

DAIWA HOUSE INDUSTRY CO., LTD.
3-3-5, Umeda, Kita-ku,
Osaka, Japan

June 8, 2022

Notice of the 83rd Ordinary General Meeting of Shareholders

Dear Shareholders:

We hereby notify you of the 83rd Ordinary General Meeting of Shareholders, to be held at the time and location set forth below.

If you are unable to attend the meeting, you can exercise your voting rights in writing (by mail) or over the Internet, etc. Please review the Reference Materials for General Meeting of Shareholders provided hereafter, and exercise your voting rights before 6:00 p.m. of June 28, 2022 (Tuesday).

Very truly yours,

Keiichi Yoshii
Representative Director and President

1. Date and time: Wednesday June 29, 2022 at 10:00 a.m.
2. Location: The Grand Ballroom, THE RITZ-CARLTON, OSAKA, 2nd Fl.,
2-5-25, Umeda, Kita-ku, Osaka, Japan
(Please be advised that if all seats in the venue are taken, you will be asked to be seated in another room.)
3. Purpose of the meeting
Matters to be reported:
 1. The Business Report, the Consolidated Financial Statements, and the Independent Auditors' Report and the Audit & Supervisory Board's Report Concerning the Consolidated Financial Statements for the 83rd Fiscal Year (from April 1, 2021 to March 31, 2022)
 2. The Financial Statements for the 83rd Fiscal Year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- Proposal 1 Dividends from Surplus
- Proposal 2 Partial Amendments to the Articles of Incorporation (1)
- Proposal 3 Partial Amendments to the Articles of Incorporation (2)
- Proposal 4 Election of Fifteen (15) Directors
- Proposal 5 Election of Two (2) Audit & Supervisory Board Members
- Proposal 6 Payment of Bonuses for Directors

Proposal 7 Determination of the Compensation Amount for Directors for a Service-based Restricted Stock System and a Performance-linked Restricted Stock System

Regarding the Notice of Resolution of the General Meeting of Shareholders

Please note that we no longer send the notice of resolution of the general meeting of shareholders to save resources. The results of the resolutions will be posted on the Company website (<https://www.daiwahouse.com/ir/soukai/>). We appreciate for your kind understanding.

[Voting in writing]

Please indicate your approval or disapproval of the proposals in the voting rights exercise form enclosed herein, and return the form to the Company by 6:00 p.m. on Tuesday, June 28, 2022.

[Voting on the Internet]

Please access the voting website (<https://www.web54.net>) by entering the voting code and the password provided in the voting rights exercise form enclosed herein, and exercise your voting rights by entering your approval or disapproval of the proposals by 6:00 p.m. on Tuesday, June 28, 2022, following the instruction on the screen.

As for exercising voting rights via the Internet, please refer to “Guidance for Exercising Voting Rights via the Internet, etc.” on page 4.

If you exercise your voting rights both in writing and via the Internet, only the vote via the Internet will be handled as your valid exercise of voting rights.

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1. If you exercise your voting rights both by mail and via the Internet, only the vote via the Internet will be handled as your valid exercise of voting rights.
 2. The following items are posted over the Internet on the Company website (<https://www.daiwahouse.co.jp>), based on the laws and regulations and provisions of Article 16 of the Articles of Incorporation of the Company, and are not provided in the documents attached to this notice of general meeting of shareholders.
 - (i) Matters regarding Stock Acquisition Rights, etc. of the Company
 - (ii) Consolidated Statements of Changes in Net Assets
 - (iii) Notes to the Consolidated Financial Statements
 - (iv) Statements of Changes in Net Assets
 - (v) Notes to the Financial StatementsTherefore, the documents attached to this notice of general meeting of shareholders are part of the objectives audited by the Audit & Supervisory Board Members and the Independent Auditors in the process of making the audit reports.
 3. In the event of situations requiring amendments to the Business Report, the Consolidated Financial Statements, the Financial Statements, and the Reference Materials for General Meeting of Shareholders, amended items will be posted over the Internet on the Company website (<https://www.daiwahouse.co.jp>).

Guidance for Exercising Voting Rights via the Internet, etc.

If you exercise your voting rights via the Internet, etc., please note the following items before using it.

1. Website for exercising voting rights

You can exercise your voting rights via the Internet, only if you use the voting website (<https://www.web54.net>) designated by the Company.

2. Handling of exercise of voting rights

(1) If you exercise your voting rights via the Internet, please use the voting code and the password provided in the voting rights exercise form enclosed herein, and enter your approval or disapproval of the proposals, following the instruction on the screen.

(2) The exercise due date via the Internet is 6:00 p.m. on Tuesday, June 28, 2022, the day before the general meeting of shareholders. We appreciate if you exercise your voting rights earlier.

(3) If you exercise your voting rights both in writing and via the Internet, etc., only the vote through the Internet, etc. will be handled as your valid exercise of voting rights.

(4) If you exercise your voting rights multiple times via the Internet, etc., then the last vote you submit will be handled as your valid exercise of voting rights.

(5) Shareholders shall bear fees (connection fees, etc.) charged by Internet service providers and telecommunications carriers when using the voting website.

3. Handling of password

(1) The password used for exercising voting rights at this general meeting of shareholders shall be set anew by the shareholder upon the first access. Please be sure to keep the part of the voting rights exercise form that includes the voting code, and be sure to remember the password you entered. Please note that we cannot answer any inquiries regarding your voting code and password.

(2) If you enter the wrong password for a certain number of times, the website will be locked and you will not be able to use it. If you wish to have your password reissued, please follow the instructions on the screen.

4. Using a mobile phone

Any of the following services is available, and the model is required to have an SSL communication function that enables encrypted communication

(i) i-mode (ii) EZweb (iii) Yahoo! Keitai

i-mode corresponds to NTT DOCOMO, INC., EZweb corresponds to KDDI CORPORATION, Yahoo! corresponds to U.S.-based Yahoo! Incorporated, and Yahoo! Keitai corresponds to SoftBank Mobile Corp., each of which is a trademark, registered trademark or service name.

5. Inquiries regarding operation methods of personal computers, etc.

If you are uncertain about how to operate your personal computer, smartphone, mobile phone, etc. for exercising voting rights on this site, please contact below.

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support Hotline

0120-652-031 (*Toll Free) (Business hours: from 9:00 to 21:00)

* The service is available in Japanese only.

Electronic Voting Platform

Institutional investors, only if they apply in advance to use it, may use “Electronic Voting Platform” operated by ICJ, Inc., a joint venture established by TSE and others, as a method for exercising their voting rights electronically, in addition to the aforementioned exercise of their voting rights via the Internet.

Reference Materials for General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Dividends from Surplus

Taking into account our operating performance for the current fiscal year and future business development, it is proposed that year-end dividends for the 83rd fiscal year be distributed as follows:

(1) Type of dividend assets

Cash

(2) Allotment of dividend assets and total amount

The Company proposes to pay 71 yen per common share of the Company, by adding a commemorative dividend of 10 yen for the 100th birth anniversary of Nobuo Ishibashi, the founder of the Company, to an ordinary dividend of 61 yen.

Subsequently, the total payment of year-end dividends will be 46,556,789,033 yen.

Thus, the annual dividend will be 126 yen per share (increased by 10 yen from the previous fiscal year), including the interim dividend of 55 yen paid on December 6, 2021.

(3) Effective date of payment of dividends

June 30, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation (1)

1. Reason for the Proposal

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 of 2019) will be enforced on September 1, 2022. As a preparation for this, the Articles of Incorporation of the Company shall be amended as follows:

- i. The proposed Article 16, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- ii. The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- iii. The provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- iv. In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the Amendment

The current Articles of Incorporation and the proposed amendments are as follows.

(Underlined parts represent the change)

Current Articles of Incorporation	Proposed Amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 16</u> <u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 16</u> <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p>(2) <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>(Newly established)</p>	<p><u>(Supplementary provisions)</u> <u>(Transitional Measures Concerning Measures for Provision in Electronic Format, Etc.)</u></p> <ol style="list-style-type: none"><li data-bbox="884 432 1356 689">1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the new establishment of the proposed Article 16 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022.</u><li data-bbox="884 703 1356 992">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the effective date.</u><li data-bbox="884 1005 1356 1167">3. <u>These provisions shall be deleted after the lapse of six months from the effective date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal 3: Partial Amendments to the Articles of Incorporation (2)

1. Reason for the Proposal

The “Act Partially Amending the Industrial Competitiveness Enhancement Act” (Act No. 70 of 2021) was enforced on June 16, 2021. The Act allows listed companies, when stipulated in their Articles of Incorporation, may hold a general meeting of shareholders with no designated location (hereinafter referred to as a “virtual-only meeting of shareholders”) under certain conditions.

The Company shall newly establish Article 12, Paragraph 3 of the proposed amendment to the effect that the Company may hold a virtual-only meeting of shareholders when the Board of Directors decides that, considering the interests of shareholders as well, holding a general meeting of shareholders at a designated location is inappropriate for reasons such as concerns of spread of infectious diseases and occurrence of a large-scale natural disaster.

In addition, the Company shall establish supplementary provisions stipulating that the partial amendment to the Articles of Incorporation by this proposal will take effect subject to confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice as provided for in those ministerial ordinances as of the date of such confirmation.

2. Details of the Amendment

The current Articles of Incorporation and the proposed amendments are as follows.

(Underlined parts represent the change)

Current Articles of Incorporation	Proposed Amendment
<p>(Convocation)</p> <p>Article 12 An ordinary general meeting of shareholders of the Company shall be convened within three (3) months after the end of each fiscal year.</p> <p>(2) An extraordinary general meeting of shareholders may be convened whenever necessary.</p> <p>(Newly established)</p>	<p>(Convocation)</p> <p>Article 12 An ordinary general meeting of shareholders of the Company shall be convened within three (3) months after the end of each fiscal year.</p> <p>(2) An extraordinary general meeting of shareholders may be convened whenever necessary.</p> <p>(3) <u>The Company may hold a virtual-only meeting of shareholders when the Board of Directors decides that, considering the interests of shareholders as well, holding a general meeting of shareholders at a designated location is inappropriate for reasons such as concerns of spread of infectious diseases and occurrence of a large-scale natural disaster.</u></p>
	<p><u>(Supplementary provisions)</u></p> <p><u>(Transitional Measures Concerning Virtual-Only Meetings of Shareholders)</u></p>

Current Articles of Incorporation	Proposed Amendment
(Newly established)	<u>Article 2</u> <u>The amendment to Article 12 will take effect subject to confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice as provided for in those ministerial ordinances as of the date of such confirmation. This provision will be deleted on the effective date.</u>

Proposal 4: Election of Fifteen (15) Directors

At the conclusion of this general meeting of shareholders, the term of office of all Directors (14) will expire. Accordingly, to further strengthen our management base, we propose the election of fifteen (15) Directors (including three (3) new nominees), of which five (5) are Outside Directors.

The Company upholds a policy of having a Board of Directors that comprises diverse directors with differing backgrounds in terms of knowledge, experience and expertise, etc. in order to ensure the effectiveness of the Board of Directors as a whole. In accordance with this policy, we decide nominees for Director following a process of deliberation by the Nomination Advisory Committee chaired by an independent Outside Director, of which Independent Outside Directors form a majority. Also, we have established Independence Standards for Outside Officers as described on page 24; all five (5) nominees for Outside Director in this proposal meet these standards.

The tables on pages 12 through 20 list the nominees for the position of Director.

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
1	Keiichi Yoshii <To be reelected>	Representative Director and President CEO	17 of 17 (100%)
2	Takeshi Kosokabe <To be reelected>	Representative Executive Vice President CFO General Manager, Management Administration Headquarters Head of Related Business Division	17 of 17 (100%)
3	Yoshiyuki Murata <To be reelected>	Executive Vice President Head of Technology Coordination Department In charge of Production Headquarters and Research Headquarters	12 of 13 (92%)
4	Hirotsugu Otomo <To be reelected>	Director and Managing Executive Officer Head of Single Family Housing Business Division In charge of Livness Business Headquarters	17 of 17 (100%)
5	Tatsuya Urakawa <To be reelected>	Director and Managing Executive Officer Head of General Construction Business Division	16 of 17 (94%)
6	Kazuhito Dekura <To be reelected>	Director and Managing Executive Officer Head of Apartment Business Division	16 of 17 (94%)
7	Yoshinori Ariyoshi <To be reelected>	Director and Managing Executive Officer General Manager, Compliance and Quality Assurance Promotion Headquarters	17 of 17 (100%)
8	Keisuke Shimonishi <To be reelected>	Director and Managing Executive Officer Head of Commercial Construction Business Division	17 of 17 (100%)

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
9	Nobuya Ichiki <To be reelected>	Director and Managing Executive Officer Head of Overseas	17 of 17 (100%)
10	Toshiya Nagase <To be newly elected>	Managing Executive Officer Head of Environment and Energy Business Division	—
11	Yukiko Yabu <To be reelected>	Director <Outside> <Independent>	16 of 17 (94%)
12	Yukinori Kuwano <To be reelected>	Director <Outside> <Independent>	17 of 17 (100%)
13	Miwa Seki <To be reelected>	Director <Outside> <Independent>	16 of 17 (94%)
14	Kazuhiro Yoshizawa <To be newly elected>	Director <Outside> <Independent>	—
15	Yujiro Ito <To be newly elected>	Director <Outside> <Independent>	—

<To be reelected>

Candidate to be reelected as Director

<To be newly elected>

Candidate to be newly elected as Director

<Outside>

Candidate for Outside Director

<Independent>

Independent officer reported to the Tokyo Stock Exchange

(Note) Attendance at meetings of the Board of Directors for Mr. Yoshiyuki Murata covers the meetings of the Board of Directors held after his assumption of office on June 29, 2021.

Expertise and experience of nominees for the position of Director (Skill matrix)

No.	Name	Positions	Management	Finance and Accounting	Legal affairs and Risk management	Technology and R&D	International experience	DX-IT	ESG
1	Keiichi Yoshii	Representative Director and President	●		●		●		●
2	Takeshi Kosokabe	Representative Executive Vice President	●	●	●				●
3	Yoshiyuki Murata	Executive Vice President	●		●	●		●	●
4	Hirotsugu Otomo	Director and Managing Executive Officer	●		●				
5	Tatsuya Urakawa	Director and Managing Executive Officer	●		●				
6	Kazuhiro Dekura	Director and Managing Executive Officer	●		●				
7	Yoshinori Ariyoshi	Director and Managing Executive Officer			●	●			
8	Keisuke Shimonishi	Director and Managing Executive Officer	●		●				
9	Nobuya Ichiki	Director and Managing Executive Officer	●		●		●		
10	Toshiya Nagase	Managing Executive Officer	●		●				●
11	Yukiko Yabu	Outside Director				●			●
12	Yukinori Kuwano	Outside Director	●			●		●	●
13	Miwa Seki	Outside Director	●	●			●		●
14	Kazuhiro Yoshizawa		●			●		●	●
15	Yujiro Ito		●	●	●				●

(Note) The above table shows the areas of expertise the Company particularly expects of nominees for Director.

No. of nominee 1	Keiichi Yoshii (Date of birth: May 27, 1958)	No. of the Company's shares held by nominee: 43,329 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (100%)	<p>Brief personal history, position and responsibility in the Company, and significant concurrent positions</p> <p>June 1990 Joined the Company</p> <p>April 2010 Executive Officer</p> <p>June 2011 Director and Senior Executive Officer General Manager, Overseas Division In charge of Overseas Business</p> <p>April 2013 Director and Managing Executive Officer Tokyo Head Branch Manager</p> <p>May 2013 Head of Overseas Business</p> <p>April 2014 Deputy General Manager, Marketing Headquarters General Manager, Kanto Regional Business Unit</p> <p>April 2016 Director and Senior Managing Executive Officer General Manager, Marketing Headquarters Supervising Overseas Business General Manager, Tokyo Regional Business Unit General Manager, Kitakanto Regional Business Unit</p> <p>Nov. 2017 Representative Director and President (Current) COO</p> <p>June 2019 CEO (Current)</p>	
<p>Reason for nomination of the person as Director</p> <p>After assuming the position of Representative Director and President, he has promoted the policies of "Strategy for No. 1 share in each business," "Further promotion of overseas businesses," and "Human resource development," and worked tirelessly to build a foundation for growth by leading the Company's transition to a business division system to strengthen management. Accordingly, the Company expects that he will continue demonstrating managerial skills and excellent leadership for the continuous growth and improvement of the corporate value of the Group in the future.</p>		

No. of nominee 2	Takeshi Kosokabe (Date of birth: May 13, 1957)	No. of the Company's shares held by nominee: 50,618 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (100%)	<p>Brief personal history, position and responsibility in the Company, and significant concurrent positions</p> <p>April 1980 Joined the Company</p> <p>April 2004 Executive Officer</p> <p>April 2006 Senior Executive Officer</p> <p>June 2006 Retired as Senior Executive Officer Representative Director and President, Daiwa House REIT Management Co., Ltd.</p> <p>June 2009 Senior Executive Officer of the Company General Manager, Accounting Department, Management Administration Headquarters</p> <p>June 2010 Director and Senior Executive Officer</p> <p>April 2012 Director and Managing Executive Officer</p> <p>April 2015 Director and Senior Managing Executive Officer CFO (Current)</p> <p>June 2015 Representative Director and Senior Managing Executive Officer</p> <p>April 2019 General Manager, Management Administration Headquarters (Current)</p> <p>June 2019 Representative Executive Vice President (Current)</p> <p>April 2021 Head of Related Business Division (Current)</p>	
<p>Reason for nomination of the person as Director</p> <p>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.</p>		

No. of nominee 3	Yoshiyuki Murata (Date of birth: July 19, 1954)	No. of the Company's shares held by nominee: 2,900 shares
<To be reelected>> Attendance at meetings of the Board of Directors 12 of 13 (92%)	<p>Brief personal history, position and responsibility in the Company, and significant concurrent positions</p> <p>April 1977 Joined TAISEI CORPORATION</p> <p>April 2003 General Manager (in charge of condominium construction), First Construction Department, Construction Department, Tokyo Branch</p> <p>Oct. 2003 General Manager, Fourth Construction Department, Construction Department, Tokyo Branch</p> <p>Jan. 2006 Deputy General Manager, Housing Business Division</p> <p>April 2006 Representative Executive Vice President, Taisei Housing Corporation</p> <p>April 2009 Representative Director and President</p> <p>April 2011 Executive Officer, Kanto Branch Manager, TAISEI CORPORATION</p> <p>April 2013 Managing Executive Officer, Head of Architecture & Building Division, Head of Building Construction Division, Deputy Head of Corporate Planning Office</p> <p>June 2013 Director, Managing Executive Officer</p> <p>April 2015 Representative Director and President</p> <p>June 2020 Representative Director, Vice Chairman of the Board in charge of safety and work style reform</p> <p>June 2021 Joined the Company Executive Vice President (Current) Head of Technology Coordination Department (Current)</p> <p>July 2021 In charge of Production Headquarters (Current) In charge of Research Headquarters (Current)</p> <p>(Significant concurrent positions) Outside Director, NIPPON SIGNAL CO., LTD.</p>	
<p>Reason for nomination of the person as Director</p> <p>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.</p>		

No. of nominee 4	Hirotsugu Otomo (Date of birth: Aug. 31, 1959)	No. of the Company's shares held by nominee: 29,891 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (100%)	Brief personal history, position and responsibility in the Company, and significant concurrent positions Dec. 1984 Joined the Company April 2011 Executive Officer April 2014 Senior Executive Officer April 2015 Managing Executive Officer April 2016 General Manager, Chubu and Shinetsu Regional Business Unit June 2016 Director and Managing Executive Officer (Current) In charge of General Housing Business April 2019 In charge of Livness Business (Current) Oct. 2020 Head of Single Family Housing Business Division (Current)	
Reason for nomination of the person as Director 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. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 5	Tatsuya Urakawa (Date of birth: Feb. 22, 1961)	No. of the Company's shares held by nominee: 26,535 shares
<To be reelected> Attendance at meetings of the Board of Directors 16 of 17 (94%)	Brief personal history, position and responsibility in the Company, and significant concurrent positions Jan. 1985 Joined the Company April 2009 Executive Officer April 2011 Senior Executive Officer April 2013 Managing Executive Officer Tokyo Head Branch, General Manager, Construction Business Division General Manager, General Construction Promotion Division In charge of General Construction Operations June 2017 Director and Managing Executive Officer (Current) Oct. 2020 Head of General Construction Business Division (Current) May 2022 Head of Data Center Promotion Office, General Construction Business Division (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been in charge of General Construction Operations, 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.		

No. of nominee 6	Kazuhito Dekura (Date of birth: Aug. 26, 1961)	No. of the Company's shares held by nominee: 18,319 shares
<To be reelected> Attendance at meetings of the Board of Directors 16 of 17 (94%)	<p>Brief personal history, position and responsibility in the Company, and significant concurrent positions</p> <p>April 1988 Joined the Company</p> <p>April 2012 Executive Officer</p> <p>April 2014 Senior Executive Officer</p> <p>April 2015 Managing Executive Officer</p> <p>April 2017 General Manager, Commercial Construction Promotion Department (In charge of West Japan region)</p> <p>June 2017 Director and Managing Executive Officer (Current)</p> <p>Nov. 2017 Tokyo Head Branch Manager</p> <p> General Manager, Tokyo Regional Business Unit</p> <p>April 2018 Jointly in charge of Rental Apartment Headquarters</p> <p> General Manager, Rental Apartment Promotion Department (In charge of Hokkaido, Tohoku, Saitama, Gunma, and Tochigi regions)</p> <p>Oct. 2018 In charge of Rental Apartment Headquarters</p> <p> General Manager, Rental Apartment Promotion Department (In charge of East Japan region)</p> <p>Feb. 2019 General Manager, Rental Apartment Promotion Department (In charge of North Kanto, Saitama, and Chiba regions)</p> <p>April 2020 General Manager, Rental Apartment Promotion Department (In charge of Hokkaido, Northeast, and North Kanto regions)</p> <p>Oct. 2020 Head of Apartment Business Division (Current)</p> <p> General Manager, Apartment Promotion Division (In charge of Hokkaido, Northeast, and North Kanto regions)</p>	
<p>Reason for nomination of the person as Director</p> <p>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.</p>		

No. of nominee 7	Yoshinori Ariyoshi (Date of birth: July 31, 1958)	No. of the Company's shares held by nominee: 13,784 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (100%)	<p>Brief personal history, position and responsibility in the Company, and significant concurrent positions</p> <p>April 1982 Joined the Company</p> <p>April 2014 Executive Officer</p> <p>April 2015 General Manager, Central Research Laboratory, Technology Headquarters</p> <p>April 2017 Senior Executive Officer</p> <p> In charge of Residential Product Development</p> <p>June 2017 Director and Managing Executive Officer (Current)</p> <p> Jointly in charge of the Environment</p> <p>Oct. 2018 Head of Future Co-creation Center</p> <p>April 2019 In charge of Quality Assurance Division, Technology Headquarters</p> <p>Aug. 2019 General Manager, Compliance and Quality Assurance Promotion Headquarters (Current)</p> <p> In charge of Compliance and Quality Assurance Promotion Division (Current)</p> <p> In charge of Specification Supervision (Current)</p>	
<p>Reason for nomination of the person as Director</p> <p>He has accumulated experience from working in the technology department, and after assuming the position of Director of the Company, he has been mainly served as General Manager of Central Research Laboratory and been in charge of Housing Product Development, striving to develop new products and improve quality. The Company expects that he will work to strengthen the quality assurance function and the compliance system of the whole manufacturing process by utilizing his knowledge and experience in the future.</p>		

No. of nominee 8	Keisuke Shimonishi (Date of birth: Oct. 19, 1958)	No. of the Company's shares held by nominee: 14,301 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (100%)	Brief personal history, position and responsibility in the Company, and significant concurrent positions April 1981 Joined the Company April 2013 Executive Officer March 2014 Fukuoka Branch Manager General Manager, Kyushu Regional Business Unit April 2016 Senior Executive Officer March 2017 General Manager, Commercial Construction Promotion Department April 2017 Managing Executive Officer April 2018 In charge of Commercial Construction Headquarters June 2018 Director and Managing Executive Officer (Current) Nov. 2019 General Manager, Commercial Construction Promotion Department (In charge of South Kanto region) Oct. 2020 Head of Commercial Construction Business Division (Current) General Manager, Commercial Construction Promotion Division, Commercial Construction Business Division (In charge of South Kanto region) (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been 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 in the future.		

No. of nominee 9	Nobuya Ichiki (Date of birth: June 23, 1956)	No. of the Company's shares held by nominee: 3,598 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (100%)	Brief personal history, position and responsibility in the Company, and significant concurrent positions April 1979 Joined Mitsubishi Corporation April 2009 General Manager, Manila Branch President, The Japanese Chamber of Commerce and Industry of the Philippines, Inc. Director, Ayala Corporation April 2012 Senior Vice President, Unit Manager, Overseas Real Estate Unit, Mitsubishi Corporation July 2016 Joined the Company Senior Executive Officer General Manager, Fourth Department, Overseas Division April 2019 In charge of Overseas Strategy April 2020 Managing Executive Officer June 2020 Director and Managing Executive Officer (Current) July 2020 Head of North, Central and South America Business Department, Head of Oceania Business Department Oct. 2020 Head of Overseas Business Division Nov. 2020 Head of Europe Business Department April 2022 Head of Overseas (Current) Head of North, Central and South America Business Department Promotion (Current) Head of Oceania Business Department Promotion (Current) Head of Europe Business Department Promotion (Current)	
Reason for nomination of the person as Director He has accumulated experience from businesses overseas at globally operating companies, and after joining the Company, he has been in charge of overseas businesses and striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue striving to further promote overseas businesses by utilizing his abundant knowledge and experience based on his career in the future.		

No. of nominee 10	Toshiya Nagase (Date of birth: December 26, 1962)	No. of the Company's shares held by nominee: 21,300 shares
<To be newly elected> Attendance at meetings of the Board of Directors —	Brief personal history, position and responsibility in the Company, and significant concurrent positions April 1987 Joined the Company April 2010 Hamamatsu Branch Chief April 2014 Kobe Branch Manager April 2016 Executive Officer April 2019 General Manager, Hyogo Regional Business Unit Senior Executive Officer In charge of Environment and Energy Business April 2020 Director, Daiwa Energy Co., Ltd. (Current) Director, ENESERVE CORPORATION (Current) Oct. 2020 Head of Environment and Energy Business Division, the Company (Current) April 2021 Managing Executive Officer (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department. After assuming the position of Executive Officer of the Company, he has mainly been in charge of Environment and Energy Business. He also assumed the position of Director of Group companies, 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.		

No. of nominee 11	Outside Director / Independent Officer Yukiko Yabu (Date of birth: June 23, 1958)	No. of the Company's shares held by nominee: 2,500 shares
<To be reelected> Attendance at meetings of the Board of Directors 16 of 17 (94%)	Brief personal history, position and responsibility in the Company, and significant concurrent positions April 1981 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Holdings Corporation) April 2006 Manager, Lifestyle Research Center, Technological Headquarters, Home Appliance Company Jan. 2011 Manager and Trustee, Global Consumer Research Center, Corporate Brand Strategy Headquarters, Panasonic Corporation April 2013 Trustee in charge of Consumer Research and Group Manager, Global Marketing Planning Center, Appliances Company June 2016 Director of the Company (Current) (Significant concurrent positions) Outside Director, Furukawa Electric Co., Ltd. Outside Director, Audit and Supervisory Committee Member, IBIDEN CO., LTD.	
Reason for nomination of the person as Outside Director and summary of expected roles 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.		
Term of office She will have served the position for six (6) years at the conclusion of this general meeting of shareholders.		

No. of nominee 12	Outside Director / Independent Officer Yukinori Kuwano (Date of birth: Feb. 14, 1941)	No. of the Company's shares held by nominee: 10,700 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (100%)	Brief personal history, position and responsibility in the Company, and significant concurrent positions April 1963 Joined SANYO Electric Co., Ltd. Feb. 1993 Member of the Board June 1996 Managing Member of the Board June 1999 Member of the Board and Senior Managing Executive Officer Nov. 2000 President and COO April 2004 President, CEO and COO June 2005 Member of the Board and Councilor Nov. 2005 Councilor June 2006 Standing Advisor June 2008 Audit & Supervisory Board Member of the Company June 2020 Director (Current)	
Reason for nomination of the person as Outside Director and summary of expected roles 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. Term of office He will have served the position for two (2) years at the conclusion of this general meeting of shareholders.		

No. of nominee 13	Outside Director / Independent Officer Miwa Seki (Date of birth: Feb. 25, 1965)	No. of the Company's shares held by nominee: 1,700 shares
<To be reelected> Attendance at meetings of the Board of Directors 16 of 17 (94%)	Brief personal history, position and responsibility in the Company, and significant concurrent positions April 1988 Joined DENTSU INC. April 1989 Joined Smith Barney Sep. 1993 Joined Morgan Stanley June 1997 Joined Clay Finlay Limited Jan. 2003 General Manager, Tokyo Branch June 2020 Director of the Company (Current) (Significant concurrent positions) Outside Member of the Board (Member of Audit & Supervisory Committee), World Co., Ltd. General Partner, MPower Partners Fund L.P. Director, Yanai Tadashi Foundation	
Reason for nomination of the person as Outside Director and summary of expected roles 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 translator, her present job, to provide opinions and remarks from not only an investor's viewpoint but also various perspectives. Accordingly, the Company expects that she will continue supervising the Company's management from an independent standpoint. Term of office She will have served the position for two (2) years at the conclusion of this general meeting of shareholders.		

No. of nominee 14	Outside Director / Independent Officer Kazuhiro Yoshizawa (Date of birth: Jun. 21, 1955)	No. of the Company's shares held by nominee: – shares
<To be newly elected> Attendance at meetings of the Board of Directors –	<p>Brief personal history, position and responsibility in the Company, and significant concurrent positions</p> <p>April 1979 Joined NTT Public Corporation</p> <p>June 2007 Senior Vice President, General Manager of Corporate Sales, Marketing Department II, NTT DoCoMo, Inc.</p> <p>June 2011 Senior Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors</p> <p>June 2012 Executive Vice President, General Manager of Corporate Strategy, Planning Department, Responsible for Mobile Society Research Institute, Member of the Board of Directors</p> <p>July 2013 General Manager of Corporate Strategy Planning Department, General Manager of Structural Reform Office, Responsible for Mobile Society Research Institute</p> <p>June 2014 Senior Executive Vice President, Responsible for Technology, Devices and Information Strategy, Representative Member of the Board of Directors, NTT DOCOMO, INC.</p> <p>June 2016 President and Chief Executive Officer, Representative Member of the Board of Directors</p> <p>Dec. 2020 Member of the Board of Directors</p> <p>June 2021 Corporate Advisor (Current) Outside Director, Sony Financial Group Inc. (Current)</p> <p>July 2021 Consultant of the Company (Current)</p> <p>(Significant concurrent positions) Corporate Advisor, NTT DOCOMO, INC. Outside Director, Sony Financial Group Inc.</p>	
<p>Reason for nomination of the person as Outside Director and summary of expected roles</p> <p>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 provide the Group with managerial supervision and advice for further development of information technology and sustainable growth of the Group from an independent standpoint.</p>		

No. of nominee 15	Outside Director / Independent Officer Yujiro Ito (Date of birth: Aug. 3, 1955)	No. of the Company's shares held by nominee: 1,000 shares
<To be newly elected> Attendance at meetings of the Board of Directors -	Brief personal history, position and responsibility in the Company, and significant concurrent positions April 1979 Joined The Sumitomo Bank Limited (current Sumitomo Mitsui Banking Corporation) June 2005 Senior Managing Executive Officer, General Manager of General Affairs Dept. General Manager of General Affairs Dept., Sumitomo Mitsui Financial Group, Inc. April 2009 Managing Director, Sumitomo Mitsui Banking Corporation April 2011 Director and Managing Director Managing Director, Sumitomo Mitsui Financial Group, Inc. April 2012 Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation Director, Sumitomo Mitsui Financial Group, Inc. April 2014 Director and Deputy President, Sumitomo Mitsui Banking Corporation Director, Sumitomo Mitsui Financial Group, Inc. April 2017 Deputy Chairman of the Board, Sumitomo Mitsui Banking Corporation May 2019 Advisor, Ginsen Co., Ltd June 2019 President (Current) (Significant concurrent positions) President, Ginsen Co., Ltd (Scheduled to retire in June 2022 to assume the position of Special Advisor)	
Reason for nomination of the person as Outside Director and summary of expected roles 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 provide the Group with managerial supervision to further strengthening corporate governance of the Group from an independent standpoint.		

- Notes:
1. No beneficial interest exists between the Company and any nominees for the position of Director.
 2. Ms. Yukiko Yabu, Mr. Yukinori Kuwano, Ms. Miwa Seki, Mr. Kazuhiro Yoshizawa and Mr. Yujiro Ito are nominees for the position of Outside Director.
 3. The Company has entered into agreements with Ms. Yukiko Yabu, Mr. Yukinori Kuwano and Ms. Miwa Seki to limit their liability to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations. If the election of the said nominees is approved and passed as proposed in this proposal, the Company will continue the aforementioned agreement with each of them. In addition, if the election of Mr. Kazuhiro Yoshizawa and Mr. Yujiro Ito as Director is approved and passed, the Company will enter into the similar liability limitation agreements with them.
 4. The Company has entered into a Directors and Officers liability insurance contract, stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties as an officer of the Company during the insurance period. If the election of the nominees for the position of Director is approved and passed as proposed in this proposal, each nominee will be included as the insured under the insurance policy. The contract period of the insurance is one (1) year. The Company will renew the contract prior to the expiration subject to resolution by the Board of Directors.
 5. The Company has designated and reported Ms. Yukiko Yabu, Mr. Yukinori Kuwano and Ms. Miwa Seki as independent officers as stipulated in the regulations of Tokyo Stock Exchange, Inc. If the election of the said nominees is approved and passed as proposed in this proposal, they will continue to serve as independent officers. In addition, if the election of Mr. Kazuhiro Yoshizawa and Mr. Yujiro Ito as Director is approved and passed, the Company will designate and report them as independent officers as stipulated in the regulations of Tokyo Stock Exchange, Inc.
 6. A business relationship exists between the Company and World Co., Ltd. where Ms. Miwa Seki serves as Member of the Board. However, the transaction amount has been less than 0.1% of net sales of both parties in the past three (3) fiscal years. Therefore, the relationship does not affect the independence.
 7. Business relationships exist between the Company and NTT DOCOMO, INC. where Mr. Kazuhiro Yoshizawa serves as Corporate Advisor and between the Company and Sony Financial Group Inc. where he serves as Director. However, for each business relationship, the transaction amount has been less than 0.1% of net sales of both parties in the past three (3) fiscal years. Therefore, the relationship does not affect the independence.
 8. A business relationship exists between the Company and Ginsen Co., Ltd. where Mr. Yujiro Ito serves as President. However, the transaction amount has been less than 0.1% of net sales of both parties in the past three (3) fiscal years. Therefore, the relationship does not affect the independence.
 9. The Company holds shares in Panasonic Holdings Corporation, a company that Ms. Yukiko Yabu used to work for. However, its shareholding ratio is less than 0.01% of the issued shares of said party. Therefore, the shareholding does not affect her independence.

Proposal 5: Election of Two (2) Audit & Supervisory Board Member

The term of office of the Audit & Supervisory Board Member, Mr. Tomoyuki Nakazato, will expire at the conclusion of this general meeting of shareholders. Accordingly, to further strengthen and enhance our audit base, we propose the election of two (2) Audit & Supervisory Board Members, of which one (1) has been newly elected.

The Audit & Supervisory Board has given prior approval to this proposal.

The table below lists the nominees for the position of Audit & Supervisory Board Member.

No. of nominee 1	Tomoyuki Nakazato (Date of birth: Oct. 29, 1961)	No. of the Company's shares held by nominee: 6,170 shares
< To be reelected >	Brief personal history, position in the Company, and significant concurrent positions April 1984 Joined the Company April 2008 General Manager, Administrative Division, Saitama Branch April 2013 General Manager, Accounting Department, Tokyo Head Office April 2018 Department Manager, Audit & Supervisory Board Member's Office June 2018 Audit & Supervisory Board Member (Current)	
Reason for nomination of the person as Audit & Supervisory Board Member 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.		

No. of nominee 2	Yoshinori Hashimoto (Date of birth: Nov. 27, 1960)	No. of the Company's shares held by nominee: 12,200 shares
<To be newly elected>	Brief personal history, position in the Company, and significant concurrent positions April 1985 Joined the Company Oct. 2004 Fukui Branch Chief April 2008 Toyama Branch Chief March 2010 Kanazawa Branch Chief April 2015 Kanazawa Branch Manager April 2016 Executive Officer General Manager, Hokuriku Regional Business Unit April 2019 Senior Executive Officer (Current) General Manager, Rental Apartment Promotion Department (In charge of Shinetsu, Hokuriku Regional Business Unit) Oct. 2019 General Manager, Chubu and Shinetsu Regional Business Unit April 2020 Nagoya Branch Manager General Manager, Aichi Regional Business Unit General Manager, Chubu Regional Business Unit General Manager, Rental Apartment Promotion Department (In charge of Chubu, Aichi Regional Business Unit) April 2022 Department Manager, Audit & Supervisory Board Member's Office (Current)	
Reason for nomination of the person as Outside Audit & Supervisory Board Member 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.		

- Notes: 1. No beneficial interest exists between the Company and the nominees for the position of Audit & Supervisory Board Member.
2. The Company has entered into agreements with Mr. Tomoyuki Nakazato to limit his liability to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations. If the election of the said nominee is approved and passed as proposed in this proposal, the Company

will continue the aforementioned agreement with him. In addition, if the election of Mr. Yoshinori Hashimoto is approved and passes as proposed in this proposal, the Company will enter into the similar agreement with him.

3. The Company has entered into a Directors and Officers liability insurance contract, stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties as an officer of the Company during the insurance period. If the election of the nominees for the position of Audit & Supervisory Board Member is approved and passed as proposed in this proposal, each nominee will be included as the insured under the insurance policy. The contract period of the insurance is one (1) year. The Company will renew the contract prior to the expiration subject to resolution by the Board of Directors.

<Independence Standards for Outside Officers>

The Company judges outside Directors, outside Audit & Supervisory Board Members (hereinafter collectively referred to as “outside Officers”), or candidates for outside Officers as independent if they do not fall under any of the following items as a result of the investigation conducted by the Company as far as reasonably possible:

- i. Executors of operations^{Note 1} of the Company and its affiliates (hereinafter collectively referred to as the “Company Group”);
- ii. Those for whom the Company Group is a major business partner^{Note 2} or their executors of operations;
- iii. Major business partners of the Company Group^{Note 3} or their executors of operations;
- iv. Major shareholders of the Company (Those who own directly or indirectly 10% or more of the total voting rights) or their executors of operations;
- v. Those 10% or more of whose total voting rights are owned directly or indirectly by the Company Group or their executors of operations;
- vi. Those who belong to the auditing firm that is the financial auditor of the Company Group;
- vii. Attorneys, certified public accountants, licensed tax accountants, consultants and the like who receive a large amount^{Note 4} of monetary or other property benefits other than officers remuneration from the Company Group;
- viii. Those who belong to corporations, cooperatives, and the like including law firms, auditing firms, tax accountant corporations, and consulting firms, which receive a large amount^{Note 4} of monetary or other property benefits from the Company Group;
- ix. Council members or other executors of operations of bodies including corporations and cooperatives which, or persons who receive a large amount^{Note 4} of donations or assistance from the Company Group;
- x. In cases where Directors for operational execution, or full-time Audit & Supervisory Board Members concurrently serve as outside Directors or outside Audit & Supervisory Board Members of other companies, Directors for operational execution, Executive Officers (*shikko-yaku*), Executive Officers (*shikko-yakuin*), or managers and other employees of said companies;
- xi. Those who have fallen under the definition of the above ii to x in the last three years
- xii. In cases where those who fall under the definition of the above i to x are important persons^{Note 5}, their spouses or relatives within the second degree of kinship.

*1. “Executors of operations” refer to Directors, Executive Officers (*shikko-yaku*), Executive Officers (*shikko-yakuin*), employees who execute operations, council members, or those equivalent thereto and employees of corporations and other bodies, as well as those who have belonged to the Company Group in the past even once (excluding outside officers).

*2. “Those for whom the Company Group is a major business partner” refer to persons who have received from the Company the payment of 2% or more of their consolidated annual sales in the most recent fiscal year.

*3. “Major business partners of the Company Group” refer to persons who pay the Company 2% or more of its consolidated annual sales in the most recent fiscal year, or who loaned the Company 2% or more of its consolidated total assets at the end of the most recent fiscal year.

*4. “A large amount” refers to, in terms of the average for the past three fiscal years, ¥10 million or more for individuals, more than 2% of the consolidated sales or total revenues of said bodies for bodies including corporations and cooperatives.

*5. “Important persons” refer to Directors (excluding outside Directors), Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members), Executive Officers (*shikko-yakuin*) and employees who are senior managers in the position of general managers or higher.

Proposal 6: Payment of Bonuses for Directors

Taking into account the amount of the previous payments and our operating performance for the current fiscal year, it is proposed that bonuses to Directors of 520 million yen in total be paid to, among fourteen (14) Directors incumbent at the end of the current fiscal year, nine (9) Directors (number excluding Outside Directors).

The Company has a policy for determining remuneration, etc. for each Director, and the outline of the policy is as shown in “3. Matters concerning the Company’s Officers (2) (i) Matters concerning the policy for determining remuneration, etc. for each Director” in the Business Report (available in Japanese only). This proposal conforms to said policy, and thus is deemed appropriate.

Proposal 7: Determination of the Compensation Amount for Directors for a Service-based Restricted Stock System and a Performance-linked Restricted Stock System

1. Details of the proposal and the purpose of adopting the proposed compensation systems

The current compensation for Directors of the Company (excluding Outside Directors; hereinafter, “Applicable Directors”) consists of monetary compensation—fixed compensation and annual bonuses, and performance-linked stock compensation—stock option trusts and restricted stock compensation.

As a part of revision of the executive compensation system, the Company proposes to adopt a new stock compensation system. With the new system, the Company aims to provide incentives for Applicable Directors to pursue sustainable improvements in our corporate value and to ensure shared value with shareholders by raising the ratio of stock compensation. The new system consists of two different stock compensation systems: A service-based restricted stock compensation system (hereinafter, “System I”) and a performance-linked restricted stock system (hereinafter, “System II”, with these systems hereinafter collectively referred to as “System”).

If this proposal is approved in its original form, the Company shall establish no additional trusts for conventional stock option trusts. Furthermore, following the Ordinary General Meeting of Shareholders, the performance evaluation period for the performance-linked restricted stock compensation system applied to the Sixth Medium-Term Management Plan will expire and we will conduct no further reviews or continuations of said performance evaluation period. However, this shall exclude the payment of amounts for vested rights or the issuance of vested stock options.

Compensation in the System is separate from the Directors’ compensation determined via a resolution by the 57th Ordinary General Meeting of Shareholders convened on June 27, 1996 (up to 70 million yen per month), the compensation provision allocated to the stock option trusts established via a resolution by the 77th Ordinary General Meeting of Shareholders convened on June 28, 2016 (no more than 600 million yen over a three-year period), and the compensation provision for the performance-linked restricted stock compensation established via a resolution by the 80th Ordinary General Meeting of Shareholders convened on June 25 2019 (no more than 180 million yen and no more than 40,000 shares over the three-year period between the 81st fiscal year and the 83rd fiscal year (FY2019 through FY2021), the period of our Sixth Medium-Term Management Plan. Through System I, the Company will grant stock compensation to Applicable Directors after the expiration of the period from the date of the Ordinary General Meeting of Shareholders during which Applicable Directors began executing their duties through the date of the Ordinary General Meeting of Shareholders convened the following fiscal year (hereinafter, “Period of Service”). Through System II, the Company will grant stock compensation on or after the date of the first Ordinary General Meeting of Shareholders (hereinafter, “Vesting Date”) convened after the end of each fiscal year of the Company (hereinafter, a single fiscal year of the Company is referred to as “Performance Evaluation Period”).

Under the System, the maximum stock compensation amount the Company shall pay to Applicable Directors for a Period of Service or a Performance Evaluation Period shall be no more than 900 million yen per year each for System I and System II. This compensation shall be no more than a combined 1,800 million yen in combined compensation (does not include employee wages paid to Directors with employee duties). The maximum number of Company common stock (hereinafter, “Company Stock”) to be issued shall be no more than 290,000 shares per year each for System I and System II. This stock compensation shall be no more than a combined 580,000 shares per year (no more than 0.1% of the 655,729,423 shares representing the Company’s total shares issued (excluding 10,508,782 shares of treasury shares as of March 31, 2022)). However, in the event, on or after the day when this proposal is resolved, a stock split (including bonus shares of Company Stock) or merger is conducted or circumstances require adjustments to the total number of Company Stock to be issued or disposed of based on this System, then the total number of shares shall be adjusted within a reasonable range.

Furthermore, the per share payment amount shall be determined by the Board of Directors within a range that does not provide undue monetary advantage to Applicable Directors receiving said Company Stock. This determination shall be made based on the final transaction price for Company Stock on the Tokyo Stock Exchange on the last business day prior to the resolution passed by the Board of Directors concerning stock allocation (hereinafter, “Board Stock Option Resolution”). If no transactions were completed on the date in question, then the final price from the most recent business day shall be applied.

The Company has a policy for determining compensation, etc. for each Director, and the outline of the policy is as shown in “3. Matters concerning the Company’s Officers (2) (i) Matters concerning the policy for determining compensation, etc. for each Director” in the Business Report (available in Japanese only). This proposal is deemed appropriate because it conforms to the policy (which, if the proposal is approved, will be amended to match what the Reference section below describes so as to reflect the matters approved).

The number of Directors subject to the System will be ten (10), excluding Outside Directors, if Proposal 4 “Election of Fifteen (15) Directors” is approved in its original form.

2. Amount and other details of compensation under the System

1. Service-based restricted stock compensation system (System I)

(1) System I summary

System I is a stock compensation system that pays monetary compensation claims to Applicable Directors based on the condition that Applicable Directors hold the position of Director (hereinafter, “Position of Director”) continuously during the Period of Service. Applicable Directors pay all of those monetary compensation claims in the form of in-kind contributions to receive the issuance or disposal of Company Stock.

The issuance or disposal of Company Stock and the payment of monetary compensation claims in the form of in-kind contributions shall be subject to a restricted stock allocation agreement concluded between the Company and Applicable Directors as outlined in (3) of “1. System I” below.

This proposal seeks approval for the payment of monetary compensation claims as stock compensation as described in (2) of “1. System I” within the maximum limit described in “1. Details of the proposal and the purpose of adopting the proposed compensation systems.” The specific amount of payment of monetary compensation claims to Applicable Directors based on this proposal shall be left to the decision of the Company’s Board of Directors.

(2) Method of calculating the monetary compensation claim amount and final number of allocated shares for System I

1) Method of calculating the monetary compensation claim amount

The amount of the monetary compensation claims to be paid to Applicable Directors shall be the amount calculated by multiplying the final number of shares allocated to Applicable Directors in accordance with System I (for System I, this shall be referred to as “Final Share Allocation”) by the per share payment amount.

2) Final Share Allocation and final payment amount calculation methods

The Final Share Allocation shall be the number of shares calculated by multiplying the base number of shares (in System I, this shall be referred to as “Base Share Allocation”) by a coefficient that is determined based on the period of service (hereinafter, “Period of Service Coefficient”).

However, when 1) a Director resigns from the Position of Director prior to the vesting date due to the expiration of term or other just reason (excluding when due to death), or when 2) a Director resigns from the Position of Director after the vesting date but prior to the date of issuance or disposal of Company Stock due to the expiration of term or other just reason (including when due to death), the amount calculated by multiplying the Final Share Allocation by the final transaction price for common shares of Company Stock on the Tokyo Stock Exchange for said date of retirement (if no transactions were conducted on that date, then the final price for the most recent date of transactions, for System I hereinafter referred to as “Final Payment Amount”) shall be paid within a specified period of time after resignation. However, when said date of retirement falls on or after the date of the Board Stock Option Resolution, then the payment amount shall be an amount based on the Board Stock Option Resolution.

(System I Final Share Allocation and Final Payment Amount calculation formulas)

Final Share Allocation	= A) Base Share Allocation x B) Period of Service coefficient
Final Payment Amount	= Final Share Allocation x final price for Company Stock on date of retirement from the Position of Director (if no transactions were conducted on that date, then the final price for the most recent date of transactions (However, when said date of retirement is on or after the date of the Board Stock Option Resolution, then the payment amount shall be an amount based on the Board Stock Option Resolution.))

A) Base Share Allocation

The Company Board of Directors shall determine in advance Base Share Allocation issued to each Applicable Director. However, in light of the maximum amount of stock compensation allowed for System I, this amount shall be adjusted within a reasonable range when necessary to reduce the Base Share Allocation issued to Applicable Directors.

B) Period of Service Coefficient

Period of Service Coefficient =	$\frac{\text{Period of Service (months)}}{\text{Months related to Period of Service (12)}}$
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Notes: 1. The Period of Service (months) is calculated as beginning from the month after the month of the date of the Ordinary General Meeting of Shareholders, which is the Period of Service start date, until the month of the date on which the Applicable Director resigns from the Position of Director

2. If the Period of Service Coefficient exceeds 1, then the coefficient is set as 1.

3) Conditions for payments to Applicable Directors

If the Applicable Director resigns due to death prior to the vesting date, then no payment of stock or monetary amounts in accordance with System I is made. Furthermore, Directors who assume their position after the conclusion of an Ordinary General Meeting of Shareholders, which is the position start date, are ineligible for payment.

Also, Applicable Directors applicable to the circumstances for loss of rights as set forth in Company regulations, including Directors who resign from the Position of Director without just cause, or who commit certain acts of misconduct, prior to the vesting date shall not receive payment of stock or monetary amounts.

(3) Summary of the restricted stock allocation agreement

Based on System I, as described above, the issuance or disposal of Company Stock and the payment of monetary compensation claims in the form of in-kind contributions shall be subject to a restricted stock allocation agreement (hereinafter, "Allocation Agreement") concluded between the Company and Applicable Directors. The details of the Allocation Agreement are as follows.

1) Period of transfer restrictions

Applicable Directors shall not transfer, create a security interest on, or otherwise dispose of (hereinafter, "Transfer Restrictions") Company Stock allocated by the Allocation Agreement (hereinafter, "Allocated Stock") during the period (hereinafter, "Transfer Restriction Period") between the date of the Company Stock payment and the retirement or resignation from the position of Company or subsidiary director, executive officer, executive officer not serving as a director, corporate auditor, employee, consultant, or equivalent position (hereinafter, "Executive Position").

2) Lifting of transfer restrictions

If an Applicable Director retires or resigns from Executive Position before the expiration of the Transfer Restriction Period, the Company shall duly acquire the Allocated Stock of the Applicable Director free of charge unless a reasonable reason exists for the retirement or resignation, for example, expiration of term or death. If an Applicable Director retires or resigns from Executive Position due to expiration of term, death, or another reasonable reason, the Company shall lift the Transfer Restrictions on all of Allocated Stock at the expiry of the Transfer Restriction Period.

3) Handling in the event of organizational restructuring

Notwithstanding the provision in 1) above, if, during the Transfer Restriction Period, a merger agreement resulting in the dissolution of the Company, a stock swap agreement or stock transfer plan resulting in the Company becoming a wholly-owned subsidiary, or any other agenda related to organization restructuring is approved by the Company's General Meeting of Shareholders (or Board of Directors for organizational restructuring agenda not requiring approval by the General Meeting of Shareholders), the Company shall lift the Transfer Restrictions on all of Allocated Stock prior to the effective date of the organizational restructuring in accordance with the resolution of its Board of Directors.

4) Other

Other matters regarding the Allocation Agreement shall be determined by the Board of Directors of the Company.

(4) Handling in the event of organizational restructuring

If, prior to the date of issuance or disposal of Company Stock prescribed for System I, a merger agreement resulting in the dissolution of the Company, a stock swap agreement or stock transfer plan resulting in the Company becoming a wholly-owned subsidiary, or any other agenda related to organization restructuring is approved by the Company's General Meeting of Shareholders (or Board of Directors for organizational restructuring agenda not requiring approval by the General

Meeting of Shareholders), after approval of said organizational restructuring, in exchange for Company Stock, the Company shall pay an amount calculated by multiplying the Base Share Allocation, which shall be adjusted within a reasonable range based on factors such as the period between the position start date and the organizational restructuring approval date, by the final transaction price for Company Stock on the Tokyo Stock Exchange on the date of business prior to the date of approval of said Organizational Restructuring (however, if said date of approval is on or after the date of Board Stock Option Resolution, then the payment price based on the Board Stock Option Resolution shall be used.) However, this shall be limited to when the organizational restructuring date of enforcement is expected to occur on a date prior to the Company Stock issuance or disposal date prescribed for System I.

2. Performance-linked restricted stock compensation system (System II)

(1) System II summary

System II is a stock compensation system that pays monetary compensation claims to Applicable Directors based on the level of achievement for performance goals during the Performance Evaluation Period. Applicable Directors pay all of those monetary compensation claims in the form of in-kind contributions to receive the issuance or disposal of Company Stock.

The issuance or disposal of Company Stock and the payment of monetary compensation claims in the form of in-kind contributions shall be subject to a restricted stock allocation agreement concluded between the Company and Applicable Directors as outlined in (3) of “1. System II” below.

This proposal seeks approval for the payment of monetary compensation claims as stock compensation as described in (2) of “1. System II” within the maximum limit described in “1. Details of the proposal and the purpose of adopting the proposed compensation systems.” The specific amount of payment of monetary compensation claims to Applicable Directors based on this proposal shall be left to the decision of the Company’s Board of Directors.

(2) Method of calculating the monetary compensation claim amount and final number of allocated shares for System II

1) Method of calculating the monetary compensation claim amount

The amount of monetary compensation claims paid to Applicable Directors shall be the amount calculated by multiplying the final number of shares allocated to Applicable Directors in accordance with System II (for System II, this shall be referred to as “Final Share Allocation”) by the per share payment amount.

2) Final Share Allocation and final payment amount calculation methods

The Final Share Allocation shall be the number of shares calculated by multiplying the base number of shares (in System II, this shall be referred to as “Base Share Allocation”) by a coefficient that is determined based on the level of performance goal achievement (hereinafter, “Performance Goal Achievement Coefficient”).

However, when a Director resigns from the Position of Director after the vesting date but prior to the date of issuance or disposal of Company Stock due to the expiration of term or other just reason (including when due to death), the amount calculated by multiplying the Final Share Allocation by the final transaction price for common shares of Company Stock on the Tokyo Stock Exchange for said date of retirement (if no transactions were conducted on that date, then the final price for the most recent date of transactions, for System II hereinafter referred to as “Final Payment Amount”) shall be paid. However, when said date of retirement is on or after the date of the Board Stock Option Resolution, then the payment amount shall be an amount based on the Board Stock Option Resolution.

(System II Final Share Allocation and Final Payment Amount calculation formulas)

Final Share Allocation = A) Base Share Allocation x B) Performance Goal Achievement Coefficient
Final Payment Amount = Final Share Allocation x final price for Company Stock on date of retirement from the Position of Director (if no transactions were conducted on that date, then the final price for the most recent date of transactions (However, when said date of retirement is on or after the date of the Board Stock Option Resolution, then the payment amount shall be an amount based on the Board Stock Option Resolution.))

A) Base Share Allocation

The Company Board of Directors shall determine in advance Base Share Allocation issued to each Applicable Director. However, in light of the maximum amount of stock compensation allowed for System II, this amount shall be adjusted within a reasonable range when necessary to reduce the Base Share Allocation issued to Applicable Directors.

B) The Performance Goal Achievement Coefficient

The Performance Goal Achievement Coefficient shall be the environmental metrics outlined in the Company's Seventh Medium-Term Management Plan (CO₂ emissions reductions (business activities), CO₂ emissions reductions (building use), and CDP climate change score). Using the figures finalized for the Performance Evaluation Period (initial period to be the 84th fiscal year (FY2022)), the Performance Goal Achievement Coefficient calculated based on (1) through (3) in the tables below shall be calculated based on the following formula.

(Calculation formula for Performance Goal Achievement Coefficient)

Performance Goal Achievement Coefficient = {(1) CO ₂ emissions reductions (business activities ^{*1}) + (2) CO ₂ emissions reductions (building use ^{*2})} x (3) CDP climate change ^{*3} score
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*1: CO₂ emissions at Group offices, plants, construction sites, and business facilities

*2: CO₂ emissions resulting from Group sales and the use of developed residential housing and buildings

*3: An 8-tier evaluation of climate change response and strategy conducted by the International NPO CDP, which surveys over 14,000 companies worldwide and shares evaluation results with institutional investors.

Note: If the Performance Goal Achievement Coefficient exceeds 1, then the coefficient is set as 1.

(1) CO₂ emissions reductions (business activities) + (2) CO₂ emissions reductions (building use)

Performance Goal Achievement	Performance Goal Achievement Coefficient
100% or more	0.5
80% to less than 100%	0.4
60% to less than 80%	0.3
40% to less than 60%	0.2
20% to less than 40%	0.1
Less than 20%	0

(3) CDP climate change score

CDP score	Performance Goal Achievement
A	1.20
A ⁻	1.10
B	1.00
B ⁻	0.95
C	0.90
C ⁻	0.85
D	0.80
D ⁻	0.75

3) Conditions for payments to Applicable Directors

If an Applicable Director resigns from the Position of Director prior to the vesting date, then no payment of stock or monetary amounts in accordance with System II shall be made, regardless of the reason. Furthermore, Directors who assume their position after the conclusion of the first Ordinary General Meeting of Shareholders convened after the Performance Evaluation Period start date are ineligible for payment.

Also, Applicable Directors applicable to the circumstances for loss of rights as set forth in Company regulations, including Directors who commit certain acts of misconduct, prior to the vesting date shall not receive payment of stock or monetary amounts.

(3) Summary of the restricted stock allocation agreement

Based on System II, as described above, the issuance or disposal of Company Stock and the payment of monetary compensation claims in the form of in-kind contributions shall be subject to the Allocation Agreement, the details of which are the same as what is described in (3) of “1. System I”.

(4) Handling in the event of organizational restructuring

If, prior to the vesting date, a merger agreement resulting in the dissolution of the Company, a stock swap agreement or stock transfer plan resulting in the Company becoming a wholly-owned subsidiary, or any other agenda related to organization restructuring is approved by the Company’s General Meeting of Shareholders (or Board of Directors for organizational restructuring agenda not requiring approval by the General Meeting of Shareholders), then no stock or monetary amount shall be paid. However, this shall be limited to when the date of enforcement for said Organizational Restructuring is expected to fall occur prior to the date of allocation or disposal of Company Stock in accordance with System II.).

Furthermore, if after the vesting date but prior to the date of allocation or disposal of Company Stock in accordance with System II, a merger agreement resulting in the dissolution of the Company, a stock swap agreement or stock transfer plan resulting in the Company becoming a wholly-owned subsidiary, or any other agenda related to organization restructuring is approved by the Company’s General Meeting of Shareholders (or Board of Directors for organizational restructuring agenda not requiring approval by the General Meeting of Shareholders), as a replacement for Company Stock, the Company shall pay the monetary amount derived by multiplying the Final Share Allocation by the final transaction price for Company Stock on the Tokyo Stock Exchange on the date of business prior to the date of approval of said Organizational Restructuring (however, if said date of approval is on or after the date of Board Stock Option Resolution, then the payment price based on the Board Stock Option Resolution shall be used.).

(TRANSLATION ONLY)

This payment shall be made within a certain period of time after approval for said Organizational Restructuring. However, this shall be limited to when the date of enforcement for said Organizational Restructuring is expected to fall occur prior to the date of issuance or disposal of Company Stock in accordance with System II.

(Reference)

[Adoption of a new executive compensation system]

If this proposal is approved, the Company will amend its executive compensation system as follows starting from the fiscal year 2022, the first year of our Seventh Medium-Term Management Plan.

Composition of compensation for Directors (excluding Outside Directors)

Current system

Fixed compensation		Stock compensation	
Basic compensation Approx. 45% (no more than 70 million yen per month)	Bonus Approx. 43%	Approx. 12%	
		Stock option trusts	Performance-linked restricted stock compensation
Short term (KPI: consolidated ordinary income for a single fiscal year)		Medium to long term (KPI: ROE)	Medium to long term (KPI: consolidated operating income)



New System

Fixed compensation		Stock compensation	
Basic compensation Approx. 45% (no more than 70 million yen per month)	Bonus Approx. 35%	Approx. 20%	
		Service-based restricted stock compensation system	Performance-linked restricted stock compensation system
Short term (KPI: consolidated ordinary income for a single fiscal year)		(KPI: Environmental metrics)	

- (Notes)
1. The % represents the percentage of each compensation section against the total compensation amount for Directors (Changes may be made in the future due to calculations being based on past business results).
 2. Stock compensation is payable only when all the performance-linked indicators pertaining to the compensation are satisfied.

[Proposed changes in the policy for determining compensation, etc. for each Director]

The Company's compensation for Directors consists of monetary compensation—fixed compensation and annual bonuses, and stock compensation—service-based restricted stock compensation and performance-linked restricted stock compensation. As a basic policy, the Company aims to build a well-balanced compensation system that corresponds to the Directors' responsibility for sustainable improvement of the Company's corporate value. Compensation of Outside Directors only consists of monetary compensation of fixed compensation.

The determination method of the policy shall be resolved by the Board of Directors following the deliberation by the Remuneration Advisory Committee, which is chaired by an independent Outside Director, and whose majority is comprised of Outside Directors.