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Securities code: 2982

March 11, 2025

(Date of commencement of measures for electronic provision: March 3, 2025)

**To Shareholders with Voting Rights:**

Hideo Tanaka  
President and CEO  
A.D. Works Group Co., Ltd.  
2-2-3, Uchisaiwai-cho, Chiyoda-ku,  
Tokyo, Japan

**NOTICE OF  
THE 5TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 5th Annual General Meeting of Shareholders of A.D. Works Group Co., Ltd. (the "Company") will be held as described below.

When convening this General Meeting of Shareholders, we will provide information electronically and thus post matters subject to measures for electronic provision as "NOTICE OF THE 5TH ANNUAL GENERAL MEETING OF SHAREHOLDERS" on the websites below on the Internet.

The Company's website

<https://www.adwg.co.jp/en/ir/library/>

In addition to the above, matters subject to measures for electronic provision are also posted on the website below on the Internet.

TSE website (TSE Information on Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website above, enter and search an issue name (A.D. Works Group) or securities code (2982), and select "Basic information," "Documents for public inspection/PR information," "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" in that order.

**If you do not attend the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Tuesday, March 25, 2025, Japan time by following the guidance provided hereafter.**

- 1. Date and Time:** Wednesday, March 26, 2025 at 10:00 a.m. Japan time  
(Reception starts at 9:30 a.m.)
- 2. Place:** Hibiya International Building Conference Square 8F  
Hibiya International Building 8F  
2-2-3, Uchisaiwai-cho, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:** The Business Report and Consolidated Financial Statements for the Company's 5th Fiscal Year (January 1, 2024 – December 31, 2024) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements  
Non-consolidated Financial Statements for the Company's 5th Fiscal Year (January 1, 2024 – December 31, 2024)
  - Matters to be resolved:**
    - Proposal 1:** Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
    - Proposal 2:** Continuation and Revision of the Share-Based Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members, Outside Directors, and Directors Who Live Overseas)

## **Exercise of Voting Rights and Other Matters Regarding the Convocation**

- (1) **Method of exercising voting rights**  
To exercise your voting rights, please choose one of the three means of attending the meeting in person on the day of the meeting, sending the Voting Rights Exercise Form by mail, or via the Internet, etc.
- (2) **Handling of the voting rights exercised multiple times**  
If you exercise your voting rights both in writing and via the Internet, etc., your voting rights exercised via the Internet, etc. shall be deemed valid.  
If you exercise your voting rights multiple times via the Internet, etc., the last exercise of your voting rights will be deemed valid.
- (3) **Handling of voting rights exercised without indicating approval or disapproval of proposals**  
If you do not indicate your vote of approval or disapproval of proposals on the Voting Rights Exercise Form, you will be deemed to have approved the proposals.
- (4) **Exercise of the voting rights by proxy**  
If you are unable to attend the meeting in person, another shareholder of the Company entitled to exercise voting rights may attend as your proxy. Please be advised that such proxy is required to submit a document certifying authority of the proxy.
- (5) **Attending in person on the day of the meeting**  
When attending in person on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the meeting venue.
- (6) **This Notice**  
Due to amendments to the Companies Act, matters subject to measures for electronic provision, such as the Reference Documents for the General Meeting of Shareholders, etc., will, in principle, be made available for viewing on the websites indicated above, and the Company will send paper copies only to shareholders who have requested them by the record date. However, for this General Meeting of Shareholders, even shareholders who did not request paper copies are being sent a summarized paper version containing the content of the Reference Documents for the General Meeting of Shareholders, etc., which is part of the matters subject to measures for electronic provision.  
In addition, shareholders who requested paper copies are being sent documents basically containing all matters subject to measures for electronic provision. However, even these documents do not include the following matters, based on the provisions of laws and regulations and Article 17 of the Articles of Incorporation of the Company. Therefore, these documents are part of the documents that were audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing audit reports.
  - 1) “Summary of the System to Ensure Appropriateness of Business Activities and Status of Operations Thereof” in the Business Report;
  - 2) “Consolidated Statement of Changes in Equity” in the Consolidated Financial Statements;
  - 3) “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements;
  - 4) “Non-consolidated Statement of Changes in Equity” in the Non-consolidated Financial Statements; and
  - 5) “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial StatementsFor details on the Large-Scale Purchase Rules described in “Basic Policy Regarding Control of the Company” in the Business Report, please refer to the “NOTICE OF THE 3RD ANNUAL GENERAL MEETING OF SHAREHOLDERS 2023” posted on the websites indicated above.
- (7) **Revision of the documents, etc.**  
Should this Notice or matters subject to measures for electronic provision require revision, the fact that revisions have been made, and the relevant matters before and after the revisions shall be disclosed on the websites above.


## Reference Documents for the General Meeting of Shareholders


### Proposals and References


**Proposal 1:** Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)



The terms of office of all six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, as the Company has determined that increasing the number of Directors by one (1) would be appropriate from a perspective of enhancing the management framework, it proposes that seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members) be elected.


The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 Hideo Tanaka (February 7, 1950)  [Reappointment]	April 1973      Joined Seibu Real Estate Co., Ltd. July 1991        Established Tanaka Fudosan Office October 1992    Joined Houseport Seiyo Co., Ltd. (currently Mizuho Realty Co., Ltd.) March 1993      Director of A.D.Works Co., Ltd. February 1995   Representative Director and President of A.D.Works Co., Ltd. April 2020        President and CEO of the Company (current position) January 2024    Representative Director and Chairman of A.D.Works Co., Ltd. (current position)  [Significant concurrent positions] Representative Director and Chairman of A.D.Works Co., Ltd. Representative Director and Chairman of A.D.Partners Co., Ltd. Director (Vice Chair), Specified Joint Real Estate Enterprise Council	5,057,149
[Reason for nomination as candidate for Director] Mr. Hideo Tanaka has a proven track record of leading the real estate business of A.D.Works Co., Ltd. (whose sole transfer of shares established the Company) from its start-up phase to the position it has grown into today. The Company has nominated him as a candidate for Director as it believes that his wealth of management experience as Representative Director and President, as well as his deep insight into the real estate business are indispensable for increasing the corporate value of the Group.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p>Toshiya Suzuki (November 9, 1964)</p> <p>[Reappointment]</p>	<p>April 1989      Joined Recruit Cosmos Co., Ltd. (currently COSMOS INITIA Co., Ltd.)</p> <p>January 2008    General Manager, Corporate Sales Section of AM Business Department of COSMOS INITIA Co., Ltd.</p> <p>November 2009   General Manager, Brokerage Business Department of COSMOS INITIA Co., Ltd.</p> <p>October 2013    General Manager, Solutions Business Department and General Manager, Investment Property Planning and Development Department of COSMOS INITIA Co., Ltd.</p> <p>October 2014    General Manager, Ownership Section of Leasing Business Department of COSMOS INITIA Co., Ltd.</p> <p>October 2015    Executive Officer and General Manager, Business Planning Office of A.D.Works Co., Ltd.</p> <p>June 2018       Director, Executive Officer, and General Manager, Business Planning Division of A.D.Works Co., Ltd.</p> <p>April 2019       Director, Executive Officer, and General Manager, Investment Properties Business Division of A.D.Works Co., Ltd.</p> <p>April 2020       Director and Senior Executive Officer of the Company</p> <p>January 2021     Director of the Company</p> <p>March 2023      Senior Managing Director of the Company (current position)</p> <p>January 2024     Representative Director and President of A.D.Works Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Representative Director and President of A.D.Works Co., Ltd. Director of A.D.Partners Co., Ltd.</p>	112,144
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Toshiya Suzuki has a wealth of experience in the real estate business, including brokerage, leasing, and development for corporations, etc., at a major real estate company. He has an excellent track record in the income property leasing, development, and sales businesses at A.D.Works Co., Ltd. The Company has nominated him as a candidate for Director as it expects that he will continue to contribute to increasing the Group's corporate value by having experience appropriate for managing and supervising business divisions.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 <p>Koji Kaneko (October 23, 1965)  [Reappointment]</p>	<p>April 1988      Joined ITOCHU Corporation  June 2001      Joined KPMG Business Advisory LLC  February 2002    General Manager, New Business Department of OHKI CORPORATION  June 2004      Joined Fund Creation Co., Ltd.  October 2004    Chief Executive Officer of Fund Creation REIT Advisers Co., Ltd.  September 2010   General Manager, Management Strategy Division of Daito Trust Construction Co., Ltd.  March 2013      Executive Officer and General Manager, Overseas Business Planning Office of A.D.Works Co., Ltd.  June 2018      Director, Senior Executive Officer, and General Manager, Overseas Business Department of A.D.Works Co., Ltd.  April 2020      Director and Senior Executive Officer of the Company  January 2021     Director of the Company  March 2023      Managing Director of the Company  January 2024     Director and Managing Executive Officer of A.D.Works Co., Ltd.  March 2024      Director and Senior Managing Executive Officer of A.D.Works Co., Ltd. (current position)  March 2024      Senior Managing Director of the Company (current position)</p> <p>[Significant concurrent positions]  Director and Senior Managing Executive Officer of A.D.Works Co., Ltd.  Director and Chairman of A.D.Works USA, Inc.  Director and Chairman of ADW Management USA, Inc.  Representative Director and Chairman, Angel Torch Co., Ltd.  Representative Director and President of JMR Asset Management Co., Ltd.</p>	101,419
<p>[Reason for nomination as candidate for Director]  Mr. Koji Kaneko has a track record of launching the US income property sales business at A.D.Works Co., Ltd. and growing it into a core business of the Group. He also has management experience at an asset management company of a listed REIT. The Company has nominated him as a candidate for Director as it expects that he will continue to contribute to increasing the Group's corporate value by having experience appropriate for managing and supervising business divisions.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	 Hideo Goto (May 30, 1963)  [New appointment]	April 1987      Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) April 2015      Executive Officer and Head of Investment Banking Unit of Sumitomo Mitsui Banking Corporation April 2017      Executive Officer and General Manager, Planning Department, Wholesale Business Unit of Sumitomo Mitsui Financial Group, Inc. May 2018        Managing Executive Officer of SMBC Trust Bank Ltd. December 2019    Director and Managing Executive Officer of SMBC Trust Bank Ltd. Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc. June 2021        Outside Director, Member of the Audit and Supervisory Committee of SMBC Nikko Securities, Inc. March 2024        Outside Director of TACHIKAWA CORPORATION (current position)  [Significant concurrent position] Outside Director of TACHIKAWA CORPORATION (current position)	-
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Hideo Goto has deep knowledge on finance and corporate planning through abundant practical experience at major financial companies, as well as extensive networks in the financial industry. The Company has nominated him as a candidate for Director as it expects that he will contribute to increasing the Group's corporate value by promoting further expansion and enhancement of the Group's business based on such knowledge, etc.</p>			
5	 Haruyasu Yamashita (January 3, 1967)  [Reappointment]	April 1989      Joined Sumitomo Realty & Development Co., Ltd. October 2001      Joined GMAC Commercial Mortgage Japan K.K. July 2005        Executive Director, Lending Division of UNIFIED PARTNERS, Ltd. June 2010        Business Development Executive of AMP Capital Investors Japan KK January 2013      Director, Real Estate Finance Department of The Tokyo Star Bank, Limited August 2016      General Manager of Finance & Accounting of A.D.Works Co., Ltd. April 2020        Group Managing Officer, Finance Division of the Company March 2021        Executive Officer, Senior Executive Manager, Finance Division of the Company March 2024        Director of the Company (current position)  [Significant concurrent positions] Director and Managing Executive Officer of A.D.Works Co., Ltd. Representative Director and President of Jupiter Funding Co., Ltd.	17,440
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Haruyasu Yamashita is highly knowledgeable in both non-recourse and corporate loan financing operations in general and real estate operations, including development. The Company has nominated him as a candidate for Director as it expects that he will continue to contribute to increasing the Group's corporate value by leveraging his extensive experience and knowledge in the Group's corporate planning and finance.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	 Taizo Muroya (July 4, 1976)  [Reappointment]	April 2002      Joined NTT Facilities, Inc. August 2005    Joined SBI Partners Co., Ltd. March 2006     Joined SBI Holdings, Inc. January 2017    Joined A.D.Works Co., Ltd. October 2017    General Manager, ARISTO Business Department, Business Planning Division of A.D.Works Co., Ltd. April 2019      General Manager, Asset Management Department, Investment Properties Business Division of A.D.Works Co., Ltd. April 2020      Executive Officer and Deputy General Manager, Investment Properties Business Division of A.D.Works Co., Ltd. January 2021    Director, Executive Officer, and General Manager, Asset Management Division of A.D.Works Co., Ltd. March 2024     Director of the Company (current position) January 2025    Director and Managing Executive Officer of A.D.Works Co., Ltd. (current position)  [Significant concurrent positions] Director and Managing Executive Officer of A.D.Works Co., Ltd. Director of Real Estate Crowdfunding Association for Japan	14,200
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Taizo Muroya has a wealth of experience in the real estate business, including real estate transactions and fund management at a major financial services group, as well as experience in the online advertising business. He also has an excellent track record in the small-lot real estate product business at A.D.Works Co., Ltd. The Company has nominated him as a candidate for Director as it expects that he will continue to contribute to increasing the Group's corporate value by having experience appropriate for managing and supervising business divisions.</p>			



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	 Mamoru Sekiyama (August 14, 1949) [Reappointment] [Outside] [Independent]	April 1974      Joined Marubeni Corporation April 2001      Senior Operating Officer, Utility Infrastructure Division and General Manager, Overseas Power Project Department of Marubeni Corporation April 2002      Corporate Vice President, Chief Operating Officer, Utility Infrastructure Division of Marubeni Corporation April 2005      Corporate Senior Vice President of Marubeni Corporation June 2006      Corporate Senior Vice President, Representative Director of Marubeni Corporation April 2007      Corporate Executive Vice President, Representative Director of Marubeni Corporation April 2009      Senior Executive Vice President, Representative Director of Marubeni Corporation April 2013      Vice Chairman of Marubeni Corporation April 2015      Corporate Adviser of Marubeni Corporation April 2015      Chairman of Marubeni Power Systems Corporation May 2016      Chairman of the Board, The Philippine Society of Japan (current position) June 2017      Outside Director of Astellas Pharma Inc. April 2020      Outside Director (Audit & Supervisory Committee Member) of the Company March 2024      Outside Director of the Company (current position)  [Significant concurrent position] Chairman of the Board, The Philippine Society of Japan	-
[Reason for nomination as candidate for Outside Director and expected roles] Mr. Mamoru Sekiyama has a wealth of experience, including international experience, and extensive knowledge accumulated as a corporate manager and outside director. The Company has nominated him as a candidate for Outside Director as it expects that he will provide advice and recommendations on corporate management, including management strategies, based on his extensive knowledge.			

- Notes:
- There are no special interests between any of the candidates and the Company.
  - Mr. Sekiyama is a candidate for Outside Director. Mr. Sekiyama will have served for five years as Outside Director of the Company at the conclusion of this General Meeting of Shareholders.
  - The Company has entered into a directors and officers liability insurance agreement with an insurance company, making each candidate an insured. If the candidates are elected as Directors (excluding Directors who are Audit & Supervisory Committee Members) at this General Meeting of Shareholders, they will continue to be included as insured. Details of the agreement are given below. As the directors and officers liability insurance agreement is renewed every year, the Company plans to renew the agreement after its expiration, following the procedure required by the Companies Act.
    - Damages covered in the agreement are those that may arise due to the insured assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability. However, claims for damages caused by intent or gross negligence are not covered.
    - The insurance premiums are fully paid by the Company.
  - Pursuant to the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Sekiyama, who is an Outside Director, to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum liability limit under the agreement is the amount stipulated in laws and regulations. If Mr. Sekiyama is elected as an Outside Director at this General Meeting of Shareholders, the Company will continue said agreement with him.

5. The Company has registered Mr. Sekiyama as an independent director with the Tokyo Stock Exchange, Inc. If he is elected as a Director at this General Meeting of Shareholders, the Company will continue to make him an independent director.
6. The number of shares of the Company held by each candidate is as of January 1, 2025.

(Reference)

**Skill Matrix of the A.D.Works Group's Board of Directors**

If Proposal 1 is approved as originally proposed, skills, etc. possessed by the Company's Board of Directors will be as follows.

Skills, Experience and Knowledge Expected to Be Possessed by Directors	Hideo Tanaka	Toshiya Suzuki	Koji Kaneko	Hideo Goto	Haruyasu Yamashita	Taizo Muroya	Mamoru Sekiyama	Hisashi Tanaami	Sachiko Awai	Hiroyuki Somekawa
	[Internal]	[Internal]	[Internal]	[Internal]	[Internal]	[Internal]	[[Independent] [Outside]	[[Independent] [Outside]	[[Independent] [Outside]	[[Independent] [Outside]
1) Corporate Management	•	•	•	•			•	•	•	
2) Finance/Accounting				•	•		•	•		
3) Legal Affairs/Risk Management			•				•	•	•	•
4) Global	•		•				•		•	
5) IT/DX					•	•		•		
6) Human Resource Development/Strategy		•		•			•	•	•	•
7) Sustainability/ESG	•		•				•	•	•	
8) Real Estate Business	•	•	•	•	•	•	•			•
9) Financial Business			•	•		•		•		•

Overview of respective skills is given below.

1) Corporate Management	Have experience in corporate management at a listed company or its core subsidiaries as a member of a senior management team (representative director, director with management positions, or other similar position).
2) Finance/Accounting	Have knowledge on accounting, finance, tax affairs, etc., as well as skills to support corporate management from a financial perspective.
3) Legal Affairs/Risk Management	Have knowledge on legal affairs, compliance, etc., as well as skills to manage risks related to management activities and business promotion.
4) Global	Have a macroeconomic view and knowledge on global business, as well as skills to lead business.
5) IT/DX	Have skills to move forward with improvement of company-wide business processes and transformation of business models by using IT and DX, and through DX.
6) Human Resource Development/Strategy	Have a wealth of experience related to company-wide human resource education and development, as well as skills to strengthen human capital.
7) Sustainability/ESG	Have knowledge on environmental issues and social needs, as well as a perspective of sustainability management for solving social issues through business and for sustainable corporate growth.
8) Real Estate Business	Have a wealth of knowledge and experience related to real estate, as well as skills to flexibly develop the real estate business in line with changes in the times.
9) Financial Business	Have a wealth of knowledge and experience related to finance, as well as skills to plan and promote the financial business toward expansion of the Company's business portfolio.

The Company evaluates capabilities, experience, etc. of individual Directors according to this Matrix so as to pursue a system in which all of these functions are satisfied by the Board of Directors as a whole.

To enhance the diversity and supervisory functions of the Board of Directors, Outside Directors must supplement the skills, experience, etc. of the Internal Executive Directors. To that end, this Matrix is used as an important material for considering the selection of new candidates for Directors, to ensure an even balance of knowledge and experience among the Outside Directors so as to establish a structure in which the overall functions of the Board of Directors of the Company are well-balanced.

Beginning from this year, items of the skill matrix have been revised.

**Proposal 2:** Continuation and Revision of the Share-Based Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members, Outside Directors, and Directors Who Live Overseas)

1. Reason for Proposal and Reason Why Compensation Is Appropriate

The Company introduced a Directors' share-based compensation plan (the "Plan") for Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, and Directors who live overseas) of the Company, Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, and Directors who live overseas) of A. D. Works Co., Ltd. ("ADW"), and the Representative Directors of the Company's subsidiaries, other than ADW, with the approval of shareholders at the 1st Annual General Meeting of Shareholders held on March 26, 2021. Subsequently, at the 2nd Annual General Meeting of Shareholders held on March 25, 2022 (the "2nd Annual General Meeting of Shareholders"), it was approved by shareholders to continue the Plan after making partial revisions, such as changing the eligible persons of the Plan to Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, and Directors who live overseas) of the Company and the Representative Directors (excluding Representative Directors who live overseas) of the Company's subsidiaries, including ADW ("Applicable Subsidiaries") (hereinafter collectively, "Directors, etc."). Applicable Subsidiaries are those Company subsidiaries whose head office is located in Japan and who satisfy the condition that a resolution be passed at that company's shareholders meeting to determine the amount and details of the share-based compensation, etc. under the Plan for the Representative Director.

The trust established based on the Plan will end in May 2025. The Company wishes to continue the Plan in FY2025 and beyond, after making partial revisions to the content, such as changing the eligible persons of the Plan to Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, and Directors who live overseas) of the Company ("Eligible Directors"), and hereby requests approval for this Proposal. This Proposal is to be approved separately from the monetary compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company approved at the 1st Annual General Meeting of Shareholders held on March 26, 2021.

The details of the revision to the Plan are shown in the table below, and there are no other changes to the details approved at the 2nd Annual General Meeting of Shareholders.

	Before revision	After revision
Eligible persons	<ul style="list-style-type: none"> <li>- Directors (excluding Directors who are Audit &amp; Supervisory Committee Members, Outside Directors, and Directors who live overseas) of the Company</li> <li>- Representative Directors of the Applicable Subsidiaries (excluding Representative Directors who live overseas)</li> </ul>	<ul style="list-style-type: none"> <li>- Directors (excluding Directors who are Audit &amp; Supervisory Committee Members, Outside Directors, and Directors who live overseas) of the Company</li> </ul>
Trust period	<ul style="list-style-type: none"> <li>- Three years</li> </ul>	<ul style="list-style-type: none"> <li>- The consecutive fiscal years corresponding to the period covered by the Medium-term Management Plan (the trust period after this continued implementation is two years)</li> </ul>
Maximum amount to be contributed by the Company	<ul style="list-style-type: none"> <li>- The maximum amount to be contributed during the trust period is a total of 310 million yen</li> </ul>	<ul style="list-style-type: none"> <li>- The amount obtained by multiplying 104 million yen by the number of years in the applicable period. For the two fiscal years of the applicable period under this continued implementation, the maximum amount is 208 million yen</li> </ul>
Maximum number of the Company Shares, etc. to be delivered, etc. from the trust to eligible persons and method of acquisition of Company shares	<ul style="list-style-type: none"> <li>- The maximum total number of Company shares, etc. to be delivered to Directors, etc. during the trust period is 2.24 million shares, accounting for approximately 4.8% of the total number of issued shares (as of December 31, 2021, excluding treasury stock)</li> <li>- No dilution will occur as the Company plans to acquire Company shares from the stock market</li> </ul>	<ul style="list-style-type: none"> <li>- The number of shares obtained by multiplying 750,000 shares by the number of years in the applicable period. For the two fiscal years of the applicable period under this continued implementation, the maximum number of shares to be granted to Eligible Directors is 1.5 million shares, accounting for approximately 3% of the total number of issued shares (as of December 31, 2024, excluding treasury stock)</li> <li>- The Company plans to acquire Company shares from the stock market or from the Company (the Company does not plan to acquire Company shares under this continued implementation)</li> </ul>
Calculation method of Company Shares, etc. to be Delivered, etc. to eligible persons	<ul style="list-style-type: none"> <li>- Calculated based on the amount resolved by the Board of Directors (the “Basic Amount for Calculating the Number of Shares to be Delivered”)</li> </ul>	<ul style="list-style-type: none"> <li>- Calculated based on factors such as position and the degree of achievement of performance targets during the applicable period</li> <li>- For the applicable period under this continued implementation, the Company plans to use net income before income taxes as a performance indicator</li> </ul>
Beneficiary requirements	<ul style="list-style-type: none"> <li>- Director, etc. as of December 31 each year from 2022 to 2024 during the trust period (including persons newly appointed as Director, etc. during the trust period)</li> <li>- Person who has not committed certain illegal acts while holding office</li> <li>- A resolution on the Basic Amount for Calculating the Number of Shares to be Delivered has been made at the Board of Directors meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Eligible Director as of December 31 each year during the trust period (including persons newly appointed as Eligible Director during the trust period)</li> <li>- Person who has not committed certain illegal acts while holding office</li> </ul>

Treatment of residual shares, etc. in the trust upon the expiration of the trust period	<ul style="list-style-type: none"> <li>- Residual shares will be converted into cash within the trust and paid to Directors, etc. in accordance with the beneficiary rights ratio</li> <li>- The remaining dividends will be paid to Directors, etc. in accordance with the beneficiary rights ratio</li> </ul>	<ul style="list-style-type: none"> <li>- Residual shares will be transferred to the Company without consideration and canceled</li> <li>- The remaining dividends will be paid to Eligible Directors in accordance with the beneficiary rights ratio</li> </ul>
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The Company believes that the continuation of the Plan is appropriate as it is in line with the Policy for Determining Individual Compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) established by the Board of Directors of the Company (described on page 19), and it believes that the continuation of the Plan will enable Eligible Directors to share the risks and benefits of stock price movements and their awareness of medium- to long-term profits with shareholders, as well as motivate Eligible Directors to improve its corporate value from a medium- to long-term perspective, and strengthen their motivation to manage with an awareness of business performance and stock value.

If Proposal 1: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) is approved as originally proposed, the number of Directors of the Company eligible for the Plan will be six (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, and Directors who live overseas).

## 2. Amount and Details of Compensation, Etc. Under the Plan

In view of the aims of enabling Eligible Directors to share the risks and benefits of stock price movements and their awareness of medium- to long-term profits with shareholders, as well as motivating Eligible Directors to improve the Company's corporate value from a medium- to long-term perspective and motivating them to manage with an awareness of business performance and stock value, the Company would like to partially revise the details of the previous Plan when continuing the Plan. The revised details will be as follows.

### (1) Outline of the Plan

The Plan is a share-based compensation plan under which a trust acquires Company shares using the cash equivalent to the amount of compensation for Eligible Directors contributed by the Company. The trust then delivers and provides ("Deliver, etc.") Company shares and cash in the amount equivalent to the conversion value of Company shares ("Company Shares, etc.") to Eligible Directors who satisfy the beneficiary requirements, based on their positions, the degree of achievement of performance targets, etc.

1) Persons eligible for Delivery, etc. of Company Shares, etc. subject to this Proposal	- Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, and Directors who live overseas) of the Company
2) Impact of Company shares subject to this Proposal on the total number of issued shares	
Maximum amount to be contributed by the Company	- The amount obtained by multiplying 104 million yen by the number of years in the applicable period. For the two fiscal years of the applicable period under this continued implementation, the maximum amount is 208 million yen
Maximum number of the Company Shares, etc. to be Delivered, etc. from the trust to Eligible Directors and method of acquisition of Company shares	- The number of shares obtained by multiplying 750,000 shares by the number of years in the applicable period. For the two fiscal years of the applicable period under this continued implementation, the maximum number of shares to be granted to Eligible Directors is 1.5 million shares, accounting for approximately 3% of the total number of issued shares (as of December 31, 2024, excluding treasury stock) - The Company plans to acquire Company shares from the stock market or from the Company (the Company does not plan to acquire Company shares under this continued implementation)
3) Calculation method of Company Shares, etc. to be Delivered, etc. to Eligible Directors	- Calculated based on factors such as position and the degree of achievement of performance targets during the applicable period - For the applicable period under this continued implementation, the Company plans to use net income before income taxes as a performance indicator
4) Timing of the Delivery, etc. of Company Shares, etc. to Eligible Directors and restricted period for transfer	- January of each year. A three-year transfer restriction period (period during which no transfer, establishment of security interests or other disposition is permitted) will be established from the time of delivery for Company shares to be delivered to Eligible Directors through the Plan



(2) Maximum total trust funds to be contributed to the trust

In principle, the Plan covers consecutive fiscal years corresponding to the period of the Medium-term Management Plan. However, as the Company is currently implementing a Medium-term Management Plan covering three fiscal years from January 1, 2024 to December 31, 2026, the trust period after the continued implementation of the Plan shall be approximately two years from May 2025 (planned) to May 2027 (planned). Upon expiration of the trust period, the trust period may be extended as described below.

The Company will set the maximum amount of trust money to be contributed for each applicable period, which will be used to acquire the Company shares to be Delivered, etc. to Eligible Directors, at an amount obtained by multiplying 104 million yen by the number of years in the applicable period (208 million yen for the two fiscal years of the applicable period under this continued implementation). Such trust money will be contributed to establish a trust (the "Trust") for a period corresponding to the applicable period, with Eligible Directors as beneficiaries. The Trust will acquire Company shares from the stock market or from the Company (disposal of treasury stock), using the trust money as the source, in accordance with instructions from the trust administrator. Under this continued implementation, the Company does not plan to make additional cash contributions to the established Trust within the maximum amount set forth above. The Company will grant points (as described in (3) below) to Eligible Directors during the applicable period. When the Eligible Directors satisfy the beneficiary requirements, the Company will Deliver, etc. the Company Shares, etc. equivalent to the number of points granted, through the Trust.

Upon expiration of the trust period of the Trust, the Trust may continue by amending the trust agreement and entrusting additional funds. In this case, the fiscal years covered by the Medium-term Management Plan set forth by the Company at that time will become the new applicable period, and the trust period of the Trust will be extended for the number of years corresponding to the new applicable period. For each extended period, the Company will make an additional contribution to the Trust within the maximum amount of trust money to be contributed as approved by resolution at this General Meeting of Shareholders. During the extended trust period, the Company will continue to grant points to Eligible Directors, and the Trust will continue to Deliver, etc. the Company Shares, etc. However, in the case where such additional contribution is made, if there are Company shares (excluding Company shares equivalent to the points granted to Eligible Directors for which Delivery, etc. has not been completed) and cash (hereinafter collectively referred to as "Remaining Shares, etc.") remaining in the trust property on the last day of the trust period prior to the extension, the sum of the amount of Remaining Shares, etc. and the trust money additionally contributed by the Company shall be within the maximum amount approved by resolution at this General Meeting of Shareholders. The trust period may be extended more than once, and subsequent extensions may be made in the same manner.

(3) Calculation method and maximum number of Company Shares, etc. to be Delivered, etc. to Eligible Directors

The number of the Company Shares, etc. to be Delivered, etc. to Eligible Directors shall be determined by the number of points to be granted based on their positions, the degree of achievement of performance targets, etc.

< Calculating method of the Company Shares, etc. to be Delivered, etc. (method of calculating points) >

At its meeting held in March of each year, the Board of Directors decides to grant points to the Eligible Directors in office as of December 31 of each year, according to a point table based on their positions. However, if net income before income taxes for a fiscal year within the applicable period is expected to fall below the target set in a single-year plan by the Company, no points shall be granted for that fiscal year.

One point is equivalent to one share of the Company's common stock. In the event of splitting or consolidating, etc. Company shares held in the Trust during the trust period, the number of Company shares equivalent to one point and the maximum number of Company Shares, etc. to be Delivered, etc. from the Trust will be adjusted according to the Company share split or consolidation ratio, etc.

The maximum number of points to be granted to Eligible Directors during the trust period of the Trust shall be the number of points obtained by multiplying 750,000 points by the number of years in the applicable period. The maximum number of Company Shares, etc. to be Delivered, etc. to Eligible Directors from the Trust during the trust period of the Trust shall be the number of shares equivalent to the maximum number of points (the "Maximum Number of Shares to be Delivered"). Therefore, the Maximum Number of Shares to be Delivered during the applicable period covering two fiscal years will be 1.5 million shares.

If the Trust continues in accordance with (2) above, the Maximum Number of Shares to be Delivered during the extended trust period shall be the number of shares equivalent to the maximum number of shares per fiscal year multiplied by the number of years in the extended trust period.

The Maximum Number of Shares to be Delivered has been set based on the content, etc. approved at the 2nd Annual General Meeting of Shareholders held on March 25, 2022.

(4) Conditions, method and the timing of the Delivery, etc. of Company Shares, etc. to Eligible Directors, and transfer restriction period, etc.

In January of each year during the trust period, if the following beneficiary requirements are satisfied, the Eligible Directors may receive Delivery, etc. from the Trust of the number of Company Shares, etc. calculated in accordance with (3) above by undertaking the prescribed procedures for determining beneficiaries. The Eligible Directors shall receive Company shares in the number equivalent to 50% of the number of points, and the Company shares in the number equivalent to the remaining points shall be converted into cash within the Trust, and the Eligible Directors shall receive payment of cash in the amount equivalent to the conversion value. Furthermore, a three-year transfer restriction period (period during which no transfer, establishment of security interests or other disposition is permitted) will be established in accordance with share delivery regulations from the time of delivery for Company shares to be delivered to Eligible Directors through the Plan (\*1).

1) Eligible Director as of December 31 each year during the trust period (including persons newly appointed as Eligible Director during the trust period)

2) Person who has not committed certain illegal acts while holding office

\*1 If certain illegal acts take place during the transfer restriction period, the Company may demand that such Eligible Director involved pay monetary compensation equivalent to the forfeiture of the shares delivered that are subject to restrictions on transfer.

Furthermore, if the Trust ends upon the expiration of the trust period and if there are any residual shares in the Trust at that time, such shares will be transferred from the Trust to the Company without consideration, and the Company will acquire such shares without consideration

and cancel them (if the Company continues to use the Trust, the residual shares will be used as compensation during the extended trust period). If the Trust ends upon the expiration of the trust period, the remaining dividends pertaining to the Company shares in the Trust, for the portion exceeding the trust reserve, will be paid to Eligible Directors in accordance with the beneficiary rights ratio (\*2).

\*2 The beneficiary rights ratio is calculated for each Eligible Director in office at the end of the trust period by dividing the amount accumulated during the trust period of the points granted in accordance with (3) above for each such Eligible Director, by the total of the amount accumulated during the trust period of the points granted in accordance with (3) above for all Eligible Directors in office at the end of the trust period.

(5) Handling of voting rights and dividends for the Company shares in the Trust

Voting rights with regard to the Company shares in the Trust shall not be exercised during the trust period, in order to ensure neutrality with respect to management.

Dividends pertaining to the Company shares in the Trust will be received by the Trust and appropriated to the Trust's trust compensation and trust expenses.

For further details regarding the Plan, please refer to the "Notice Regarding Continuation of the Share-based Compensation Plan for Directors using a Trust" dated February 13, 2025.

(Reference)

Policy for Determining Individual Compensation, etc. for Directors (Excluding Directors who are Audit & Supervisory Committee Members)

1) Classification of Director compensation, etc.

The Company attaches great importance to the appropriateness of the amount of Director compensation paid to Directors (excluding Directors who are Audit & Supervisory Committee Members, and the same applies below unless otherwise indicated) as well as the appropriateness of the ratio of fixed compensation and performance-linked compensation.

The Company's Director compensation is divided into fixed compensation and performance-linked compensation as follows. Fixed compensation is a regular monthly compensation, whereas performance-linked compensation consists of a short-term performance-linked compensation (monetary bonus paid based on achievement of a single-year profit plan) and a long-term performance-linked compensation (long-term corporate value-linked compensation; Director share-based compensation linked to future improvements in corporate value).

The ratio is determined by taking into account factors such as each Director's position and responsibilities, the achievement of a single-year profit plan, and Director's contribution to future improvements in corporate value, after the CG Committee has been briefed by an external expert in II of the process for determining Director compensation, etc. outlined in 4).

Only fixed compensation is paid to Outside Directors in light of their responsibilities, and long-term performance-linked compensation is not paid to Directors who live overseas.

(i) Fixed compensation (regular monthly compensation)

[Factors to be considered]

Basic compensation. Determined following the process for determining Director compensation, etc. outlined in 4), depending on their position and responsibilities.

(ii) Short-term performance-linked compensation (monetary bonus paid based on achievement of a single-year profit plan)

[Factors to be considered]

Determined following the process for determining Director compensation, etc. outlined in 4), depending on their position and responsibilities. Payment or non-payment is decided based on the achievement or failure to achieve a single-year profit plan established by the Board of Directors.

- (iii) Long-term performance-linked compensation (long-term corporate value-linked compensation; Director share-based compensation linked to future improvements in corporate value)

[Factors to be considered]

Determined following the process for determining Director compensation, etc. outlined in 4), based on the following calculation method, depending on their position, the degree of achievement of performance targets, etc., taking into consideration the contribution to future improvements in corporate value by Directors who meet the following conditions for payment. Payment or non-payment is decided based on the achievement, failure to achieve, or the outlook for the achievement of a single-year profit plan, the plan for the next fiscal year, and the Medium-term Management Plan established by the Board of Directors.

However, long-term performance-linked compensation is not paid to Directors who live overseas. Directors eligible for long-term performance-linked compensation are hereinafter referred to as “Directors Eligible for Long-Term Performance-Linked Compensation.”

[Calculation method]

At its meeting held in March of each year, the Board of Directors decides to grant points (one point is equivalent to one share of the Company’s common stock, adjusted in the event of splitting or consolidating, etc. Company shares) to the Directors Eligible for Long-Term Performance-Linked Compensation in office as of December 31 of each year, according to a point table based on their positions. However, if net income before income taxes for a fiscal year ending December 31 is expected to fall below the target set in a single-year plan by the Company, no points shall be granted for that fiscal year.

[Conditions for Delivery, etc. of Company Shares, etc.]

In January of each year during the trust period, if the following beneficiary requirements are satisfied, the Directors Eligible for Long-Term Performance-Linked Compensation may receive delivery and provision (“Delivery, etc.”) from the trust of the number of Company shares and cash in the amount equivalent to the conversion value of Company shares (“Company Shares, etc.”) calculated in accordance with the above by undertaking the prescribed procedures for determining beneficiaries.

The Directors Eligible for Long-Term Performance-Linked Compensation shall receive Company shares in the number equivalent to 50% of the number of points, the Company shares in the number equivalent to the remaining points shall be converted into cash within the trust, and the Directors Eligible for Long-Term Performance-Linked Compensation shall receive payment of cash in the amount equivalent to the conversion value.

Furthermore, a three-year transfer restriction period (period during which no transfer, establishment of security interests or other disposition is permitted) will be established in accordance with share delivery regulations from the time of delivery for Company shares to be delivered to the Directors Eligible for Long-Term Performance-Linked Compensation.

- a) Director Eligible for Long-Term Performance-Linked Compensation as of December 31 each year during the trust period (including persons newly appointed as Director Eligible for Long-Term Performance-Linked Compensation during the trust period)
- b) Person who has not committed certain illegal acts while holding office

## 2) Fixed compensation and short-term performance-linked compensation

Fixed compensation and short-term performance-linked compensation are monetary compensation.

The maximum annual monetary compensation for Directors that is made up of fixed compensation and short-term performance-linked compensation is subject to approval by a resolution of a shareholders meeting.

Of this, fixed compensation is an amount determined following the process for determining Director compensation, etc. outlined in 4), taking into account the factors to be considered in 1) (i), and is paid monthly.

Short-term performance-linked compensation is an amount determined following the process for determining Director compensation, etc. outlined in 4), taking into account the factors to be considered in 1) (ii), and is paid in January each year (and at other times if resolved by the Board of Directors).

## 3) Long-term performance-based compensation

Long-term performance-based compensation is share-based compensation, and is paid by Delivery, etc. of the Company Shares, etc. in accordance with the resolution of a shareholders meeting.

The maximum annual share-based compensation and the maximum number of shares to be delivered, etc. for Directors Eligible for Long-Term Performance-Linked Compensation is subject to approval by a resolution of a shareholders meeting.

Long-term performance-linked compensation takes the form of the number of Company Shares, etc. determined following the process for determining Director compensation, etc. outlined in 4), based on the calculation method and granting conditions in 1) (iii), taking into account the factors to be considered in 1) (iii), and is Delivered, etc. in January each year.

## 4) Process for determining Director compensation, etc.

To ensure the appropriateness of Director compensation, Director compensation, etc. is determined according to the following process.

- I The Board of Directors resolves to delegate decisions on Director compensation for each Director to the President and CEO, on the condition that he or she respects the report by the CG Committee.
- II An external expert (a major consulting firm) provides information to the CG Committee on the following matters.
  - i. Recent director compensation trends
  - ii. Review of the Company's Director compensation policy
  - iii. Review of the Company's process for determining Director compensation
  - iv. Review of the Company's Director compensation level and mix in previous years
  - v. Review of the Company's Director compensation level proposal and mix in the fiscal year in question
- III Based on consultations by the Board of Directors, the CG Committee deliberates the proposed Director compensation for each Director after receiving the information set forth in II, and passes a resolution on the proposed Director compensation for each Director. However, Committee members who are not Directors shall not participate in the resolution.
- IV The CG Committee reports the resolution to the President and CEO.
- V The President and CEO decides on the Director compensation for each Director, respecting the report from the CG Committee, and reports his or her decision to the Board of Directors.

Compensation for Directors who are Audit & Supervisory Committee Members is determined through consultation with Directors who are Audit & Supervisory Committee Members, within the scope of total compensation determined by a resolution of a shareholders meeting.

The above-stated “Policy for Determining Individual Compensation, etc. for Directors (Excluding Directors who are Audit & Supervisory Committee Members)” is a policy that will be adopted after the close of the 5th Annual General Meeting of Shareholders to be held on March 26, 2025. The current policy is included in the section, “4. Matters Concerning Company Directors (2) Compensation, etc. for Directors” of the Business Report (Japanese version only).