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|------------------|--|---|-----|------------|------------------|
| MEETING DATE     | Tue, 27 Apr 2021 10:00 am  | TYPE  | AGM | ISSUE DATE | Tue, 20 Apr 2021 |
| MEETING LOCATION | The Westin Osaka, 2nd Floor, Rose Room, 1-20, Oyodonaka 1-chome, Kita-ku, Osaka, Japan |  |     |            |                  |
| CURRENT INDICES  | PIRC Japan   |   |     |            |                  |
| SECTOR           | General contractors-residential buildings, other than single-family                    |   |     |            |                  |

|             | PROPOSALS  | ADVICE     |
|-------------|--|------------|
| <b>1</b>    | <p><b>Approve Allocation of Income</b><br/>Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend pay-out ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 45yen per share is proposed, and the dividend payout ratio is approximately 40%. This exceeds the minimum acceptable threshold of 15% and the company did not make a loss during the year under review.<br/>Triodos supports this resolution.</p> | <b>For</b> |
| <b>2*</b>   | <p><b>Amend Articles: Number of Directors</b><br/>The company proposes to set the number of directors to be elected to the Board to 12 or fewer directors. Acceptable proposal, in line with market practice.</p>  | <b>For</b> |
| <b>3.1</b>  | <p><b>Elect Nakai Yoshihiro - President</b><br/>President. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board.<br/>Triodos supports this resolution.</p>  | <b>For</b> |
| <b>3.2</b>  | <p><b>Elect Horiuchi Yousuke - Executive Director</b><br/>Executive Director. Support recommended.</p>   | <b>For</b> |
| <b>3.3</b>  | <p><b>Elect Nishida Kunpei - Executive Director</b><br/>Executive Director. Support recommended.</p>   | <b>For</b> |
| <b>3.4</b>  | <p><b>Elect Tanaka Satoshi - Non-Executive Director</b><br/>Independent Non-Executive Director.</p>  | <b>For</b> |
| <b>3.5</b>  | <p><b>Elect Miura Toshiharu - Chair (Executive)</b><br/>Chair. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board.<br/>Triodos supports this resolution.</p>  | <b>For</b> |
| <b>3.6</b>  | <p><b>Elect Ishii Tooru - Executive Director</b><br/>Executive Director. Support recommended.</p>  | <b>For</b> |
| <b>3.7</b>  | <p><b>Elect Yoshimaru Yukiko - Non-Executive Director</b><br/>Independent Non-Executive Director.</p>  | <b>For</b> |
| <b>3.8</b>  | <p><b>Elect Kitazawa Toshifumi - Non-Executive Director</b><br/>Independent Non-Executive Director.</p>  | <b>For</b> |
| <b>3.9</b>  | <p><b>Elect Yoshimi Nakajima - Non-Executive Director</b><br/>Independent Non-Executive Director.</p>  | <b>For</b> |
| <b>3.10</b> | <p><b>Elect Keiko Takegawa - Non-Executive Director</b><br/>Independent Non-Executive Director.</p>  | <b>For</b> |
| <b>4.1</b>  | <p><b>Appoint Statutory Auditor Ito, Midori</b><br/>Inside Corporate Auditor. Not considered to be independent.<br/>Triodos supports this resolution.</p>  | <b>For</b> |

**4.2 Appoint Statutory Auditor Kobayashi, Takashi**  
Independent Corporate Auditor. Support is recommended.  
\* = *Special resolution*

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**For**

## **SUPPORTING INFORMATION FOR RESOLUTIONS**

### **Proposal 4.1 - Appoint Statutory Auditor Ito, Midori**

The traditional governance structure for Japanese companies (Kansayaku) involves the appointment of corporate auditors. Large Japanese companies are required to form a board of corporate auditors with powers to examine board activities and oversee financial reports. Such companies are required by law to appoint at least three statutory auditors to the corporate audit board. At least half the corporate auditors must qualify as 'outsiders'. Beyond this legal minimum, it is considered to be best practice that boards of corporate auditors should be composed wholly of outsiders. New appointments are therefore considered in the context of their effect on the balance of independence.

Note: It is considered that the corporate auditor board will be 66.67% independent following the Annual Meeting.

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