, an audit corporation, a tax accountant corporation or a consultant firm which receives a large amount of cash and other financial assets from the Company
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (8) A person, a director of an organization such a corporation or association, or any other Executing Person who receives a large amount of contribution or subsidy from the Company
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (9) An executive director, an executive officer or a corporate officer of the other company in which an Executive Director or a full-time Corporate Auditor of the Company concurrently serves as an outside director or an outside corporate auditor of the other company
- (10) A person who has fallen under any of the aforementioned items (2) to (9) during the past three (3) years
- (11) A spouse, or any relative within the second degree of relationship of a person falling under any of the aforementioned items (1) to (9) who is an important person
(An important person means a Director (excluding an outside Director), a Corporate Auditor (excluding an outside Corporate Auditor), or an employee who is a senior manager equal to or higher than a Corporate Officer and a department manager.)

Proposal 3: Election of one (1) Corporate Auditor

Corporate Auditor Ikumi Sato will retire at the close of this meeting. Therefore, the Company newly proposes the election of one (1) Corporate Auditor.

The Board of Corporate Auditors has given its consent to this proposal. The term of office of the newly elected Corporate Auditor will be until the expiration date of his predecessor's term of office under the Company's Articles of Incorporation.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary and position (significant concurrent positions outside the Company)	Number of the Company's shares owned
<p>Hirofumi Kyutoku (July 5, 1954) 66 years old</p> <p><Candidate for outside Corporate Auditor> New election Outside Independent Attendance to Board of Directors Meetings and Board of Corporate Auditors Meetings —</p>	<p>Apr. 1978 Joined Osaka Gas Co., Ltd. June 2005 Associate Director, and General Manager of Keiji Commercial & Industrial Energy Sales Dept., Commercial & Industrial Energy Business Unit June 2009 Executive Officer, Head of Energy Technology Laboratories July 2009 Managing Director, The Japan Gas Association June 2010 Director, Senior Executive Officer, and Head of Commercial & Industrial Energy Business Unit, Osaka Gas Co., Ltd. Apr. 2013 Representative Director, Executive Vice President Director, Osaka Gas Chemicals Co., Ltd. Apr. 2016 Director, Osaka Gas Co., Ltd. Chairman of the Board, Osaka Gas Chemicals Co., Ltd. (present position) June 2016 Counselor, Osaka Gas Co., Ltd. June 2018 Corporate Auditor, Television Osaka, Inc. (present position) [Significant concurrent positions outside the Company] Chairman of the Board, Osaka Gas Chemicals Co., Ltd. Corporate Auditor, Television Osaka, Inc.</p>	<p>0</p>

[Reasons for nomination as candidate for outside Corporate Auditor]

Hirofumi Kyutoku served as Representative Director, Executive Vice President of Osaka Gas Co., Ltd. and is currently serving as an outside director and an outside auditor of other companies. Based on his abundant experience and wide range of insight as a corporate manager, we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we newly propose his election as an outside Corporate Auditor. In addition, after the election, he will be designated as a member of the Independent Directors Meeting, which functions as the Nomination and Compensation Committee. In addition, the Company has ordinary business relations including orders of construction work with Osaka Gas Co., Ltd. where he served as Representative Director, and Osaka Gas Chemicals Co., Ltd., where he concurrently serves as Director. However, the Company deems him to be independent as an outside Director, since the transaction amount with the company accounts for only 0.71% of the Company's net sales.

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Hirofumi Kyutoku is a candidate for outside Corporate Auditor.
 3. If the election of Hirofumi Kyutoku is approved, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damages under this agreement is up to the total of the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
 4. 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, and the insurance contract will cover the legal indemnification and litigation expenses that will be borne by the insured, which is scheduled to be renewed in September 2021. If the election of Hirofumi Kyutoku is approved, he will become the insured of the relevant insurance policy.
 5. If the election of Hirofumi Kyutoku is approved, the Company plans to appoint him as an independent officer as provided for by the Tokyo Stock Exchange.

(Reference)

Management Structure after Approval of Proposals 2 and 3 (Planned)

Name	Position	The Independent Directors Meeting	Areas of particular expertise and experience						
			Corporate Management Management Strategy	Accounting/ Finance	Technology/ Quality/ Environment	Marketing	Risk management /Governance	Legal affairs	Audit
Shohei Kitano	Representative Director, Chairman, and Corporate Officer		●	●					
Ichiro Fujisawa	Representative Director, President, and Corporate Officer		●		●		●		
Takayuki Ikeda	Director and Senior Executive Corporate Officer			●					
Yasuhiro Yamanaka	Director and Senior Executive Corporate Officer				●	●			
Hisao Sasaki	Director and Executive Corporate Officer				●				
Yasuo Kamei	Director and Corporate Officer			●			●		
Fumio Matsubara	Director (Outside)	●						●	
Ikumi Sato	Director (Outside)	●						●	●
Kenkichi Kosakai	Director (Outside)	●	●	●					
Masaharu Takitani	Full-time Corporate Auditor (Outside)	●		●					●
Hideshi Osaki	Full-time Corporate Auditor			●					●
Tomoya Tsubota	Corporate Auditor				●				●
Hirofumi Kyutoku	Corporate Auditor (Outside)	●	●		●				●

- Notes:
1. The above table, considering each person's experience and other factors, shows the areas in which they demonstrate their expertise more, and is not an exhaustive list of the areas of insight that they have.
 2. The Independent Directors Meeting is equivalent to the Nomination Advisory Committee and the Compensation Advisory Committee.

Proposal 4: Election of one (1) substitute Corporate Auditor

To prepare in case the Company does not have the number of outside Corporate Auditors stipulated by laws and regulations, the Company proposes the election of one (1) substitute Corporate Auditor for outside Corporate Auditor.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary and position (significant concurrent positions outside the Company)	Number of the Company's shares owned
Takeshi Isokawa (February 6, 1973) 48 years old	Apr. 1999 Registered as an Attorney at Law (Osaka Bar Association) Joined Kitahama Partners Apr. 2003 Joined Global Law Office (present position) June 2005 Qualified as an Attorney at Law (New York State) Mar. 2007 Outside Director, Nissen Co., Ltd. June 2007 Outside Director, Nissen Holdings Co., Ltd. Dec. 2007 Outside Corporate Auditor, Nissen Co., Ltd. Outside Corporate Auditor, IMJ Corporation Dec. 2017 Outside Corporate Auditor, Real Co., Ltd. Apr. 2019 Vice President, Osaka Bar Association Apr. 2021 Director, Kinki Federation of Bar Associations (present position) [Significant concurrent positions outside the Company] Attorney at Law, Global Law Office	0

[Reasons for nomination as candidate for substitute Corporate Auditor]

Takeshi Isokawa has experience as an attorney at law, and extensive insight especially into corporate law and M&A. In addition, he has a wealth of experience as an outside officer and the Company judges that he will adequately carry out his duties as an outside Corporate Auditor.

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Takeshi Isokawa is a candidate for substitute outside Corporate Auditor. If Takeshi Isokawa assumes office as an outside Corporate Auditor, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages as provided for in Article 423, Paragraph 1 of the same Act. The maximum amount of the liability for damages under this agreement is up to the total of the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
 3. 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, and the insurance contract will cover the legal indemnification and litigation expenses that will be borne by the insured, which is scheduled to be renewed in September 2021. If Takeshi Isokawa assumes office as an outside Corporate Auditor, he will become the insured of the relevant insurance policy.
 4. If Takeshi Isokawa assumes office as an outside Corporate Auditor, the Company plans to submit notification to the Tokyo Stock Exchange that he has been designated as an independent officer as provided for by the aforementioned exchange.