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(Securities code: 1860)

June 8, 2022

To Shareholders with Voting Rights:

Seisuke Otani
President and Representative Director
TODA CORPORATION
7-1 Kyobashi 1-chome, Chuo-ku,
Tokyo

**NOTICE OF CONVOCATION FOR
THE 99TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued supports.

We are pleased to announce that the 99th Annual General Meeting of Shareholders of TODA CORPORATION (the “Company”) will be held as described below.

You can exercise your voting rights in writing or by electromagnetic means (via the Internet, etc.). Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. (Japan Time) on Tuesday, June 28, 2022.

- 1. Date and Time:** 10 a.m. (Japan Time), Wednesday, June 29, 2022
- 2. Place:** AP Tokyo Yaesu Dori, 7F, KPP Yaesu Building
10-7 Kyobashi 1-chome, Chuo-ku, Tokyo
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and results of audit thereof for the Company’s 99th Fiscal Year (April 1, 2021 - March 31, 2022)
 2. Non-consolidated Financial Statements for the Company’s 99th Fiscal Year (April 1, 2021 - March 31, 2022)
- Matters to be resolved:**
- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Partial Amendments to the Articles of Incorporation
- Proposal No. 3** Election of Seven (7) Directors
- Proposal No. 4** Election of One (1) Audit & Supervisory Board Member
- Proposal No. 5** Revision of Performance-linked Share-based Compensation System for the Company’s Directors, etc.

- (1) When attending the meeting, please submit the enclosed voting rights exercise form to the reception desk. Please also bring with you this Convocation Notice as a meeting material.
- (2) Of the documents attached to this notice of convocation for the general meeting of shareholders, “The Company’s System and Policy” of the Business Report, Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are provided on the Company’s website (<https://www.toda.co.jp/ir/>) in accordance with laws and regulations, and the provisions of the Company’s Articles of Incorporation, hence are not provided in this convocation notice.
The Company’s System and Policy, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are part of Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, which have been audited by the Accounting Auditor and Audit & Supervisory Board Members for the preparation of the Accounting Auditor’s Report and Audit Report, respectively.
- (3) Any revisions to the Reference Documents for the General Meeting of Shareholders will be posted on the Company’s website (<https://www.toda.co.jp/english/ir/index.html>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1 Appropriation of Surplus

The basic policy of the Company is to make profit returns in accordance with its performance and business environment, while assuring continuous, stable dividend payments to shareholders and in consideration of the amount of internal reserves essential for strengthening the competitiveness and financial strength of the Company.

To make direct profit distribution and to achieve shareholder return through medium- to long-term share price increase, the Company has set target for dividend on equity (DOE)* at 2.5% or more, while total return ratio is set at 40% or more.

Under this policy, the Company proposes the appropriation of surplus as follows.

1. Matters concerning year-end dividends

(1) Type of dividend property

Cash

(2) Matters concerning the allocation of dividend property to shareholders and the total amount thereof

16 yen per share of common stock of the Company

Total amount: 4,943,257,552 yen

As a result, annual dividends per share for the fiscal year ended March 31, 2022 will be 26 yen, including the interim dividend of 10 yen.

(3) Effective date of distribution of surplus

June 30, 2022

2. Other matters concerning appropriation of surplus

(1) Item of surplus to be decreased and the amount thereof

Retained earnings brought forward: 8,000,000,000 yen

(2) Item of surplus to be increased and the amount thereof

General reserve: 8,000,000,000 yen

*DOE = (dividends per share / year-end book value per share) × 100 (earnings per share and book value per share are calculated on a consolidated basis)

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

The revised provision in the provisional clause of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into force on September 1, 2022. To prepare for the introduction of a system for providing general shareholder meeting materials in electronic format, amendments to the Articles of Incorporation will be made as follows.

- (1) The proposed amendment Article 15 [Electronic Provision System, etc.] stipulates that the Company adopts the electronic provision system to provide information that is the content of the Reference Documents for the General Meeting of Shareholders, etc. Said Article also includes a provision to restrict the range of matters to be included in a paper-based document if such is delivered to a shareholder upon his/her request.
- (2) The current Article 15 [Internet Disclosure and Deemed Provision of the Reference Documents for the General Meeting of Shareholders, etc.] will be made unnecessary when the system for providing general shareholder meeting materials in electronic format is introduced, and therefore will be deleted.
- (3) According to the above-mentioned creation and deletion of an Article, supplementary provisions will be established to provide for their effective dates and other matters.

2. Details of the amendments

Details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter III. General Meeting of Shareholders</p> <p><u>Article 15 [Internet Disclosure and Deemed Provision of the Reference Documents for the General Meeting of Shareholders, etc.]</u> <u>The Company may, when convening a general meeting of shareholders, deem that the information relating to the matters to be contained or shown in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements, is provided to shareholders by disclosing it with a method using the Internet pursuant to the provisions of an Order of the Ministry of Justice.</u></p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter III. General Meeting of Shareholders</p> <p style="text-align: center;">(Deleted)</p> <p><u>Article 15 [Electronic Provision System, etc.]</u> <u>The Company shall adopt the electronic provision system to provide information that is the content of the Reference Documents for the General</u></p>

Proposal No. 3 Election of Seven (7) Directors

The terms of office of all twelve (12) Directors will expire at the conclusion of this Meeting. Accordingly, the Company proposes electing seven (7) Directors.

The role of the Company's Board of Directors is to pursue sustainable development of the Toda Group and to increase its corporate value, by finding social challenges and assessing its impact while supervising how management resources are invested, how effectively such resources are utilized, and how such investment is made. To enhance the supervising function of the Board of Directors, this proposal calls for a decrease in the number of internal Directors, thereby making Outside Directors a majority of the Board of Directors.

The candidates for Director are as below.

No.	Name		Positions and responsibilities at the Company	Attendance at the Board of Directors' meeting
1	Masanori Imai	Reelection Candidate	Chairperson and Representative Director	100% (17 out of 17 meetings)
2	Seisuke Otani	Reelection Candidate	President and Representative Director President and Corporate Officer	100% (17 out of 17 meetings)
3	Toshihiro Yamazaki	Newly appointed	Senior Executive Officer and Group General Manager, Corporate Administration Group and Senior Manager, Investment Screening Division	—
4	Shunsuke Amiya	Reelection Candidate Outside Director Independent	Outside Director	100% (17 out of 17 meetings)
5	Toshihiko Itami	Reelection Candidate Outside Director Independent	Outside Director	100% (17 out of 17 meetings)
6	Kumi Arakane	Reelection Candidate Outside Director Independent	Outside Director	100% (17 out of 17 meetings)
7	Masahiro Muroi	Newly appointed Outside Director Independent	—	—

No.	Name	Career summary, positions, and responsibilities	Number of shares of the Company held
1	Masanori Imai <u>Reelection Candidate</u> (July 21, 1952)	<p>April 1978 Joined the Company April 1999 Manager, Architectural Construction Work Division, Tokyo Branch October 2001 General Manager, Keiji General Construction Sales Office, Osaka Branch April 2008 Corporate Officer August 2009 Branch General Manager, Osaka Branch and Executive Officer April 2013 Corporate Officer and Vice President June 2013 President and Representative Director President and Corporate Officer April 2021 Chairperson and Representative Director (to present)</p> <p>[Significant concurrent positions] Chairman, The Associated General Contractors of Tokyo Chairman, Japan Construction Occupational Safety and Health Association Vice Chairman, National General Contractors Association of Japan Co-Representative, Japan Climate Leaders' Partnership Deputy Group Manager, Divisional Group of Construction and Real Estate, The Tokyo Chamber of Commerce and Industry Vice Chairperson, Ecofirst Council Outside Director, East Japan Construction Surety Co., Ltd.</p>	15,700 shares
<p>[Reasons for nomination as candidate for Director] Mr. Masanori Imai, serving as President and Representative Director and Chairman and Representative Director, has played a leading role in increasing the Group's corporate value. He also engages in activities outside the Company to contribute to solving social challenges including environmental issues. The Company renominates him as a candidate for Director so that he will leverage his wealth of experience and broad insight, contributing to the sustainable growth of the Group through managerial supervision that gives consideration to all stakeholders and the strengthening of the decision-making function of the Board of Directors.</p>			
2	Seisuke Otani <u>Reelection Candidate</u> (May 25, 1958)	<p>April 1982 Joined the Company March 2009 General Manager, Architectural Construction Work Division, Tokyo Branch March 2013 Deputy General Manager, Tokyo Branch October 2016 Branch General Manager, Chiba Branch April 2017 Corporate Officer March 2018 Corporate Officer and Branch General Manager, Kanto Branch March 2020 Corporate Officer in charge of Administration Group April 2020 Executive Officer June 2020 Director April 2021 President and Representative Director (to present) President and Corporate Officer (to present)</p>	17,200 shares
<p>[Reasons for nomination as candidate for Director] Mr. Seisuke Otani has been responsible for the architectural construction work department over many years, accumulating a wealth of experience and achievements in the area of architectural construction. Furthermore, he has been making significant contributions to increasing the corporate value such as by overseeing large-scale construction projects. Since April 2021, he has been leading the Group management as President and Representative Director. The Company renominates him as a candidate for Director as he can be expected to contribute to forward-looking, medium- to long-term growth strategy and to improving the corporate value.</p>			

No.	Name	Career summary, positions, and responsibilities		Number of shares of the Company held
3	Toshihiro Yamazaki <u>Newly appointed</u> (July 10, 1958)	April 1982 March 2008 April 2015 March 2016 March 2021 March 2022 April 2022	Joined the Company General Manager, Financial Division, Administration Group Corporate Officer and General Manager, Financial Division, Administration Group Corporate Officer in charge of Administration Group Corporate Officer and Assistant General Manager, Management Administration Division Corporate Officer and Group General Manager, Corporate Administration Group and Senior Manager, Investment Screening Division (to present) Senior Executive Officer and Group General Manager, Corporate Administration Group and Senior Manager, Investment Screening Division (to present)	23,700 shares
[Reasons for nomination as candidate for Director] Mr. Toshihiro Yamazaki has been responsible for finance department over many years, accumulating a wealth of experience and achievements in all aspects of financial matters in relation to corporate management. He has contributed to many investment development and promoted strategic business by leveraging his high level of expertise in finance. The Company nominates him as a candidate for Director as it believes that he is suitable for executing further growth investment and to strengthen financial strategy.				
4	Shunsuke Amiya <u>Reelection Candidate</u> <u>Outside</u> <u>Independent</u> (June 12, 1946)	July 1998 July 1999 June 2002 June 2004 June 2008 June 2012 June 2014	Board Member, NIPPON TELEGRAPH AND TELEPHONE CORPORATION Senior Vice President, NTT Communications Corporation Executive Vice President Senior Executive Vice President, NTT COMWARE CORPORATION Full-time Audit & Supervisory Board Member, NIPPON TELEGRAPH AND TELEPHONE CORPORATION Chairman, Information and Telecommunication Equipment Constructor's Association Director, the Company (to present)	7,700 shares
[Reasons for nomination as candidate for Outside Director and expected roles] Mr. Shunsuke Amiya has a wealth of experience and a high degree of insight as a corporate manager. We expect that he will appropriately supervise management by providing to-the-point proposals and advice at the meetings of the Board of Directors from an objective standpoint independent of the management team involved in the execution of duties. The Company renominates him as Outside Director as it believes that he can largely contribute to the corporate governance of the Company.				

No.	Name	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Toshihiko Itami Reelection Candidate Outside Independent (September 2, 1953)	<p>April 1980 Appointed Public Prosecutor, Tokyo District Public Prosecutors Office</p> <p>April 2005 Director-General, Public Security Bureau, Tokyo District Public Prosecutors Office</p> <p>June 2010 Director, General Affairs Department, Supreme Public Prosecutors Office</p> <p>July 2012 Chief Prosecutor, Tokyo District Public Prosecutors Office</p> <p>July 2014 Deputy Prosecutor-General, Supreme Public Prosecutors Office</p> <p>December 2015 Superintending Prosecutor, Osaka High Public Prosecutors Office</p> <p>November 2016 Registered as an Attorney at Law Advisor, Nagashima Ohno & Tsunematsu (to present)</p> <p>March 2018 Audit & Supervisory Board Member, THE HOKKOKU SHIMBUN CO., LTD.</p> <p>June 2018 Outside Director, Seven Bank, Ltd. (to present)</p> <p>June 2018 Director, the Company (to present)</p> <p>June 2020 Outside Director (Audit & Supervisory Committee Member), JP-HOLDINGS, INC. (to present)</p>	600 shares
<p>[Reasons for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Toshihiko Itami has served in prominent positions including Chief Prosecutor of Tokyo District Public Prosecutors Office, Deputy Prosecutor-General of Supreme Public Prosecutors Office and Superintending Prosecutor of Osaka High Public Prosecutors Office, before engaging in corporate governance, corporate crisis management and corporate compliance matters as an attorney at law, and possesses a wealth of experience and a high level of expertise. The Company renominates him as Outside Director as we expect that he will provide appropriate advice and proposals concerning the management of the Company from an objective standpoint independent of the management team involved in the execution of duties. While he has never been involved in corporate management other than as an outside director/auditor, the Company believes that he can appropriately execute the duties of an Outside Director based on the above reasons.</p>			
6	Kumi Arakane Reelection Candidate Outside Independent (July 4, 1956)	<p>April 1981 Joined KOBAYASHI KOSÉ COMPANY LIMITED (currently KOSÉ Corporation)</p> <p>March 2002 Senior Chief Researcher, R&D Headquarters Advanced Cosmetic Research Laboratories</p> <p>March 2004 General Manager, Product Development Dept., Marketing Headquarters</p> <p>March 2006 Executive Officer, Deputy Director-General of Marketing Headquarters and General Manager of Product Development Dept.</p> <p>March 2010 General Manager, R&D Laboratories</p> <p>March 2011 General Manager, Quality Assurance Dept. (Marketing Supervisor-General)</p> <p>June 2011 Director (in charge of Quality Assurance Dept., Customer Service Center, Purchasing Dept., and Product Designing Dept.)</p> <p>June 2017 Audit & Supervisory Board Member</p> <p>March 2019 Outside Audit & Supervisory Board Member, Kubota Corporation</p> <p>March 2020 External Director, Kagome Co., Ltd. (to present)</p> <p>June 2020 Director, the Company (to present)</p> <p>March 2021 Outside Director, Kubota Corporation (to present)</p>	1,300 shares
<p>[Reasons for nomination as candidate for Outside Director and expected roles]</p> <p>Ms. Kumi Arakane has a wealth of experience and insight in corporate management, including being involved in the execution and supervision of management as a director and person in charge of corporate R&D, product development, and quality assurance as a doctor of pharmacology. The Company renominates her as Outside Director as we expect that she will provide to-the-point proposals and advice at the meetings of the Board of Directors from an objective standpoint independent of the management team involved in the execution of duties.</p>			

No.	Name	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Masahiro Muroi <u>Newly appointed</u> <u>Outside</u> <u>Independent</u> (July 13, 1955)	April 1978 Joined the Nomura Computer Systems Co., Ltd. January 1988 The Nomura Research Institute, Ltd. And the Nomura Computer Systems Co., Ltd. Merge June 2000 Director and Group General Manager, Planning and Business Division, EC Knowledge Solution Division, Knowledge Solution Group April 2002 Director and Executive Officer, Senior Manager, e-Solution Division April 2004 Director and Executive Officer, Senior Manager, Planning/PR/ IR/HR/HR Development/Security Management and Creative Innovation Center April 2008 Director and Senior Executive Officer, Senior Manager, Investigation & Creation Center, Headquarter Organization management April 2009 Representative Director Senior Executive Officer, Senior Manager, Headquarter Organization Governing Division April 2013 Representative Director and Executive Vice President, Senior Management, Headquarter Organization Division, Quality and Innovative Production Division April 2015 Director, Vice Chairman & Chair, Board of Directors June 2016 Independent Outside Director, Ryoden Corporation (to present) June 2017 Independent Outside Director, MARUI GROUP CO., LTD. June 2018 Auditor, The Norinchukin Bank (to present) June 2020 Audit & Supervisory Board Member, NOCHU INFORMATION SYSTEM CO., LTD. (to present)	0 shares
<p>[Reasons for nomination as candidate for Outside Director and expected roles] Mr. Masahiro Muroi has served as Representative Director of a major private think tank, accumulating a wealth of experience in and insight into corporate management and high expertise in IT. The Company nominates him as Outside Director as we expect that he will provide effective advice that will help improve the efficiency of business operation while supervising the Company's overall management.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The numbers of shares of the Company held are the numbers of shares substantially held, which include each candidate's shareholding in Toda Corporation Officers' Shareholding Association.
 3. Mr. Shunsuke Amiya, Mr. Toshihiko Itami, Ms. Kumi Arakane and Mr. Masahiro Muroi are candidates for Outside Director. They are designated as candidates for independent directors as stipulated by the rules of the Tokyo Stock Exchange and notified thereof to the Exchange.
 4. Mr. Shunsuke Amiya, Mr. Toshihiko Itami and Ms. Kumi Arakane currently serve as Outside Director of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Shunsuke Amiya will have served as Outside Director for eight years, Mr. Toshihiko Itami will have served as Outside Director for four years, and Ms. Kumi Arakane will have served as Outside Director for two years.
 5. Mr. Shunsuke Amiya served as Board Member of NIPPON TELEGRAPH AND TELEPHONE CORPORATION and Senior Vice President of NTT Communications Corporation. The amount of each of the two companies' construction transactions with the Company in the fiscal year ended March 31, 2022 was less than 0.1% of the Company's net sales.
 6. Although Ms. Kumi Arakane served as Executive Officer, Director, and Audit & Supervisory Board Member of KOSÉ Corporation until June 2019, she is not currently involved in the execution of KOSÉ Corporation's business. In addition, the amount of KOSÉ Corporation's construction transactions with the Company in the fiscal year ended March 31, 2022 was less than 0.1% of the Company's net sales.
 7. Mr. Masahiro Muroi served as Member of the Board and Representative Director of Nomura Research Institute, Ltd. The amount of Nomura Research Institute, Ltd.'s construction transactions with the Company in the fiscal year ended March 31, 2022 was less than 0.1% of the Company's net sales.
 8. To recruit talented people as Outside Directors of the Company, the Company stipulates in its Articles of Incorporation that it can enter into contracts with Outside Directors that limit the liability for damages to the Company to the minimum amount stipulated in laws and regulations. The Company has concluded this limited liability contract with Outside Director candidates, Messrs. Shunsuke Amiya, Toshihiko Itami and Ms. Kumi Arakane. The contracts will be retained if the reelection of the above three candidates is approved. If the election of candidate for Outside Director, Mr. Masahiro Muroi, is approved, the Company plans to conclude the limited liability contract with him as well.
 9. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damages, litigation expense to be borne by the insured, in the event of a claim for damages caused by an act (including nonfeasance) in the course of their duties as directors and officers. However, the said insurance contract is not applicable to damages, etc. to directors and officers themselves who commit criminal acts or illegal acts deliberately, and measures are taken in order to prevent the impairment of the appropriateness of execution of duties by directors and officers. The insurance premiums are fully borne by the Company. The scope of the insured under the said insurance includes the directors, audit & supervisory board members, executive officers and managerial employees of the Company. If this proposal is approved as originally proposed, and candidates are reappointed, they will be insured under the said insurance contract. The Company plans to renew the said insurance contract with the same contents during their terms of office.
 10. Ms. Kumi Arakane's name in the family register is Ms. Kumi Kameyama.

Proposal No. 4 Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member, Mr. Atsushi Ouchi, will expire at the conclusion of this Meeting. Accordingly, the Company proposes to elect one (1) Audit & Supervisory Board Member.

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

This Proposal has been approved by the Board of Audit & Supervisory Board Member in advance.

Name	Career summary and positions	Number of shares of the Company held
Hidemi Wakabayashi Newly appointed (August 27, 1956)	April 1980 Joined the Company March 2009 General Manager, Administrative Division of Kanto Branch March 2013 Assistant General Manager, Tokyo Branch April 2015 Corporate Officer Assistant General Manager, Tokyo Branch and General Manager, Administrative Division of Metropolitan Area Civil Engineering Branch March 2016 Assistant General Manager, Tokyo Branch and Deputy General Manager, Metropolitan Area Civil Engineering Branch March 2019 Assistant General Manager, Tokyo Branch and Manager, Administrative Management Office of Administrative Group September 2019 Manager, Administrative Management Office of Administrative Group April 2021 Advisor (to present)	6,900 shares
[Reasons for nomination as candidate for Audit & Supervisory Board Member] Mr. Hidemi Wakabayashi was in charge of general affairs and accounting for a long time, contributing to the operational efficiency as manager of the Administrative Management Office. Based on his experience and knowledge, the Company believes that he can supervise the Company management appropriately to enhance the Group's corporate value on a sustainable basis. The Company therefore nominates him as candidate for Audit & Supervisory Board Member.		

- Notes:
1. There is no special interest between candidate Mr. Hidemi Wakabayashi and the Company.
 2. The numbers of shares of the Company held are the numbers of shares substantially held, which include each candidate's shareholding in Toda Corporation Officers' Shareholding Association.
 3. To recruit talented people as Audit & Supervisory Board Member of the Company, the Company stipulates in its Articles of Incorporation that it can enter into contracts with Audit & Supervisory Board Members that limit the liability for damages to the Company to the minimum amount stipulated in laws and regulations. The Company plans to conclude this limited liability contract with Audit & Supervisory Board Member candidate, Mr. Hidemi Wakabayashi, upon approval of his election.
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damages, litigation expense to be borne by the insured, in the event of a claim for damages caused by an act (including nonfeasance) in the course of their duties as directors and officers. However, the said insurance contract is not applicable to damages, etc. to directors and officers themselves who commit criminal acts or illegal acts deliberately, and measures are taken in order to prevent the impairment of the appropriateness of execution of duties by directors and officers. The insurance premiums are fully borne by the Company. The scope of the insured under the said insurance includes the directors, corporate auditors, executive officers and managerial employees of the Company. If this proposal is approved as originally proposed, the candidate will be insured under the said insurance contract. The Company plans to renew the said insurance contract with the same contents during the terms of office.

(Reference) Management structure if Proposals No. 3 and 4 are approved

Directors

Name	Expected expertise, experience, and skills									Personnel and Compensation Advisory Committee
	Corporate management	Management strategy Marketing	Finance/Accounting	Human resources strategy	Legal/Risk management	Global businesses	Technology development	ICT/DX	Environment/Energy	
Masanori Imai	<input type="radio"/>	<input type="radio"/>							<input type="radio"/>	<input type="radio"/>
Seisuke Otani	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>						
Toshihiro Yamazaki		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>					
Shunsuke Amiya	<input type="radio"/>					<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
Toshihiko Itami				<input type="radio"/>	<input type="radio"/>					<input type="radio"/>
Kumi Arakane		<input type="radio"/>			<input type="radio"/>		<input type="radio"/>			<input type="radio"/>
Masahiro Muroi	<input type="radio"/>			<input type="radio"/>				<input type="radio"/>		<input type="radio"/>

Audit & Supervisory Board Members

Name	Expected expertise, experience and skills								
	Corporate management	Management strategy Marketing	Finance/Accounting	Human resources strategy	Legal/Risk management	Global businesses	Technology development	ICT/DX	Environment/Energy
Shunji Momoi			<input type="radio"/>		<input type="radio"/>	<input type="radio"/>			
Hidemi Wakabayashi			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Keiichiro Maruyama				<input type="radio"/>	<input type="radio"/>				
Fumio Sato	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>				
Junko Nishiyama		<input type="radio"/>					<input type="radio"/>		<input type="radio"/>

Note: The above shows up to three specialties in which each candidate is particularly expected to possess expertise, experience and skills. It is not meant to show all skills of each candidate.

Proposal No. 5 Revision of Performance-linked Share-based Compensation System for the Company's Directors, etc.

The Company introduced a performance-linked share-based compensation system targeted at Company's Directors and Executive Officers who conclude an entrustment contract with the Company (excluding Outside Directors and non-residents of Japan) (the "System") upon the approval at the 93rd Annual General Meeting of Shareholders of the Company held on June 29, 2016.

The term of the three (3) fiscal years (starting from the period ended March 31, 2020 to the period ended March 31, 2022) covered by the System was over. Accordingly, the Company asks the shareholders of the Company to approve a continuation of the System on and after the period ending March 31, 2023 as well as a partial revision of the System.

We request the shareholders of the Company approve this proposal, separately from the amount of compensation to Directors (within 600 million yen per year, of which 100 million yen or less to Outside Directors), which was approved at the 97th Annual General Meeting of Shareholders of the Company held on June 25, 2020.

In order to promote a sustainable growth over the medium-to-long term, the Company has decided to revise its compensation system to increase the proportion of share-based compensation, with the aim to raise awareness of medium-term performance improvement and long-term corporate value enhancement. Please refer to the pages 47 through 51 of this Notice of Convocation for the 99th Annual General Meeting of Shareholders for the summary of the revision of the compensation system. The Company believes the continuation and revision of the System is appropriate because it is in line with the Company's basic concept of the compensation for Directors.

This revision of the System is proposed to the Meeting after a thorough deliberation at the Personnel and Compensation Committee.

The number of the eligible Directors for the System shall be seven (7) (including four (4) Outside Directors), if the Proposal No. 3 is approved as originally proposed. As described above, Executive Officers are also eligible for the System (as of the issuance of this Notice, there are twenty-nine (29) Executive Officers who have concluded an entrustment contract with the Company and who do not concurrently serve as Directors covered by this System), and the compensation under the System also includes the compensation to Executive Officers. However, given that there is a chance for such Executive Officers to assume the position of Director during the target period of the trust which is defined in 2 below, this proposal asks the shareholders to approve the whole compensation under the System as compensation to Directors, etc.

1. Partial Revision of the System

(1) Details of the revision of the System

Regarding the System for which the trust period is set to expire on September 30, 2022, the Company will continue the System by revising a trust contract, and making additional contributions to the trust to extend the trust period by three (3) years. Subject to approval of the General Meeting, the following changes will be made to the conventional System for its continuation. Except for the matters described below, the System as described in the Notice of the 93rd Annual General Meeting of Shareholders will be maintained.

The System is a share-based compensation system where the amounts of compensation to Directors, etc.,

contributed by the Company are used to acquire the shares of the Company via a trust company, and such shares and the amount equivalent to the cash converted from shares of the Company (the “Shares of the Company, etc.”) are delivered/paid to Directors, etc. (“delivered/paid” or “deliver/pay”) (details are presented in 2 below and thereafter.)

(2) Revisions to the System

Item	Before Revision	After Revision
Target beneficiaries of the System	The Company’s Directors and Executive Officers (excluding Outside Directors and non-residents of Japan) who conclude an entrustment contract with the Company	The Company’s Directors and the Executive Officers who conclude an entrustment contract with the Company (excluding non-residents of Japan; hereinafter “the Directors, etc.”) * Considering the function of Outside Directors to not only supervise but also provide advice to the management from the perspective of increasing the Company’s medium- to long-term corporate value, Outside Directors are subject to the System. However, they will be paid only the part not linked to business performance because they do not engage in the execution of business.
Upper limit of money contributed by the Company	245 million yen in total for three (3) fiscal years	1,400 million yen in total for three (3) fiscal years (including 15 million yen for Outside Directors)
Upper limit of the number of Shares of the Company to be acquired by the Directors, etc.	Upper limit of the total number of points per year: 140,000 points (140,000 shares)	Upper limit of the total number of points per year: 800,000 points (800,000 shares) (including 8,600 points (8,600 shares) for Outside Directors)

Item	Before Revision	After Revision
<p>Method of calculating the Shares of the Company, etc., to be acquired by the Directors, etc.</p>	<p>At certain timing each year, points calculated based on the position and the degree of attainment of the Company's business performance targets for the year are issued, and the issued points are accumulated each year until the Directors, etc., retire from office, when shares of the Company, etc., according to the accumulated number of points are delivered/paid to them.</p>	<p>The points issued to the Directors, etc., shall be calculated based on two factors: performance-linked factors aimed at raising motivation to increase the medium-term business performance, and non-performance-linked factors aimed at raising awareness to increase the corporate value over the long term.</p> <p>The points based on the performance-linked factors are issued according to the position of each beneficiary at certain timing each year, and shares of the Company, etc., are delivered/paid according to the number of points calculated based on the degree of attainment of the Company's business performance targets three (3) years after the issuance.</p> <p>The points based on the non-performance-linked factors are issued according to the position of each beneficiary at certain timing each year, and the issued points are accumulated each year until the Directors, etc., retire from office, when shares of the Company, etc., according to the accumulated number of points are delivered/paid to them.</p>

Item	Before Revision	After Revision
Criteria for the achievement of business targets	There is a range of variation from 0 to 157.5% according to the degree of attainment of the Company's business performance targets for each fiscal year (of consolidated net sales, consolidated operating income, consolidated profit for the year attributable to owners of the parent and CO ₂ emissions).	There is a range of variation from 0 to 165.0% according to the degree of attainment of the targets of the companywide performance evaluation (consolidated net sales, consolidated operating income and ROE) and the ESG evaluation (CO ₂ emissions and a frequency rate*).
Percentage of the amount equivalent to the cash converted from shares of the Company	Shares of the Company equivalent to 80% of the points issued (shares less than one unit are disregarded) are delivered, while the remaining shares are converted to cash by the trust and the amount equivalent to the cash is paid to the beneficiary.	Shares of the Company equivalent to 50% of the points issued (shares less than one unit are disregarded) are delivered, while the remaining shares are converted to cash by the trust and the amount equivalent to the cash is paid to the beneficiary.

*A frequency rate: number of occupational accidents (four (4) days or more of absence) / total working hours (one (1) million hours)

2. Amounts and Details of Compensation under the System

(1) Details of the System

1) Those who are eligible for the grant of the Shares of the Company, etc. according to this proposal	<ul style="list-style-type: none"> The Company's Directors and Executive Officers (excluding non-residents of Japan) who conclude an entrustment contract with the Company
2) Effect of the Shares of the Company under the System on the total number of outstanding shares	
Upper limit of money contributed by the Company	<ul style="list-style-type: none"> 1,400 million yen in total for three (3) fiscal years (including 15 million yen for Outside Directors)
Upper limit of the number of Shares of the Company to be acquired by the Directors, etc., and method of the acquisition of the Shares of the Company	<ul style="list-style-type: none"> Upper limit of the total number of points where Directors, etc. can be granted per year is 800,000 points (800,000 shares) (including 8,600 points (8,600 shares) for Outside Directors) The number of Shares of the Company, etc. to be delivered/paid represents about 0.26% of the total number of outstanding Shares of the Company (as of March 31, 2022) The Shares of the Company are to be acquired through the stock markets or the Company (disposal of treasury stock)
3) Criteria for the achievement of business targets	<ul style="list-style-type: none"> The number of the points to be granted varies depending on the degree of attainment of the targets of the company-wide performance evaluation (consolidated net sales, consolidated operating income and ROE) and the ESG evaluation (CO₂ emissions and a frequency rate).
4) Timing of the grants of the Shares of the Company, etc. to Directors, etc.	<ul style="list-style-type: none"> For the performance-linked compensation, the Shares of the Company, etc. are delivered/paid after three (3) years of the grant of points For the non-performance-linked compensation, in principle, the Shares of the Company, etc. are delivered/paid after the retirement

(2) Upper limit of money contributed by the Company

The Company sets the System's target period to be successive three (3) fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 (the "Target period"). If the trust period below is extended, the Target period shall be each period of three (3) fiscal years thereafter. The Company contributes up to a total of 1,400 million yen (including 15 million yen for Outside Directors) per Target period as compensation to Directors, etc., and establishes a trust with a three (3) year trust period where Directors, etc., satisfying beneficiary requirements become the beneficiary of the trust (the "Trust") (including the extension of the trust period described in paragraph 2 of this section (2); the same applies hereinafter). The Trust will acquire the Shares of the Company through the stock markets or the Company (disposal of treasury stock) by using money contributed by the Company as a source of funds, in accordance with the instructions of a trust administrator. The Company will grant points to Directors, etc. (as described in (3) below) and deliver/pay the Shares of the Company during the trust period.

At the expiry of trust period of the Trust, the Company may continue the Trust by revising a trust contract and making additional contributions to the Trust, instead of establishing a new trust. In such cases, the trust period of the Trust shall be extended for the same period as the initial trust period, and the three (3) fiscal years following

the extension of the trust period shall be a Target period. For each extended trust period, the Company will make additional contributions within the maximum amount of the trust money approved by this 99th Annual General Meeting of Shareholders. The Company will continue to grant points and deliver/pay the Shares of the Company to Directors, etc., during the extended trust period. However, in the case of making such additional contributions, if there is any remaining Share of the Company (excluding the Shares of the Company, etc. corresponding to the points granted to Directors, etc., that have not yet been delivered/paid) and money contributed in the trust assets (the “Remaining shares, etc.”), the total amounts of the Remaining shares, etc., and the additional trust money to be contributed shall be within the maximum amount of the trust money that is to be approved and resolved at this 99th Annual General Meeting of Shareholders.

At the end of the trust period, if there are any directors who have a chance to satisfy the beneficiary requirements, we don’t grant points to them any longer, but we may extend the trust period with a certain limited time until the Shares of the Company, etc. will be delivered/paid to the Directors, etc.

(3) Method of calculating the Shares of the Company, etc., to be acquired by the Directors, etc., and upper limit thereof

The number of Shares of the Company, etc. to be delivered/paid to Directors, etc., shall be composed of the following two types of compensation: performance-linked compensation aimed at offering incentives to enhance medium-term business performance, and non-performance-linked compensation aimed at raising awareness to increase corporate value over a long term. At certain period of time each year, the points for the performance-linked compensation are issued based on the position of the eligible Directors, etc. Then, three (3) years after the issuance of the points, the Shares of the Company, etc., will be delivered/paid in accordance with the number of points calculated based on the degree of attainment of the Company’s business performance targets. At certain period of time each year, the points for the non-performance-linked compensation are issued based on the position of the eligible Directors, etc. The vested points shall be accumulated each year, and at the time of retirement from the position as Director, etc., the Share of the Company, etc. shall be delivered/paid in accordance with the accumulated points. The performance-linked factors used to calculate individual points include the company-wide performance evaluation (consolidated net sales, consolidated operating income and ROE) and the ESG evaluation (CO₂ emissions and a frequency rate), which vary between 0% and 165.0% depending on the degree of achievement. Outside Directors receive non-performance-linked compensation only, as they are responsible for supervising the company management to determine whether the business execution is appropriate from an objective standpoint, while they do not engage in the business execution. One (1) point shall be equivalent to one (1) share. If the number of Shares of the Company which belong to the Trust increases or decreases as a result of a stock split, an allotment of shares without contribution or a reverse split, the Company shall adjust the number of the Shares of the Company, etc. to be delivered/paid per one (1) point, in proportion to the ratio of such increase or decrease.

Upper limit of the total number of points where Directors, etc., can be granted per year is 800,000 points (800,000 shares) (including 8,600 points (8,600 shares) for Outside Directors).

(4) Timing and method of the Shares of the Company, etc. to be delivered/paid to Directors, etc.

The Directors, etc., who satisfy the beneficiary requirements shall receive the number of Shares of the Company calculated in accordance with (3) above: for the performance-linked compensation, three (3) years after the grant of points; for the non-performance-linked compensation, upon retirement of the Directors, etc., respectively. In such case, the Directors, etc., will receive the Shares of the Company equivalent to 50% of the points issued (shares less than one unit are disregarded), while the remaining shares are converted to cash by the Trust and the monetary amount equivalent to the converted value of the Share of the Company shall be paid. In the event of the death of Directors, etc. during their term of office, the Shares of the Company corresponding to the accumulated number of points at the time of their death will, in principle, be converted to cash by the Trust, and the monetary amount equivalent to the converted value of the Share of the Company is paid to the heir of the Directors, etc.; provided that the assessment of the business performance for the performance-linked compensation shall not be conducted.

(5) Clawback clause

In the event of serious misconduct, violation or other such incident by Directors, etc., arise, the Company may forfeit or expropriate the Directors' rights to receive the Share of the Company, etc., under the System (malus), or may seek return of money equivalent to the Shares of the Company, etc., that have been delivered/paid (clawback).

(6) Voting Rights Related to the Shares of the Company under the Trust

Voting rights related to the Shares of the Company under the Trust shall not be exercised during the trust period to ensure the neutrality of the Company management.

(7) Other details of the System

Other details of the System shall be determined by the Board of Directors each time the Trust is established, the trust contract is amended, and additional contributions are made to the Trust.

Note: For the details of the System, please see the "Notice of Continuation and Partial Revision of the Performance-Linked Share-based Compensation System for the Company's Directors and Executive Officers" dated on May 13, 2022, "Notice of Continuation and Partial Revision of the Performance-Linked Share-based Compensation System for the Company's Directors and Executive Officers" dated on May 14, 2019, and "Notice of Introducing the Performance-linked Share-based Compensation System for the Company's Directors and Executive Officers" dated on May 13, 2016.

(Reference) Details of the Company's new compensation system for Directors

The Company's compensation system for Directors aims to promote operating performance and corporate value over the medium-to-long term and raise management awareness of shareholders' interests, while maintaining a level of compensation enough to secure and retain management human resources. The compensation is decided at the Board of Directors' meeting after the deliberations at the Personnel and Compensation Committee, which is composed mainly of Outside Directors.

During the fiscal year ended March 31, 2022, the Personnel and Compensation Committee held its meeting six (6) times in total to discuss personnel matters for Directors and Executive Officers, etc., as well as a new compensation system to Directors. Based on the deliberations, the Board of Directors has resolved to revise its compensation system for Directors for the fiscal year ending March 31, 2023 and thereafter. In this revision, the Company will review the level of compensation and compensation mix, and offer reasonable incentives to Directors by way of annual bonus and share-based compensation, taking their responsibilities and expected roles into account.

1. Basic approach to compensation for Directors

- Under the Toda Group Global Vision, *A corporate group that realizes "joys"*, the compensation system shall incorporate the interests of various stakeholders and contribute to a sustainable growth over the medium-to-long term.
- In order to maximize the value of the company as a whole, the compensation structure shall offer incentives to drive an appropriate growth of each business from a viewpoint of total optimization.
- The compensation design shall ensure the transparency and reasonableness of the decision-making process.

2. Compensation mix and level

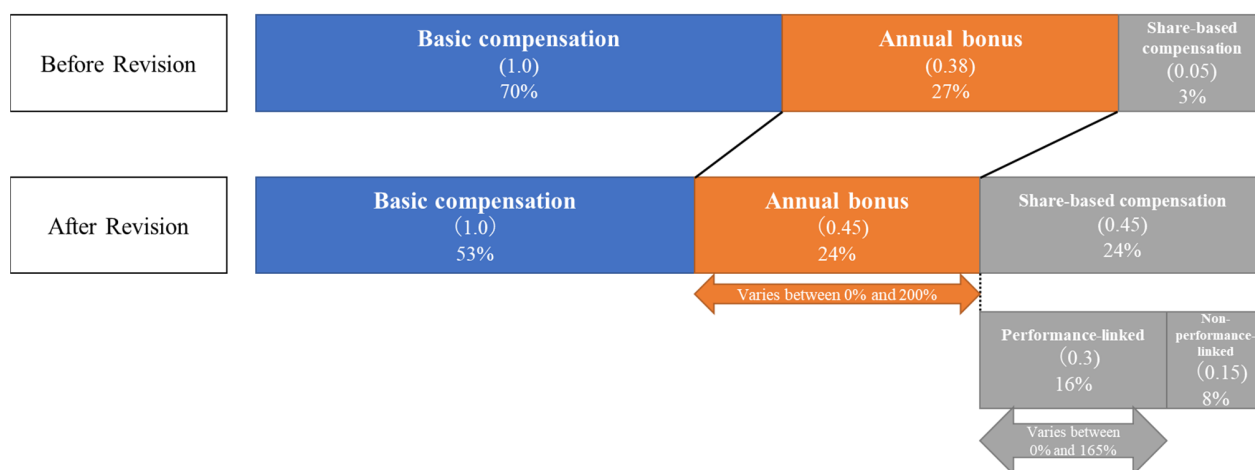
The following table shows the compensation mix if the Proposal No. 5 is approved at this Annual General Meeting of Shareholders. The compensation level shall be set at a level appropriate in comparison with listed companies of similar size in Japan.

		Before Revision				After Revision			
		Basic compensation	Annual bonus	Share-based compensation		Basic compensation	Annual bonus	Share-based compensation	
				Performance-linked	Non-performance-linked			Performance-linked	Non-performance-linked
Inside Director	Concurrently serve as Executive Officer	○	○	○	–	○ 1.0	○ 0.35–0.45	○ 0.23–0.3	○ 0.12–0.15
	Not applicable above	○	○	○	–	○ 1.0	–	–	○ 0.55
Outside Director		○	–	–	–	○ 1.0	–	–	○ 0.1
Audit & Supervisory Board Member		○	–	–	–	○ 1.0	–	–	–

Note: The figures in the “After revision” indicate the percentage of the compensation if the basic compensation is 1.0. The internal Directors who do not concurrently serve as Executive Officer, as well as Outside Directors, play a role of supervising the management of the Company and offering advice and knowledge to enhance long-term corporate value. To ensure that the compensation system aligns with this expected role, non-performance-linked share-based compensation will be provided to them.

The compensation mix for Corporate Auditors remains unchanged after the revision of the System.

After the revision, the Company increases particularly the proportion of the share-based compensation to raise awareness of the medium-term performance improvement and the long-term corporate value enhancement. The compensation mix for President and Representative Directors is revised as follows, if the Proposal No. 5 is approved at this Annual General Meeting of Shareholders.



3. Details of and limits for Compensation

The following table shows the details of and corresponding limits for compensation if the Proposal No. 5 is approved at this Annual Meeting.

	Details of compensation	Limit for compensation
Basic compensation	<ul style="list-style-type: none"> • Paid monthly at the monetary amount set according to the position 	<ul style="list-style-type: none"> • To Directors, within 600 million yen per year (including 100 million yen or less for Outside Directors); to Corporate Auditors, within 100 million yen per year. Both were approved at the 97th Annual General Meeting of Shareholders • Number of Directors and Corporate Auditors: 12 (including four (4) Outside Directors) and five (5) Corporate Auditors (including four (4) Outside Corporate Auditors), respectively, as of the closing of this Meeting
Annual bonus	<ul style="list-style-type: none"> • Paid at a certain period of time each year to raise awareness of performance improvement for each fiscal year • The amount of payment varies between 0% and 200% of the standard amount depending on the degree of attainment of business performance of the year (including company-wide performance and individual performance. For the compensation for the President and Representative Director, company-wide performance only) • Company-wide performance is evaluated based on the key performance indicators for the business plan of the year, including operating income, labor productivity, and net sales • Individual performance is comprised of the evaluation of the financial performance of the business in charge and the qualitative assessment of the key initiatives for a sustainable growth (including ESG initiatives) 	
Share-based compensation (performance-linked)	<ul style="list-style-type: none"> • Paid to raise awareness of medium-term performance improvement • Points are granted at a certain period of time each year, and the shares of the Company are delivered based on the attainment of performance (company-wide performance and ESG evaluation) over the three (3) years following the grant of such point; provided, however, that a portion of the shares delivered is paid in cash. The number of shares to be delivered varies between 0% and 165% of the standard amount. • Company-wide performance is evaluated based on the key performance indicators of the medium-term business plan, including operating income, ROE, and net sales • ESG evaluation is composed of the CO₂ emissions and a frequency rate, which are both viewed important in the ESG and SDGs management practices to enhance corporate value 	<ul style="list-style-type: none"> • Upper limit of money contributed by the Company over the three (3) fiscal years: within 1,400 million yen (including 15 million yen or less for Outside Directors) • Upper limit of the total number of points to be granted per year: within 800,000 points (800,000 shares) or less (including 8,600 points (8,600 shares) or less for Outside Directors) if the Proposal No. 5 is approved as originally proposed • Number of Directors: seven (7) (including four (4) Outside Directors) if the Proposal No. 3 "Election of Seven (7) Directors" is approved as originally proposed
Share-based compensation (non-performance-linked)	<ul style="list-style-type: none"> • Paid to raise awareness of an enhancement of long-term corporate value • Points are granted at a certain period of time, and then the shares of the Company are delivered upon their retirement; provided, however, that a portion of the shares delivered is paid in cash. 	

4. Compensation decision process

The Board of Directors decides the amount of compensation to Directors of the Company within the compensation limits determined at the Annual General Meeting of Shareholders, after the deliberations at the Personnel and Compensation Committee, which is composed of mainly Outside Directors. The Personnel and Compensation Committee deliberated the details of this compensation revision several times, including the basic concept of compensation to Directors and the details of the compensation system, based on the advice provided by the external professional organizations. Then, the revision was determined by the Board of Directors.

In the case that exceptional measures are needed in evaluating such as business performance, the Company may take necessary measures based on deliberations at the Personnel and Compensation Committee and a resolution of the Board of Directors. In the event of serious misconduct, violation or other such incident by Directors, the Company may seek a reduction or return of compensation based on deliberations at the Personnel and Compensation Committee and a resolution of the Board of Directors.

The compensation for Audit & Supervisory Board Member are determined based on deliberations among Audit & Supervisory Board Member.