

[TRANSLATION]

The following is an unofficial English translation of “Notice of Convocation of the 81st Ordinary General Meeting of Shareholders” (“Notice”) by Sumitomo Forestry Co., Ltd. (“Company”). The Company provides this English translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Japanese original is the sole official version and shall prevail in the event of any discrepancy between it and this English translation.

March 8, 2021

To Our Shareholders

Toshiro Mitsuyoshi
President/Director
Sumitomo Forestry Co., Ltd.
3-2, Otemachi 1-chome
Chiyoda-ku, Tokyo

NOTICE OF CONVOCATION OF THE 81st ORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to express our appreciation for your courtesies always shown to us.

You are hereby notified of our 81st Ordinary General Meeting of Shareholders (“Meeting”) to be held as described hereunder.

From the viewpoint of preventing further spread of COVID-19, we request shareholders to refrain from attending the Meeting, and instead exercise their voting rights prior to the Meeting by using the enclosed voting card, via the internet, or through other such means.

Please refer to “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights in accordance with “Guidance Notes on Exercise of Voting Rights” (see page 2).

1. **Date and Time:** Tuesday, March 30, 2021 at 10:00 a.m.
✕Due to the change of the Company’s fiscal year to the period from January 1 to December 31, the date does not correspond to the date of the previous Ordinary General Meeting of Shareholders (June 23, 2020).
2. **Place:** Main Conference Room of the Company on the 8th Floor of Keidanren Kaikan at 3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
3. **Agenda:**
Matters to be reported:
 - Item No 1:** Reports on the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements for the 81st business term (from April 1, 2020 to December 31, 2020);
 - Item No 2:** Report on the Results of Audits of the Consolidated Financial Statements for the 81st business term by the Accounting Auditor and the Board of Statutory Auditors.**Proposals to be resolved:**
 - Proposal No 1:** Appropriation of Surplus
 - Proposal No 2:** Election of Nine (9) Directors
 - Proposal No 3:** Payment of Bonuses to Directors

• The Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements attached to this Notice, are part of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements that have been audited by the Statutory Auditors for the purpose of an auditors’ report and by the Accounting Auditor for the purpose of an accounting auditor’s report.

• The following documents which are part of the documents that should be provided together with this Notice, are disclosed on our website (<https://sfc.jp/english/>) in accordance with the relevant laws and regulations and Article 17 of the Articles of Incorporation of the Company. Accordingly, those documents are not included in this Notice.

1. The Business Report: “Information on the Subscription Rights to Shares etc.” and “Systems Necessary to Ensure the Properness of Operations”
2. The Consolidated Financial Statements: “The Consolidated Statements of Changes in Net Assets” and “The Notes to the Consolidated Financial Statements”
3. The Non-Consolidated Financial Statements: “The Non-Consolidated Statements of Changes in Net Assets” and “The Notes to the Non-Consolidated Financial Statements”

• If there are any items that require amendments to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements by the day immediately prior to the Meeting, we will announce the amendments either by Postal Mail or by posting them on our website (<https://sfc.jp/english/>).

【Guidance Notes on Exercise of Voting Rights】

We recommend shareholders to exercise their voting rights prior to the Meeting by using the enclosed voting card, via the internet, or through other such means. If you choose to attend the Meeting, please submit the enclosed voting form to our receptionist at the Meeting and bring this Notice with you.

You can exercise your voting rights as follows;

(A): Voting by Postal Mail

Please indicate your approval or disapproval of each proposal on the enclosed voting form, and return it and ensure it is received by our Administrator of Share Registry no later than the deadline noted below.

Deadline for exercise of voting rights: 5:30 p.m. on Monday, March 29, 2021 (Japan Standard Time).

(B): Voting by “Smart Voting”

By using your smartphone or tablet to scan the “Smartphone use voting right exercise website login QR code” on the lower right of the enclosed voting form, you can exercise your voting rights via the website without entering your voting code and password.

✖**You can only vote by “Smart Voting” once.** If you intend to make a correction to the content of your vote after you exercised your voting rights, you are required to scan the QR code again and enter your voting code and password written on the enclosed voting form.

Deadline for exercise of voting rights: 5:30 p.m. on Monday, March 29, 2021 (Japan Standard Time).

(C): Voting by the Internet

Please use a personal computer, smartphone or cellular phone to access the Online Voting Site (<https://www.web54.net> (Japanese only)) and register your approval or disapproval of each proposal by using your voting code and password written on the enclosed voting form.

Deadline for exercise of voting rights: 5:30 p.m. on Monday, March 29, 2021 (Japan Standard Time).

(2) Matters of Exercising Voting Rights

- a. If you exercise your voting rights more than once by electromagnetic method (the Internet etc.), we will only accept the last exercise of your voting rights as valid.
- b. If you exercise your voting rights both by Postal Mail and by electromagnetic method (the Internet etc.), we will only accept the vote registered by electromagnetic method (the Internet etc.) as valid.

*Any access fees to internet service providers and any communication fees (including, but not limited to telephone fees) for the usage of the voting website for voting shall be borne by the shareholder.

*Please be aware that exercising voting rights by personal computer or smart phone may not be possible in certain internet user environments. In addition, exercising voting rights by cellular phone may not be possible with certain types of cellular phones.

Please contact the following numbers if you have any questions.

Administrator of Share Registry

Sumitomo Mitsui Trust & Banking Co., Ltd. (Help Desk)

• **Inquiries about exercising voting rights: 0120-652-031**

(AM9:00~PM9:00, Japan Standard Time) (Japanese only)

• **Other inquiries: 0120-652-031**

(weekdays AM9:00~PM5:00, Japan Standard Time)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

In light of a comprehensive consideration of the balance of our base of operations, financial position and cash flow, the Company hereby proposes to appropriate the surplus as follows:

1. Year-end dividend

In light of a comprehensive consideration of the operating performance for the relevant business term, the irregular accounting period of 9 months, and other relevant factors in accordance with the Company's basic policy of continuously and steadily returning profits to our shareholders, the Company proposes to pay the following year-end dividend for this business term and to pay it as follows:

The annual dividend for this business term including the interim dividends will be thirty-five (35) yen per share.

(1) Type of dividend assets:

Cash

(2) Allocation of dividend assets to our shareholders and the total amount thereof:

-25 yen per ordinary share of common stock

- Total amount : 4,562,282,200 yen

(3) Effective date of the dividend payment:

March 31, 2021

2. Appropriation of other surplus

In order to reinforce its base of operations and prepare for future business development, the Company hereby proposes to provide an amount as general reserve as follows:

(1) The item of surplus to be increased, and the amount thereof:

General reserve	428,000,000 yen
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(2) The item of surplus to be decreased, and the amount thereof:

Retained earnings brought forward	428,000,000 yen
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Proposal No. 2: Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the closing of the Meeting. Therefore, the Company hereby proposes to elect nine (9) Directors, increasing the number of Directors by one (1) to strengthen the supervisory function of the Board of Directors.

The nomination of the candidates were decided, in consultation with the Nomination and Remuneration Advisory Committee (a voluntary advisory body to secure transparency and fairness of management, where outside directors account for the majority and an outside director serves as chairman).

The candidates for the Directors are as follows:

Candidate No.	Name	Present Positions	
1	Akira Ichikawa	Representative Director, Chairman of the Board	Re-election
2	Toshiro Mitsuyoshi	Representative Director, President / Director, President and Executive Officer	Re-election
3	Shigeru Sasabe	Representative Director, Executive Vice President and Executive Officer	Re-election
4	Tatsuru Satoh	Representative Director, Executive Vice President and Executive Officer	Re-election
5	Tatsumi Kawata	Director, Managing Executive Officer	Re-election
6	Atsushi Kawamura	Director, Managing Executive Officer	Re-election
7	Junko Hirakawa	Director	Re-election Outside Director Independent Officer
8	Izumi Yamashita	Director	Re-election Outside Director Independent Officer
9	Mitsue Kurihara	—	New-election Outside Director Independent Officer

1	<p>Akira Ichikawa (Born November 12, 1954)</p> <p><u>Re-election</u></p> <p>Number of shares in the Company owned: 73,700 shares</p> <p>Attendance at Board of Directors: 10/10 meetings</p>	<p>Career summary, positions and responsibility in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td style="padding-right: 10px;">1978</td> <td>Joined the Company</td> </tr> <tr> <td>June</td> <td>2007</td> <td>Executive Officer</td> </tr> <tr> <td>June</td> <td>2008</td> <td>Director</td> </tr> <tr> <td></td> <td></td> <td>Managing Executive Officer</td> </tr> <tr> <td>April</td> <td>2010</td> <td>Representative Director (Current position)</td> </tr> <tr> <td></td> <td></td> <td>President / Director</td> </tr> <tr> <td></td> <td></td> <td>President and Executive Officer</td> </tr> <tr> <td>April</td> <td>2020</td> <td>Chairman of the Board(Current position)</td> </tr> </table>	April	1978	Joined the Company	June	2007	Executive Officer	June	2008	Director			Managing Executive Officer	April	2010	Representative Director (Current position)			President / Director			President and Executive Officer	April	2020	Chairman of the Board(Current position)
	April	1978	Joined the Company																							
June	2007	Executive Officer																								
June	2008	Director																								
		Managing Executive Officer																								
April	2010	Representative Director (Current position)																								
		President / Director																								
		President and Executive Officer																								
April	2020	Chairman of the Board(Current position)																								
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Ichikawa as Director because the Company believes that he is capable of executing his duty as Director appropriately, based on his abundant experience and achievement in corporate management which he developed during his career as President/Director and Chairman of the Board.</p>																										
2	<p>Toshiro Mitsuyoshi (Born May 23, 1962)</p> <p><u>Re-election</u></p> <p>Number of shares in the Company owned: 16,300 shares</p> <p>Attendance at Board of Directors: 10/10 meetings</p>	<p>Career summary, positions and responsibility in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td style="padding-right: 10px;">1985</td> <td>Joined the Company</td> </tr> <tr> <td>June</td> <td>2010</td> <td>Executive Officer</td> </tr> <tr> <td>April</td> <td>2011</td> <td>Managing Executive Officer</td> </tr> <tr> <td>June</td> <td>2014</td> <td>Director</td> </tr> <tr> <td>April</td> <td>2018</td> <td>Senior Managing Executive Officer</td> </tr> <tr> <td>April</td> <td>2020</td> <td>Representative Director(Current Position)</td> </tr> <tr> <td></td> <td></td> <td>President / Director(Current position)</td> </tr> <tr> <td></td> <td></td> <td>President and Executive Officer(Current position)</td> </tr> </table>	April	1985	Joined the Company	June	2010	Executive Officer	April	2011	Managing Executive Officer	June	2014	Director	April	2018	Senior Managing Executive Officer	April	2020	Representative Director(Current Position)			President / Director(Current position)			President and Executive Officer(Current position)
	April	1985	Joined the Company																							
June	2010	Executive Officer																								
April	2011	Managing Executive Officer																								
June	2014	Director																								
April	2018	Senior Managing Executive Officer																								
April	2020	Representative Director(Current Position)																								
		President / Director(Current position)																								
		President and Executive Officer(Current position)																								
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Mitsuyoshi as Director because the Company believes that, as he has been engaged in management of the Sumitomo Forestry Group(“Group”) as President / Director since April, 2020, he is capable of executing his duty as Director appropriately, based on his abundant experience and achievement in the Group’s business.</p>																										

3	<p>Shigeru Sasabe (Born February 28, 1954)</p> <p><u>Re-election</u></p> <p>Number of shares in the Company owned: 41,121 shares</p> <p>Attendance at Board of Directors: 10/10 meetings</p>	<p>Career summary, positions and responsibility in the Company, and significant concurrent positions</p> <table border="1"> <tr> <td>April</td> <td>1977</td> <td>Joined the Company</td> </tr> <tr> <td>June</td> <td>2008</td> <td>Executive Officer</td> </tr> <tr> <td>April</td> <td>2010</td> <td>Managing Executive Officer</td> </tr> <tr> <td>June</td> <td>2010</td> <td>Director</td> </tr> <tr> <td>April</td> <td>2014</td> <td>Senior Managing Executive Officer Divisional Manager of Overseas Business Division</td> </tr> <tr> <td>April</td> <td>2016</td> <td>Representative Director (Current position) Executive Vice President and Executive Officer (Current position)</td> </tr> <tr> <td>April</td> <td>2018</td> <td>Divisional Manager of Overseas Housing and Real Estate Division</td> </tr> <tr> <td>April</td> <td>2020</td> <td>Divisional Manager of Timber and Building Materials Division</td> </tr> </table> <p>[Responsibility in the Company] Administering Timber and Building Materials Division/Environment and Resources Division</p>	April	1977	Joined the Company	June	2008	Executive Officer	April	2010	Managing Executive Officer	June	2010	Director	April	2014	Senior Managing Executive Officer Divisional Manager of Overseas Business Division	April	2016	Representative Director (Current position) Executive Vice President and Executive Officer (Current position)	April	2018	Divisional Manager of Overseas Housing and Real Estate Division	April	2020	Divisional Manager of Timber and Building Materials Division
	April	1977	Joined the Company																							
June	2008	Executive Officer																								
April	2010	Managing Executive Officer																								
June	2010	Director																								
April	2014	Senior Managing Executive Officer Divisional Manager of Overseas Business Division																								
April	2016	Representative Director (Current position) Executive Vice President and Executive Officer (Current position)																								
April	2018	Divisional Manager of Overseas Housing and Real Estate Division																								
April	2020	Divisional Manager of Timber and Building Materials Division																								
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Sasabe as Director because the Company believes that, as he has been Director since 2010, has served as Divisional Manager of Overseas Housing and Real Estate Division and Timber and Building Materials Division, among other roles, and currently is Executive Vice President and Executive Officer, he is capable of executing his duty as Director appropriately, based on his abundant experience and achievement in the Group's business and management.</p>																										
4	<p>Tatsuru Satoh (Born December 14, 1955)</p> <p><u>Re-election</u></p> <p>Number of shares in the Company owned: 34,900 shares</p> <p>Attendance at Board of Directors: 10/10 meetings</p>	<p>Career summary, positions and responsibility in the Company, and significant concurrent positions</p> <table border="1"> <tr> <td>April</td> <td>1978</td> <td>Joined the Company</td> </tr> <tr> <td>June</td> <td>2012</td> <td>Executive Officer</td> </tr> <tr> <td>April</td> <td>2013</td> <td>Managing Executive Officer</td> </tr> <tr> <td>June</td> <td>2013</td> <td>Director</td> </tr> <tr> <td>April</td> <td>2016</td> <td>Senior Managing Executive Officer</td> </tr> <tr> <td>April</td> <td>2018</td> <td>Representative Director (Current position) Executive Vice President and Executive Officer (Current position)</td> </tr> </table> <p>[Responsibility in the Company] Administering Lifestyle Service Division In charge of General Administration, Secretary, External Relations, Personnel, IT Solutions, Intellectual Property, Internal Audit, and Tsukuba Research Institute</p> <p>[Significant Concurrent Position at other company] Statutory Auditor of Kumagai Gumi Co., Ltd.</p>	April	1978	Joined the Company	June	2012	Executive Officer	April	2013	Managing Executive Officer	June	2013	Director	April	2016	Senior Managing Executive Officer	April	2018	Representative Director (Current position) Executive Vice President and Executive Officer (Current position)						
	April	1978	Joined the Company																							
June	2012	Executive Officer																								
April	2013	Managing Executive Officer																								
June	2013	Director																								
April	2016	Senior Managing Executive Officer																								
April	2018	Representative Director (Current position) Executive Vice President and Executive Officer (Current position)																								
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Satoh as Director because the Company believes that, as he has been Director since 2013, has served as Executive Officer in charge of General Administration, Personnel, among other roles, and currently is Executive Vice President and Executive Officer, he is capable of executing his duty as Director appropriately, based on his abundant experience and achievement in the Group's business and management.</p>																										

5	<p>Tatsumi Kawata (Born October 4, 1962)</p> <p><u>Re-election</u></p> <p>Number of shares in the Company owned: 9,700 shares</p> <p>Attendance at Board of Directors: 10/10 meetings</p>	<p>Career summary, positions and responsibility in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td>April 1986</td> <td>Joined the Company</td> </tr> <tr> <td>June 2016</td> <td>Executive Officer General Manager of Corporate Planning Department</td> </tr> <tr> <td>April 2017</td> <td>Managing Executive Officer (Current position) General Manager of Corporate Planning Department</td> </tr> <tr> <td>April 2018</td> <td>Managing Executive Officer</td> </tr> <tr> <td>June 2018</td> <td>Director (Current Position)</td> </tr> </table>	April 1986	Joined the Company	June 2016	Executive Officer General Manager of Corporate Planning Department	April 2017	Managing Executive Officer (Current position) General Manager of Corporate Planning Department	April 2018	Managing Executive Officer	June 2018	Director (Current Position)		
	April 1986	Joined the Company												
June 2016	Executive Officer General Manager of Corporate Planning Department													
April 2017	Managing Executive Officer (Current position) General Manager of Corporate Planning Department													
April 2018	Managing Executive Officer													
June 2018	Director (Current Position)													
<p>[Responsibility in the Company] Administering Housing and Construction Division In charge of Corporate Planning, Finance, Corporate Communications and Sustainability</p>														
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Kawata as Director because the Company believes that, as he has served as General Manager of Personnel Department and Corporate Planning Department, among other roles, has been Director since 2018 and currently is Managing Executive Officer, he is capable of executing his duty as Director appropriately, based on his abundant experience in the Group's business.</p>														
6	<p>Atsushi Kawamura (Born February 24, 1965)</p> <p><u>Re-election</u></p> <p>Number of shares in the Company owned: 15,500 shares</p> <p>Attendance at Board of Directors: 9/9 meetings (since appointed Director on June 23, 2020)</p>	<p>Career summary, positions and responsibility in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td>April 1987</td> <td>Joined the Company</td> </tr> <tr> <td>June 2016</td> <td>Executive Officer Deputy Divisional Manager of Overseas Business Division</td> </tr> <tr> <td>April 2017</td> <td>Managing Executive Officer (Current position)</td> </tr> <tr> <td>April 2018</td> <td>Deputy Divisional Manager of Overseas Housing and Real Estate Division</td> </tr> <tr> <td>April 2020</td> <td>Divisional Manager of Overseas Housing and Real Estate Division (Current Position)</td> </tr> <tr> <td>June 2020</td> <td>Director (Current Position)</td> </tr> </table>	April 1987	Joined the Company	June 2016	Executive Officer Deputy Divisional Manager of Overseas Business Division	April 2017	Managing Executive Officer (Current position)	April 2018	Deputy Divisional Manager of Overseas Housing and Real Estate Division	April 2020	Divisional Manager of Overseas Housing and Real Estate Division (Current Position)	June 2020	Director (Current Position)
	April 1987	Joined the Company												
June 2016	Executive Officer Deputy Divisional Manager of Overseas Business Division													
April 2017	Managing Executive Officer (Current position)													
April 2018	Deputy Divisional Manager of Overseas Housing and Real Estate Division													
April 2020	Divisional Manager of Overseas Housing and Real Estate Division (Current Position)													
June 2020	Director (Current Position)													
<p>[Reasons for nominating a candidate to be Director] The company requests shareholders to re-elect Mr. Kawamura as Director because the Company believes that, as he has served as General Manager of Overseas Housing and Real Estate Department, Deputy Divisional Manager of Overseas Business, has been Director since 2020, and currently is Managing Executive Officer, he is capable of executing his duty as Director appropriately, based on his abundant experience in the Group's business.</p>														

<p>Junko Hirakawa (Born October 9, 1947)</p> <p><u>Re-election</u></p> <p><u>Outside Director</u></p> <p><u>Independent Officer</u></p> <p>Number of shares in the Company owned: 0 shares</p> <p>Attendance at Board of Directors: 10/10 meetings</p>	<p>Career summary, positions and responsibility in the Company, and significant concurrent positions</p> <table border="1"> <tr> <td>April</td> <td>1973</td> <td>Registered as Attorney at Law admitted in Japan</td> </tr> <tr> <td>February</td> <td>1979</td> <td>Registered as Attorney at Law admitted in New York</td> </tr> <tr> <td>October</td> <td>1983</td> <td>Partner of Yuasa and Hara</td> </tr> <tr> <td>July</td> <td>1997</td> <td>Established Hirakawa, Sato & Kobayashi (Currently City-Yuwa Partners) Partner of Hirakawa, Sato & Kobayashi</td> </tr> <tr> <td>February</td> <td>2003</td> <td>Partner of City-Yuwa Partners (Current position)</td> </tr> <tr> <td>June</td> <td>2012</td> <td>Outside Statutory Auditor of the Company</td> </tr> <tr> <td>June</td> <td>2014</td> <td>Outside Director of the Company (Current position)</td> </tr> </table> <p>[Significant concurrent position at other company] Attorney at Law Outside Director of Tokyo Financial Exchange Inc. Outside Director of Hitachi Construction Machinery Co., Ltd.</p>	April	1973	Registered as Attorney at Law admitted in Japan	February	1979	Registered as Attorney at Law admitted in New York	October	1983	Partner of Yuasa and Hara	July	1997	Established Hirakawa, Sato & Kobayashi (Currently City-Yuwa Partners) Partner of Hirakawa, Sato & Kobayashi	February	2003	Partner of City-Yuwa Partners (Current position)	June	2012	Outside Statutory Auditor of the Company	June	2014	Outside Director of the Company (Current position)
April	1973	Registered as Attorney at Law admitted in Japan																				
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July	1997	Established Hirakawa, Sato & Kobayashi (Currently City-Yuwa Partners) Partner of Hirakawa, Sato & Kobayashi																				
February	2003	Partner of City-Yuwa Partners (Current position)																				
June	2012	Outside Statutory Auditor of the Company																				
June	2014	Outside Director of the Company (Current position)																				
<p>7</p>	<p>[Reasons for nominating a candidate to be Outside Director] The Company requests shareholders to re-elect Ms. Hirakawa as Outside Director because the company believes that as a lawyer well versed in corporate legal practices both in Japan and overseas, she is playing an appropriate role for the enhancement of our corporate governance by, among other things, providing expert recommendations for general management. While she has not been involved in corporate management other than as Outside Director or Outside Statutory Auditor, we believe that she is able to appropriately perform the duties of Outside Director for the reason outlined above.</p>																					
	<p>■Special notes related to a candidate for Outside Director</p> <ol style="list-style-type: none"> Ms. Hirakawa is a candidate for Outside Director as set forth in Article 2, Paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Ms. Hirakawa as Independent Officer as required by its regulations. Ms. Hirakawa currently serves as Outside Director of the Company, and her term of office as Outside Director will have been six (6) years and nine (9) months at the closing of the Meeting. In addition, Ms. Hirakawa served as an Outside Statutory Auditor of the Company from June 2012 to June 2014. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company concluded an agreement with Ms. Hirakawa to limit her liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement is limited to the aggregate sum of the amounts stipulated in each item of Article 425, Paragraph 1 of said Act. The Company is to enter into an agreement of the same nature and content with Ms. Hirakawa subject to approval of her re-election. 																					

	<p>Izumi Yamashita (Born February 1, 1948)</p> <p>[Re-election]</p> <p>[Outside Director]</p> <p>[Independent Officer]</p> <p>Number of shares in the Company owned: 0 shares</p> <p>Attendance at Board of Directors: 10/10 meetings</p>	<p>Career summary, positions and responsibility in the Company, and significant concurrent positions</p> <table border="1"> <tr> <td>July</td> <td>1971</td> <td>Joined the Bank of Japan</td> </tr> <tr> <td>April</td> <td>1998</td> <td>Director-General of Financial Markets Department, Bank of Japan</td> </tr> <tr> <td>March</td> <td>2002</td> <td>General Manager of Financial Marketing Division, Accenture Japan Ltd.</td> </tr> <tr> <td>April</td> <td>2003</td> <td>Executive Director of Japan Post</td> </tr> <tr> <td>April</td> <td>2005</td> <td>Deputy Governor of Japan Post</td> </tr> <tr> <td>October</td> <td>2007</td> <td>President, CEO, Representative Executive Officer of Japan Post Insurance Co., Ltd.</td> </tr> <tr> <td>June</td> <td>2012</td> <td>Chairman, Representative Executive Officer of Japan Post Insurance Co., Ltd.</td> </tr> <tr> <td>June</td> <td>2013</td> <td>Resigned from Chairman, Representative Executive Officer of Japan Post Insurance Co., Ltd.</td> </tr> <tr> <td>June</td> <td>2016</td> <td>Outside Director of the Company (Current position)</td> </tr> </table> <p>[Significant concurrent position at other company] Outside Director of AEON Bank, Ltd.</p>	July	1971	Joined the Bank of Japan	April	1998	Director-General of Financial Markets Department, Bank of Japan	March	2002	General Manager of Financial Marketing Division, Accenture Japan Ltd.	April	2003	Executive Director of Japan Post	April	2005	Deputy Governor of Japan Post	October	2007	President, CEO, Representative Executive Officer of Japan Post Insurance Co., Ltd.	June	2012	Chairman, Representative Executive Officer of Japan Post Insurance Co., Ltd.	June	2013	Resigned from Chairman, Representative Executive Officer of Japan Post Insurance Co., Ltd.	June	2016	Outside Director of the Company (Current position)
July	1971	Joined the Bank of Japan																											
April	1998	Director-General of Financial Markets Department, Bank of Japan																											
March	2002	General Manager of Financial Marketing Division, Accenture Japan Ltd.																											
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June	2012	Chairman, Representative Executive Officer of Japan Post Insurance Co., Ltd.																											
June	2013	Resigned from Chairman, Representative Executive Officer of Japan Post Insurance Co., Ltd.																											
June	2016	Outside Director of the Company (Current position)																											
8	<p>[Reasons for nominating a candidate to be Outside Director]</p> <p>The Company requests shareholders to re-elect Mr. Yamashita as Outside Director because the Company believes that he has abundant experience in the financial industry and deep insight as a business manager, he is playing an appropriate role for the enhancement of our corporate governance by, among other things, providing recommendations for general management.</p>																												
	<p>■Special notes related to a candidate for Outside Director</p> <ol style="list-style-type: none"> Mr. Yamashita is a candidate for Outside Director as set forth in Article 2, Paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Mr. Yamashita as Independent Officer as required by its regulations. On March 24, 2020, AEON Bank, Ltd., for which Mr. Yamashita serves as an outside director, received a cease and desist order from the Consumer Affairs Agency for misrepresentation as provided in Article 5, item 2 of the Act against Unjustifiable Premiums and Misleading Representations in regard to its new card membership promotion program. Mr. Yamashita, who was unaware of the fact until the case was brought to light, regularly provided comments and opinions from the viewpoint of legal compliance. In addition, after the case came to light, Mr. Yamashita has actively given suggestions for furtherance of compliance with laws and regulations as well as establishment of a recurrence prevention measures, thus fulfilling his duties as an outside director. Mr. Yamashita currently serves as Outside Director of the Company, and his term of office as Outside Director will have been four (4) years and nine (9) months at the closing of the Meeting. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company concluded an agreement with Mr. Yamashita to limit his liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement is limited to the aggregate sum of the amounts stipulated in each item of Article 425, Paragraph 1 of said Act. The Company is to enter into an agreement of the same nature and content with Mr. Yamashita subject to approval of his re-election. 																												

8	Mitsue Kurihara (Born April 7, 1964)	Career summary, positions and responsibility in the Company, and significant concurrent positions																					
	New-election Outside Director Independent Officer	<table border="1"> <tr> <td style="text-align: center;">April</td> <td style="text-align: center;">1987</td> <td>Joined the Japan Development Bank (Currently the Development Bank of Japan Inc.)</td> </tr> <tr> <td style="text-align: center;">June</td> <td style="text-align: center;">2008</td> <td>Visiting Fellow at the International Policy Research Institute of Stanford University</td> </tr> <tr> <td style="text-align: center;">June</td> <td style="text-align: center;">2010</td> <td>Deputy Manager of Financial Department, Development Bank of Japan Inc.</td> </tr> <tr> <td style="text-align: center;">May</td> <td style="text-align: center;">2011</td> <td>General Manager of medical/living office, Corporate Finance Department Division 4, Development Bank of Japan Inc.</td> </tr> <tr> <td style="text-align: center;">April</td> <td style="text-align: center;">2013</td> <td>General Manager of Corporate Finance Department Division 6, Development Bank of Japan Inc.</td> </tr> <tr> <td style="text-align: center;">February</td> <td style="text-align: center;">2015</td> <td>Statutory Auditor of Development Bank of Japan Inc.</td> </tr> <tr> <td style="text-align: center;">June</td> <td style="text-align: center;">2020</td> <td>Chairman, Representative Director of Value Management Institute, Inc. (Current Position)</td> </tr> </table>	April	1987	Joined the Japan Development Bank (Currently the Development Bank of Japan Inc.)	June	2008	Visiting Fellow at the International Policy Research Institute of Stanford University	June	2010	Deputy Manager of Financial Department, Development Bank of Japan Inc.	May	2011	General Manager of medical/living office, Corporate Finance Department Division 4, Development Bank of Japan Inc.	April	2013	General Manager of Corporate Finance Department Division 6, Development Bank of Japan Inc.	February	2015	Statutory Auditor of Development Bank of Japan Inc.	June	2020	Chairman, Representative Director of Value Management Institute, Inc. (Current Position)
	April	1987	Joined the Japan Development Bank (Currently the Development Bank of Japan Inc.)																				
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April	2013	General Manager of Corporate Finance Department Division 6, Development Bank of Japan Inc.																					
February	2015	Statutory Auditor of Development Bank of Japan Inc.																					
June	2020	Chairman, Representative Director of Value Management Institute, Inc. (Current Position)																					
Number of shares in the Company owned: 0 shares	[Significant concurrent position at other company] Outside Director of Chubu Electric Power Co., Inc.																						
[Reasons for nominating a candidate to be Outside Director] The Company requests shareholders to elect Ms. Kurihara as Outside Director because, as she has deep insight and abundant experience in finance, the Company believes that she will be able to play an appropriate role for the enhancement of our corporate governance by, among other things, providing expert recommendations for general management.																							
■Special notes related to a candidate for Outside Director <ol style="list-style-type: none"> 1. Ms. Kurihara is a candidate for Outside Director as set forth in Article 2, Paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act. 2. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Ms. Kurihara as Independent Officer as required by its regulations. 3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is to enter into an agreement with Ms. Kurihara to limit her liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement shall be limited to the aggregate sum of the amounts stipulated in each item of Article 425, Paragraph 1 of said Act. 																							

- Notes: 1. None of the candidates above has any special conflicts of interest with the Company.
 2. The number of shares in the Company owned by each candidate stated above is as of December 31, 2020.
 3. The Company has concluded liability insurance contract for officers, etc., providing compensation for damages arising as a result of the responsibilities assumed by insured officers in their execution of duties, or any claims made against them with regard to these responsibilities. If the election of each candidate for Director is approved as proposed, they will become the insured parties. The insured officers will not pay for the insurance premiums. The Company intends to renew this liability insurance contract in January, 2022.

Proposal No. 3: Payment of Bonuses to Directors

The Company hereby proposes to pay bonuses in the total amount of 106,000,000 yen for six (6) Directors, excluding Outside Directors, among eight (8) Directors in office at the end of this business term, comprehensively taking into account the operating performance for this business term and other relevant factors.

This amount has been comprehensively decided based on the amount calculated by a certain mathematical formula, taking into account the consolidated ordinary income excluding actuarial differences in accounting for retirement benefit obligations, and net income attributable to parent's shareholders, in consultation with the Nomination and Remuneration Advisory Committee.

The Company also proposes that bonus amount for each Director be determined by the Board of Directors.

CONSOLIDATED BALANCE SHEET

As of December 31, 2020

(Million yen)

ASSETS**Current assets:**

Cash and time deposits	¥	85,850
Notes and accounts receivable-trade		119,687
Accounts receivable from completed construction contracts		45,095
Marketable securities		3,204
Finished goods, logs and lumber		13,762
Work in process		1,312
Raw materials and supplies		8,080
Costs on uncompleted construction contracts		14,993
Real estate for sale		54,010
Real estate for sale in process		225,298
Short-term loans receivable		35,390
Accounts receivable-other		46,468
Other		25,208
Allowance for doubtful accounts		(396)

Total current assets**677,962****Noncurrent assets:****Property, plant and equipment:**

Buildings and structures		61,597
Machinery, equipment and vehicles		23,672
Land		40,725
Mature timber		35,753
Leased assets		8,106
Construction in progress		10,667
Other		5,426

Total property, plant and equipment**185,948****Intangible assets:**

Goodwill		6,556
Other		15,071

Total intangible assets**21,626****Investments and other assets:**

Investment securities		175,262
Long-term loans receivable		5,471
Net defined benefit assets		326
Deferred tax assets		6,835
Other		18,631
Allowance for doubtful accounts		(909)

Total investments and other assets**205,617****Total noncurrent assets****413,191****Total assets****¥ 1,091,152**

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CONSOLIDATED BALANCE SHEET
As of December 31, 2020

(Million yen)

LIABILITIES

Current liabilities:

Notes and accounts payable-trade	¥	111,612
Accounts payable for construction contracts		80,219
Short-term loans payable		50,106
Commercial Papers		10,000
Lease obligations		1,005
Income taxes payable		1,937
Advances received on uncompleted construction contracts		32,956
Provision for employees' bonuses		16,781
Provision for directors' bonuses		106
Provision for warranties for completed construction		6,175
Provision for loss in business liquidation		368
Asset retirement obligations		945
Other		68,082

Total current liabilities **380,293**

Long-term liabilities:

Bonds payable	90,000
Bonds with subscription rights	10,055
Long-term loans payable	133,255
Lease obligations	8,512
Deferred tax liabilities	18,578
Provision for directors' retirement benefits	111
Net defined benefit liability	18,700
Asset retirement obligations	1,544
Other	30,650

Total long-term liabilities **311,403**

Total liabilities **691,696**

NET ASSETS

Shareholders' equity:

Common stock	32,803
Capital surplus	18,485
Retained earnings	283,416
Treasury stock	(2,340)

Total shareholders' equity **332,363**

Accumulated other comprehensive income:

Valuation difference on available-for-sale securities	44,337
Deferred gains or losses on hedges	1,762
Foreign currency translation adjustment	(11,098)
Remeasurements of defined benefit plans	96

Total accumulated other comprehensive income **35,098**

Subscription rights to shares **120**

Non-controlling interests **31,875**

Total net assets **399,456**

Total liabilities and net assets **¥ 1,091,152**

CONSOLIDATED STATEMENTS OF INCOME

For the year ended December 31, 2020

	¥	(Million yen)
Net sales		839,881
Cost of sales		648,557
<u>Gross profit</u>		<u>191,323</u>
Selling, general and administrative expenses		143,862
<u>Operating income</u>		<u>47,462</u>
Non-operating income:		
Interest income		232
Purchase discounts		240
Dividends income		1,237
Equity in earnings of affiliates		3,318
Other		3,401
Total non-operating income		8,428
Non-operating expenses:		
Interest expenses		1,830
Sales discounts		440
Foreign exchange losses		271
Other		2,056
Total non-operating expenses		4,596
<u>Recurring income</u>		<u>51,293</u>
Extraordinary loss:		
Loss on valuation of investment securities		1,082
Total extraordinary loss		1,082
<u>Income before income taxes and minority interests</u>		<u>50,211</u>
Income taxes-current		9,940
Income taxes-deferred		110
<u>Net income</u>		<u>40,161</u>
Net income attributable to non-controlling interests		9,763
<u>Net income attributable to owners of parent</u>	¥	<u>30,398</u>

NON-CONSOLIDATED BALANCE SHEET

As of December 31, 2020

(Million yen)

ASSETS**Current assets:**

Cash and time deposits	¥	51,593
Notes receivable-trade		44,836
Accounts receivable-trade		62,061
Accounts receivable from completed construction contracts		40,494
Marketable securities		3,204
Finished goods, logs and lumber		8,133
Costs on uncompleted construction contracts		7,244
Real estate for sale		23,567
Real estate for sale in process		10,486
Advance payments		722
Prepaid expenses		1,903
Short-term loans receivable		34,999
Short-term loans receivable from subsidiaries and affiliates		8,764
Accounts receivable-other		62,086
Other		2,496
Allowance for doubtful accounts		(791)

Total current assets **361,797****Noncurrent assets:****Property, plant and equipment:**

Buildings		15,872
Structures		1,097
Machinery and equipment		1,050
Vehicles		2
Tools, furniture and fixtures		1,022
Land		13,241
Mature timber		9,079
Leased assets		3,334
Construction in progress		1,840

Total property, plant and equipment **46,536****Intangible assets:**

Telephone subscription right		180
Right of utilization on forest road		70
Right of using facilities		1
Industrial property rights		15
Software		6,636

Total intangible assets **6,902****Investments and other assets:**

Investment securities		90,041
Stocks of subsidiaries and affiliates		221,421
Investments in other securities of subsidiaries and affiliates		466
Long-term loans receivable		223
Long-term loans receivable from employees		26
Long-term loans receivable from subsidiaries and affiliates		20,962
Claims provable in bankruptcy, claims provable in rehabilitation and other		771
Long-term prepaid expenses		1,247
Other		8,419
Allowance for doubtful accounts		(7,680)

Total investments and other assets **335,896****Total noncurrent assets****Total assets** **751,131**

NON-CONSOLIDATED BALANCE SHEET

As of December 31, 2020

(Million yen)

LIABILITIES**Current liabilities:**

Notes payable-trade	¥	22,367
Accounts payable-trade		73,059
Accounts payable for construction contracts		83,439
Commercial Papers		10,000
Long-term loans payable due within 1 year		13,034
Lease obligations		579
Accounts payable-other		6,219
Accrued consumption taxes		938
Accrued expenses		1,194
Advances received		13,435
Advances received on uncompleted construction contracts		23,106
Deposits received		36,156
Unearned revenue		217
Provision for employees' bonuses		7,050
Provision for directors' bonuses		106
Provision for warranties for completed construction		2,239
Asset retirement obligation		945
Other		7

Total current liabilities**294,090****Long-term liabilities:**

Bonds payable		90,000
Bonds with subscription rights		10,055
Long-term loans payable		42,414
Guarantee deposited		4,739
Lease obligations		3,001
Deferred tax liabilities		9,547
Provision for retirement benefits		8,696
Provision for loss on business of subsidiaries and affiliates		2,292
Asset retirement obligation		1,310
Other		767

Total long-term liabilities**172,822****Total liabilities****466,912****NET ASSETS****Shareholders' equity:**

Capital stock		32,803
Capital surplus:		
Legal capital surplus		31,743
Other capital surplus		259
<u>Total capital surplus</u>		<u>32,002</u>
Retained earnings:		
Legal retained earnings		2,857
Other retained earnings		
Reserve for special depreciation		6
Reserve for reduction entry		1,715
General reserve		154,294
Retained earnings brought forward		14,116
Total other retained earnings		170,131
<u>Total retained earnings</u>		<u>172,989</u>
Treasury stock		(288)
Total shareholder's equity		237,505

Valuation and translation adjustments:

Valuation difference on available-for-sale securities		44,650
Deferred gains or losses on hedges		1,944

Total valuation and translation adjustments**46,594****Subscription rights to shares****120****Total net assets****284,219****Total liabilities and net assets****¥ 751,131**

NON-CONSOLIDATED STATEMENTS OF INCOME

For the year ended December 31, 2018

	(Million yen)
Net sales:	
Net sales of goods	¥ 83,645
Completed contracts	234,013
Total net sales	317,658
Cost of sales:	
Cost of goods sold	72,092
Cost of completed contracts	179,671
Total cost of sales	251,763
<u>Gross profit</u>	<u>65,895</u>
Selling, general and administrative expenses:	65,863
<u>Operating income</u>	<u>32</u>
Non-operating income:	
Interest income	148
Interest on securities	8
Purchase discounts	168
Dividends income	10,590
Other	1,028
Total non-operating income	11,942
Non-operating expenses:	
Interest expenses	199
Bond interest expenses	246
Sales discounts	329
Other	1,730
Total non-operating expenses	2,503
<u>Recurring income</u>	<u>9,471</u>
Extraordinary loss:	
Loss on valuation of investment securities	1,082
Total extraordinary loss	1,082
<u>Income before income taxes</u>	<u>8,389</u>
Income taxes-current	(21)
Income taxes-deferred	(213)
<u>Net income</u>	¥ <u>8,623</u>

(Amounts less than one (1) million yen in the Consolidated Financial Statements and the Non-Consolidated Financial Statements are rounded to the nearest million yen.)

– End –