

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail. OBAYASHI CORPORATION assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

**Notice of Convocation of  
the 119th Ordinary General Meeting of Shareholders**

Securities Code: 1802

June 1, 2023

(Start date of electronic provision measures: May 29, 2023)

Dear Shareholders,

You are hereby notified that the 119th Ordinary General Meeting of Shareholders of OBAYASHI CORPORATION (hereinafter referred to as the “Corporation”) will be held as described below.

Out of consideration for the convenience of shareholders, this General Meeting of Shareholders will be live-streamed over the Internet. If you are unable to attend the meeting or would prefer to watch the live stream, you may exercise your voting rights in advance in writing (by mail) or via the Internet. In this case, we kindly request that you review the Reference Documents for the General Meeting of Shareholders from page 7 and exercise your voting rights by 5:15 p.m. on Tuesday, June 27, 2023 in Japan Standard Time.

Sincerely yours,

Kenji Hasuwa  
Representative Director  
President and CEO  
OBAYASHI CORPORATION  
2-15-2, Konan, Minato-ku, Tokyo

## Details of the General Meeting of Shareholders

**1. Date and Time:**

Wednesday, June 28, 2023, at 10:00 a.m. (Japan Standard Time)  
(Reception starts at 9:00 a.m.)

**2. Place:**

Head Office of the Corporation (3F Auditorium), Shinagawa Intercity Tower B,  
2-15-2, Konan, Minato-ku, Tokyo, Japan

**3. Agenda**

**Matters to be reported:**

Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 119th Fiscal Year (from April 1, 2022 to March 31, 2023; hereinafter referred to as the “FY2022”), as well as the audit reports of the Accounting Auditors and the Audit & Supervisory Board for Consolidated Financial Statements

**Matters to be resolved:**

**[Company proposals]**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Partial Amendment to the Articles of Incorporation

**Proposal 3:** Election of Eleven (11) Directors

**Proposal 4:** Election of One (1) Audit & Supervisory Board Member

**[Shareholder proposal]**

**Proposal 5:** Dividend of Surplus (Special Dividend)

We would appreciate your understanding that gifts will not be distributed to attending shareholders.

## Notice of providing informational materials for the General Meeting of Shareholders in electronic format

- When the Corporation convenes this General Meeting of Shareholders, in addition to sending this notice, the Corporation takes measures for providing informational materials for the general meeting of shareholders in electronic format as provided for by the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Corporation.
- Items subject to measures for electronic provision are posted on the following website.

The Corporation's website: URL: [https://www.obayashi.co.jp/ir/shareholder\\_meeting.html](https://www.obayashi.co.jp/ir/shareholder_meeting.html) (in Japanese)

### Tokyo Stock Exchange website (Listed Company Search)

Access the URL below, and enter "Obayashi Corporation" in the "Issue name (company name)" or "1802" in the "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]."

URL: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

### Website for the General Meeting of Shareholders materials

URL: <https://d.sokai.jp/1802/teiji/> (in Japanese)

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the above websites.

## Information Concerning the General Meeting of Shareholders

- You are kindly requested to present the "Form for Exercising Voting Rights" sent out with this notice to the receptionist when you attend the meeting.
- If you intend to exercise your voting rights by proxy, one other shareholder who possesses voting rights may attend the General Meeting of Shareholders as a proxy. If this is the case, please note that such shareholder is requested to submit the letter of proxy.
- The voting results on the resolutions of the General Meeting of Shareholders will be posted on our website.
- The General Meeting of Shareholders will be streamed live via the Internet. In addition, selected video footage of the live stream will be made available after the meeting on our website.  
Planned video footage release date: Friday, June 30, 2023 10:00 a.m. (The live stream and the video footage will be provided in Japanese only)
- In the event of a major change in the administration of the General Meeting of Shareholders due to a change in the status of the spread of COVID-19 infection in the future, such as a drastic decrease in the number of people allowed to enter, we will notify you on our website above.

## Guidance for Exercising Voting Rights

You may exercise your voting rights by one of the following three methods.

### **1. To exercise your voting rights by attending the General Meeting of Shareholders**

Please present the “Form for Exercising Voting Rights” to the receptionist.

Date and time of the meeting: **Wednesday, June 28, 2023, at 10:00 a.m. in Japan Standard Time**  
(Reception starts at 9:00 a.m.)

### **2. To exercise your voting rights in writing (by mail)**

Please indicate on the “Form for Exercising Voting Rights” whether you approve or disapprove of each proposal, and return it by the voting deadline below.

Deadline: **to be received by 5:15 p.m., Tuesday, June 27, 2023 in Japan Standard Time.**

### **How to fill out the “Form for Exercising Voting Rights”**

**Please indicate whether you approve or disapprove of each proposal.**

\*If no indication of approval or disapproval is made for a proposal, it will be treated as an indication of approval for Company Proposals (Proposals 1 - 4) and disapproval for the Shareholder Proposal (Proposal 5).

### **3. To exercise your voting rights via the Internet**

Follow the instructions (available in the Japanese original only) and input your vote for or against each proposal.

Deadline: **to be exercised by 5:15 p.m., Tuesday, June 27, 2023 in Japan Standard Time.**

Please note that your voting via the Internet shall prevail, if you exercise your voting rights both in writing (by mail) and via the Internet. If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.

If you intend to attend the Ordinary General Meeting of Shareholders, neither voting in writing (by mail) nor via the Internet is necessary.

Institutional investors may use the electronic platform to exercise voting rights for institutional investors, operated by ICJ, Inc.

## Guidance on Live Streaming of the General Meeting of Shareholders

The General Meeting of Shareholders of the Corporation will be live streamed on the Internet as follows for viewing at home or elsewhere.

### 1. Date and time of the live streaming

From 10:00 a.m. to the end of the meeting on Wednesday, June 28, 2023 (Japan Standard Time)

\* There may be circumstances such as natural disasters and the further spread of COVID-19 that make live streaming impossible. Should we be unable to provide a live stream on the day, we will notify you on our website ([https://www.obayashi.co.jp/en/ir/shareholder\\_materials.html](https://www.obayashi.co.jp/en/ir/shareholder_materials.html)).

### 2. How to view the live stream

URL: <https://engagement-portal.tr.mufg.jp/>



(i) Please access the above URL (hereinafter the “General Meeting of Shareholders online “Engagement Portal”).

(ii) On the shareholder authentication screen (login screen), enter your “Login ID” and “Password,” then after confirming the terms of use, check the “Accept terms of use” box and click the “Login” button. The “Login ID” and “Password” are the same as the “Login ID” and “Temporary password” for the website for exercising voting rights, which is printed on the lower right side of the “Form for Exercising Voting Rights” (duplicate form) enclosed with the notice.

\* You will be prompted to change the “Temporary password” for the website for exercising voting rights when you log in for the first time, but the changed password will not be carried over to the General Meeting of Shareholders online “Engagement Portal.” Therefore, since we ask you to continue to use the “Temporary password” on the lower right of the Form for Exercising Voting Rights, please keep the right side of the Form for Exercising Voting Rights (duplicate form) to hand.

(iii) After logging in, click on the “View today’s live stream” button, and after confirming terms of use for viewing the live stream on the day, check the “Accept terms of use” box and click on “View.”

\* The view today’s live stream page will be accessible about 30 minutes prior to the start time of the meeting.

### Points to note regarding live streaming

- Viewing a live stream is not recognized as attending the General Meeting of Shareholders under the Companies Act. Therefore, **shareholders viewing live stream are not allowed to ask questions, exercise voting rights, nor submit proposals at the General Meeting of Shareholders.**
- **With regard to exercising voting rights, we ask that you exercise your vote beforehand either in writing (by mail) or via the Internet, following the guidance on page 5 of this notice by the deadline.**
- Only the shareholder may view the live stream. We ask that proxies, etc. refrain from viewing it.
- Taking photographs or making video or audio recordings of the live stream, and storing or publishing them on social media and so forth are strictly prohibited.
- Please note that faults in video and audio performance may occur due to your device (model, performance, etc.) and the Internet connection environment (condition of lines, connection speed, etc.).
- The shareholder is responsible for telecommunication fees incurred while watching the live stream.
- If you lose the Form for Exercising Voting Rights, you can ask for a reissue at the following contact point (available in the Japanese original only). However, please be aware that after about one week prior to the date of the General Meeting of Shareholders, you may be unable to receive a reissue, depending on the timing of your request.
- **Out of consideration for the privacy of shareholders in attendances, video recording of the venue will be restricted to the area near the seating of the chairman and the officers. However, some attending shareholders may be recorded despite our efforts to avoid it.** We thank you for your understanding.

# Reference Documents for General Meeting of Shareholders

## Proposals and Reference Issues

### Proposal 1: Appropriation of Surplus

The Corporation established a shareholder return policy in the “Obayashi Group Medium-Term Management Plan 2022” that sets a “dividend on equity ratio (DOE) of around 3%.” This policy aims to return the enhancement of shareholders’ equity through the accumulation of profits to shareholders over the medium to long term, with the maintenance of long-term stable dividends as the first priority, while securing a strong financial base and implementing investments in tangible and intangible assets, growth, and other investments to enhance corporate value.

Under this policy, the Corporation proposes a year-end dividend for the fiscal year under review of 21 yen per share. In addition to the interim dividend of 21 yen, the annual dividend would amount to 42 yen per share (DOE 3.1% and a consolidated dividend payout ratio of 38.8%).

<Shareholder returns based on “dividend on equity ratio (DOE) of around 3%”>

$DOE\ 3\% = [(Equity\ as\ of\ the\ end\ of\ the\ previous\ fiscal\ year + Equity\ as\ of\ the\ end\ of\ the\ current\ fiscal\ year) / 2] \times 3\%$

→Target for total annual dividends (interim + year-end)

Since the standard dividend amount is determined based on shareholders’ equity, which is the accumulation of profits to date, the accumulation of profits will lead to higher dividends, and the enhancement of shareholders’ equity will also be returned to shareholders over the medium to long term.

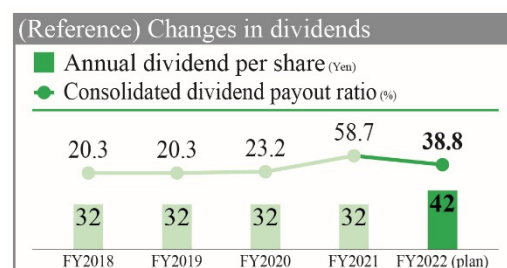
#### 1. Year-end dividends

- (1) Type of dividend property: Cash
- (2) Appropriation of dividends to shareholders and total amount of dividends

Dividend per share: 21 yen

Total amount of dividends: 15,078,864,087 yen

- (3) Date of effectiveness: June 29, 2023
- (4) Starting date of dividend payments: July 19, 2023



#### (Starting date of dividend payments)

As one shareholder has put forward Proposal 5, “Dividend of Surplus (Special Dividend),” for the payment of the year-end dividend for the current fiscal year, the Corporation proposes that the starting date of dividend payments be set for July 19, 2023, due to the time required for processing dividend payments. We apologize for the delay in payment and ask for your understanding.

#### 2. Other appropriation of surplus

- (1) Item and amount of surplus to be increased  
General reserve: 25 billion yen
- (2) Item and amount of surplus to be decreased  
Retained earnings brought forward: 25 billion yen

**Proposal 2: Partial Amendment to the Articles of Incorporation**

1. Reasons for the Amendment

The Corporation proposes to make a partial amendment to the business purpose related to Article 2 (Purpose) of the current Articles of Incorporation in order to clarify the business activities of the Corporation and its subsidiaries in line with current business activities.

(1) Addition of “Manufacture, supply, sale, and lease of general industrial machinery”

The wording “general industrial machinery” shall be added to the provisions of Item 12 in order to address the Corporation’s business of providing robotics and other technologies for construction sites to other general industries.

(2) Addition of “Manufacture and sale of materials for timber construction,” etc.

The Corporation has been working to promote timber construction, and has recently acquired a company that manufactures and sells materials for timber construction to develop and strengthen a supply chain that contributes to a stable supply of wood. For these reasons, the Corporation proposes adding the wording “materials for timber construction” to Item 13.

2. Details of proposed amendment

Details of the proposed amendment are as follows:

(Underlined portions indicate the parts that are to be amended.)

Current Articles of Incorporation	Proposed Amendment
<p>Article 2 (Purpose) The purpose of the Corporation is to engage in the following business:</p> <p>Items 1 through 11 (Omitted)</p> <p>12. Manufacture, supply, sale, and lease of construction machinery and equipment, <u>and</u> materials and equipment for temporary works;</p> <p>13. Manufacture and sale of concrete products for construction, fireproof or nonflammable building materials, materials for interior and exterior of buildings, furniture <u>and wooden products for buildings,</u> <u>and sale of</u> civil engineering and building materials;</p> <p>Items 14 through 30 (Omitted)</p>	<p>Article 2 (Purpose) The purpose of the Corporation is to engage in the following business:</p> <p>Items 1 through 11 (No change)</p> <p>12. Manufacture, supply, sale, and lease of construction machinery and equipment, materials and equipment for temporary works <u>and general industrial machinery</u>;</p> <p>13. Manufacture and sale of concrete products for construction, fireproof or nonflammable building materials, materials for interior and exterior of buildings, furniture, <u>materials and processed products for timber construction,</u> <u>and other materials for</u> civil engineering and buildings;</p> <p>Items 14 through 30 (No change)</p>

### Proposal 3: Election of Eleven (11) Directors

The terms of office of all twelve (12) Directors (including five (5) Independent Directors) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to elect eleven (11) Directors (including five (5) Independent Directors).


The candidates for Directors are as follows:

No.	Name		Position and areas of responsibility in the Corporation	Number of Board of Directors meeting attended (FY2022)	Tenure (at the conclusion of this General Meeting of Shareholders)
1	Takeo Obayashi	Reappointment	Chairman of the Board	15/15	40 years
2	Kenji Hasuwa	Reappointment	Representative Director President and CEO	15/15	8 years
3	Atsushi Sasagawa	Reappointment	Representative Director Executive Vice President Responsible for overall building construction Head of Marketing Division and Head of Tokyo Main Office	15/15	2 years
4	Akinobu Nohira	Reappointment	Representative Director Executive Vice President Responsible for overall civil engineering construction Head of Safety Division	13/13	1 year
5	Toshihiko Murata	Reappointment	Director Executive Vice President Head of Osaka Main Office and Head of Yumeshima Development Division	15/15	5 years
6	Toshimi Sato	Reappointment	Director Executive Vice President Responsible for overall administration	15/15	5 years
7	Naoki Izumiya	Reappointment Outside Independent	Independent Director	15/15	5 years
8	Yoko Kobayashi	Reappointment Outside Independent	Independent Director	14/15	3 years
9	Masako Orii	Reappointment Outside Independent	Independent Director	15/15	3 years
10	Hiroyuki Kato	Reappointment Outside Independent	Independent Director	15/15	2 years
11	Yukiko Kuroda	Reappointment Outside Independent	Independent Director	13/13	1 year



Notes: 1. No special conflicts of interest exist between the Corporation and the proposed candidates.


2. The number of Board of Directors meetings attended by Mr. Akinobu Nohira and Ms. Yukiko Kuroda only refers to the Board of Directors meetings held after they were appointed as Director at the 118th Ordinary General Meeting of Shareholders held on June 23, 2022.





	1	<div style="text-align: right; border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <h2 style="margin: 0;">Takeo Obayashi</h2> <p style="text-align: right; margin: 0;">(Date of birth: Jun. 9, 1954)</p>
<p>Number of the Corporation's shares held: 16,944,095</p> <p>Tenure: 40 years</p> <p>Status of attendance to Board of Directors meeting: 15/15 (100%)</p>	<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1977    Joined the Corporation</p> <p>Jun. 1983    Director</p> <p>Jun. 1985    Managing Director</p> <p>Jun. 1987    Senior Managing Director</p> <p>Jun. 1989    Executive Vice President</p> <p>Jun. 1997    Vice Chairman</p> <p>Jun. 2003    Chairman</p> <p>Jun. 2007    Director</p> <p>Jun. 2009    Chairman Representative Director</p> <p>Apr. 2023    Chairman of the Board (incumbent)</p>	
 <p>Number of the Corporation's shares held: 31,200</p> <p>Tenure: 8 years</p> <p>Status of attendance to Board of Directors meeting: 15/15 (100%)</p>	2	<div style="text-align: right; border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <h2 style="margin: 0;">Kenji Hasuwa</h2> <p style="text-align: right; margin: 0;">(Date of birth: Nov. 15, 1953)</p>
<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1977    Joined the Corporation</p> <p>Apr. 2010    Executive Officer</p> <p>Oct. 2012    Managing Executive Officer</p> <p>Oct. 2014    Head of Technology Business Development Division</p> <p>Jun. 2015    Director</p> <p>Apr. 2016    Senior Managing Executive Officer</p> <p>Mar. 2018    Representative Director President</p> <p>Apr. 2023    Representative Director (incumbent) President and CEO (incumbent)</p>		
<p>[Reasons for nomination of the candidate as Director]</p> <p>Ever since assuming the Executive Officer position in 2010, Mr. Kenji Hasuwa has held the positions of Senior General Manager-in-Charge of Civil Engineering Construction Division at Tokyo Main Office, Senior General Manager of Technology Division, and Head of Technology Business Development Division (responsible for overseeing new businesses including renewable energy business), and has been responsible for the Group's Construction Division, Technology Division, and New Businesses Division. He has demonstrated strong leadership as Representative Director and President since March 2018, contributing to improving the Group's corporate value. The Corporation nominated him as a candidate for Director based on the judgment that he has excellent capabilities and knowledge gained from this background and is necessary for improving the Corporation's corporate value further.</p>		


	<b>3</b>	<b>Atsushi Sasagawa</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>
	(Date of birth: Apr. 1, 1958)		
Number of the Corporation's shares held: 6,737  Tenure: 2 years  Status of attendance to Board of Directors meeting: 15/15 (100%)	[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]		
	<p>Apr. 1980    Joined the Corporation</p> <p>Apr. 2015    Executive Officer Head of Yokohama Branch Office</p> <p>Mar. 2018    Managing Executive Officer Head of Building Construction Division at Osaka Main Office</p> <p>Apr. 2019    Senior Managing Executive Officer</p> <p>Jan. 2021    Head of Marketing Division (incumbent)</p> <p>Apr. 2021    Executive Vice President (incumbent) Head of Tokyo Main Office (incumbent)</p> <p>Jun. 2021    Director</p> <p>Apr. 2023    Representative Director (incumbent)</p> <p>Responsible for overall building construction Head of Marketing Division and Head of Tokyo Main Office</p>		
[Reasons for nomination of the candidate as Director]			
<p>Since joining the Corporation, Mr. Atsushi Sasagawa has engaged in building construction business. Ever since assuming the Executive Officer position in 2015, he has held the positions of Head of Yokohama Branch Office and Head of Building Construction Division at Osaka Main Office. He is currently responsible for overall building construction as Executive Vice President, and is serving as Head of Marketing Division and Head of Tokyo Main Office. He also assumed the Director position in 2021 and has participated in the Corporation's management as Representative Director since April 2023. The Corporation nominated him as a candidate for Director based on the judgment that he has excellent capabilities and knowledge gained from this background and is capable of continuing to fully perform his functions as Director by drawing on his considerable experience.</p>			
	<b>4</b>	<b>Akinobu Nohira</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>
	(Date of birth: Apr. 30, 1956)		
Number of the Corporation's shares held: 24,700  Tenure: 1 year  Status of attendance to Board of Directors meeting: 13/13 (100%)	[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]		
	<p>Apr. 1980    Joined the Corporation</p> <p>Oct. 2010    Senior General Manager of Nagoya Branch Office</p> <p>Apr. 2016    Executive Officer</p> <p>Apr. 2019    Managing Executive Officer Senior General Manager of Civil Engineering Construction Division</p> <p>Apr. 2020    Senior Managing Executive Officer Head of Civil Engineering Construction Division</p> <p>Apr. 2022    Executive Vice President (incumbent)</p> <p>Jun. 2022    Director</p> <p>Apr. 2023    Representative Director (incumbent) Head of Safety Division (incumbent)</p> <p>Responsible for overall civil engineering construction Head of Safety Division</p>		
[Reasons for nomination of the candidate as Director]			
<p>Since joining the Corporation, Mr. Akinobu Nohira has engaged in the civil engineering construction business. Ever since assuming the Executive Officer position in 2016, he has held positions of Head of Civil Engineering Construction Division, etc. He is currently responsible for overall civil engineering construction business as Executive Vice President, and is serving as Head of Safety Division. He also assumed the Director position in 2022 and has participated in the Corporation's management as Representative Director since April 2023. The Corporation nominated him as a candidate for Director based on the judgment that he has excellent capabilities and knowledge gained from this background and is capable of continuing fully performing his functions as Director by drawing on his considerable experience.</p>			

	<b>5</b>	<b>Toshihiko Murata</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>
	(Date of birth: Feb. 7, 1955)		
<p>Number of the Corporation's shares held: 7,500</p> <p>Tenure: 5 years</p> <p>Status of attendance to Board of Directors meeting: 15/15 (100%)</p>	<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1977    Joined the Corporation</p> <p>Apr. 2012    Executive Officer Senior General Manager-in-Charge of Building Construction Division at Osaka Main Office</p> <p>Apr. 2015    Managing Executive Officer Senior General Manager of Building Construction Division at Osaka Main Office</p> <p>Apr. 2017    Head of Building Construction Division</p> <p>Mar. 2018    Senior Managing Executive Officer</p> <p>Jun. 2018    Director (incumbent)</p> <p>Apr. 2019    Head of Tokyo Main Office</p> <p>Apr. 2021    Executive Vice President (incumbent) Head of Osaka Main Office (incumbent)</p> <p>Head of Osaka Main Office and Head of Yumeshima Development Division</p>		
	<p>[Reasons for nomination of the candidate as Director]</p> <p>Since joining the Corporation, Mr. Toshihiko Murata has engaged in building construction business. Ever since assuming the Executive Officer position in 2012, he has held the positions of Head of Building Construction Division, Head of Tokyo Main Office, etc. He is currently serving as Executive Vice President, Head of Osaka Main Office, etc. He also has participated in the Corporation's management as Director since 2018. The Corporation nominated him as a candidate for Director based on the judgment that he has excellent capabilities and knowledge gained from this background and is capable of continuing fully performing his functions as Director by drawing on his considerable experience.</p>		
	<b>6</b>	<b>Toshimi Sato</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>
	(Date of birth: Apr. 6, 1960)		
<p>Number of the Corporation's shares held: 6,700</p> <p>Tenure: 5 years</p> <p>Status of attendance to Board of Directors meeting: 15/15 (100%)</p>	<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1985    Joined the Corporation</p> <p>Jan. 2011    Senior General Manager of North American Regional Headquarters at Overseas Business Division</p> <p>Apr. 2013    General Manager of Finance Department at Head Office</p> <p>May 2015    General Manager of Corporate Management Planning Department at Head Office</p> <p>Apr. 2017    Executive Officer</p> <p>Jun. 2018    Director (incumbent)</p> <p>Apr. 2019    Managing Executive Officer</p> <p>Apr. 2022    Senior Managing Executive Officer</p> <p>Apr. 2023    Executive Vice President (incumbent)</p> <p>Responsible for overall administration</p>		
	<p>[Reasons for nomination of the candidate as Director]</p> <p>Since the joining of the Corporation, Mr. Toshimi Sato has engaged in overseas administrative work. Ever since assuming the Executive Officer position in 2017, he has been responsible for corporate management planning, human resources, finance and accounting, etc. He is currently serving as Executive Vice President, responsible for overall administration. He also has participated in the Corporation's management as Director since 2018. The Corporation nominated him as a candidate for Director based on the judgment that he has excellent capabilities and knowledge gained from this background and is capable of continuing fully performing his functions as Director by drawing on his considerable experience.</p>		


	<b>7</b>	<b>Naoki Izumiya</b>	<table border="1" style="margin: auto;"> <tr> <td style="padding: 2px;">Reappointment</td> <td style="padding: 2px;">Outside</td> </tr> <tr> <td style="padding: 2px;">Independent</td> <td></td> </tr> </table>	Reappointment	Outside	Independent	
	Reappointment	Outside					
Independent							
(Date of birth: Aug. 9, 1948)							
Number of the Corporation's shares held: 0  Tenure: 5 years  Status of attendance to Board of Directors meeting: 15/15 (100%)	<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1972    Joined ASAHI BREWERIES, LTD.</p> <p>Mar. 2000    Corporate Officer of ASAHI BREWERIES, LTD.</p> <p>Mar. 2003    Director of ASAHI BREWERIES, LTD.</p> <p>Mar. 2004    Managing Director of ASAHI BREWERIES, LTD.</p> <p>Mar. 2006    Managing Director, Managing Corporate Officer of ASAHI BREWERIES, LTD.</p> <p>Mar. 2009    Senior Managing Director, Senior Managing Corporate Officer of ASAHI BREWERIES, LTD.</p> <p>Mar. 2010    President and Representative Director of ASAHI BREWERIES, LTD.</p> <p>Jul. 2011    President and Representative Director, COO of Asahi Group Holdings, Ltd.</p> <p>Mar. 2014    President and Representative Director, CEO of Asahi Group Holdings, Ltd.</p> <p>Mar. 2016    Chairman and Representative Director, CEO of Asahi Group Holdings, Ltd.</p> <p>Mar. 2018    Chairman and Representative Director of Asahi Group Holdings, Ltd.</p> <p>Jun. 2018    Independent Director of the Corporation (incumbent)</p> <p>Mar. 2019    Chairman of the Board of Asahi Group Holdings, Ltd.</p> <p>Mar. 2021    Special Adviser of Asahi Group Holdings, Ltd. (incumbent)</p> <p>Significant concurrent position:                            Outside Director of New Otani Co., Ltd.                            External Board Director of Recruit Holdings Co., Ltd.</p>						
<p>[Reasons for nomination of the candidate as Independent Director and outline of expected roles]</p> <p>Mr. Naoki Izumiya has considerable experience, excellent capabilities, knowledge, and character gained through many years of involvement in the management of the Asahi Group. The Corporation nominated him as a candidate for Independent Director in the expectation that he can provide advice and suggestions important for the decision-making regarding the Corporation's management policy and business strategy, from the viewpoint of a person with corporate management experience, such as serving as CEO, and based on the abundant knowledge of business strategy formulation, etc. The Corporation also expects that he can contribute to the operation and supervision of the Corporation's corporate governance from a third-party standpoint as a member of the Board of Directors, Chairperson of the Recommendation Committee, and a member of the Remuneration Committee.</p>							

	<b>8</b>	<b>Yoko Kobayashi</b>	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">Reappointment</td> <td style="padding: 2px;">Outside</td> </tr> <tr> <td style="padding: 2px;">Independent</td> <td></td> </tr> </table>	Reappointment	Outside	Independent	
	Reappointment	Outside					
Independent							
(Date of birth: May 24, 1955)							
Number of the Corporation's shares held: 0	<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1978    Joined Nippon Telegraph and Telephone Public Corporation (the predecessor of NTT)</p> <p>Jun. 2008    Member of the Board of Directors of NTT Communications Corporation</p> <p>Jun. 2010    President and CEO of NTT Com CHEO CORPORATION</p> <p>Jun. 2014    Audit &amp; Supervisory Board Member of NTT Communications Corporation</p> <p>Jun. 2018    Outside Director, Audit and Supervisory Committee Member of Mitsubishi UFJ Trust and Banking Corporation (incumbent)</p> <p>Sep. 2018    General Auditor of Japan Aerospace Exploration Agency (incumbent)</p> <p>Jun. 2020    Independent Director of the Corporation (incumbent)</p> <p>Significant concurrent position:          Outside Director, Audit and Supervisory Committee Member of Mitsubishi UFJ Trust and Banking Corporation          General Auditor of Japan Aerospace Exploration Agency</p>						
Tenure: 3 years  Status of attendance to Board of Directors meeting: 14/15 (93%)	<p>[Reasons for nomination of the candidate as Independent Director and outline of expected roles]</p> <p>Ms. Yoko Kobayashi has considerable experience, excellent capabilities, knowledge, and character gained through involvement in the management of the NTT Group. The Corporation nominated her as a candidate for Independent Director in the expectation that she can provide advice and suggestions important for the decision-making regarding the Corporation's management policy and business strategy, from the viewpoint of a person with experience in managing a company building a social infrastructure, and based on the abundant knowledge about entry into new businesses and ICT strategies, etc. The Corporation also expects that she can contribute to the operation and supervision of the Corporation's corporate governance from a third-party standpoint as a member of the Board of Directors, Chairperson of the Remuneration Committee, and a member of the Recommendation Committee.</p>						

	<b>9</b>	<b>Masako Orii</b>	<table border="1" style="margin: auto;"> <tr> <td style="padding: 2px;">Reappointment</td> <td style="padding: 2px;">Outside</td> </tr> <tr> <td style="padding: 2px;">Independent</td> <td></td> </tr> </table>	Reappointment	Outside	Independent									
	Reappointment	Outside													
Independent															
(Date of birth: Oct. 10, 1960)															
Number of the Corporation's shares held: <span style="float: right;">0</span>	[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]														
Tenure: <span style="float: right;">3 years</span>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; padding: 2px;">Apr. 1983</td> <td style="padding: 2px;">Joined Suntory Limited</td> </tr> <tr> <td style="padding: 2px;">Apr. 2012</td> <td style="padding: 2px;">Executive Officer of Suntory Holdings Limited</td> </tr> <tr> <td style="padding: 2px;">Apr. 2016</td> <td style="padding: 2px;">Senior Managing Director, Member of the Board of Suntory Wellness Limited</td> </tr> <tr> <td style="padding: 2px;">Apr. 2019</td> <td style="padding: 2px;">Advisor of Suntory Holdings Limited (incumbent) Executive Director of Suntory Hall, Suntory Foundation for the Arts (incumbent)</td> </tr> <tr> <td style="padding: 2px;">Jun. 2020</td> <td style="padding: 2px;">Independent Director of the Corporation (incumbent)</td> </tr> <tr> <td style="padding: 2px;">May 2021</td> <td style="padding: 2px;">Outside Director, Audit and Supervisory Committee Member of TOHO CO., LTD. (incumbent)</td> </tr> </table>			Apr. 1983	Joined Suntory Limited	Apr. 2012	Executive Officer of Suntory Holdings Limited	Apr. 2016	Senior Managing Director, Member of the Board of Suntory Wellness Limited	Apr. 2019	Advisor of Suntory Holdings Limited (incumbent) Executive Director of Suntory Hall, Suntory Foundation for the Arts (incumbent)	Jun. 2020	Independent Director of the Corporation (incumbent)	May 2021	Outside Director, Audit and Supervisory Committee Member of TOHO CO., LTD. (incumbent)
Apr. 1983	Joined Suntory Limited														
Apr. 2012	Executive Officer of Suntory Holdings Limited														
Apr. 2016	Senior Managing Director, Member of the Board of Suntory Wellness Limited														
Apr. 2019	Advisor of Suntory Holdings Limited (incumbent) Executive Director of Suntory Hall, Suntory Foundation for the Arts (incumbent)														
Jun. 2020	Independent Director of the Corporation (incumbent)														
May 2021	Outside Director, Audit and Supervisory Committee Member of TOHO CO., LTD. (incumbent)														
Status of attendance to Board of Directors meeting: <span style="float: right;">15/15 (100%)</span>	Significant concurrent position: Executive Director of Suntory Hall, Suntory Foundation for the Arts Outside Director, Audit and Supervisory Committee Member of TOHO CO., LTD.														
	[Reasons for nomination of the candidate as Independent Director and outline of expected roles]														
	Ms. Masako Orii has considerable experience, excellent capabilities, knowledge, and character gained through involvement in the management of the Suntory Group. The Corporation nominated her as a candidate for Independent Director in the expectation that she can provide advice and suggestions important for the decision-making regarding the Corporation's management policy and business strategy, from the viewpoint of a person with corporate management experience in a business area different from the Corporation, and based on the abundant knowledge about ESG management, etc. The Corporation also expects that she can contribute to the operation and supervision of the Corporation's corporate governance from a third-party standpoint as a member of the Board of Directors, Recommendation Committee, and Sustainability Committee.														

	<b>10</b>	<b>Hiroyuki Kato</b>	<table border="1" style="margin: auto;"> <tr> <td style="padding: 2px;">Reappointment</td> <td style="padding: 2px;">Outside</td> </tr> <tr> <td style="padding: 2px;">Independent</td> <td></td> </tr> </table>	Reappointment	Outside	Independent	
	Reappointment	Outside					
Independent							
(Date of birth: Apr. 28, 1956)							
[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]							
Apr. 1979    Joined Mitsui & Co., Ltd. Apr. 2010    Managing Officer of Mitsui & Co., Ltd. Apr. 2012    Executive Managing Officer of Mitsui & Co., Ltd. Jun. 2014    Representative Director, Senior Executive Managing Officer of Mitsui & Co., Ltd. Apr. 2016    Representative Director, Executive Vice President of Mitsui & Co., Ltd. Apr. 2018    Director of Mitsui & Co., Ltd. Jun. 2018    Counselor of Mitsui & Co., Ltd. Jul. 2020    Advisor of Mitsui & Co., Ltd. (incumbent) (scheduled to retire the position on June 30, 2023) Jun. 2021    Independent Director of the Corporation (incumbent)							
Significant concurrent position: Non-Executive Director of Sims Limited (Australia)							
[Reasons for nomination of the candidate as Independent Director and outline of expected roles]							
Mr. Hiroyuki Kato has considerable experience, excellent capabilities, knowledge, and character gained through involvement in the management of Mitsui & Co., Ltd. The Corporation nominated him as a candidate for Independent Director in the expectation that he can provide advice and suggestions important for the decision-making regarding the Corporation's management policy and business strategy, from the viewpoint of a person with corporate management experience in a business area different from the Corporation, and based on the abundant knowledge in the energy field, etc. The Corporation also expects that he can contribute to the operation and supervision of the Corporation's corporate governance from a third-party standpoint as a member of the Board of Directors and Remuneration Committee.							
Number of the Corporation's shares held:	0						
Tenure:	2 years						
Status of attendance to Board of Directors meeting:	15/15 (100%)						



	<b>11</b>	<b>Yukiko Kuroda</b>	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">Reappointment</td> <td style="padding: 2px;">Outside</td> </tr> <tr> <td style="padding: 2px;">Independent</td> <td></td> </tr> </table>	Reappointment	Outside	Independent	
	Reappointment	Outside					
Independent							
(Date of birth: Sep. 24, 1963)							
<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1986    Joined Sony Corporation</p> <p>Jan. 1991    Representative Director of People Focus Consulting Co., Ltd.</p> <p>Jun. 2010    Outside Audit &amp; Supervisory Board Member of Astellas Pharma Inc.</p> <p>Mar. 2011    Outside Director of CAC Holdings Corporation</p> <p>Apr. 2012    Managing Director/Founder of People Focus Consulting Co., Ltd. (incumbent)</p> <p>Jun. 2013    Outside Director of Marubeni Corporation</p> <p>Jun. 2015    Outside Member of the Board of Mitsui Chemicals, Inc.</p> <p>Jun. 2018    Outside Director of Seven Bank, Ltd. (incumbent) Independent Director of Terumo Corporation (incumbent)</p> <p>Jun. 2022    Independent Director of the Corporation (incumbent)</p> <p>Aug. 2022    Outside Director of Oracle Corporation Japan (incumbent)</p> <p>Significant concurrent position:                            Managing Director/Founder of People Focus Consulting Co., Ltd.                            Outside Director of Seven Bank, Ltd.                            Independent Director of Terumo Corporation                            Outside Director of Oracle Corporation Japan</p>							
Number of the Corporation's shares held:	0	<p>[Reasons for nomination of the candidate as Independent Director and outline of expected roles]</p> <p>Ms. Yukiko Kuroda has considerable experience, excellent capabilities, knowledge, and character gained through involvement in the management of People Focus Consulting Co., Ltd., which she founded. The Corporation nominated her as a candidate for Independent Director in the expectation that she can provide advice and suggestions important for the decision-making regarding the Corporation's management policy and business strategy, from the viewpoint of a person with corporate management experience in a business area different from the Corporation, and based on the abundant knowledge in sustainability and organizational development, etc. The Corporation also expects that she can contribute to the operation and supervision of the Corporation's corporate governance from a third-party standpoint as a member of the Board of Directors, Remuneration Committee, and Sustainability Committee.</p>					
Tenure:	1 year						
Status of attendance to Board of Directors meeting:	13/13 (100%)						

- Notes: 1. Messrs. Naoki Izumiya and Hiroyuki Kato, and Mses. Yoko Kobayashi, Masako Orii, and Yukiko Kuroda are candidates for Independent Directors. In addition, they meet the "Requirements for Selection as an Independent Director/Outside Audit & Supervisory Board Member Candidate" stipulated by the Corporation, and are candidates for independent directors/auditors pursuant to the provisions of the financial instruments exchange on which the Corporation is listed.
2. The Corporation has entered into a liability limitation agreement regarding the liabilities described in Clause 1, Article 423 of the Companies Act with Messrs. Naoki Izumiya and Hiroyuki Kato, and Mses. Yoko Kobayashi, Masako Orii and Yukiko Kuroda. Under the agreement, each of them shall be liable to compensate for damages up to 5 million yen or the minimum liability limit set forth in Clause 1, Article 425 of the Companies Act, whichever is higher, if they were acting in good faith and did not commit gross negligence in performing their duties. If the candidates are re-elected at this General Meeting of Shareholders, the Corporation plans to renew the agreement with them.
3. In accordance with Clause 1, Article 430-3 of the Companies Act, the Corporation has entered into a directors and officers liability insurance policy (D&O insurance policy) with an insurance company in order to secure talented personnel and prevent excessive irresolution in the execution of duties. An overview of the policy is presented on the Japanese original of the Notice of Convocation of the 119th Ordinary General Meeting of Shareholders (4 (4) Overview of the directors and officers liability insurance policy (D&O insurance policy), etc.). All of the candidates for Director are already insureds under the policy, and will continue to be such after their reelection.
4. The name of candidate Yukiko Kuroda on the family register is Yukiko Matsumoto.



(Reference)

## Expertise and Experience of Candidates for Director

Candidate name	Tenure	Expertise and experience related to business areas			Expertise and experience related to management administration and executive supervision								
		Building construction	Civil engineering construction	New business	ICT/Digital	Business development	Public relations	Finance and accounting	Legal affairs Compliance Risk management	Global knowledge	ESG Sustainability	Corporate management	
Takeo Obayashi	40 years										○		○
Kenji Hasuwa	8 years		○	○		○							○
Atsushi Sasagawa	2 years	○				○					○		○
Akinobu Nohira	1 year		○			○							○
Toshihiko Murata	5 years	○				○							○
Toshimi Sato	5 years			○	○		○	○	○	○	○	○	○
Naoki Izumiya	5 years			○			○						○
Yoko Kobayashi	3 years			○	○	○	○		○				○
Masako Orii	3 years			○			○		○		○		○
Hiroyuki Kato	2 years			○							○		○
Yukiko Kuroda	1 year			○							○	○	○

Note: The above categories of expertise and experience required of the Board of Directors have been set based on the following two perspectives:

- Expertise and experience related to business areas (Building construction ~ New business)
- Expertise and experience related to management administration and executive supervision (ICT/Digital ~ Corporate management)


For outside directors, particular emphasis is placed on expertise and experience related to management administration and decision-making pertaining to business expansion and withdrawal (“New business,” “Corporate management”).

## Proposal 4: Election of One (1) Audit & Supervisory Board Member

Of five (5) incumbent Audit & Supervisory Board Members, the term of office of Audit & Supervisory Board Member, Mr. Hiroshi Yokokawa, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to elect one (1) Audit & Supervisory Board Member.

We obtained the prior consent of the Audit & Supervisory Board with respect to the submission of this proposal.

The candidate for Audit & Supervisory Board Member is as follows.

	<b>Shinya Kuwayama</b>		New appointment	Outside
			Independent	
		(Date of birth: Jun. 22, 1954)		
[Career summary, position and significant concurrent positions outside the Corporation]				
Apr. 1977 Joined the Ministry of International Trade and Industry				
Jan. 2000 Director, Economic Cooperation Division, Economic Cooperation Department, Trade Policy Bureau, Ministry of International Trade and Industry				
Jan. 2001 Director, Trade Finance and Economic Cooperation Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry				
Jul. 2002 Director, Personnel Division, Minister's Secretariat, Ministry of Economy, Trade and Industry				
Aug. 2004 Deputy Director-General for Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry				
Sep. 2005 Councillor, Cabinet Secretariat (assistant to Assistant Chief Cabinet Secretary)				
Jul. 2008 Director-General for Regional Economic and Industrial Policy, Ministry of Economy, Trade and Industry				
Jul. 2009 Retired from the Ministry of Economy, Trade and Industry				
Aug. 2009 Executive Officer, Sohgo Security Services Co., Ltd. (ALSOK)				
Apr. 2010 Managing Executive Officer, ALSOK				
Jun. 2011 Director and Managing Executive Officer, ALSOK				
Apr. 2014 Representative Director and President, ALSOK Stationed Security Co., Ltd.				
Apr. 2016 Advisor, ALSOK				
Jun. 2016 President, the Association for Overseas Technical Cooperation and Sustainable Partnerships (incumbent)				
Significant concurrent position: President of the Association for Overseas Technical Cooperation and Sustainable Partnerships				
[Reasons for nomination of the candidate as Outside Audit & Supervisory Board Member]				
After many years of involvement in economic, trade and industry administration, Mr. Shinya Kuwayama has considerable experience, excellent capabilities, knowledge, and character, as engaged in company management in the ALSOK Group. The Corporation nominated him as a candidate for Outside Audit & Supervisory Board Member in order to have his considerable experience and extensive knowledge reflected in audits of the Corporation.				

- Notes:
1. No special conflicts of interest exist between the Corporation and Mr. Shinya Kuwayama.
  2. Mr. Shinya Kuwayama is candidate for Outside Audit & Supervisory Board Member. In addition, he meets the "Requirements for Selection as an Independent Director/Outside Audit & Supervisory Board Member Candidate" stipulated by the Corporation (presented below), and is candidate for independent directors/auditors pursuant to the provisions of the financial instruments exchange on which the Corporation is listed.
  3. If Mr. Shinya Kuwayama is elected at this General Meeting of Shareholders, the Corporation plans to enter into a liability limitation agreement regarding the liabilities described in Clause 1, Article 423 of the Companies Act with him. Under the agreement, he shall be liable to compensate for damages up to 5 million yen or the minimum liability limit set forth in Clause 1, Article 425 of the Companies Act,

whichever is higher, if he was acting in good faith and did not commit gross negligence in performing his duties.

4. In accordance with Clause 1, Article 430-3 of the Companies Act, the Corporation has entered into a directors and officers liability insurance policy (D&O insurance policy) with an insurance company in order to secure talented personnel and prevent excessive irresolution in the execution of duties. An overview of the policy is presented on page 49 of the Japanese original of the Notice of Convocation of the 119th Ordinary General Meeting of Shareholders (4 (4) Overview of the directors and officers liability insurance policy (D&O insurance policy), etc.). The current Audit & Supervisory Board Members are insureds under the policy, and Mr. Shinya Kuwayama will become an insured after his election.

(Reference)

### **Process for selecting candidates for Director and Audit & Supervisory Board Member**

The Corporation has established the Recommendation Committee and the Remuneration Committee as advisory bodies of the Board of Directors. The former deliberates on appointments of officers, and the latter deliberates on the remuneration of officers, and both submit the results to the Board of Directors.

Each committee is chaired by an Independent Director with the aim of enhancing corporate governance, and Independent Directors comprise a majority of the memberships. This will help ensure that the Corporation's process for deciding on officer appointments makes transparent and objective.

### **Requirements for Selection as an Independent Director/Outside Audit & Supervisory Board Member Candidate**

1. The Independent Director/Outside Audit & Supervisory Board member candidate ("Candidate") must have capabilities, knowledge, experience, and character suitable for such position at the Corporation. The Candidate must be able to provide directions and opinions to the Corporation's management from an independent and impartial standpoint.
2. The Candidate must not be a former director, Audit & Supervisory Board member, or employee of the Corporation or any of its associated companies.
3. The Candidate must not currently belong, and must not have belonged in the past, to an Accounting Auditor, law office, or main bank with which the Corporation currently has a contract.
4. The Candidate must not currently be, and must not have been in the past, a major shareholder with an ownership stake of 10% or more. The Candidate must not currently belong, and must not have belonged in the past, to an entity that is a major shareholder.
5. The Candidate must not currently belong, and must not have belonged in the past, to an entity that has a business relationship with the Corporation in which the annual amount of transactions has exceeded 2% of the net sales of both the Corporation and such entity during the last three fiscal years.
6. The Candidate must not currently work, and must not have worked in the past, as an executive at a non-profit organization to which the Corporation has made an annual donation exceeding 20 million yen during the last three fiscal years.
7. If the Candidate does not meet the requirements in 3. through 6., at least ten years must have passed since the Candidate left the relevant entity.
8. The Candidate must meet the requirements for an independent director/auditor pursuant to the provisions of the Tokyo Stock Exchange's Securities Listing Regulations.

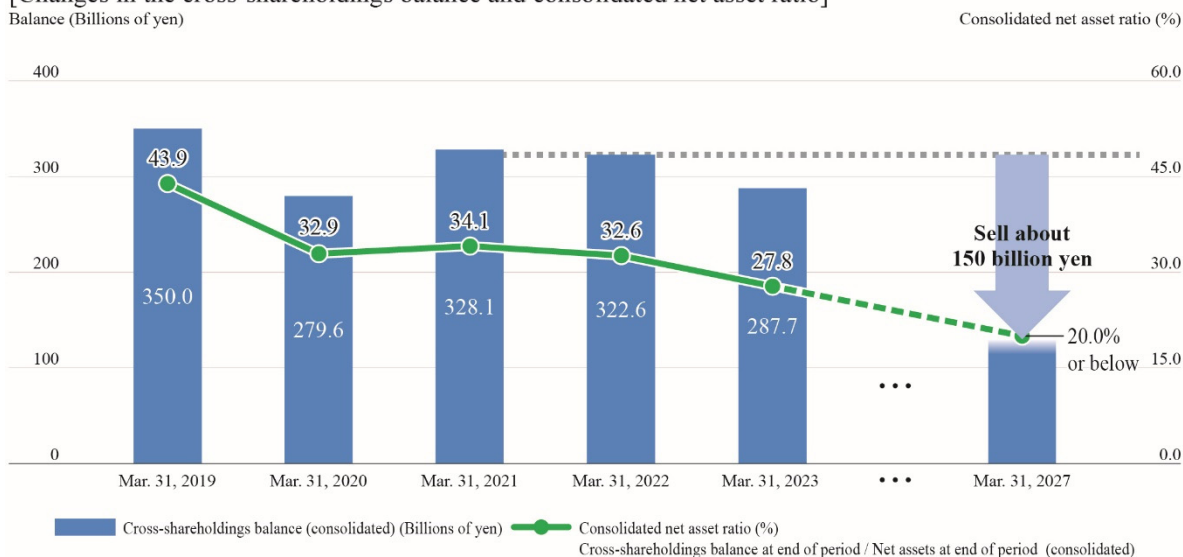
## Policy on shares that we own in our customers' businesses

The Corporation owns shares in our customers' businesses (hereafter, "cross-shareholdings") to maintain and strengthen trade relationships with our customers. The Corporation evaluates the medium to long-term economic rationality by comprehensively taking into consideration profitability evaluation criteria such as capital cost and business return from maintaining and strengthening the business relationship and assesses the meaning of holding shares regularly and reports the assessment results to the Board of Directors. When the significance of having cross-shareholdings shares weakens, the Corporation sells shares as needed.

In the Medium-Term Business Plan 2022, the Corporation will further review of the meaning of having cross-shareholdings and pursue investment efficiency and has decided to sell approximately 150.0 billion yen worth of shares in total from FY2021 in order to bring the ratio of cross-shareholdings to total net asset to less than 20% as early as possible by the end of March 2027.

The Corporation plans to use the proceeds from sales of cross-shareholdings effectively to enhance corporate value, by investing in areas that will contribute to sustained growth with medium and long-term growth in mind, in addition to investing for the purpose of securing stable investment revenue.

### [Changes in the cross-shareholdings balance and consolidated net asset ratio]



### [Changes in the sale of cross-shareholdings]

(Millions of yen)

	(FY2018)	(FY2019)	(FY2020)	(FY2021)	(FY2022)	
Amount sold	5,454	9,263	7,702	16,973	24,612	
Total amount sold since FY2021 (% of progress toward target)	—	—	—	16,973 (11.3%)	Total amount sold	41,585 (27.7%)
					Above + Sales agreed-upon amount	56,312 (37.5%)

## <Shareholder Proposal (Proposal 5)>

Proposal 5 has been proposed by one shareholder.

The outline of the proposal and reasons for the proposal below are the original text of the relevant sections of the document submitted by the proposing shareholder (“2. Reason for the Proposal” is the original text of “Outline of Reason for the Proposal”).

### Proposal 5: Dividend of Surplus (Special Dividend)

#### 1. Summary of the proposal

##### (1) Agenda : Dividend of Surplus (Special Dividend)

A special dividend shall be made as follows:

##### A. Type of dividend:

Cash

##### B. Allocation and the total amount of dividends:

An amount equal to JP¥ [12] per share shall be paid in addition to the amount (if any) of the dividend payment from surplus per share of common stock which is approved at the 119th Annual General Meeting of Shareholders based on the proposal on the dividend of surplus made by the Company. The total amount of special dividends to be paid pursuant to Agenda shall be calculated by multiplying the amount of the special dividend per share of common stock by the number of shares eligible to receive dividend payments as of March 31, 2023.

##### C. Effective date of dividend payment from surplus

The day after the date of the 119th Annual General Meeting of Shareholders

##### D. Payment date of dividend

19th July 2023

#### 2. Reason for the Proposal

The Company’s dividend policy should be to distribute to shareholders amount equal to 100% of the amount of the Company’s net income that is not directly related to its core business activities (specifically, dividend income that the Company receives on the Company’s equity holdings) plus an amount equal to 50% of the net income from its core operating businesses. If the Company adopts such policy, the Company is able to retain 50% of the available earnings generated by the Company’s core operating businesses. The Company has sufficient financial flexibility to self-fund the expansion of its business, whilst maintaining a sound and conservative balance sheet.

The payment of this special dividend to be proposed at the upcoming General Meeting of Shareholders does not adversely impact the Company, its future business prospects and/or the solvency of the Company. Further, the payment of such a special dividend does not jeopardise the Company’s ability to support its core domestic contracting activities, continue to expand across strategic business adjacencies and capture selective growth opportunities.

(Note) The Shareholder Proposal (Proposal 5) is a proposal to pay dividends as a “special dividend,” and the Company Proposal (Proposal 1) is a proposal to pay dividends as “ordinary dividend.” The Shareholder Proposal (Proposal 5) is independent from the Company Proposal (Proposal 1), and shareholders are asked to exercise their voting rights for each proposal.

The Corporation’s Board of Directors opposes the Shareholder Proposal (Proposal 5) as follows.

Opinion of the Board of Directors of the Corporation regarding the Shareholder Proposal  
(Proposal 5)

[Opinion of the Board of Directors of the Corporation]

**[Opposition] The Corporation's Board of Directors opposes the Shareholder Proposal.**

[Reasons for opposition]

(Obstructing the business plan to increase corporate value)

In the "Obayashi Group Medium-Term Business Plan 2022," a five-year plan starting in the fiscal year ended March 31, 2023, the Corporation set a "dividend on equity ratio (DOE) of around 3%"<sup>(\*1)</sup> as a target for the annual value of dividends in its shareholder return policy.

Our basic policy on shareholder returns is first to try to sustain stable dividend payouts over the long term.

This dividend policy, which aims for a DOE of 3%, was formulated with consideration for the business plans for the next five years based on the "Obayashi Group Medium-Term Business Plan 2022" and the growth investment strategy to enhance corporate value, with the policy of returning profits to shareholders over the medium to long term by increasing equity through the accumulation of profits.

That is to say, it is a dividend policy that "the Corporation's projected cash inflows during the five-year plan period" are to be used as the source of funds, and carefully considers the balance between three uses of cash:

- 1) Equity needed to stabilize the Corporation in this period of uncertainty
- 2) Growth investment required to maintain the Corporation's competitive advantage and further increase corporate value<sup>(\*2)</sup>
- 3) Stable returns to shareholders over the medium to long term

At the same time, this Shareholder Proposal seeks an increase in dividends based on almost the same reasons and calculation methods used by the proposer for shareholder proposals made to other companies, without regard for the companies' differing business plans and growth strategies. It also treats planned growth investments and human capital investment quotas as dividend resources, which we believe will obstruct the growth strategy set out in the Medium-Term Business Plan to enhance our corporate value.

(Unreasonableness of the method of dividend calculation)

Our DOE-based dividend calculation is based on the equity accumulated through "profit attributable to owners of parent" which includes all business and non-business income earned by the Corporation. In contrast, the dividend calculation method used in the Shareholder Proposal does not allocate "business income other than from the construction business" and "non-operating and extraordinary income other than dividend income from cross-shareholdings" to the dividend resource, which we believe to be an unreasonable method of calculation for shareholders.

Given the above reasons, the Board of Directors of the Corporation opposes the Shareholder Proposal.

(\*1) Dividend policy based on a DOE of 3%.

- Specifically, the DOE is calculated by dividing the equity at the end of the previous fiscal year and the equity at the end of the current fiscal year by 2 to obtain an average, and then taking around 3% of that sum as a target for the total annual dividends.  
$$\text{DOE } 3\% = [(\text{Equity as of the end of the previous fiscal year} + \text{Equity as of the end of the current fiscal year})/2] \times 3\%$$
  
→Target for total annual dividends (interim + year-end)
- Dividends based on DOE are based on the value of equity accumulated up to that point, regardless of profit for the period, and thus such dividends are maintained even when there is a decline in profit for a single year. Moreover, while the total value of dividends does not exceed the value of profit (i.e., the dividend payout ratio does not exceed 100%), a reasonable sum corresponding to profit is accumulated as equity, which has the effect of

continuously increasing dividends in the following fiscal year and beyond. In the event of a significant increase in profit, however, the Corporation will also consider returning profit to shareholders through special dividends, etc.

(\*2) Growth investment

<Major Investments>

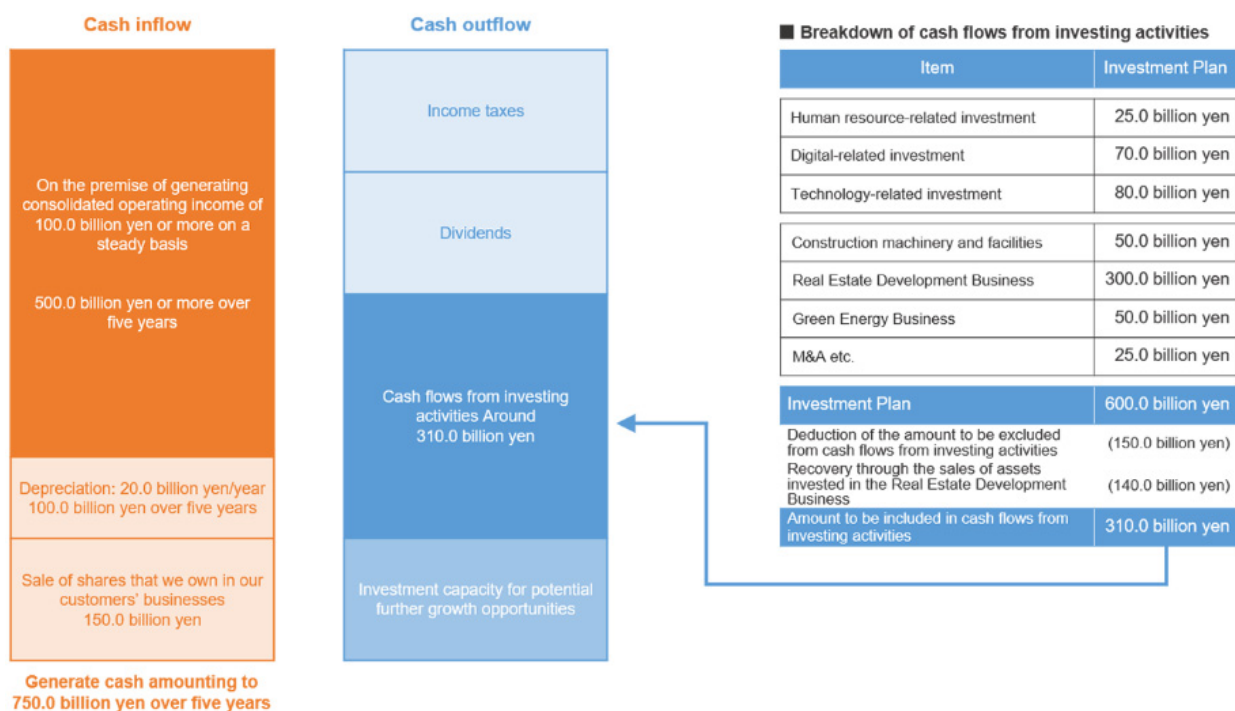
Construction business: R&D investment for productivity improvements (ICT construction, etc.) to increase earnings and address the decrease in the number of construction industry workers, and for addressing the challenges of achieving a low-carbon society

Peripheral areas: Growth investment in peripheral areas (real estate business, green energy business, etc.) that will demonstrate synergies with the core construction business and contribute to the advancement of ESG and the SDGs while mitigating fluctuations in the performance of the construction business

Human capital: Investment in development and engagement (including base salary increases in response to the recent rise in consumer prices) of human capital, which is the source of the Group's competitiveness and an important management foundation



■ Cash allocation during the period of the Medium-Term Business Plan 2022



(Note) The above cash allocation plan is as of March 2022, when the Medium-Term Business Plan 2022 was formulated, however current cash inflow projections have decreased since that time due to subsequent changes in the business environment (e.g., soaring construction material prices).

■ Journal accounts for the ¥600.0 billion investment plan from an ESG perspective (Billions of yen)

	Investment plan	Journal entry from an ESG perspective				Business investments other than those listed on the left
		E: Environment-related	S: Human capital	S: Productivity	S: New businesses	
Intangible assets	Human resource-related investment		25.0			
	Digital-related investment			70.0		
	Technology-related investment	20.0		50.0	10.0	
Tangible assets	Construction machinery and business facilities		5.0	45.0		
	Real Estate Development Business	100.0				200.0
	Green Energy Business	50.0				
	M&A, etc.				25.0	
<b>Total</b>	<b>600.0</b>	<b>170.0</b>	<b>30.0</b>	<b>165.0</b>	<b>35.0</b>	<b>200.0</b>