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## **Notice of Convocation of the 117th Ordinary General Meeting of Shareholders**

Securities Code: 1802  
June 1, 2021

Dear Shareholders,

You are hereby notified that the 117th Ordinary General Meeting of Shareholders of OBAYASHI CORPORATION (hereinafter referred to as the “Corporation”) will be held as described below.

This General Meeting of Shareholders will be held with special measures in place to prevent the spread of the novel coronavirus disease (COVID-19) as described on page 3. **In order to prevent further spread of COVID-19 and ensure the safety of shareholders, we strongly recommend that you refrain from attending the meeting in person and instead exercise your voting rights beforehand.**

If you are unable to attend the meeting, you may exercise your voting rights by mail or via the Internet by 5:15 p.m. on Wednesday, June 23, 2021 in Japan Standard Time. Please examine the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights prior to voting.

Sincerely yours,

Kenji Hasuwa  
President  
OBAYASHI CORPORATION  
2-15-2, Konan, Minato-ku, Tokyo

## Details of the General Meeting of Shareholders

**1. Date and Time:**

Thursday, June 24, 2021, 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 117th Fiscal Year (from April 1, 2020 to March 31, 2021; hereinafter referred to as the “fiscal year under review”), as well as the audit reports of the Accounting Auditors and the Audit & Supervisory Board for Consolidated Financial Statements

**Matters to be resolved:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Election of Twelve (12) Directors

**Proposal 3:** Revision of Remuneration Amount for Directors

**Proposal 4:** Revision of Stock Remuneration Plan for Directors

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

## Information Concerning the General Meeting of Shareholders

- You are kindly requested to present the enclosed “Form for Exercising Voting Rights” 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.
- If any changes have been made to items in the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements or the Reference Documents for General Meeting of Shareholders, such changes will be posted on our website.
- The voting results on the resolutions of the General Meeting of Shareholders will be posted on our website.
- A video recording of the business report and other matters reported at the meeting will be made available for streaming from the Company’s website at a later date.

Planned release date: Monday, June 28, 2021, at 10:00 a.m. (only available in Japanese).

## Notice Concerning Precautionary Measures Regarding the Novel Coronavirus Disease (COVID-19)

- **In order to prevent further spread of COVID-19 and ensure the safety of shareholders, we strongly recommend you exercise your voting rights by mail or via the Internet rather than attend this General Meeting of Shareholders in person.** If you choose to attend, we ask that you consider the most recent status regarding infections and check your own health condition on the date of the meeting. Please cooperate with precautionary measures to protect yourself from infection, such as wearing face masks and using alcohol disinfectant, etc.
- In order to ensure appropriate distancing between each seat, the number of chairs is limited. If the venue reaches its seating capacity, your attendance may not be guaranteed. Furthermore, we will take your temperature when you arrive. If you have symptoms such as a fever or cough, you may be turned away, or asked to leave your seat.
- The attending executives and staff will be screened to ensure their state of health and will be wearing masks while making announcements and offering guidance. Please note that the report of matters will be shortened into a condensed version to shorten the meeting time.
- In order to prevent the spread of infection, there may be additional precautionary measures in place at the venue of the General Meeting of Shareholders, and your cooperation with such measures is requested.
- If there is any change in the way the General Meeting of Shareholders will be run, you will be informed via the Corporation’s website below. Please check the website for updates before attending.
- We would appreciate your understanding that gifts will not be distributed to attending shareholders.

The Corporation’s Website: <https://www.obayashi.co.jp/>

## 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 enclosed “Form for Exercising Voting Rights” to the receptionist.

Please also bring this notice as a meeting agenda.

Date and time of the meeting: **Thursday, June 24, 2021, at 10:00 a.m. (Reception starts at 9:00 a.m.)**

### **2. To exercise your voting rights by mail**

Please indicate on the enclosed “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., Wednesday, June 23, 2021 in Japan Standard Time.**

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

Please indicate whether you approve or disapprove of each proposal.

\*When neither “Approve” nor “Disapprove” is circled on a Proposal, that proposal will be deemed to indicate approval.

### **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., Wednesday, June 23, 2021 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 by mail (the Form for Exercising Voting Rights) nor via the Internet is necessary.

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

## Reference Documents for General Meeting of Shareholders

### Proposals and Reference Issues

#### Proposal 1: Appropriation of Surplus

The basic policy of the Corporation is to provide shareholders with returns commensurate with the Corporation's performance, including through share buybacks, with a primary emphasis on sustaining stable dividend payouts to shareholders over the long term, and with a target consolidated dividend payout ratio of 20% to 30%, while taking into account the need to enhance internal reserves so as to further improve its financial base, develop technologies and carry out capital expenditure for the future.

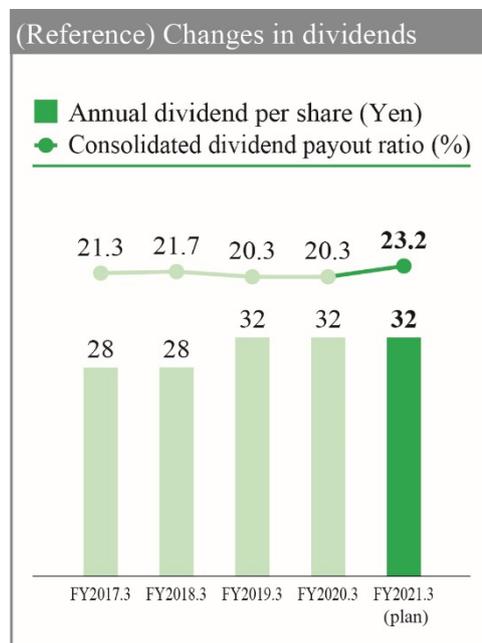
Under the policy, the Corporation proposes a year-end dividend for the fiscal year under review of 16 yen per share. In addition to the interim dividend of 16 yen, the annual dividend would amount to 32 yen per share.

##### 1. Year-end dividends

- (1) Type of dividend property: Cash
- (2) Appropriation of dividends to shareholders and total amount of dividends  
Dividend per share: 16 yen  
Total amount of dividends: 11,488,769,696 yen
- (3) Date of effectiveness: June 25, 2021

##### 2. Other appropriation of surplus

- (1) Item and amount of surplus to be increased  
General reserve: 120 billion yen
- (2) Item and amount of surplus to be decreased  
Retained earnings brought forward: 120 billion yen



## Proposal 2: Election of Twelve (12) 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 twelve (12) 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 (FY2021.3)	Tenure (at the conclusion of this General Meeting of Shareholders)
1	Takeo Obayashi	Reappointment	Chairman Representative Director	12/12	38 years
2	Kenji Hasuwa	Reappointment	Representative Director President	12/12	6 years
3	Takehito Sato	Reappointment	Representative Director Executive Vice President Responsible for overall civil engineering construction Head of Safety, Quality & Environment Division	12/12	3 years
4	Yasuo Kotera	Reappointment	Director Executive Vice President Responsible for overall administration	12/12	3 years
5	Toshihiko Murata	Reappointment	Director Executive Vice President Head of Osaka Main Office and Head of Yumeshima Development Division	12/12	3 years
6	Atsushi Sasagawa	New appointment	Executive Vice President Responsible for overall building construction Head of Marketing Division, Head of Tokyo Main Office, and Head of Building Construction Division at Tokyo Main Office	–	–
7	Toshimi Sato	Reappointment	Director Managing Executive Officer Responsible for Corporate Strategy, Digital Integration, and Business Innovation Divisions, Human Resources, Finance, and Accounting Departments General Manager of Corporate Strategy Division and Senior General Manager at Tokyo Main Office (responsible for project administration)	12/12	3 years
8	Shinichi Koizumi	Reappointment Outside Independent	Independent Director	12/12	6 years
9	Naoki Izumiya	Reappointment Outside Independent	Independent Director	12/12	3 years
10	Yoko Kobayashi	Reappointment Outside Independent	Independent Director	10/10	1 year
11	Masako Orii	Reappointment Outside Independent	Independent Director	10/10	1 year
12	Hiroyuki Kato	New appointment Outside Independent	–	–	–

- 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 Mses. Yoko Kobayashi and Masako Orii only refers to the Board of Directors meetings held after they were appointed as Director at the 116th Ordinary General Meeting of Shareholders held on June 24, 2020.

	<b>1</b>	<b>Takeo Obayashi</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>
	(Date of birth: Jun. 9, 1954)		
Number of the Corporation's shares held: 16,944,095  Tenure: 38 years  Status of attendance to Board of Directors meeting: 12/12 (100%)	[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]		
	Apr. 1977 Joined the Corporation Jun. 1983 Director Jun. 1985 Managing Director Jun. 1987 Senior Managing Director Jun. 1989 Executive Vice President Jun. 1997 Vice Chairman Jun. 2003 Chairman Jun. 2007 Director Jun. 2009 Chairman (incumbent) Representative Director (incumbent)		
[Reasons for nomination of the candidate as Director]			Ever since assuming the Director position in 1983, Mr. Takeo Obayashi has been involved in the management of the Corporation as a member of the Board of Directors. He has demonstrated excellent management skills as Chairman, Representative Director since 2009. He plays an important role for corporate governance, prompting members of the Board of Directors including Independent Directors to discuss freely and striving for managing meetings to have constructive discussions, etc. as Chairman of the Board of Directors. The Corporation nominated him as a candidate for Director because he has such background and quality and is continuously essential for the Corporation's management.
	<b>2</b>	<b>Kenji Hasuwa</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>
	(Date of birth: Nov. 15, 1953)		
Number of the Corporation's shares held: 19,500  Tenure: 6 years  Status of attendance to Board of Directors meeting: 12/12 (100%)	[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]		
	Apr. 1977 Joined the Corporation Apr. 2010 Executive Officer Oct. 2012 Managing Executive Officer Oct. 2014 Head of Technology Business Development Division Jun. 2015 Director Apr. 2016 Senior Managing Executive Officer Mar. 2018 Representative Director (incumbent) President (incumbent)		
[Reasons for nomination of the candidate as Director]			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.

	<b>3</b>	<b>Takehito Sato</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>
	(Date of birth: Sep. 6, 1952)		
Number of the Corporation's shares held: 8,359  Tenure: 3 years  Status of attendance to Board of Directors meeting: 12/12 (100%)	[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]		
	<p>Apr. 1975    Joined the Corporation</p> <p>Apr. 2011    Executive Officer Senior General Manager-in-Charge of Civil Engineering Construction Division at Tokyo Main Office</p> <p>Apr. 2015    Head of Shikoku Branch Office</p> <p>Apr. 2016    Managing Executive Officer</p> <p>Mar. 2018    Senior Managing Executive Officer Head of Civil Engineering Construction Division</p> <p>Jun. 2018    Director</p> <p>Apr. 2019    Representative Director (incumbent) Executive Vice President (incumbent)</p> <p>Apr. 2020    Head of Safety, Quality &amp; Environment Division (incumbent)</p> <p>Responsible for overall civil engineering construction Head of Safety, Quality &amp; Environment Division</p>		
[Reasons for nomination of the candidate as Director]			
<p>Since joining the Corporation, Mr. Takehito Sato has engaged in the civil engineering construction business. Ever since assuming the Executive Officer position in 2011, he has held the positions of Senior General Manager-in-Charge of Civil Engineering Construction Division at Tokyo Main Office, Head of Shikoku Branch Office, etc. He is currently responsible for overseeing the civil engineering construction business as Executive Vice President, and is serving as Head of Safety, Quality &amp; Environment Division. He also assumed the Director position in 2018 and has participated in the Corporation's management as Representative Director since 2019. 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>4</b>	<b>Yasuo Kotera</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>
	(Date of birth: Sep. 12, 1953)		
Number of the Corporation's shares held: 25,537  Tenure: 3 years  Status of attendance to Board of Directors meeting: 12/12 (100%)	[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]		
	<p>Apr. 1977    Joined the Corporation</p> <p>Apr. 2010    Executive Officer General Manager of Accounting Department at Head Office</p> <p>Apr. 2012    Managing Executive Officer</p> <p>Apr. 2015    Senior Managing Executive Officer</p> <p>Apr. 2017    Head of Real Estate Development Division</p> <p>Jun. 2018    Director (incumbent)</p> <p>Apr. 2020    Executive Vice President (incumbent)</p> <p>Responsible for overall administration</p>		
[Reasons for nomination of the candidate as Director]			
<p>Since joining the Corporation, Mr. Yasuo Kotera has primarily engaged in the planning and management department related to administration. Ever since assuming the Executive Officer position in 2010, he has been mainly responsible for corporate management planning, 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>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)		
Number of the Corporation's shares held: 6,600  Tenure: 3 years  Status of attendance to Board of Directors meeting: 12/12 (100%)	<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>Atsushi Sasagawa</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div>
	(Date of birth: Apr. 1, 1958)		
Number of the Corporation's shares held: 6,737  Tenure: —  Status of attendance to Board of Directors meeting: —	<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <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>Responsible for overall building construction Head of Marketing Division, Head of Tokyo Main Office, and Head of Building Construction Division at Tokyo Main Office</p>		
	<p>[Reasons for nomination of the candidate as Director]</p> <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, Head of Tokyo Main Office, etc. 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 fully performing his functions as Director by drawing on his considerable experience.</p>		

	<b>7</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>[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 (incumbent)</p> <p>Responsible for Corporate Strategy, Digital Integration, and Business Innovation Divisions, Human Resources, Finance, and Accounting Departments</p> <p>General Manager of Corporate Strategy Division and Senior General Manager at Tokyo Main Office (responsible for project administration)</p>	
Number of the Corporation's shares held:	4,200	<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 Managing Executive Officer. 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>	
Tenure:	3 years		
Status of attendance to Board of Directors meeting:	12/12 (100%)		

	<b>8</b>	<b>Shinichi Koizumi</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: Feb. 29, 1948)							
Number of the Corporation's shares held: 0  Tenure: 6 years	<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1971    Joined Toray Industries, Inc.</p> <p>Jun. 2004    Vice President (Member of the Board) of Toray Industries, Inc.</p> <p>Jun. 2006    Senior Vice President (Member of the Board) of Toray Industries, Inc.</p> <p>Jun. 2007    Senior Vice President (Member of the Board &amp; Member of the Executive Committee) of Toray Industries, Inc.</p> <p>Jun. 2008    Executive Vice President and Representative Member of the Board of Toray Industries, Inc.</p> <p>Jun. 2013    Senior Advisor of Toray Industries, Inc. Chairman of the Board of Toray Corporate Business Research, Inc.</p> <p>Jun. 2015    Advisor of Toray Industries, Inc. Independent Director of the Corporation (incumbent)</p> <p>Jun. 2017    Standing Corporate Auditor of DeNA Co., Ltd. (incumbent)</p> <p>Significant concurrent position:            Standing Corporate Auditor of DeNA Co., Ltd.            Managing Director (Outside Director) of Japan Bank for International Cooperation            Outside Director of Preferred Networks, Inc.</p>						
Status of attendance to Board of Directors meeting: 12/12 (100%)	<p>[Reasons for nomination of the candidate as Independent Director and outline of expected roles]</p> <p>Mr. Shinichi Koizumi has considerable experience, excellent capabilities, knowledge, and character gained through many years of involvement in the management of Toray Industries, Inc. 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 management experience of a global company, and based on the abundant international knowledge, 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 member of the Board of Directors and Chairperson of the Recommendation Committee and Remuneration Committee.</p>						

	<b>9</b>	<b>Naoki Izumiya</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: Aug. 9, 1948)							
Number of the Corporation's shares held: 0  Tenure: 3 years  Status of attendance to Board of Directors meeting: 12/12 (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, Recommendation Committee, and Remuneration Committee.</p>							

	<b>10</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: 1 year  Status of attendance to Board of Directors meeting: 10/10 (100%)	<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 withdrawal 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, Recommendation Committee, and Remuneration Committee.</p>						

	<b>11</b>	<b>Masako Orii</b>	<input type="checkbox"/> Reappointment <input type="checkbox"/> Independent	<input type="checkbox"/> Outside
	(Date of birth: Oct. 10, 1960)			
Number of the Corporation's shares held: 0  Tenure: 1 year  Status of attendance to Board of Directors meeting: 10/10 (100%)	<p>[Career summary, position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation]</p> <p>Apr. 1983    Joined Suntory Limited</p> <p>Apr. 2012    Executive Officer of Suntory Holdings Limited</p> <p>Apr. 2016    Senior Managing Director, Member of the Board of Suntory Wellness Limited</p> <p>Apr. 2019    Advisor of Suntory Holdings Limited (incumbent)          Executive Director of Suntory Hall, Suntory Foundation for the Arts (incumbent)</p> <p>Jun. 2020    Independent Director of the Corporation (incumbent)</p> <p>May 2021    Outside Director, Audit and Supervisory Committee Member of TOHO CO., LTD. (incumbent)</p> <p>Significant concurrent position:          Executive Director of Suntory Hall, Suntory Foundation for the Arts          Outside Director, Audit and Supervisory Committee Member of TOHO CO., LTD.</p>			
	<p>[Reasons for nomination of the candidate as Independent Director and outline of expected roles]</p> <p>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 Remuneration Committee.</p>			



and preventing recurrence, such as establishing a third-party committee, as a response after the incident. Furthermore, after the number of Independent Directors was increased to four through the appointment of Mses. Yoko Kobayashi and Masako Orii in June 2020, all four Independent Directors have, on a regular basis, been properly fulfilling their duties, by supervising the implementation status of the Corporation's initiatives to prevent recurrence, expressing opinions regarding thorough compliance to laws and regulations, as necessary, at meetings of the Board of Directors and elsewhere, and by other ways.

(Reference)

### Expertise and Experience of Candidates for Director

Candidate name	Tenure	Building construction	Civil engineering construction	Real estate development	New business	ICT/Digital	Business Development	Public relations	Finance and accounting	Legal affairs Compliance Risk management	Global knowledge	Corporate management
Takeo Obayashi	38 years										○	○
Kenji Hasuwa	6 years		○		○		○					○
Takehito Sato	3 years		○				○					○
Yasuo Kotera	3 years			○				○	○	○		○
Toshihiko Murata	3 years	○					○					○
Atsushi Sasagawa	-	○					○				○	
Toshimi Sato	3 years				○	○		○	○		○	○
Shinichi Koizumi	6 years				○	○	○		○		○	○
Naoki Izumiya	3 years				○			○				○
Yoko Kobayashi	1 year				○	○	○					○
Masako Orii	1 year				○			○				○
Hiroyuki Kato	-				○						○	○

### 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 (current composition is five Independent Directors and two (inside) Directors). 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.

[Descriptions of Remuneration Plan for Directors Pertaining to Proposal 3 and Proposal 4]

The purposes of Proposal 3 and Proposal 4 are to improve the remuneration plan for Directors as a step toward realizing the “Vision for the Future” for the 150th anniversary year (2042) amid sudden changes in its business environment. The Corporation aims to secure outstanding personnel at the management level and treat them fairly and equitably on the basis of their achievements and management responsibilities. Additionally, the Corporation seeks to increase the weight of Corporation’s shares granted to Directors as remuneration so that they will be encouraged to contribute to enhancing its corporate value over the medium to long term.

Specifically, in Proposal 3 “Revision of Remuneration Amount for Directors,” we propose to revise the amount of remuneration for Directors from 60 million yen or less per month to 720 million yen or less per year, in order to further strengthen their motivation to achieve targets and to achieve flexible and responsive use of the remuneration plan. This revision will allow the Corporation to provide Directors (excluding Independent Directors) with short-term performance-linked cash remuneration (bonus) within the current range of an annualized cash remuneration based on the monthly amount, as result of fair evaluation of their management efforts against the business environment in each fiscal year, in addition to the basic remuneration paid monthly to date.

In Proposal 4 “Revision of Stock Remuneration Plan for Directors,” which pertains to the already implemented the “Board Incentive Plan Trust” (hereinafter referred to as the “BIP Trust”) stock remuneration plan for Directors, etc. (including Executive Officers (up to 60 persons) but excluding Independent Directors and Audit & Supervisory Board members), delivered at their retirement, we propose to increase the amount of stock remuneration from the current “300 million yen for three years” to “1,000 million yen for three years, among other things. By increasing the remuneration amount, the Corporation intends to provide a sufficient level of incentives when the performance improves, thereby strengthening Directors’ motivation to enhance its corporate value over the medium to long term. The Corporation plans to combine the following as the payment standards: (1) the portion of payments linked to short-term performance, (2) the portion of payments that fluctuate linked to medium- to long-term performance, and (3) the portion of annual payments of a predetermined amount according to the responsibilities of each position. While aiming for the balanced motivation between short-term and medium- to long-term performance targets to achieve, these standards will make Directors share not only the benefits caused by rising stock prices with shareholders, but also the risks caused by declining stock prices, as all (1) to (3) are stock remuneration delivered at their retirement. Accordingly, the incentive effect to increase the Corporation’s corporate value over the medium to long term will be sustained until the time of their retirement.

The outline of the Corporation’s policy for determining the remuneration of Directors, etc. is as stated on pages 53 to 56 of the Japanese original of the Notice of Convocation of the 117th Ordinary General Meeting of Shareholders. However, it will be changed to reflect the revision regarding short-term performance-linked remuneration and stock remuneration plans to be newly introduced, subject to the approval of Proposal 3 and Proposal 4.

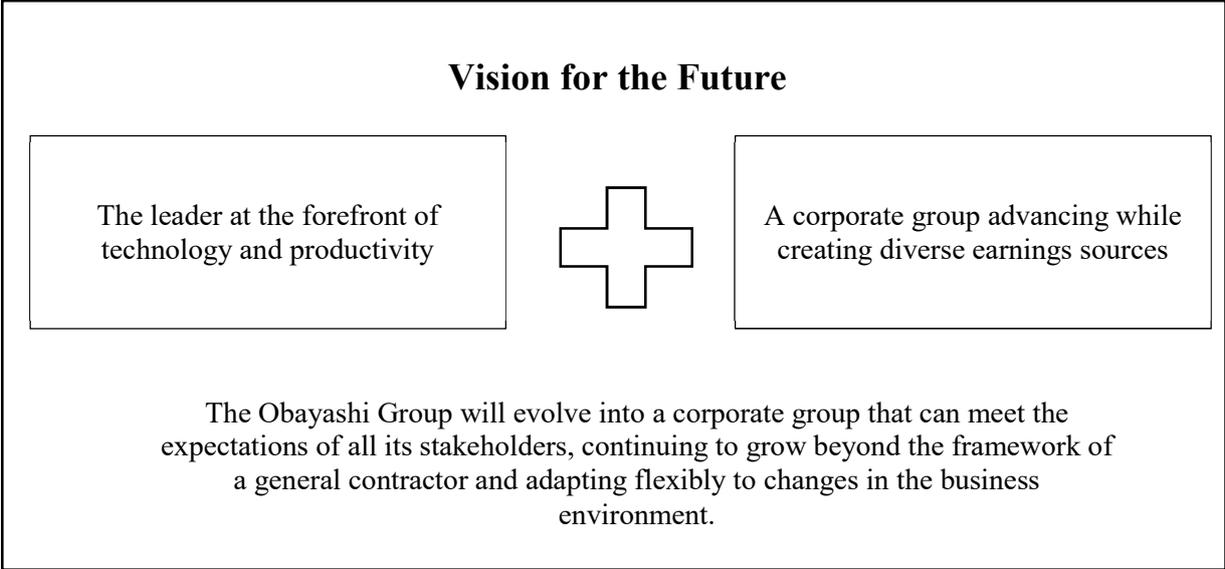
The Corporation has established, as an advisory institution to the Board of Directors, the Remuneration Committee, whose members are made up of a majority of Independent Directors and is chaired by one of the Independent Directors. The proposed revision of the remuneration plan and change of the policy for determining the remuneration of Directors, etc. have been deliberated by the said Committee. As a result, the Corporation deems that the revision of Directors’ remuneration and the policy for determining the remuneration of Directors, etc. as changed are justifiable from the necessity and reasonability of the content, even in light of the number of eligible Directors and other factors, and from the perspective of enhancing its corporate value.

The revision of the remuneration plan for the Corporation’s Directors pertaining to Proposal 3 and Proposal 4 was determined by the Board of Directors, on the basis of the report by the abovementioned Remuneration Committee. After revision, the ratio of fixed cash remuneration, short-term performance-linked remuneration (cash and stock remuneration), and medium- to long-term performance-linked

remuneration (including the stock remuneration and the fixed provision portion) will be approximately 60:25:15 in the case of the President’s remuneration.

Thus, by linking management remuneration to performance and deepening the incentive plan for medium- to long-term corporate value enhancement, the Corporation will manage its business to evolve into a corporate group that meets the expectations of all stakeholders toward realizing the “Vision for the Future” for the 150th anniversary year (2042).

[Vision for the Future for 150th Anniversary Year (2042)]



[Illustrative diagram of revised executive remuneration (for President)]

(i) Breakdown of remuneration

<Current>

Type		Content of remuneration	Ratio
Fixed remuneration		Monthly cash remuneration (Only fixed remuneration for Independent Directors)	95%
Performance-linked remuneration	LTI (Long Term Incentive)	Medium- to long-term performance-linked stock remuneration	5%

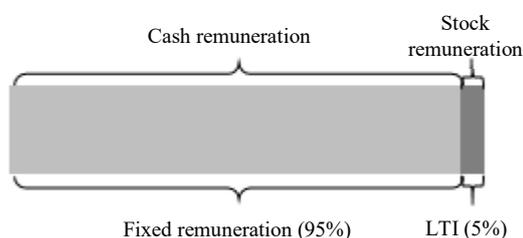
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Type		Content of remuneration	Ratio
Fixed remuneration		Monthly cash remuneration (Only fixed remuneration for Independent Directors)	60%
Performance-linked remuneration	STI (Short Term Incentive)	Short-term performance-linked cash remuneration (bonus)	25%
		Short-term performance-linked stock remuneration	
Performance-linked remuneration	LTI (Long Term Incentive)	Medium- to long-term performance-linked stock remuneration	15%
		Fixed provision stock remuneration*	

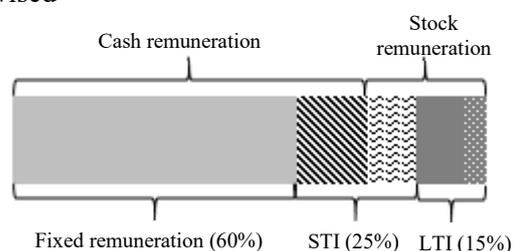
\* Stock remuneration is delivered at retirement. Fixed provision stock remuneration is positioned as performance-linked remuneration because the share price fluctuates in accordance with medium- to long-term performance, and therefore, the value received at retirement increases or decreases.

	Fixed remuneration		Medium- to long-term performance-linked stock remuneration
	Short-term performance-linked cash remuneration		Fixed provision stock remuneration
	Short-term performance-linked stock remuneration		

<Current>



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### **Proposal 3 Revision of Remuneration Amount for Directors**

The amount of remuneration for the Corporation's Directors was approved as 60 million yen or less per month at the 101st Ordinary General Meeting of Shareholders held on June 29, 2005, and this has been implemented to date.

In this proposal, we request approval to revise the amount of Directors' remuneration from 60 million yen or less per month to 720 million yen or less per year so that short-term performance-linked cash remuneration (bonus) may be paid to Directors (excluding Independent Directors) in addition to the basic remuneration that has been paid monthly, within the range of such amount of remuneration converted from monthly to annual.

This introduction of short-term performance-linked cash remuneration is aimed at further enhancing the Corporation's corporate value by improving the remuneration plan in order to ensure fair and equitable treatment of Directors based on their management responsibilities and achievements and to strengthen their motivation toward realizing the "Vision for the Future" for the 150th anniversary year (2042). At the same time, revising the amount of Directors' remuneration from monthly to annual will enable flexible and responsive use of the remuneration plan. Accordingly, the Corporation considers this proposal justifiable from the necessity and reasonability of the content.

This proposal was deliberated by the Remuneration Committee, a majority of whose members are Independent Directors and which is chaired by an Independent Director, and has been determined by the Board of Directors on the basis of the report by the Committee. As the Corporation thus deems that objectivity and transparency have been secured for the decision-making process and for the results related to the remuneration plan, we ask for approval to have the Board of Directors determine the amount of short-term performance-linked cash remuneration to be paid to each Director within the maximum amount in the same manner that the Board of Directors determines the amount of basic remuneration.

At present, the number of Directors is twelve (12) (including five (5) Independent Directors). If Proposal 2 is approved, the number of Directors will be twelve (12) (including five (5) Independent Directors). The remuneration, etc., of Directors (excluding Independent Directors) shall comprise the basic remuneration and short-term performance-linked remuneration based on this proposal and the stock remuneration stated in Proposal 4 "Revision of Stock Remuneration Plan for Directors." The remuneration, etc., of Independent Directors shall comprise only the basic remuneration in a fixed amount based on this proposal.

## **Proposal 4: Revision of Stock Remuneration Plan for Directors**

### **1. Reasons for the proposal and reasons for justifying the said remuneration**

The introduction of a performance-linked stock remuneration plan for Directors of the Corporation and Executive Officers who have entered into a service agreement with the Corporation (excluding Independent Directors and individuals resident overseas; those Directors and Executive Officers hereinafter referred to as the “Directors, etc.”), was approved at the 111th Ordinary General Meeting of Shareholders held on June 26, 2015, and that plan has been implemented to date.

In this proposal, we propose to increase the stock remuneration to be paid to Directors, etc., separately from the maximum amount of Directors’ remuneration (720 million yen or less per year) that is requested for approval in Proposal 3 “Revision of Remuneration Amount for Directors” in order to secure outstanding personnel and further strengthen motivation among Directors, etc. to contribute to enhancing the Corporation’s corporate value and shareholder value as well as performance over the medium- to long-term amid sudden changes in its business environment.

Specifically, we request approval to increase the amount of trust money contributed to the BIP Trust stock remuneration plan that was introduced at the 111th Ordinary General Meeting of Shareholders (including Executive Officers (up to 60 persons), but excluding Independent Directors and Audit & Supervisory Board members) from the current “300 million yen for three years” to “1,000 million yen for three years,” among other things.

At present, the number of Directors is twelve (12) (including five (5) Independent Directors). If Proposal 2 is approved, the number of Directors will be twelve (12) (including five (5) Independent Directors).

The stock remuneration based on this proposal covers not only Directors (excluding Independent Directors) but also Executive Officers (up to 60 persons). The Corporation deems that the revision, such as increasing the amount to “1,000 million yen for three years,” is justifiable from the necessity and reasonability of the content, to strengthen their motivation to contribute to enhancing its corporate value and shareholder value, in light of the number of eligible persons and the size of the amount.

The main contents of the Plan are as stated in “2. Amount and contents, etc. of the remuneration, etc. of the Plan.”

### **2. Amount and contents, etc. of the remuneration, etc. of the Plan**

#### **(1) Outline of the Plan**

The Plan is a performance-linked stock remuneration plan in which the Corporation’s shares will be acquired through a trust by using money contributed by the Corporation as remuneration for Directors, etc. (as stated in (3) below), and the Directors, etc. will be delivered the Corporation’s shares in a number corresponding to the number of points that are granted to the Directors, etc. of the Corporation every fiscal year according to their positions and the degree of achievement of performance targets, etc. However, the Corporation’s shares will be delivered to Directors, etc. at retirement as Directors, etc., in principle.

1) Eligible persons for the Plan	Directors and delegated Executive Officers (excluding independent Directors and individuals who resides overseas)
2) Effect of Corporation shares subject to this proposal on the total number of outstanding shares	
Maximum amount of money to be contributed by the Corporation (as stated in (3) below)	<ul style="list-style-type: none"> <li>Total of 1,000 million yen covering three fiscal years</li> </ul>
Maximum number of the Corporation shares to be granted to Directors, etc. (including shares subject to conversion into cash) (as stated in (4) below)	<ul style="list-style-type: none"> <li>The maximum of the aggregate number of points which will be granted to Directors, etc. per fiscal year, will be 330,000 points. Based on one point being equivalent to one common share of the Corporation, the aforementioned number of points converts to approximately 0.05% of the total number of outstanding shares of the Corporation (as of March 31, 2021, after deducting treasury shares) per fiscal year (approximately 0.14% per 3 fiscal years).</li> <li>The Corporation shares will be acquired from the stock market.</li> </ul>
3) Details of the performance achievement conditions under the performance-linked stock remuneration plan (as stated in (4) below)	<ul style="list-style-type: none"> <li>Varies in the range of 0 to 150% depending on the degree of achievement of performance targets, etc.</li> <li>In principle, indicators for evaluating the degree of achievement of performance targets shall be determined by the Corporation's Board of Directors with reference to performances, etc. related to past fiscal years and the management indicator targets set forth in the Corporation's medium-term business plan, etc.</li> <li>Operating income, etc., set in the "Medium-Term Business Plan 2017" as the management indicator targets, shall be used for FY2021, a part of the period covered by the said business plan.</li> </ul>
4) Time of delivery of the Corporation's shares to Directors, etc. (as stated in (5) below)	At retirement

(2) Period covered by the Plan

The initial period for the Plan is three fiscal years, from the fiscal year ending March 31, 2022, to the fiscal year ending March 31, 2024, and the period may be extended for another three years at the expiry of the period. In such case, regarding the trust period stated in (3) as well, at its expiry, it will also be extended by changing a trust agreement and contributing additional money, or a new trust with a trust period of three years will be established. Such extension or establishment of a new trust is not limited to once. It may occur thereafter in the same manner.

(3) Maximum amount of money to be contributed by the Corporation

1) Maximum amount of trust money

The Corporation will establish a three-year trust with beneficiary Directors, etc. meeting beneficiary requirements, contributing a maximum total amount of 1,000 million yen of money as remuneration for Directors, etc. in every three fiscal years. This maximum amount is calculated in consideration of securing outstanding personnel, and realizing a Director remuneration system that is more closely linked to medium- to long-term performance improvement, corporate value and shareholder value.

The Trust will acquire the Corporation's shares from the stock market by using the trust money in accordance with the direction of the trust administrator.

2) Additional contribution, etc. when the trust is continued

As stated in (2), the Trust may be extended for another three years and continued by amending the trust agreement and having an additional trust at the expiry of the trust period. In such case, the Corporation will make an additional contribution within the range of the total amount of 1,000 million yen for each of the extended trust periods, and continue to grant points to Directors, etc. during the extended trust period. However, in cases where such additional contribution is made, if the Corporation's shares (excluding any undelivered portion of the Corporation's shares corresponding to the number of points granted to Directors, etc.) and money (hereinafter referred to as the "Remaining Shares, etc.") remain within the trust assets on the last day of the trust period prior to the extension, the total amounts of the Remaining Shares, etc. and the trust money to be additionally contributed should be 1,000 million yen or less.

In addition, in cases where Directors, etc. who may meet beneficiary requirements are in office at the expiry of the trust period (or the extended trust period in case of the aforementioned extension of the Trust), the Trust will not be terminated immediately and the period of the Trust will be extended, limited to a certain period. However, in such cases, no new points will be granted to the Directors, etc., and Corporation's shares will be delivered to the Directors, etc. at the time of their retirement.

(4) Calculation method and limit of the number of Corporation's shares which Directors, etc. receive

As a precondition for the delivery of Corporation's shares, the Corporation shall grant points to the Directors, etc. as set forth in the payment standards in 1) and 2) below. One point equals one share of the Corporation's stock. Fractions of less than one point will be discarded. However, in case of stock splits, stock consolidations, etc. pertaining to the Corporation's shares during the trust period, the number of the Corporation's shares per point shall be adjusted, according to the split ratio, consolidation ratio, etc. pertaining to the Corporation's shares.

The maximum number of shares that the trust will acquire during the period under the Plan will be 990,000 shares and the maximum of the aggregate number of points per year which will be granted to Directors, etc. will be 330,000 points, including the points specified in 1) and 2) below.

Under the Plan, the Corporation's shares will be acquired from the stock market, and therefore no dilution of shares will occur. The percentage of the number of shares corresponding to the upper limit of the total number of points granted to Directors, etc. per three fiscal years to the total number of the Corporation's issued shares (as of March 31, 2021, after deducting treasury shares) is 0.14% (0.05% per year). The Corporation considers it a reasonable level of incentive for Directors, etc.

1) Performance-linked provision standards

At a certain time in each year during the trust period, Directors, etc. shall be granted points linked to the performance of the Corporation (hereinafter referred to as the "Performance-linked Points"). Performance-linked Points are calculated by multiplying points for individual Directors, etc. according to performance-linked provision standards that are determined in advance by position (hereinafter referred to as the "Individual Points (Performance-linked Provision Portion)") by the performance-linked coefficient. In principle, this coefficient depends on the level of achievement of the performance targets determined in advance by the

Corporation's Board of Directors, with reference to performance targets determined by the Board of Directors on the basis of performances, etc. related to past fiscal years and the management indicator targets set forth in the Corporation's medium-term business plan, etc. The calculation is as follows. Points granted to Directors, etc. who die during their tenure shall be adjusted according to the period until the date of death.

(Method to calculate Performance-linked Points)

Individual Points (Performance-linked Provision Portion) for each Director, etc. x

Performance-linked coefficient (\*)

\* There are two types of performance-linked coefficients, and both fluctuate between 0 to 150%. The first type is the short-term performance-linked coefficient, which is based on the level of achievement of the performance targets determined based on performance, etc. in previous fiscal years, and the second type is the medium- to long-term performance-linked coefficient, which depends on the level of achievement of the performance targets determined referring to the medium-term business plan, etc. The Corporation set the medium- to long-term performance-linked coefficient for FY2021, which falls under "Medium-Term Business Plan 2017," based on operating income, etc., which is a management indicator target in "Medium-Term Business Plan 2017." After the conclusion of "Medium-Term Business Plan 2017," the Corporation plans to decide the medium- to long-term performance-linked coefficient at a meeting of the Board of Directors after deliberation by the Remuneration Committee, referring to the management indicator targets in the next medium-term business plan.

2) Fixed provision standards

At a certain time in each year during the trust period, Directors, etc. shall be granted individual points, which are determined according to the duties of each position, according to the fixed provision stock remuneration plan established in advance by the Board of Directors of the Corporation.

(5) Time of delivery of Corporation's shares to Directors, etc.

In the stock remuneration plan, whether based on performance-linked provision standards or based on fixed provision standards, at retirement (or the time of death in case of the death of the said Directors, etc.), the Corporation's Directors, etc. (or the heirs in case of the death of the said Director, etc.) who meet beneficiary requirements will, upon following a specified beneficiary confirmation process, be delivered the number of the Corporation's shares corresponding to the cumulative number of the points in (4) which had been granted until the time of retirement (or the time of death in case of the death of the said Directors, etc.) from the Trust. However, fractional shares less than one unit will be converted into cash by the Trust, and the cash amount equivalent to the converted cash amount will be provided in accordance with the stipulations stated in the trust agreement.

(6) Voting rights of the Corporation's shares held by the Trust

Voting rights of the Corporation's shares held by the Trust (i.e. the Corporation's shares prior to the grant to the Corporation's Directors, etc.) shall not be exercised during the trust period to ensure management neutrality.

(7) Inappropriate behavior during the term of office

Provision of stock remuneration to a Director, etc. shall be restricted by a resolution of the Board of Directors, after deliberation by the Remuneration Committee, if the Director, etc. engages in any of the following behaviors during the term of office.

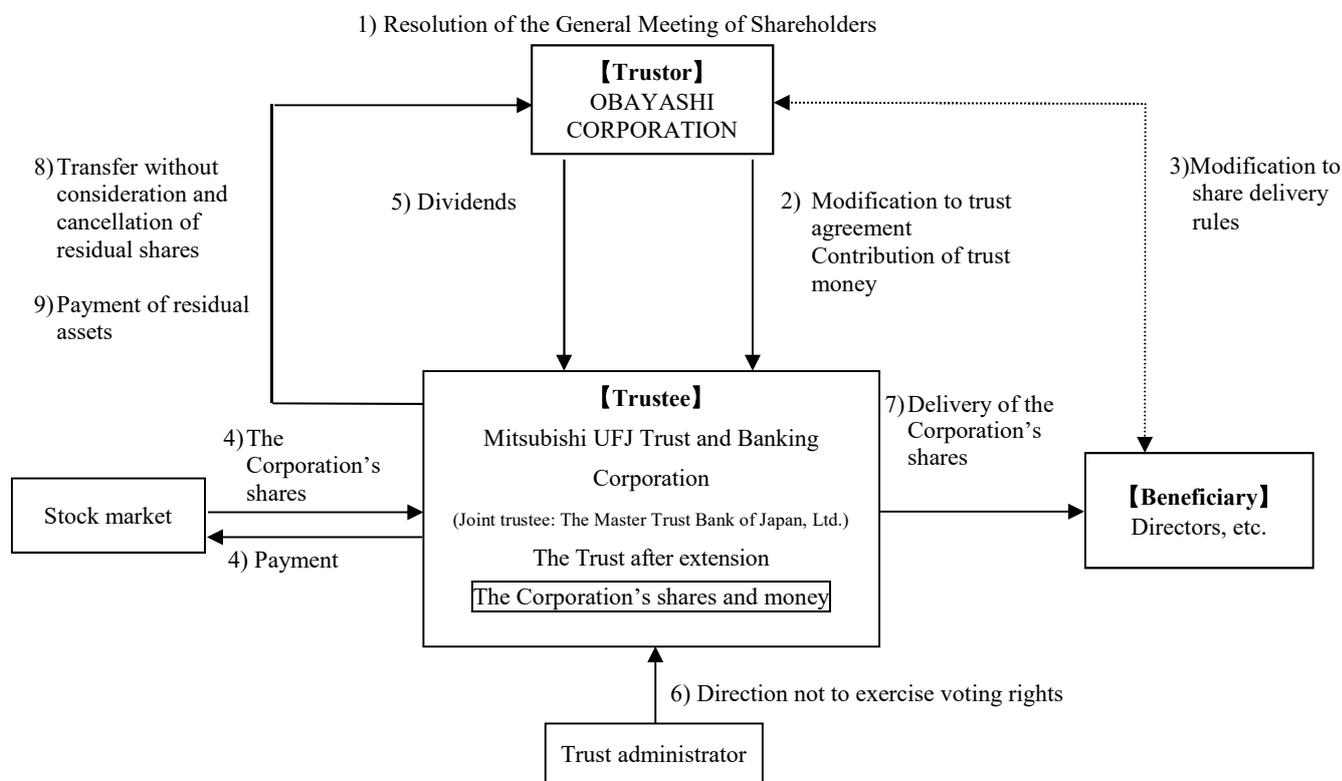
- 1) In the event of a material violation of the responsibilities of a Director, etc. or a material violation of internal rules
- 2) In the event of dismissal from office due to certain misconduct
- 3) In any event equivalent to (1) or (2) above

(8) Other details of the Plan

Other details regarding the Plan shall be determined by the Board of Directors each time the Trust is established, the trust agreement is amended, or an additional contribution is made to the Trust.

(Reference)

Timely disclosure document dated May 12, 2021 “Notice Regarding Extension and Partial Revision to the Board Incentive Plan Trust” (excerpt)



- 1) The Corporation will obtain approval for partial revision of the Plan at the General Meeting of Shareholders.
- 2) Upon agreement on modification to the trust agreement, the Corporation contributes funds within a range of amount approved by the General Meeting of Shareholders in the 1) and extends the trust period of the Trust with Directors, etc. who meet beneficiary requirements as the beneficiaries.
- 3) Upon extension of the Plan, the Corporation will make a partial revision to the share delivery rules.
- 4) The Trust will acquire the Corporation's shares from the stock market using remaining cash in the Trust at the time of modification to the trust agreement and the money trusted in the 2), in accordance with the directions of the Trust Administrator. After extension of the trust period, the number of shares the Trust acquires shall be within a range of approved resolution by the General Meeting of Shareholders in the 1).
- 5) Dividends on the Corporation's shares held by the Trust are treated in the same way as other shares.
- 6) Voting rights for the Corporation's shares held by the Trust are not exercised throughout the trust period.
- 7) During the trust period, points are granted to the Directors, etc., according to their positions and the degree of achievement of performance targets. The Corporation's shares corresponding to the points will be delivered from the Trust to the Directors, etc. who meet beneficiary requirements, on the date the said Directors, etc. retire (at the time of death in case a Director dies) (Fractional shares less than one unit will be converted into cash by the Trust, in accordance with the provisions of the trust agreement, and the cash will be paid to the beneficiary).
- 8) In the case that shares remain upon termination of the trust, due to the failure to achieve performance targets or other reasons during the trust period, the Corporation will continue to use the Trust for a new stock remuneration plan by changing the trust agreement and

contributing additional money, or transfer the said remaining shares from the Trust to the Corporation without consideration and cancel them by passing a resolution at a meeting of the Board of Directors.

- 9) Upon conclusion of the Trust, the remaining assets after allocation to the beneficiaries are to belong to the Corporation within the scope of the reserve for trust expenses after deducting funds used for acquiring shares from the trust money. Furthermore, remaining assets in excess of the reserve for trust expenses are to be donated to organizations that have no special conflict of interest with the Corporation and Directors, etc.

Note: The Corporation may continue the Plan by contributing money to the Trust as additional funds for the acquisition of the Corporation's shares within a range of amounts approved for the said acquisition by this General Meeting of Shareholders.

(Reference)

[Overview of trust agreement]

1) Type of trust	Monetary trust other than an individually managed monetary trust (Third Party Beneficiary Trust)
2) Purpose of trust	To raise management's awareness of contributing to continued improvement of Corporation's medium- and long-term performance and increasing its corporate value by granting a certain amount of the Corporation's shares and monetary benefits to the Corporation's Directors, etc. who meet beneficiary requirements
3) Trustor	OBAYASHI CORPORATION
4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
5) Beneficiary	Directors, etc. who meet beneficiary requirements
6) Trust administrator	Third party with no special conflict of interest with the Corporation (certified public accountant)
7) Date of trust period extension agreement	August 6, 2021 (planned)
8) Trust period after extension	From August 6, 2021 (planned) to August 31, 2024 (planned)
9) Plan launch date after extension	August 6, 2021 (planned)
10) Exercise of voting rights	Not to be exercised
11) Class of shares to be acquired	Common shares of the Corporation
12) Maximum amount of trust money	1,000 million yen (planned) (including trust fees and expenses)
13) Stock acquisition period	From August 10, 2021 (planned) to August 31, 2021 (planned)
14) Stock acquisition method	Acquire from stock market
15) Rights holder	OBAYASHI CORPORATION
16) Remaining assets	The Corporation, as the holder of rights to the remaining balance, may receive remaining assets, which should be within a range of reserve for trust expenses, after deducting funds used for acquiring shares from the trust money

[Affairs related to the trust and stock]

1) Trust-related affairs	Mitsubishi UFJ Trust and Banking Corporation is to become the trustee of the Trust to handle trust-related affairs.
2) Stock-related affairs	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is to engage in affairs related to vesting the Corporation's shares to beneficiaries based on the agreement of the entrustment of affairs.

- Notes: 1. When extending the Plan, an agreement regarding the extension will be concluded between the Corporation, the trustees, and the trust administrator. Following the conclusion of the agreement, an additional contribution of money and acquisition of shares will be made within the scope of the maximum amount of money to be contributed to the Trust (1,000 million yen during the trust period) and the maximum number of the Corporation's shares to be acquired (990,000 shares during the trust period) approved by the General Meeting of Shareholders.
2. The acquisition of shares will be made following the first announcement of financial results to fall during the trust period after the extension (announcement of the financial results for the 1st quarter of the fiscal year ending March 31, 2022).