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Securities Code: 2734

January 30, 2020

To our shareholders:

Goro Kamino
President and Representative Director
SALA Corporation
Sala Tower, 1-55, Ekimae-odori,
Toyohashi-shi, Aichi

Notice of the 18th Annual General Meeting of Shareholders

You are cordially invited to attend the 18th Annual General Meeting of Shareholders of SALA Corporation (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights by any of the following methods. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Thursday, February 20, 2020 (JST).

[Exercise of voting rights in writing]

Please indicate your approval or disapproval of each proposal on the enclosed voting form and then return the form by postal mail so that your vote is received by the aforementioned deadline.

[Exercise of voting rights via the internet]

Please access the website for the exercise of voting rights designated by the Company (<https://www.web54.net>), enter the “voting code” and “password” printed on the enclosed voting form, and indicate your approval or disapproval for each proposal according to the instructions on the screen.

Please review the “Instructions for the Exercise of Voting Rights via the Internet” (Japanese only) to exercise your voting rights via the internet.

If you exercise your voting rights in duplicate both in writing and via the internet, the voting rights exercised via the internet shall be deemed valid.

If you exercise your voting rights multiple times via the internet, or more than once using a smartphone, only the last exercise of voting rights shall be deemed valid.

- 1. Date and Time:** Friday, February 21, 2020, at 10:00 a.m. (The reception desk will open at 9:00 a.m.)
- 2. Venue:** THE GRACE, 5F, Hotel Arc Riche Toyohashi
1-55, Ekimae-odori, Toyohashi-shi, Aichi

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 18th fiscal year (from December 1, 2018 to November 30, 2019), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 18th fiscal year (from December 1, 2018 to November 30, 2019)

Matters to be resolved:

Proposal No. 1: Partial Amendments to the Articles of Incorporation

Proposal No. 2: Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal No. 3: Election of Three Directors Who Are Audit and Supervisory Committee Members

Proposal No. 4: Determination of Amount of Remuneration to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal No. 5: Determination of Amount of Remuneration to Directors Who Are Audit and Supervisory Committee Members

Proposal No. 6: Determination of Amount of Share-Based Remuneration, etc. to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Other Terms Thereof

4. Instructions for the Exercise of Voting Rights

Please refer to the “Instructions for the Exercise of Voting Rights” and “Instruction for Exercise of Voting Rights via the Internet” (both Japanese only).

- If you attend the meeting in person, you are kindly requested to submit the enclosed voting form at the reception desk.
- Any changes in the Reference Documents for General Meeting of Shareholders and the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements will be posted on the Company’s website.
- To ensure that information is furnished in a timely manner, the content of this notice was disclosed on the Company’s website before it was sent out.

The Company’s website (<https://www.sala.jp/ja/ir/stock/meeting.html>)

Reference Documents for General Meeting of Shareholders

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

The Company will make the transition to a company with audit and supervisory committee in order to further enhance corporate governance by reinforcing the supervision function of the Board of Directors, and make it possible to enhance the efficiency of the management and speed up the decision-making processes. In line with this, the Company will make the necessary amendments including establishing new provisions concerning the Audit and Supervisory Committee Members and Audit and Supervisory Committee and deleting the provisions concerning the Audit & Supervisory Board Members and Audit & Supervisory Board, as well as establishing new provisions concerning delegation of decisions on execution of important operations.

2. Details of amendments

The details of the amendments are as follows. The amendments to the Articles of Incorporation regarding this proposal shall take effect at the conclusion of this meeting.

(Amendments underlined)

Current Articles of Incorporation	Proposed amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1. to Article 3. (Omitted)	Article 1. to Article 3. (Unchanged)
Article 4. (Organs) The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs:	Article 4. (Organs) The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs:
<ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit & Supervisory Board Members</u> 3. <u>Audit & Supervisory Board</u> 4. Financial Auditor 	<ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> (Deleted) 3. Financial Auditor
Article 5. to Article 17. (Omitted)	Article 5. to Article 17. (Unchanged)
Chapter IV Directors and Board of Directors	Chapter IV Directors and Board of Directors
Article 18. (Number of Directors) The Company shall have not more than 15 Directors.	Article 18. (Number of Directors)
(Newly established)	<ol style="list-style-type: none"> (1) The Company shall have not more than 15 Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u>. (2) <u>The Company shall have not more than five Directors who are Audit and Supervisory Committee Members.</u>
Article 19. (Method of Election)	Article 19. (Method of Election)
(1) Directors shall be elected at a general meeting of shareholders.	(1) Directors shall be elected at a general meeting of shareholders; <u>provided, however, that the election of Directors who are Audit and Supervisory Committee Members shall be made separately from the election of other Directors.</u>
(2) to (3) (Omitted)	(2) to (3) (Unchanged)
(Newly established)	<p><u>Article 20. (Effective Period of Resolution on Election of Substitute Directors Who Are Audit and Supervisory Committee Members)</u></p> <p><u>The period during which the resolution for electing a substitute Director who is an Audit and Supervisory Committee Member remains effective shall expire at the opening of the annual general meeting of shareholders to be held for the last business year out of the business years terminating within two years after the said resolution.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>Article 20. (Term of Office) The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 21. (Term of Office)</p> <p>(1) The term of office of a Director <u>(excluding a Director who is an Audit and Supervisory Committee Member)</u> shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p>(2) <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within two years after the election of the Director.</u></p> <p>(3) <u>The term of office of a Director who is an Audit and Supervisory Committee Member who is elected as the substitute for a Director who is an Audit and Supervisory Committee Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Director who is an Audit and Supervisory Committee Member who retired from office is to expire.</u></p>
<p>Article 21. (Representative Directors and Directors With Special Titles)</p> <p>(1) The Board of Directors shall, by its resolution, appoint representative Director(s).</p> <p>(2) The Board of Directors shall, by its resolution, appoint one Director and President. The Board of Directors may, by its resolution, appoint <u>one Director and Chairman, a small number of Director and Vice Presidents, a small number of Senior Managing Directors, and a small number of Managing Directors.</u></p>	<p>Article 22. (Representative Directors and Directors With Special Titles)</p> <p>(1) The Board of Directors shall, by its resolution, appoint representative Director(s) <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p>(2) The Board of Directors shall, by its resolution, appoint one Director and President <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members).</u> The Board of Directors may, by its resolution, appoint a small number of <u>other Directors with special titles.</u></p>
<p>Article 22. (Omitted)</p>	<p>Article 23. (Unchanged)</p>
<p>Article 23. (Notice of Meeting of the Board of Directors)</p> <p>(1) When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>(2) With the consent of all Directors <u>and Audit & Supervisory Board Members,</u> a meeting of the Board of Directors may be held without following the convening procedures.</p>	<p>Article 24. (Notice of Meeting of the Board of Directors)</p> <p>(1) When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>(2) With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</p>
<p>Article 24. to Article 25. (Omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 25. to Article 26. (Unchanged)</p> <p><u>Article 27. (Delegation of Decisions on Execution of Important Operations)</u> <u>Pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, the Company may delegate all or part of the decisions on the execution of important operations (excluding the matters set out in each item of paragraph (5) of that Article) to the Director(s) by resolution of the Board of Directors.</u></p>
<p>Article 26. (Omitted)</p>	<p>Article 28. (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>Article 27. (Remuneration, Etc.) Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter the “Remuneration, Etc.”) to Directors shall be determined by resolution of a general meeting of shareholders.</p>	<p>Article 29. (Remuneration, Etc.) Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter the “Remuneration, Etc.”) to Directors shall be determined by resolution of a general meeting of shareholders. <u>Remuneration, Etc. to Directors who are Audit and Supervisory Committee Members, however, shall be determined separately from those to other Directors by resolution of a general meeting of shareholders.</u></p>
<p>Article 28. (Omitted)</p>	<p>Article 30. (Unchanged)</p>
<p style="text-align: center;">Chapter V <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	<p style="text-align: center;">Chapter V <u>Audit and Supervisory Committee</u></p>
<p>Article 29. (Number of Directors) <u>The Company shall have not more than four Audit & Supervisory Board Members.</u></p>	<p>(Deleted)</p>
<p>Article 30. (Method of Election)</p>	<p>(Deleted)</p>
<p>(1) <u>Audit & Supervisory Board Members shall be elected at a general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p>(2) <u>Resolutions on the election of the Audit & Supervisory Board Members shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u></p>	<p>(Deleted)</p>
<p>Article 31. (Term of Office)</p>	<p>(Deleted)</p>
<p>(1) <u>The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.</u></p>	<p>(Deleted)</p>
<p>(2) <u>The term of office of an Audit & Supervisory Board Member who is elected as the substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Audit & Supervisory Board Member who retired from office is to expire.</u></p>	<p>(Deleted)</p>
<p>Article 32. (Full-Time Audit & Supervisory Board Members and Standing Audit & Supervisory Board Members)</p>	<p>Article 31. (Full-Time Audit and Supervisory Committee Members)</p>
<p>(1) <u>The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.</u></p>	<p>The <u>Audit and Supervisory Committee may</u> appoint full-time <u>Audit and Supervisory Committee Member(s)</u> by its resolution.</p>
<p>(2) <u>The Audit & Supervisory Board may appoint standing Audit & Supervisory Board Member(s) from among the full-time Audit & Supervisory Board Members by its resolution.</u></p>	<p>(Deleted)</p>
<p style="text-align: center;">(Newly established)</p>	<p>Article 32. (Convener of Meeting of the Audit and Supervisory Committee) <u>Any Audit and Supervisory Committee Member shall convene a meeting of the Audit and Supervisory Committee.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>Article 33. (Notice of Meeting of the <u>Audit & Supervisory Board</u>)</p> <p>(1) When convening a meeting of the <u>Audit & Supervisory Board</u>, a notice shall be dispatched to each <u>Audit & Supervisory Board Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>(2) With the consent of all <u>Audit & Supervisory Board Members</u>, a meeting of the <u>Audit & Supervisory Board</u> may be held without following the convening procedures.</p> <p>Article 34. (Method of Resolution of the <u>Audit & Supervisory Board</u>) <u>Unless otherwise provided for by laws and regulations</u>, resolutions of the <u>Audit & Supervisory Board</u> shall be made by a majority of the <u>Audit & Supervisory Board Members</u>.</p> <p>Article 35. (<u>Regulations of the Audit & Supervisory Board</u>) Matters concerning the <u>Audit & Supervisory Board</u> shall be governed by the <u>Regulations of the Audit & Supervisory Board</u> established by the <u>Audit & Supervisory Board</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p> <p><u>Article 36. (Remuneration, Etc.)</u> <u>The Remuneration, Etc. to Audit & Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p> <p><u>Article 37. (Exemption of Audit & Supervisory Board Members From Liability)</u></p> <p>(1) <u>With respect to the liability of Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) under Article 423, paragraph (1) of the Companies Act, the Company may, if they have acted in good faith and without gross negligence, exempt them from such liability, within the limit of the amount provided for in laws and regulations, by resolution of the Board of Directors.</u></p> <p>(2) <u>The Company may enter into agreements with Audit & Supervisory Board Members to the effect that if they have acted in good faith and without gross negligence, the liability for damages of such Audit & Supervisory Board Members under Article 423, paragraph (1) of the Companies Act shall be limited to the amount provided for in laws and regulations.</u></p>	<p>Article 33. (Notice of Meeting of the <u>Audit and Supervisory Committee</u>)</p> <p>(1) When convening a meeting of the <u>Audit and Supervisory Committee</u>, a notice shall be dispatched to each <u>Audit and Supervisory Committee Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>(2) With the consent of all <u>Audit and Supervisory Committee Members</u>, a meeting of the <u>Audit and Supervisory Committee</u> may be held without following the convening procedures.</p> <p>Article 34. (Method of Resolution of the <u>Audit and Supervisory Committee</u>) Resolutions of the <u>Audit and Supervisory Committee</u> shall be made by a majority of the <u>Audit and Supervisory Committee Members present at the meeting where a majority of the Audit and Supervisory Committee Members entitled to participate in the voting are present.</u></p> <p>Article 35. (<u>Rules of the Audit and Supervisory Committee</u>) Matters concerning the <u>Audit and Supervisory Committee</u> shall be governed by the <u>Rules of the Audit and Supervisory Committee</u> established by the <u>Audit and Supervisory Committee</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>
<p style="text-align: center;">Chapter VI Accounts</p> <p>Article 38. to Article 41. (Omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter VI Accounts</p> <p>Article 36. to Article 39.(Unchanged)</p> <p>(<u>Supplementary Provisions</u>) <u>(Transitional Measures Concerning Exemption of Audit & Supervisory Board Members From Liability)</u> <u>Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a former Audit & Supervisory Board Member) from his/her liability for damages arising from neglecting his/her duties before the effective date of the partial amendments to the Articles of Incorporation resolved at the 18th Annual General Meeting of Shareholders to the extent permitted by laws and regulations.</u></p>

Proposal No. 2: Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation,” in its original form, the Company will make the transition to a company with audit and supervisory committee, and the terms of office of all eight Directors will expire when the amendments to the Articles of Incorporation take effect.

In that regard, the Company proposes the election of seven Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal), lowering the number of Directors by one to enable quicker and more flexible decision making.

The resolution for this proposal can only take effect after the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Director are as follows:

Candidate No.	Name	Position	Responsibility			
1	Goro Kamino	President and Representative Director		Reelection		
2	Kazuhiko Matsui	Executive and Representative Director	Assistant to President	Reelection		
3	Hiroshi Torii	Director	Executive Officer, Leader of Energy & Solutions Segment	Reelection		
4	Nobuhito Yamaguchi	Director	Executive Officer, Leader of Housing Segment	Reelection		
5	Takahisa Kurebayashi	Director	Executive Officer, Leader of Engineering & Maintenance Segment	Reelection		
6	Yoshio Ichiryu	Director		Reelection	Outside	Independent
7	Kazutaka Okubo			New election	Outside	Independent

Reelection candidate for Director to be reelected

New election candidate for Director to be newly elected

Outside candidate for outside Director

Independent independent officer as defined by the securities exchange

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Goro Kamino (August 29, 1960) Reelection	<p>Aug. 2000 President and Representative Director of GASTEC SERVICE, INC (currently SALA ENERGY CO., LTD.)</p> <p>May 2002 President and Representative Director of the Company (current position)</p> <p>June 2002 Director of Chubu Engineering Corporation (current position)</p> <p>Jan. 2004 Outside Director of SALA HOUSE CO., LTD.</p> <p>Mar. 2006 Representative Director of CHUBU GAS CO., LTD. (currently SALA ENERGY CO., LTD.)</p> <p>Feb. 2007 Chairman and Representative Director of SALA CARS JAPAN Co., Ltd. (current position)</p> <p>Mar. 2012 President and Representative Director of CHUBU GAS CO., LTD. (currently SALA ENERGY CO., LTD.)</p> <p>July 2016 Director of SALA HOUSE CO., LTD. (current position)</p> <p>Feb. 2018 Chairman and Representative Director of CHUBU GAS CO., LTD. (currently SALA ENERGY CO., LTD.) (current position)</p> <p>[Significant concurrent positions outside the Company] Outside Director of Musashi Seimitsu Industry Co., Ltd.</p> <p>[Reasons for nomination as candidate for Director] Mr. Kamino has been engaging in management at the Company and Group companies over many years, and began assuming a managerial role as the President and Representative Director upon establishment of the Company in May 2002. The Company has nominated him as a candidate for reelection as Director in anticipation that he will demonstrate his outstanding managerial talent given his abundant experience and adequate achievements.</p>	1,323,287 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Kazuhiko Matsui (March 28, 1955) Reelection	<p>Apr. 2004 Managing Director of CHUBU GAS CO., LTD. (currently SALA ENERGY CO., LTD.)</p> <p>Feb. 2010 Managing Director, in charge of General Planning Department, General Affairs Department and Human Resources Strategy Department, and General Manager of General Planning Department of the Company</p> <p>Mar. 2010 Director of CHUBU GAS CO., LTD. (currently SALA ENERGY CO., LTD.) (current position)</p> <p>Dec. 2011 Managing Director, in charge of General Planning Department, General Affairs Department and Human Resources Strategy Department of the Company</p> <p>Feb. 2012 Executive and Representative Director, Assistant to President, in charge of General Planning Department, General Affairs Department and Human Resources Strategy Department</p> <p>Dec. 2012 Executive and Representative Director, Assistant to President (current position)</p>	33,481 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Matsui has been engaging in management at the Company and Group companies over many years, and began serving as the Company's Executive and Representative Director in February 2012. The Company has nominated him as a candidate for reelection as Director in anticipation that he will appropriately make managerial decisions given his abundant experience and knowledge primarily in planning and administrative operations.</p>			
3	Hiroshi Torii (October 25, 1954) Reelection	<p>Mar. 2006 Managing Director, General Manager of Sales Division of CHUBU GAS CO., LTD. (currently SALA ENERGY CO., LTD.)</p> <p>Mar. 2012 Executive and Representative Director, Assistant to President, and General Manager of Sales Division</p> <p>Jan. 2015 Executive and Representative Director, Assistant to President, and Supervisor of Sales</p> <p>July 2016 Executive Officer, in charge of Gas & Power of the Company</p> <p>Dec. 2016 Executive Officer, Leader of Energy & Solutions Segment</p> <p>Feb. 2017 Director, Executive Officer, Leader of Energy & Solutions Segment (current position)</p> <p>Feb. 2018 President and Representative Director of CHUBU GAS CO., LTD. (currently SALA ENERGY CO., LTD.) (current position)</p>	28,840 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Torii has abundant experience and achievements having been engaged in management in the city gas business and other operations of Group companies. The Company has nominated him as a candidate for reelection as Director in anticipation that he will manage the Company drawing on his substantial insight and managerial talent amassed through such experience.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Nobuhito Yamaguchi (December 8, 1958) Reelection	<p>Mar. 2012 Managing Director, General Manager of Administration Division and in charge of Secretariat Office, Planning Office and Regional Business Office of CHUBU GAS CO., LTD. (currently SALA ENERGY CO., LTD.)</p> <p>Dec. 2013 Counselor of SALA HOUSE CO., LTD.</p> <p>Jan. 2014 Senior Managing Director, Assistant to President</p> <p>Jan. 2015 President and Representative Director (current position)</p> <p>July 2016 Executive Officer, in charge of Housing of the Company</p> <p>Feb. 2017 Director, Executive Officer, Leader of Housing Segment (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Yamaguchi has abundant experience and achievements having been engaged in management in the city gas and housing sales business as well as other operations of Group companies. The Company has nominated him as a candidate for reelection as Director in anticipation that he will manage the Company drawing on his substantial insight and managerial talent amassed through such experience.</p>	34,380 shares
5	Takahisa Kurebayashi (March 16, 1957) Reelection	<p>Feb. 2017 Senior Managing Director, in charge of Administration Division, Infrastructure Environment Department and Information Communication Department, and in charge of Hamamatsu District of Chubu Engineering Corporation</p> <p>Feb. 2018 President and Representative Director (current position)</p> <p>Feb. 2019 Director, Executive Officer, Leader of Engineering & Maintenance Segment of the Company (current position)</p> <p>[Reasons for nomination as candidate for Director] Mr. Kurebayashi has abundant experience and achievements having been engaged in management of business involving construction, installation and civil engineering at Group companies. The Company has nominated him as a candidate for reelection as Director in anticipation that he will manage the Company drawing on his substantial insight and managerial talent amassed through such experience.</p>	5,500 shares
6	Yoshio Ichiryu (January 3, 1946) Reelection Outside Independent	<p>July 2000 President of Ichiryu Associates, Inc. (current position)</p> <p>Feb. 2003 Outside Audit & Supervisory Board Member of the Company</p> <p>Feb. 2006 Outside Director (current position)</p> <p>[Significant concurrent positions outside the Company] President of Ichiryu Associates, Inc. Outside Director of SHIMA SEIKI MFG., LTD.</p> <p>[Reasons for nomination as candidate for outside Director] The Company has nominated Mr. Ichiryu as a candidate for reelection as outside Director in anticipation that he will manage the Company drawing on his substantial insight across all operations.</p>	45,800 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Kazutaka Okubo (March 22, 1973) New election Outside Independent	<p>Feb. 2005 Managing Director of ShinNihon Integrity Assurance Inc. (currently Ernst & Young ShinNihon Sustainability Co., Ltd.)</p> <p>July 2012 Senior Partner of Ernst & Young ShinNihon LLC</p> <p>Feb. 2016 Senior Managing Director and General Manager of ERM Department</p> <p>June 2019 President and Representative Director of Okubo Associates Inc. (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>President and Representative Director of Okubo Associates Inc.</p> <p>External Audit & Supervisory Board Member of SEGA SAMMY HOLDINGS INC.</p> <p>Outside Director of Sun Frontier Fudousan Co., Ltd.</p> <p>Outside Audit & Supervisory Board Member of BrainPad Inc.</p> <p>Outside Director of LIFULL Co., Ltd.</p> <p>[Reasons for nomination as candidate for outside Director]</p> <p>In addition to his knowledge of governance and finance based on his audit experience at a major audit firm, Mr. Okubo has extensive knowledge and experience in the fields of compliance and CSR. The Company has nominated him as a candidate for new election as outside Director in anticipation that he will manage the Company drawing on his abundant insight.</p>	0 shares

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Yoshio Ichiryu and Kazutaka Okubo are candidates for outside Director. The Company appointed Mr. Ichiryu as an independent officer as provided for by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and has notified each of the Exchanges of his appointment. If the reelection of Mr. Ichiryu is approved, the Company plans for his appointment as an independent officer to continue. If the election of Mr. Okubo is approved, the Company also plans to appoint him as an independent officer and notify each of the Exchanges of his appointment.
 3. Matters regarding the candidates for outside Director are as follows:
 - (1) The number of years served as outside Director since the candidates for outside Director assumed the office:
Yoshio Ichiryu is currently an outside Director of the Company. At the conclusion of this meeting, his tenure as outside Director will be 14 years.
 - (2) Summary of details of limited liability agreement with outside Directors:
Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Yoshio Ichiryu to limit the liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for in Article 425, paragraph (1) of the same Act.
If his reelection is approved, the Company plans to continue the said limited liability agreement with him. If the election of Kazutaka Okubo is approved, the Company also plans to enter into a limited liability agreement of the same content with him.

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Naomi Muramatsu (July 20, 1972) New election Outside Independent	Oct. 2002 Registered as an attorney at law with Shizuoka Bar Association Assigned to Ishizuka and Muramatsu law office (current position) Feb. 2011 Outside Audit & Supervisory Board Member of the Company (current position) [Significant concurrent positions outside the Company] Attorney at law of Ishizuka and Muramatsu law office	0 shares
		[Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member] The Company has nominated Ms. Muramatsu as a candidate for outside Director who is an Audit and Supervisory Committee Member in anticipation that, although she has never been directly involved in the management of a company, she will reinforce the auditing and supervision function of the Company's management drawing on her professional insight and abundant experience as an attorney at law.	

- Notes:
- There is no special interest between any of the candidates and the Company.
 - Takashi Sugii and Naomi Muramatsu are candidates for outside Director. The Company appointed Mr. Sugii and Ms. Muramatsu as independent officers as provided for by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and has notified each of the Exchanges of their appointment. If their election is approved, the Company plans to appoint them as independent officers and notify each of the Exchanges of their appointment.
 - Takashi Sugii and Naomi Muramatsu are currently outside Audit & Supervisory Board Member of the Company. At the conclusion of this meeting, their respective tenure as outside Audit & Supervisory Board Member will be 14 years for Mr. Sugii and nine years for Ms. Muramatsu.
 - Matters regarding the candidates for outside Director are as follows:
Summary of details of limited liability agreement with outside Directors:
Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Takashi Sugii and Naomi Muramatsu to limit the liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for in Article 425, paragraph (1) of the same Act.
If their election is approved, the Company plans to enter into limited liability agreements of the same content with them.

(Reference) Criteria for Independence of Outside Officers

The Company deems that a candidate for outside Director is independent when none of the following conditions apply:

- A principal executive (Note 1) of the Company or its subsidiaries (the "Group")
- An entity for which the Group is a major business partner (Note 2) or a principal executive thereof
- A major business partner of the Group (Note 3) or a principal executive thereof
- A major shareholder of the Company (Note 4) or a principal executive thereof
- Financial Auditor or a member or other employee of an audit firm of the Group
- A consultant, legal expert or accounting expert who receives a large amount of monetary consideration (Note 5) or other assets other than officer remuneration from the Group
- An entity that receives a large amount of donation (Note 6) from the Group or a principal executive thereof
- A spouse or relative within the second degree of kinship of the person described in 1. through 7. above
- Notwithstanding the provisions of each preceding item, a person who is considered to have a special reason that may cause a conflict of interest with the Company

Notes:

- "Principal executive" refers to an executive director, an executive officer or an important employee whose position is ranked at the level of general manager or above.

- 2: “Entity for which the Group is a major business partner” refers to an entity that has received the payment of 2% or more of its consolidated net sales from the Group in the most recent fiscal year.
- 3: “Major business partner of the Group” refers to an entity that has paid the Group 2% or more of its consolidated net sales in the most recent fiscal year.
- 4: “Major shareholder” refers to a shareholder who holds 10% or more of the total number of voting rights of the Company directly or indirectly.
- 5: “A large amount of monetary consideration” refers to the sum of ¥10 million or more a year, while for an organization, over 2% of the annual revenues, on average for the past three fiscal years.
- 6: “A large amount of donation” refers to amounts of over ¥10 million a year on average for the past three fiscal years.

Proposal No. 4: Determination of Amount of Remuneration to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will make the transition to a company with audit and supervisory committee. At the 1st Annual General Meeting of Shareholders held on February 27, 2003, shareholders approved the remuneration amount for Directors of the Company to be set at a total of ¥15 million or less per month (provided that this includes the amount for outside Directors and does not include employee salaries), and these provisions have remained unchanged to the present. In line with the transition to a company with audit and supervisory committee, the Company proposes to abolish the current remuneration amount for Directors and newly set the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) in consideration of the previous remuneration amount for Directors and the recent economic conditions and other factors. The Company proposes to set the remuneration amount at a total of ¥200 million or less per annum (of which, ¥30 million or less per annum for outside Directors). The amount of remuneration does not include the portion for employee salaries of those Directors who concurrently serve as employees as before.

At present, the number of Directors is eight (including two outside Directors), and if Proposals No. 1 and 2 are approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) subject to this proposal, will be seven (including two outside Directors).

The resolution for this proposal can only take effect after the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

Proposal No. 5: Determination of Amount of Remuneration to Directors Who Are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will make the transition to a company with audit and supervisory committee. Accordingly, in consideration of the recent economic conditions and other factors, the Company proposes to set the remuneration amount for Directors who are Audit and Supervisory Committee Members at a total of ¥60 million or less per annum.

If Proposals No. 1 and 3 are approved and adopted as originally proposed, the number of Directors who are Audit and Supervisory Committee Members subject to this proposal, will be three.

The resolution for this proposal can only take effect after the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

Proposal No. 6: Determination of Amount of Share-Based Remuneration, etc. to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Other Terms Thereof

1. Reasons for proposal

The Company obtained approval at the 16th Annual General Meeting of Shareholders held on February 21, 2018 for the introduction of a share-based remuneration plan (hereinafter referred to as the “Plan”) eligible for Directors (excluding outside Directors; applicable to the rest of this proposal). In conjunction with the transition to a company with audit and supervisory committee subject to the approval and adoption of Proposal No. 1 “Partial Amendments to the Articles of Incorporation,” the Company again requests approval for the introduction of the Plan eligible for Directors (excluding Directors who are Audit and Supervisory Committee Members).

The Plan has it as its purpose to increase the motivation of Directors to contribute to the improvement of medium- to long-term business performance and the enhancement of corporate values by further clarifying the linkage between remuneration for Directors and the value of the Company’s shares and by having the Directors share both the benefits and risk of share price fluctuations with the shareholders. Thus, the Company judges the remuneration plan is appropriate.

Through this proposal, the Company cordially requests approval for the payment of share-based remuneration to Directors (excluding Directors who are Audit and Supervisory Committee Members), separately from the amount of remuneration (¥200 million or less per annum; includes ¥30 million or less per annum for outside Directors and does not include employee salaries) for Directors (excluding Directors who are Audit and Supervisory Committee Members) requested to be approved in Proposal No. 4 “Determination of Amount of Remuneration to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).”

(* The Plan for which the Company requests approval in this proposal is the same as the one approved at the 16th Annual General Meeting of Shareholders.

If Proposal No. 2 “Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved and adopted as originally proposed, the number of Directors eligible under the Plan, will be two.

The resolution for this proposal can only take effect after the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

2. Amount and details of remuneration, etc. under the Plan

(1) Outline of the Plan

The Plan is a share-based remuneration plan, in which a trust established and funded with money by the Company (hereinafter the “Trust”) shall acquire shares of the Company, and a number of such shares corresponding to the number of points awarded to each Director by the Company shall be delivered to the Director through the Trust.

Such shares shall be delivered to each Director at the time of his/her retirement from office, in principle.

(2) Maximum amount of money to be contributed by the Company

Initially the trust period shall be approximately ten years, starting in April 2018 and ending in April 2028, and the Company shall establish the Trust for the benefit of Directors who meet certain beneficiary requirements, by contributing, during the trust period, an amount not exceeding ¥500 million, as funds necessary for the Trust to acquire shares of the Company to be delivered to Directors under the Plan, as part of the remuneration for Directors in service during the trust period. The Trust shall acquire shares of the Company using the money entrusted by the Company, either from the exchange market (including in after-hours trading) or from the Company in the form of purchase of its treasury shares that are disposed of. The initial acquisition of shares of the Company by the Trust has already been carried out through the exchange market (including in after-hours trading) using the money entrusted by the Company as funds.

Note: The monetary amount to be actually entrusted to the Trust by the Company shall be the amount including the estimated necessary expenses such as trust fees and payment for the trust administrator, etc., on top of the abovementioned funds for acquiring shares of the Company.

In addition, upon expiration of the trust period (if the trust period is extended and the Plan is continued through the procedures mentioned below, the extended trust period will be considered as expiration of trust period), the trust period may be extended for up to 10 years (this includes extending the trust period substantially by transferring the trust property of the Trust to a trust for the same purpose as the Trust

established by the Company; the same applies hereinafter) and the Plan may be continued each time, by decision of the Board of Directors of the Company. In such case, the Company shall additionally contribute an amount not exceeding the amount obtained by multiplying the number of years of the trust period to be extended by ¥50 million into the Trust, as the additional funds for acquiring shares of the Company necessary for the purpose of delivering shares to Directors under the Plan. In this case, the award of points as described in (3) (i) below, as well as the delivery of shares of the Company as described in (3) (iii) below shall continue during the extended trust period.

However, even in the case where the award of points is not continued as described above, if there are Directors who have already received the awarded points at the expiry of the trust period, but not yet retired from office, the Company may extend the trust period of the Trust until such Directors retire from office and the delivery of shares of the Company is completed.

(3) Method of calculation of the number of shares of the Company to be delivered to Directors and the maximum number of such shares

(i) Method of awarding points

The Company shall, pursuant to the Share Delivery Regulations established by its Board of Directors, award to each Director the points in accordance with the rank of each Director at the date of awarding points set forth in the Share Delivery Regulations during the trust period.

However, the aggregate number of points to be awarded by the Company to the Directors shall be up to a limit of 75,000 points for each year.

(ii) Delivery of shares of the Company based on the number of points awarded

Each Director shall receive the delivery of shares of the Company in accordance with the procedure described in (iii) below based on the number of points awarded under (i) above.

One point shall correspond to one Company's share; provided, however, that in the event of circumstances that can reasonably justify adjustment to the number of shares of the Company to be delivered, such as share split or share consolidation of shares of the Company, the Company shall make reasonable adjustment according to the ratio of such share split or share consolidation or other circumstances.

(iii) Delivery of shares of the Company

Delivery of shares of the Company to each Director as described in (ii) above shall be done by the Trust, subject to the completion of the predetermined beneficiary verification procedures by each Director at the time of his/her retirement from office.

However, a certain portion of the shares of the Company to be delivered may be sold/realized in the Trust first for the purpose of the Company to withhold funds to pay taxes such as withholding taxes, and delivered in the form of money in lieu of shares of the Company.

In addition, in the event of realization of shares of the Company held in the Trust due to the settlement following the circumstances such as subscription of a tender offer for shares of the Company held in the Trust, the Trust may also effect the delivery in the form of money in lieu of shares of the Company.

(4) Exercise of the voting rights

Pursuant to the instructions of the trust administrator who is independent from the Company and its Directors, the voting rights associated with the shares of the Company held in the Trust shall not be exercised without exception, which will assure the neutrality of the Company's management in relation to exercise of the voting rights of such shares.

(5) Handling of dividends

Dividends on the shares of the Company held in the Trust shall be received by the Trust, and shall be applied towards payment for acquisition of shares of the Company, trust fees for the trustee associated with the Trust, etc.