

## **Explanations for the Individual Appointments, Dismissals and Nominations of Candidates for Directors and Audit & Supervisory Board Members**

[Principle 3.1 Full Disclosure]

In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principles of the Code) in order to enhance transparency and fairness in decision-making and ensure effective corporate governance:

v) Explanations with respect to the individual appointments/dismissals and nominations based on iv)

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<Appointments and Nominations>

At the 84th Ordinary General Meeting of Shareholders (held on June 29, 2023), the Board of Directors of the Company submitted proposals to elect 13 Directors (including 5 outside Directors) and 1 outside Audit & Supervisory Board Member. All candidates for Directors and Audit & Supervisory Board Member fulfill the selection criteria of candidates for Directors and Audit & Supervisory Board Members, and individual appointments were made in consideration of the composition for the necessary number and diversity to ensure the effectiveness of the Board of Directors and the Audit & Supervisory Board as a whole.

Specifically, individual appointments were made in the expectation that the diversified experiences and backgrounds possessed by each candidate will give positive impact on the management of the Company and mutually supplement experiences and wisdom, and thereby provide the balance to the Board of Directors and the Audit & Supervisory Board as a whole as well as enhance each function.

## Information Disclosure in accordance to the Corporate Governance Code

### [Directors]

	Name	Reason for nomination of the person as Director	Position
1	Keiichi Yoshii	As Representative Director and President, he strengthened the management base in executing the Sixth Medium-Term Management Plan, through efforts such as developing products to respond to changing lifestyles in the COVID-19 pandemic, promoting overseas businesses, and transitioning to a business division system. As a result, in the final year of the management plan, the company achieved record highs in net sales and operating income at the time. In the Seventh Medium-Term Management Plan, the Company set its purpose “our hopes of the future” as “Our Future Landscape – Celebrating the Joys of Life.” The Company expects that he will demonstrate managerial skills and leadership to build the Group’s sustainable growth model.	Representative Director and President, CEO
2	Takeshi Kosokabe	He has accumulated experience from working in the accounting department and as Representative Director of a group company, and after assuming the position of Representative Director of the Company, he has been mainly serving as CFO and General Manager of Management Administration Headquarters, strengthening governance and striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.	Representative Executive Vice President, CFO
3	Yoshiyuki Murata	After serving as a manager supervising the technology division of a major construction company, he has served as Representative Director of the same company. Accordingly, the Company expects that he will utilize his abundant knowledge of the industry based on his professional career and exercise managerial skills to achieve further improvement of technical capabilities and sustainable growth of the Group.	Representative Executive Vice President

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	Name	Reason for nomination of the person as Director	Position
4	Keisuke Shimonishi	He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been mainly in charge of Commercial Construction Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will exercise managerial skills by utilizing his broad knowledge and experience to further improve the corporate value while concurrently serving in the general construction business.	Director and Senior Managing Executive Officer
5	Hirotsugu Otomo	He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been mainly in charge of general housing business and livness business, striving to improve the corporate value of the Company Group. The Company expects that he will exercise managerial skills as the Head of Management Strategy Planning Headquarters in building an integrated strategy that further improves the corporate value of the Company Group.	Director and Managing Executive Officer
6	Kazuhito Dekura	He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been mainly in charge of Rental Apartment Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.	Director and Managing Executive Officer
7	Yoshinori Ariyoshi	He has accumulated experience from working in the technology department, and after assuming the position of Director of the Company, he has been mainly in charge of Compliance and Quality Assurance Promotion Division striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.	Director and Managing Executive Officer

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	Name	Reason for nomination of the person as Director	Position
8	Toshiya Nagase	He has accumulated experience from working in the marketing department. After assuming the position of Director of the Company, he has mainly been in charge of Environment and Energy Business as well as Single Family Housing Business, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will exercise managerial skills by utilizing his broad knowledge and experience in the future.	Director and Managing Executive Officer
9	Yukiko Yabu	Utilizing her abundant experience in planning, development, market research, etc., of general consumer merchandise over many years, she has played an important role in strengthening governance by providing useful advice from the perspective of consumers. Accordingly, the Company expects that she will continue supervising the Company's management from an independent standpoint. She has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director in the manner that the Company expects, based on the reason described above.	Outside Director Independent Executive
10	Yukinori Kuwano	Utilizing his extensive knowledge of corporate management cultivated over many years through his abundant experience as a corporate manager, he has played an important role in strengthening governance by providing opinions and remarks from various perspectives. Moreover, he has supervised the progress of initiatives for BIM and DX from an executive point of view. Accordingly, the Company expects that he will continue supervising the Company's management from an independent standpoint.	Outside Director Independent Executive

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	Name	Reason for nomination of the person as Director	Position
11	Miwa Seki	Having entrepreneurial experience and work experience as a branch manager at a foreign financial institution, she has utilized her extensive global knowledge cultivated in part through her experience as a General Partner at an investment fund, her present job, to provide opinions and remarks from not only an investor's viewpoint but also diverse perspectives. Accordingly, the Company expects that she will continue supervising the Company's management from an independent standpoint.	Outside Director Independent Executive
12	Kazuhiro Yoshizawa	He served as Representative Member of the Board of Directors of a major telecommunications company. Accordingly, the Company expects that he will utilize his abundant knowledge based on his professional career and continue to provide the Group with managerial supervision and advice for further development of information technology and sustainable growth of the Group from an independent standpoint.	Outside Director Independent Executive
13	Yujiro Ito	He served as Representative Director of a major financial institution. Accordingly, the Company expects that he will utilize his abundant knowledge based on his professional career and continue to provide the Group with managerial supervision to further strengthening corporate governance of the Group from an independent standpoint.	Outside Director Independent Executive

### [Audit & Supervisory Board Member]

	Name	Reason for nomination of the person as Audit & Supervisory Board Member	Position
1	Tomoyuki Nakazato	He has abundant knowledge of finance and accounting from his long-term experience in accounting operations and has contributed to improving the effectiveness of audits and other activities of the Audit & Supervisory Board as a whole through means such as providing appropriate advice in line with on-site audits as a full-time Audit & Supervisory Board Member. Accordingly, the Company judges he will appropriately fulfill his duties as an Audit & Supervisory Board Member, and proposes his reelection.	Audit & Supervisory Board Member

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	Name	Reason for nomination of the person as Audit & Supervisory Board Member	Position
2	Tadatoshi Maeda	Having served for many years as a manager responsible for design division of Branch and Head Office, he has abundant knowledge regarding construction technologies. The Company expects that he will conduct highly effective audits with his profound knowledge of frontline operations of both technical and sales departments. Accordingly, the Company judges he will appropriately fulfill his duties as an Audit & Supervisory Board Member, and proposes his appointment as Audit & Supervisory Board Member.	Audit & Supervisory Board Member
3	Yoshinori Hashimoto	He has abundant knowledge and insight of management of branches and offices from his long-term experience as the manager of branches and offices. The Company expects that he will contribute to improving the effectiveness of audits of the Audit & Supervisory Board as a whole through means such as providing appropriate advice in line with on-site audits as a full-time Audit & Supervisory Board Member. Accordingly, the Company proposes his election as Audit & Supervisory Board Member.	Audit & Supervisory Board Member

[Audit & Supervisory Board Members appointed at the 81st, 82nd and 84th Ordinary General Meetings of Shareholders ]

	Name	Reason for nomination of the person as Audit & Supervisory Board Member	Position
1	Akihisa Watanabe	He has been engaged in auditing at an audit corporation as a certified public accountant for many years, and has abundant experience as a specialist in financial accounting. The Company expects that he will conduct highly effective audits by utilizing his extensive knowledge based on his career. Accordingly, the Company proposes his appointment as Audit & Supervisory Board Member.  He has never in the past been involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as an Outside Audit & Supervisory Board Member in the manner that the Company expects,	Outside Audit & Supervisory Board Member

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		based on the reason described above.	
2	Tatsuji Kishimoto	<p>He has been serving as an attorney at law for many years, and has expertise and abundant knowledge of corporate legal affairs. The Company expects that as an Outside Audit &amp; Supervisory Board Member who is a legal expert, he will play an important role in auditing the compliance of business execution by the Company's Directors and improving the internal control system. Accordingly, the Company proposes his appointment as Audit &amp; Supervisory Board Member.</p> <p>He has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an Outside Audit &amp; Supervisory Board Member in the manner that the Company expects, based on the reason described above.</p>	Outside Audit & Supervisory Board Member
3	Takashi Maruyama	<p>He has long-term experience in corporate management at corporate groups with diverse business operations. The Company expects that he will audit the overall management of the Company and provide useful advice from an independent standpoint by utilizing his abundant knowledge based on his career. Accordingly, the Company proposes his election as Audit &amp; Supervisory Board Member.</p>	Outside Audit & Supervisory Board Member

<Dismissals>

Presently, there is nothing to disclose about dismissals.