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Securities Code: 9902

June 3, 2022

To our shareholders:

Toshikazu Fuke, Representative Director and President  
Executive Officer

**NICHIDEN Corporation**

1-2-16 Uehommachinishi, Chuo-ku, Osaka

## **Notice of the 71st Annual General Shareholders Meeting**

We are pleased to announce the 71st Annual General Shareholders Meeting of NICHIDEN Corporation (the “Company”), which will be held as indicated below.

As a means of preventing the spread of COVID-19 infections, we ask that you consider refraining from attending the meeting in person.

We also ask that you read through the following Reference Documents for the General Shareholders Meeting and exercise your voting rights in writing or via the Internet, etc. by 5:30 p.m. on Thursday, June 23, 2022 (JST).

- 1. Date and Time:** Friday, June 24, 2022, at 10:00 a.m. (JST)  
(Reception will begin at 9:00 a.m.)
- 2. Venue:** 5th Floor Conference Room at NICHIDEN Corporation  
1-2-16 Uehommachinishi, Chuo-ku, Osaka

### **3. Purpose of the Meeting:**

#### **Matters to be reported:**

1. The Business Report and Consolidated Financial Statements for the 71st fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 71st fiscal year (from April 1, 2021 to March 31, 2022)

#### **Matters to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Amendment to the Articles of Incorporation
- Proposal No. 3:** Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of Three Directors Who Are Audit and Supervisory Committee Members

## Reference Documents for the General Shareholders Meeting

### Proposals and Reference Information

#### Proposal No. 1: Appropriation of Surplus

The Company's basic policy is to make efforts to ensure a stable business foundation for the long term and continue to return profits to shareholders in the form of dividends. The Company also intends to secure internal reserves to strengthen its corporate structure and prepare to expand its businesses in the future. In order to further clarify the Company's basic dividend policy, on March 4, 2019 the Board of Directors resolved to set the minimum consolidated dividend payout ratio to 30% and the minimum dividend to ¥15 per share.

In order to reciprocate the support and expectations of its shareholders, after giving comprehensive consideration to factors including the Company's financial circumstances and performance over the full year based on its basic policy, the year-end dividend and other appropriation of surplus for the 71st fiscal year are proposed as follows:

1. Year-end dividends
  - (1) Type of dividend property  
To be paid in cash.
  - (2) Allotment of dividend property to shareholders and their aggregate amount  
The Company proposes to pay a total dividend of ¥65 per common share of the Company, comprising an ordinary dividend of ¥55 and a special dividend of ¥10 to commemorate the 70th anniversary of the Company's founding.  
In this event, the total dividends will be ¥2,041,224,770.
  - (3) Effective date of dividends of surplus  
The effective date of dividends shall be June 27, 2022.
2. Appropriation of surplus
  - (1) Item of surplus to be increased and amount of increase  
General reserve: ¥1,500,000,000
  - (2) Item of surplus to be decreased and amount of decrease  
Retained earnings brought forward: ¥1,500,000,000

**Proposal No. 2:** Amendment to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company will add the business objective shown in “Proposed amendments” below to Article 2 “Purpose” in the pre-amended Articles of Incorporation and make the necessary arrangements accordingly in order to prepare for the upcoming expansion of construction-related business associated with the expansion of the Company’s business domains.
- (2) Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the General Shareholders Meeting in electronic format.
  - (i) Article 15, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of Reference Documents for the General Shareholders Meeting, etc. in electronic format.
  - (ii) Article 15, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
  - (iii) Since the provisions for Internet Disclosure of Reference Documents for the General Shareholders Meeting, Etc. (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
  - (iv) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

The details of the amendments are as follows. If this proposal passes, the amendments to the Articles of Incorporation, with the exception of Article 3, paragraph 1 of the Supplementary Provisions, will go into effect at the conclusion of this meeting.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
Articles 1 (Text omitted)	Article 1 (Unchanged)
(Purpose)	(Purpose)
Article 2	Article 2
The purpose of the Company shall be to engage in the following business activities:	(Unchanged)
1. – 7. (Text omitted)	1. – 7. (Unchanged)
(Newly established)	<u>8. Waterproofing work</u>
<u>8. – 15.</u> (Text omitted)	<u>9. – 16.</u> (Unchanged)
Articles 3 – 14 (Text omitted)	Articles 3 – 14 (Unchanged)
<u>(Internet Disclosure of Reference Documents of the General Shareholders Meeting, Etc.)</u>	(Deleted)
<u>Article 15</u>	
<u>When the Company convenes a General Shareholders Meeting, if it discloses information that is to be stated or presented in the Reference Documents for the General Shareholders Meeting, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u>	

Current Articles of Incorporation	Proposed amendments
(New)	<u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 15</u> <u>1. When the Company convenes a General Shareholders Meeting, it shall take measures for providing information that constitutes the content of Reference Documents for the General Shareholders Meeting, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u>
Articles 16 – 36 (Text omitted)	Articles 16 – 36 (Unchanged)
Supplementary Provisions	Supplementary Provisions
Articles 1 – 2 (Text omitted)	Articles 1 – 2 (Unchanged)
(New)	<u>Article 3</u> <u>1. The deletion of Article 15 (Internet Disclosure of Reference Documents for the General Shareholders Meeting, Etc.) in the pre-amended Articles of Incorporation and the new establishment of the new Article 15 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 “Measures, etc. for Providing Information in Electronic Format” of the pre-amended Articles of Incorporation shall remain effective regarding any General Shareholders Meeting held on a date within six months from the Date of Enforcement.</u> <u>3. This Article shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Shareholders Meeting in the preceding paragraph, whichever is later.</u>

**Proposal No. 3:** Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this meeting, the terms of office of all six Directors (excluding Directors who are Audit and Supervisory Committee members; applicable to the rest of this proposal) will expire. Therefore, the Company proposes the election of six Directors. The candidates for Director in this proposal were finalized by the Board of Directors after deliberation by the Nomination and Remuneration Committee. In addition, the Audit and Supervisory Committee considered the candidates and issued a statement deeming them suitable for the position of Director.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Toshihiko Nishiki (December 14, 1943)	Mar. 1968      Joined the Company Feb. 1973      Director Mar. 1976      Managing Director Mar. 1982      Senior Managing Director June 1989      Representative Director and Senior Managing Director June 1991      Representative Director and Vice President June 1995      Representative Director and President June 2008      Representative Director and Executive Chairman June 2010      Representative Director and Executive Chairman, President June 2011      Representative Director and Executive Chairman Apr. 2021      Executive Chairman (current position)	840,200
[Reasons for nomination as candidate for Director] Mr. Nishiki has extensive experience and expert knowledge of the Company's business activities from his service as Executive Chairman. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for 49 years since February 1973, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.			
2	Toshikazu Fuke (September 7, 1963)	Mar. 1986      Joined the Company Apr. 2007      Managing Administrator, General Manager of Sales Promotion Department Apr. 2008      Executive Officer, General Manager of Sales Promotion Department June 2008      Director, Acting General Manager of Sales Department, General Manager of Sales Promotion Department Apr. 2009      General Manager of Sales Department June 2010      Managing Director Apr. 2011      Head of Sales June 2011      Representative Director and President Apr. 2015      Representative Director and President, General Manager of Sales Department Apr. 2017      Representative Director and President Apr. 2021      Representative Director and President Executive Officer (current position)	83,600
[Reasons for nomination as candidate for Director] Mr. Fuke has extensive experience and expert knowledge of the Company's business activities from his service as Representative Director and President Executive Officer and manager of sales departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for 14 years since June 2008, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
3	Kenichi Okamoto (March 31, 1958)	Mar. 1976	Joined the Company	20,500
		Apr. 2007	Managing Administrator, General Manager of Tokyo Branch	
		Apr. 2008	Executive Officer, General Manager of Tokyo Branch	
		Apr. 2009	Executive Officer, General Manager of East Block	
		June 2010	Director	
		Apr. 2011	General Manager of Central Block	
		Apr. 2015	Managing Director	
		Apr. 2016	General Manager of East Block	
		Apr. 2018	General Manager of East Block, in charge of East ME System Department	
		Apr. 2019	Senior Managing Director	
		Apr. 2021	Representative Director and Senior Managing Executive Officer, Head of Sales, General Manager of East Block, and in charge of Central Block (current position)	
[Reasons for nomination as candidate for Director] Mr. Okamoto has extensive experience and expert knowledge of the Company's business activities from his service as block manager of sales departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for 12 years since June 2010, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.				
4	Atsushi Sangawa (January 28, 1963)	Mar. 1985	Joined the Company	52,300
		Apr. 2006	General Manager of Nagoya Branch	
		Apr. 2009	Executive Officer, General Manager of Central Block	
		June 2010	Director	
		Apr. 2011	General Manager of Sales Department, General Manager of Sales Promotion Department	
		Apr. 2015	General Manager of West Block	
		Apr. 2019	Managing Director	
		Apr. 2021	Director and Managing Executive Officer, General Manager of Administration Department (current position)	
		(Significant concurrent positions outside the Company) Director, Okazaki Machinery Co., Ltd.		
[Reasons for nomination as candidate for Director] Mr. Sangawa has extensive experience and expert knowledge of the Company's business activities from his service as block manager of sales departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for 12 years since June 2010, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Hajime Sasaki (January 7, 1960)	<p>Apr. 1982      Joined the Company</p> <p>Apr. 2009      Executive Officer, Head of Kyushu Region, and General Manager of Kyushu Branch</p> <p>Apr. 2015      Executive Officer, Deputy General Manager of Sales Department, and General Manager of Sales Promotion Department</p> <p>Apr. 2017      Executive Officer, General Manager of Sales Department, and General Manager of Sales Promotion Department</p> <p>June 2017      Director (current position)</p> <p>Apr. 2019      General Manager of Sales Department</p> <p>Apr. 2021      Senior Executive Officer, General Manager of West Block (current position)</p>	5,900
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Sasaki has extensive experience and expert knowledge of the Company's business activities from his service as general manager in charge of regions and sales promotion in sales departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for five years since June 2017, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.</p>			
6	Jyunji Morita (March 16, 1960)	<p>Apr. 1982      Joined the Company</p> <p>Apr. 2005      General Manager of FA Control Department</p> <p>Apr. 2006      General Manager of East ME System Department</p> <p>Apr. 2008      Executive Officer, General Manager of East ME System Department</p> <p>Apr. 2011      Executive Officer, General Manager of East Block</p> <p>Apr. 2013      Executive Officer, General Manager of East Block, and General Manager of Tokyo Branch</p> <p>Apr. 2014      Executive Officer, in charge of East Block and Greater Tokyo, and General Manager of Tokyo Branch</p> <p>Apr. 2016      Executive Officer, General Manager of West ME System Department</p> <p>Apr. 2018      Executive Officer, General Manager of West ME System Department, and in charge of West Engineering Department</p> <p>June 2018      Director (current position)</p> <p>Apr. 2019      General Manager of West ME System Department, in charge of Engineering Department</p> <p>Apr. 2021      Senior Executive Officer, General Manager of Business Promotion Department (current position)</p>	14,200
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Morita has extensive experience and expert knowledge of the Company's business activities from his service as block manager of sales departments and manager of ME System Departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for four years since June 2018, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.</p>			

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
  2. The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all Directors as the insured. The policy will cover losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability. In addition, each candidate is included as an insured in the policy, and the Company plans to renew the policy with the same terms when the policy is renewed.

**Proposal No. 4:** Election of Three Directors Who Are Audit and Supervisory Committee Members

The terms of office of three Directors who are Audit and Supervisory Committee members (“Audit and Supervisory Committee members”; applicable to the rest of this proposal) Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Audit and Supervisory Committee members.

In addition, prior consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates for Audit and Supervisory Committee member are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company’s shares owned
1	Kiyokazu Furuta (June 24, 1955)	Oct. 1984	7,800
		Joined the Osaka Office of Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)	
Mar. 1988	Registered as a certified public accountant		
May 2000	Partner, ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC)		
Mar. 2006	Withdrew from ShinNihon Audit Corporation		
June 2007	Audit and Supervisory Committee member of the Company		
		June 2018	Director (Audit and Supervisory Committee member) (current position)
		(Significant concurrent positions outside the Company)	
		Professor, Center for Education in General Studies, Konan University	
	[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee member] Mr. Furuta has never been involved in the management of a company except as an outside officer. However, he has broad discernment rooted in extensive experience as a certified public accountant and has provided advice and recommendations from multifaceted perspectives from his position as an outside officer. As an Audit and Supervisory Committee Member, he will continue to utilize his expertise related to finance and accounting and the Company expects that he will contribute to further strengthen the corporate governance of the Company. Therefore, the Company has nominated him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.		
2	Masaru Kawakami (January 7, 1969)	Feb. 1998	4,100
		Registered as a certified public tax accountant	
Sept. 1998	Joined Watanabe Accounting Office		
July 2002	Opened Kawakami Accounting Office		
June 2014	Director (current position)		
June 2018	Audit and Supervisory Committee member of the Company		
		June 2018	Director (Audit and Supervisory Committee member) (current position)
		(Significant concurrent positions outside the Company)	
		Director of Kawakami Accounting Office	
	[Reasons for nomination as candidate for outside Director who is an Audit and Supervisor Committee member] Mr. Kawakami has never been involved in the management of a company except as an outside officer. However, he has broad discernment rooted in extensive experience as a certified public tax accountant and has provided advice and recommendations from multifaceted perspectives from his position as an outside officer. As an Audit and Supervisory Committee Member, he will continue to utilize his expertise related to accounting and tax affairs and the Company expects that he will contribute to further strengthen the corporate governance of the Company. Therefore, the Company has nominated him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Yasuko Terashima (July 12, 1956)	<p>Jan. 1994      Opened Office Tera (human resources development business) Representative (current position)</p> <p>Oct. 2009      Certified as a career consultant</p> <p>June 2016      Director of the Company</p> <p>June 2018      Director (Audit and Supervisory Committee member) (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative of Office Tera</p>	1,800
<p>[Reasons for nomination as candidate for outside Director who is an Audit and Supervisor Committee member]</p> <p>Ms. Terashima has never been involved in the management of a company except as an outside officer. However, she has extensive experience and knowledge—namely from her expertise in human resources development and leadership of employee training at various companies as a career consultant—and has provided suitable advice from multifaceted perspectives from her position as an outside officer.</p> <p>As an Audit and Supervisory Committee Member, she will continue to utilize her expertise related to human resources development and the Company expects that she will contribute to the further strengthen the corporate governance of the Company. Therefore, the Company has nominated her again as a candidate for outside Director who is an Audit and Supervisory Committee member.</p>			

- Notes:
- There is no special interest between each of the candidates and the Company.
  - Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima are candidates for outside Director as defined in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.
    - At the conclusion of this meeting, Kiyokazu Furuta's tenure as Audit and Supervisory Committee member will have been four years.
    - At the conclusion of this meeting, Masaru Kawakami's tenure as Audit and Supervisory Committee member will have been four years.
    - At the conclusion of this meeting, Yasuko Terashima's tenure as Audit and Supervisory Committee member will have been four years.
  - The Company has submitted notification to the Tokyo Stock Exchange that Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima have been designated as independent officers as provided for by the aforementioned exchange. If Mr. Furuta, Mr. Kawakami and Ms. Terashima are elected, the Company plans for their designation as independent officers to continue.
  - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations. If Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima are elected, the Company plans to continue identical agreements with each one of them.
  - The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all Directors as the insured. The policy will cover losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability.  
In addition, each candidate is included as an insured in the policy, and the Company plans to renew the policy with the same terms when the policy is renewed.

**<Reference>**

The expertise and experience expected of each Director in the event that Proposals No. 3 and 4 are approved are as indicated on the following skills matrix.

Name	Gender	Position and responsibility in the Company		Corporate management	Sales and marketing	Finance and accounting	Human resources management	Compliance and risk management
Toshihiko Nishiki	Male	Executive Chairman	–	○	○		○	
Toshikazu Fuke	Male	Representative Director and President Executive Officer	Nomination and Remuneration Committee member	○	○		○	○
Kenichi Okamoto	Male	Representative Director and Senior Managing Executive Officer	Head of Sales, General Manager of East Block, and in charge of Central Block	○	○			
Atsushi Sangawa	Male	Director and Managing Executive Officer	General Manager of Administration Department	○		○		○
Hajime Sasaki	Male	Director and Senior Executive Officer	General Manager of West Block		○			
Jyunji Morita	Male	Senior Executive Officer	General Manager of Business Promotion Department		○			
Yasuo Higaki	Male	Director	Full-time Audit and Supervisory Committee member			○		○
Kiyokazu Furuta	Male	Independent outside Director	Audit and Supervisory Committee member Nomination and Remuneration Committee member			○		
Masaru Kawakami	Male	Independent outside Director	Audit and Supervisory Committee member Chair of Nomination and Remuneration Committee			○		
Yasuko Terashima	Female	Independent outside Director	Audit and Supervisory Committee member				○	