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Notice of the 206th Annual General Meeting of Shareholders

Date and Time: Tuesday, June 23, 2026 at 10:00 a.m. [JST]
(Doors open at 9:30 a.m.)

Place: Marunouchi Building, 7th floor, Marubiru Hall
2-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

Proposals to be resolved:

Proposal No. 1: Appropriations of Surplus

Proposal No. 2: Election of 5 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

Proposal No. 3: Election of 4 Directors Serving as Audit and Supervisory Committee Members

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Daitobo Co., Ltd.
(Securities Code 3202)

Dear Shareholders,

We would like to express our sincere gratitude to our shareholders for your continued support.

We would like to take this opportunity to present the Notice of Convocation for our 206th Ordinary General Meeting of Shareholders.

During the current fiscal year, the Japanese economy continued a gradual recovery, supported by improvements in employment and income conditions, and a rebound in inbound demand and service consumption.

On the other hand, in addition to a gradual rise in consumer prices, the situation in the Middle East since the beginning of the year has also had an impact, putting continued upward pressure on prices and a growing tendency toward cautious spending, indicating a weakening of consumer sentiment in some areas.

Amidst these circumstances, our group has diligently worked toward realizing various measures based on our medium-term management plan, "Jumping over the 130th – Towards a Future of Growth," now in its second year.

In our commercial facilities business, the market remained firm at "SUN TO MOON Kakitagawa," one of Shizuoka Prefecture's leading commercial facilities. In particular, the success of Japanese films contributed to the overall growth of the facility, and performance remained solid. In our healthcare business, while the market remained firm due to the growing demand for health and longevity, we faced challenges due to higher material costs and procurement delays. In our textile business, while demand for government uniforms, which play a part in Japan's defense industry, remained strong, we struggled due to delays in delivery and the impact of the intense heat.

On the financial front, approximately 3.8 billion yen in borrowings, which were recorded as current liabilities at the end of the third quarter, were refinanced into ultra-long-term borrowings (approximately 18 years) during the current period. We also addressed key management initiatives, including management that takes capital costs and stock prices into consideration.

We would like to express our sincere gratitude to our shareholders for their continued understanding and support, and we kindly request your consideration of the proposals we are submitting.

We will continue to implement various measures based on our medium-term management plan, "Jumping over the 130th – Towards a Future of Growth," and strive for the sustainable growth of our group and the enhancement of our corporate value in the medium to long term. We ask for your continued understanding and support.

Kazuhiro Yamauchi
Representative Director, President and CEO
Daitobo Co., Ltd.

To Shareholders with Voting Rights

Kazuhiro Yamauchi
Representative Director, President and Executive Officer
Daitobo Co., Ltd.
1-6-1 Nihonbashi-Honcho, Chuo-Ku,
Tokyo, Japan

Notice of the 206th Annual General Meeting of Shareholders

Dear Sir/Madam, we would like to express our sincere gratitude for your continued support.

We hereby notify you that the 206th Ordinary General Meeting of Shareholders of the Company will be held as follows.

The information contained in the reference documents for the General Meeting of Shareholders (matters subject to electronic provision) is provided electronically and posted on the Company's website as the 'Notice of the 206th Annual General Meeting of Shareholders'. Therefore, please access the Company's website below and confirm the information.

The Company's Website

<https://www.daitobo.co.jp/ir/event/meeting.html>

In addition to the above website, it is also posted on the website of the Tokyo Stock Exchange (TSE).

Tokyo Stock Exchange Website (TSE Listed Company Information Service)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Sho>

Please access the aforementioned Tokyo Stock Exchange website, enter and search for the stock name (Daitobo) or the security code (3202), select ""Basic Information"" and ""Public Documents/PR Information,"" and check the ""Shareholders' Meeting Notice/Shareholders' Meeting Materials"" section under ""Public Documents.""

In addition to attending on the day, we kindly request that you exercise your voting rights by the deadline of 5:25 p.m. on Monday, June 22, 2026, either by the method described on the next page (mail) or by electronic means (Internet).

Furthermore, if you do not indicate approval or disapproval of each proposal on the voting rights exercise from your return, it will be treated as if you have indicated approval.

■ Exercise of Voting Rights in Writing (by Mail)

Please indicate your approval or disapproval of each proposal on the voting form sent together with this Notice of Convocation and return the form within such period that would allow the Company to receive the form by the deadline noted above.

■ Exercise of Voting Rights by Electromagnetic Means (Internet)

Please refer to the 'Exercise of Voting Rights via the Internet' section and follow the on-screen instructions to indicate your approval or disapproval of each proposal by the deadline noted above.

Yours sincerely

1. Date and Time: Tuesday, June 23, 2026 at 10:00 a.m. [JST]
2. Place: Marunouchi Building, 7th floor, Marubiru Hall
2-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

3. Meeting Agenda:

Matters to be reported: Report on the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 206th Fiscal Year (from April 1, 2025, to March 31, 2026) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit Committee

Resolutions

Proposal No. 1: Appropriations of Surplus

Proposal No. 2: Election of 5 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

Proposal No. 3: Election of 4 Directors Serving as Audit and Supervisory Committee Members

- If you plan to attend the meeting in person, please present the enclosed form of exercising voting rights at the reception.
- Among the documents to be provided with this convocation notice, "Main Business Activities", "Major Business Locations", "Status of Stock Acquisition Rights, etc. ", "Summary of Limited Liability Contracts", "Matters Related to Directors' Liability Insurance Contracts", "Main Activities of the Board of Directors and Audit Committee", "Policy on Dismissal or Non-Reappointment of Accounting Auditors", "Systems to Ensure Proper Business Operations and Their Operational Status", "Basic Policy on Company Control", "Policy on Decisions Regarding Distribution of Surplus", "Consolidated Statement of Changes in Shareholders' Equity", "Notes to Consolidated Financial Statements", "Statement of Changes in Shareholders' Equity", "Notes to Individual Financial Statements", "Audit Report of the Accounting Auditor on Consolidated Financial Statements", and "Audit Report of the Accounting Auditor" are posted and provided on the Company's website (<https://www.daitobo.co.jp>) in accordance with laws and Article 16 of our Articles of Incorporation.
- In the event that any amendments to the reference documents for the General Meeting of Shareholders, the business report, the consolidated financial statements, and the financial statements become necessary, We will post the revised matters on our website (<https://www.daitobo.co.jp>) on the internet.

End of document

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriations of Surplus

Regarding the appropriation of the surplus, we propose the following.

Matters related to the year-end dividend

The Company considers maintaining and enhancing competitiveness and increasing corporate value to ensure stable and appropriate returns to shareholders as one of the most important management tasks. Our basic policy is to strive for improved performance and make decisions regarding profit distribution with careful consideration of internal reserves.

Regarding the year-end dividend for the current fiscal year, after comprehensively considering the current fiscal year's performance, future business development, the level of distributable profits, and the dividend payout ratio, we intend to pay 3 yen per share, as projected in our May 2025 announcement. In this case, the consolidated dividend payout ratio will be 99.0%.

Type of Assets to be Distributed	Money
Matters Related to the Allocation of the Property for Distribution and the Aggregate Amount	3 yen per share of common stock of the Company Total dividend amount: 90,026,922 yen
The Date on which the said Distribution of Surplus will Take Effect	June 24, 2026

Proposal No. 2: Election of 5 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of all 5 current directors (excluding directors who are audit and supervisory committee members) will expire at the conclusion of this General Meeting. Therefore, we would like to request the election of 5 directors (excluding directors who are audit and supervisory committee members).

The brief biographies of the candidates for directors (excluding directors who are audit and supervisory committee members) are as follows.

Furthermore, the nomination of candidates for directors (excluding directors who are audit and supervisory committee members) is decided by the Board of Directors, based on the opinions of a nominating committee, which is composed of a majority of independent outside directors, taking into account the candidates' experience, insight, and abilities as managers.

Additionally, the audit and supervisory committee has comprehensively considered each candidate's performance in the current fiscal year, expertise and management experience based on the skills matrix, and qualifications as a director, as well as the diversity of the board composition. They have determined that electing each candidate as a director is appropriate, as they are expected to contribute to the Company's sustainable growth and long-term corporate value enhancement.

Candi- dates number		Name	Current Position & Responsibilities in the Company	Attendance at Board of Directors Meetings
1	Reappointment	Kazuhiro Yamauchi	Representative Director, President and CEO	100% (19/19 meetings)
2	Reappointment	Shogo Mieda	Executive Managing Director and CFO Head of Business Management Division Internal Control Officer	100% (19/19 meetings)
3	Reappointment	Shiro Nomura	Director & Senior Executive Officer Senior Executive Manager, Health Care Business Sector	100.0% (19/19 meetings)
4	Reappointment Outside Director (Independent)	Toshiki Yamagata	Director	94.7% (18/19 meetings)
5	New appointment Outside Director (Independent)	Shusaku Okumura	Director who is an Audit and Supervisory Committee Member(*)	100% (19/19 meetings)

(*)Mr. Okumura's attendance rate at the Audit and Supervisory Committee meetings was 100% (13/13 meetings).

NO.	Name (date of birth)	Career summary position and responsibilities in the Company	Number of Shares Held in the Company
1	Kazuhiro Yamauchi (January 5,1957) Reappointment Attendance at Board of Directors Meetings 19/19	<p>April 1979 Joined Mitsui Trust Bank, Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>February 2002 General Manager, Personnel Planning Dept, of Chuo Mitsui Trust and Banking Com- pany, Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>January 2004 General Manager of Osaka Branch Business Dept, II</p> <p>January 2007 General Manager, Shinjuku Nishiguchi Branch</p> <p>June 2009 Director and General Manager, Corporate Planning Division of the Company</p> <p>August 2010 Managing Director and General Manager, Business Management Headquarters, Gen- eral Manager, Corporate Planning Division</p> <p>June 2012 Senior Managing Director and General Manager, Business Management Headquarters, Deputy General Manager, Real Estate Headquarters, in charge of Internal Control</p> <p>July 2013 Director and Senior Managing Executive Officer, General Manager, Business Manage- ment Headquarters, General Manager, Personnel Division, in charge of Business Strat- egy and Internal Control</p> <p>June 2015 President and Representative Director Chairman of DAITOBOSHOKU (SHANGHAI) Trading Co., Ltd.</p> <p>January 2024 Resigned as Chairman of DAITOBOSHOKU (SHANGHAI) Trading Co., Ltd.</p> <p>May 2024 President and Chief Executive Officer (current post)</p> <p>Significant concurrent positions None</p>	288,100 shares
<p>Reason for Nomination as Director Candidate</p> <p>Mr. Kazuhiro Yamauchi, as Representative Director, President and Chief Executive Officer of the Company, has led the entire Group with strong leadership and execution capabilities, achieving 11 consecutive fiscal years of profitability, resumption of dividends, and dividend increases. Based on his many years of experience in financial institutions and extensive management experience at the Company, he possesses profound insight, knowledge, and execution capabilities regarding overall management.</p> <p>The Company has determined that he remains an indispensable talent for management in order to appropriately address an increasingly diverse range of management challenges, including executing our Medium-term Business Plan and managing with awareness of the cost of capital and stock price, and to achieve the Company's sustained growth and medium- to long-term enhancement of corporate value. Accordingly, we request your approval for his continued appointment as a Director of the Company.</p>			

NO.	Name (date of birth)	Career summary position and responsibilities in the Company	Number of shares held in the Company
2	Shogo Mieda (February 12,1969) Reappointment Attendance at Board of Directors meetings 19/19	April 1990 Joined the Company September 2010 Accounting Group Leader, Administration Division June 2012 General Manager, Corporate Planning Division, Business Management Headquarters June 2015 Director and Executive Officer, General Manager, Business Management Headquarters, in charge of Internal Control June 2019 Director and Senior Executive Officer, General Manager, Business Management Headquarters, in charge of Internal Control June 2020 Director and Managing Executive Officer, Head of General Manager, Business Management Headquarters, in charge of Internal Control June 2024 Director, Senior Managing Executive Officer, CFO, General Manager, Business Management Headquarters, in charge of Internal Control (current post) Significant concurrent positions None.	165,500 shares
<p>Reason for Nomination as Director Candidate</p> <p>Mr. Shogo Mieda serves as Director, Senior Managing Executive Officer, CFO, and General Manager of Corporate Management Division of the Company, overseeing all administrative departments including corporate management, accounting and finance, and internal control. He has achieved results such as 11 consecutive fiscal years of profitability for the Company Group, as well as the resumption and increase of dividends, and possesses extensive experience, deep expertise, and strong execution capabilities in accounting, finance, and corporate planning at the Company.</p> <p>The Company has determined that he is an indispensable executive for management going forward in order to appropriately address an increasingly diverse range of management issues, including the execution of the medium-term management plan and responding to management that is conscious of capital costs and stock price, and to achieve the Company's sustainable growth and medium- to long-term enhancement of corporate value. Therefore, we request his continued appointment as a Director of the Company.</p>			

NO.	Name (date of birth)	Career summary position and responsibilities in the Company	Number of shares held in the Company
3	Shiro Nomura (June 1, 1956) Reappointment Attendance at Board of Directors Meetings 19/19	April 1979 Joined Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation) April 1991 Joined WATEX Co., Ltd. April 1992 Director April 1995 Vice President and Representative Director April 2000 President and Representative Director April 2019 Head of Wada Tetsu Company, Health Care Business Headquarters June 2020 Executive Officer, Deputy General Manager, Health Care Business Headquarters, Kansai Region Supervisor March 2021 Executive Officer, General Manager, Health Care Business Headquarters and Tokyo Sales Manager June 2021 Director and Executive Officer, General Manager, Health Care Business Headquarters July 2021 Director and Executive Officer, General Manager, Health Care Business Headquarters and Head of Digital Business Promotion Dept. June 2024 Director and Senior Executive Officer, General Manager, Health Care Business Headquar- ters (current post) May 2026 President and Representative Director, Niigata Daitobo Co., Ltd. (current post) Significant concurrent positions President and Representative Director, Niigata Daitobo Co., Ltd. * Niigata Daitobo Co., Ltd. is a wholly owned subsidiary of the Company.	59,600 shares
<p>Reason for Nomination as Director Candidate</p> <p>Mr. Shiro Nomura has a track record of overseeing the overall Health Care Business of the Group as Director, Senior Executive Officer, and General Manager of the Health Care Business Division of the Company, and possesses extensive management experience and keen insight as a corporate executive.</p> <p>The Company believes that, given the expectation for further growth of the Health Care Business, which contributes to a society with healthy longevity amid an aging population, Mr. Nomura remains an indispensable talent for management in achieving the Company's sustainable growth and enhancement of medium- to long-term corporate value, and therefore requests his continued appointment as a Director of the Company.</p>			

NO.	Name (date of birth)	Career summary position and responsibilities in the Company	Number of shares held in the Company
4	<p>Toshiki Yamagata (May 7,1958)</p> <p>Reappointment Outside Director Independent Officer</p> <p>Attendance at Board of Directors meetings 18/19</p>	<p>April 1982 Joined Haseko Corporation</p> <p>June 1988 Completed Master of Business Administration (MBA) at Claremont Graduate University, Drucker School of Management, USA</p> <p>September 1997 Vice President of Haseko Hawaii, Inc.</p> <p>October 2004 Joined Sundance Resort Co., Ltd.</p> <p>July 2009 P resident and Representative Director</p> <p>April 2015 President and Representative Director, Sou Mechanical & Electrical engineers Co., Ltd.</p> <p>April 2016 President and Representative Director, MYSTAR Engineering Co., Ltd.</p> <p>July 2018 General Manager, Solution Division, Business Headquarters, Vortex Co., Ltd.</p> <p>December 2019 Executive Officer and General Manager, Business Headquarters</p> <p>July 2020 Executive Officer and General Manager, Business Management Headquarters</p> <p>June 2021 Director of the Company (current post)</p> <p>January 2023 Executive Officer and General Manager, Personnel Headquarters, Vortex Co., Ltd.</p> <p>January 2024 Full-time Corporate Auditor of the same company (current post)</p> <p>May 2025 Audit & Supervisory Board Member, Vortex Investment Advisors Ltd. (current position)</p> <p>April 2026 Part-time auditor, Vortex Financial Partners Co., Ltd. (current post)</p> <p>Significant concurrent positions Full-time Corporate Auditor of Vortex Co., Ltd.</p> <p>There is no special relationship between the above concurrent position and the Company.</p>	15,500 shares
<p>Reason for nominating as a director candidate</p> <p>Mr. Toshiki Yamagata has many years of experience in the real estate business and extensive experience as President and Representative Director of a listed company, possessing specialized knowledge in real estate and deep insight and expertise in the real estate business and corporate management in general.</p> <p>The Company has determined that he is the necessary personnel to provide advice from a broader and more sophisticated perspective and appropriate supervision of management execution for the Company's overall management activities, including the Commercial Property Business of the Company Group, and accordingly requests his continued appointment as an Outside Director.</p>			

(Note) 1. There is no relationship of special interest between each candidate for Director (excluding Directors who are Audit and Supervisory Committee Members) and the Company.

2. Other matters concerning outside director candidates are as follows.

- ① Mr. Toshiki Yamagata and Mr. Shusaku Okumura are outside director candidates as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- ② Mr. Toshiki Yamagata and Mr. Shusaku Okumura satisfy the independence criteria for outside officers established by the Company. The Company has designated both individuals as independent officers as defined by the Tokyo Stock Exchange and the Nagoya Stock Exchange, and if both individuals are elected and assume office as Directors, the Company intends to continue filing the notification of independent officers.
- ③ If Mr. Toshiki Yamagata and Mr. Shusaku Okumura are elected and assume office as Directors, the Company intends to enter into limited liability agreements with both individuals regarding liability for damages under Article 423, Paragraph 1 of the Companies Act, limiting their liability to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act.
- ④ The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, covering Directors (excluding Directors who are Audit and Supervisory Committee Members) as insured persons, and intends to continue and renew such contract. If each candidate is elected, each individual will become an insured person under such contract. This contract covers damages related to shareholder derivative lawsuits, third-party lawsuits, and company lawsuits that the insured persons would bear among the liabilities of Directors to third parties and the Company.
- ⑤ Mr. Shusaku Okumura has served as an outside director for 10 years, and Mr. Toshiki Yamagata has served for 5 years.

Proposal No. 3: Election of 4 Directors Serving as Audit and Supervisory Committee Members

The terms of office of the three (3) current Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Shareholders' Meeting. In addition, Mr. Shusaku Okumura, a Director who is an Audit and Supervisory Committee Member, will resign at the conclusion of this Shareholders' Meeting and become a candidate for Director (excluding Directors who are Audit and Supervisory Committee Members). Therefore, we would like you to elect four (4) Directors who are Audit and Supervisory Committee Members, including one (1) new candidate. The consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows..

Candidate number	Name		Current Position & Responsibilities in the Company	Attendance at Board of Directors Meetings	Attendance at Audit and Supervisory Committee Meetings
1	Reappointment	Yuji Kakuma	Director serving as full-time Audit and Supervisory Committee Member	100% (19/19 meetings)	100% (13/13 meetings)
2	Reappointment Outside Director Independent director	Haruki Inuma	Director who is an Audit and Supervisory Committee Member	100% (19/19 meetings)	100% (13/13 meetings)
3	Reappointment Outside Director Independent director	Takashi Kagami	Director who is an Audit and Supervisory Committee Member	94.7% (18/19 meetings)	100% (13/13 meetings)
4	New appointment Outside Director Independent director	Shiho Azuma	-	-	-

NO.	Name (date of birth)	Career summary position and responsibilities in the Company	Number of shares held in the Company
1	Yuji Kakuma (July 8, 1948) Reappointment Attendance at Board of Directors Meetings 19/19 Attendance at Audit and Supervisory Committee Meetings 13/13	April 1967 Joined the Company July 2006 General Manager, Accounting Division June 2007 Director and General Manager, Accounting Division June 2008 Director and General Manager, Administration Division August 2010 Director and General Manager, Administration Division, Business Management Headquarters June 2012 Full-time Corporate Auditor June 2016 Director serving as full-time Audit and Supervisory Committee Member (current post) Significant concurrent positions None	119,500 shares
<p>Reason for nomination as director candidate</p> <p>Mr. Yuji Kakuma, as a Director who is a full-time Audit and Supervisory Committee Member of the Company, has continuously fulfilled his responsibilities as a designated Audit and Supervisory Committee Member at a high level, and possesses deep experience and expertise in accounting departments, as well as extensive supervisory experience gained through many years of service as a Director, Corporate Auditor, and Audit and Supervisory Committee Member of the Company, along with exceptional insight as a manager.</p> <p>The Company requests his continued appointment as a Director who is an Audit and Supervisory Committee Member so that he may continue to leverage his many years of experience and thorough knowledge of the Company's overall operations to perform the role of the Audit and Supervisory Committee at a high level and provide advice on overall management. Upon his appointment, he is scheduled to assume the position of Director who is a full-time Audit and Supervisory Committee Member of the Company.</p>			

NO.	Name (date of birth)	Career summary position and responsibilities in the Company	Number of shares held in the Company
2	<p>Haruki Iinuma (April 19, 1948)</p> <p>Reappointment</p> <p>Attendance at Board of Directors Meetings 19/19</p> <p>Attendance at Audit and Supervisory Committee Meetings 13/13</p>	<p>April 1967 Registered as an attorney</p> <p>April 1978 Established IINUMA LAW OFFICE Director (current post)</p> <p>June 2011 Outside Corporate Auditor of the Company</p> <p>June 2016 Director serving as Audit and Supervisory Committee Member (current post)</p> <p>Significant concurrent positions Director of IINUMA LAW OFFICE</p> <p>* No special interest exists between IINUMA LAW OFFICE and the Company</p>	154,000 shares
<p>Reason for nomination as director candidate</p> <p>Mr. Haruki Iinuma has extensive knowledge of corporate legal affairs through his many years of experience as an attorney, and has been providing appropriate advice and supervision for the Company's management by leveraging his specialized knowledge and keen insights into business administration.</p> <p>The Company wishes to continue his appointment as an Outside Director who is an Audit and Supervisory Committee Member in order to receive advice on all of our business activities from an objective, broad, and sophisticated perspective, including legal matters.</p> <p>After his appointment, he is scheduled to become a member of the Company's Advisory Committee.</p>			

NO.	Name (date of birth)	Career summary position and responsibilities in the Company	Number of shares held in the Company
3	<p>Takashi Kagami (December 19, 1976)</p> <p>Reappointment</p> <p>Attendance at Board of Directors Meetings 18/19</p> <p>Attendance at Audit and Supervisory Committee Meetings 13/13</p>	<p>September 2001 Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>July 2005 Registered as a certified public accountant</p> <p>August 2006 Joined Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm and Takano Sogo Consulting Co. (concurrent)</p> <p>November 2013 Registered as a licensed tax accountant Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm (current post)</p> <p>June 2016 Director serving as Audit and Supervisory Committee Member of the Company (current post)</p> <p>December 2017 Representative Director of Takano Sogo Consulting Co. Significant concurrent positions</p> <p>Significant concurrent positions</p> <p>Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm Representative Director of Takano Sogo Consulting Co.</p> <p>* No special interest exists between the above companies and the Company.</p>	69,400 shares
<p>Reason for nomination as director candidate</p> <p>Mr. Takashi Kagami has extensive expertise in accounting and taxation, having worked at a major audit firm before currently serving as a corporate representative as a specialist in tax and management consulting. He provides appropriate advice and supervision for the Company's management by leveraging his specialized knowledge and insights into business operations.</p> <p>The Company wishes to continue appointing him as an Outside Director who is an Audit and Supervisory Committee Member, in order to receive advice not only on accounting and tax matters where he possesses specialized knowledge, but also on our overall business activities from an objective, broad, and sophisticated perspective.</p> <p>Upon his appointment, he is scheduled to become a member of the Company's Advisory Committee.</p>			

NO.	Name (date of birth)	Career summary position and responsibilities in the Company	Number of shares held in the Company
4	Shiho Azuma (April 22, 1975) New appointment Attendance at Board of Directors Meetings - Attendance at Audit and Supervisory Committee Meetings -	October 2006 Registered as an attorney Joined Daiichi Fuyo Law Office October 2014 Partner, Daiichi Fuyo Law Office (current position) June 2019 Outside Audit & Supervisory Board Member, Kanda Tsushinki Co., Ltd. (current position) June 2021 Director (Audit and Supervisory Committee Member), Key Coffee Inc. (current position) Significant concurrent positions Partner at Daiichi Fuyo Law Office Outside Auditor of Kanda Tsushinki Co., Ltd. Director (Audit and Supervisory Committee Member) of Key Coffee Inc. There is no special relationship between the above concurrent positions and the Company.	0 shares
<p>Reason for nomination as director candidate</p> <p>Ms. Shiho Azuma has handled a wide range of legal matters, including labor law, at a major law firm, and is an expert in labor and corporate legal affairs. In addition to her specialized legal knowledge, she also possesses management insights gained from her experience as an auditor at other companies.</p> <p>The Company believes that she can provide advice on all of the Company's business activities from an objective, broad, and sophisticated perspective, not only from a legal standpoint where she has specialized knowledge. Therefore, we request her appointment as an Outside Director who is an Audit and Supervisory Committee Member.</p>			

(Note) 1. There is no relationship of special interest between the candidates for Directors who are Audit and Supervisory Committee Members and the Company.

2. Other matters concerning candidates for outside Directors are as follows.

- ① Haruki Iinuma, Takashi Kagami and Shiho Higashi are candidates for outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- ② Mr. Haruki Iinuma, Mr. Takashi Kagami, and Ms. Shiho Azuma meet the independence criteria for outside officers established by the Company. The Company has designated the above three individuals as independent officers in accordance with the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has notified both exchanges accordingly. If the above three individuals are elected and assume office as directors, the Company intends to continue the notification of independent officers.
- ③ The Company has concluded limited liability agreements with Haruki Iinuma, Takashi Kagami, and Shiho Higashi, limiting liability for damages as provided in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If the above three individuals are elected and assume office as Directors, the Company intends to conclude limited liability agreements with the same terms with the above three individuals.
- ④ The Company has concluded a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with Directors who are Audit and Supervisory Committee Members as the insured, and intends to continue and renew said contract. If each candidate is elected, each individual will become an insured under said contract. Said contract covers damages related to shareholder derivative lawsuits, third-party lawsuits, and company lawsuits that the insured would bear among the liabilities of Directors to third parties and the Company.
- ⑤ The tenure of Haruki Iinuma and Takashi Kagami as outside Directors is 10 years.

[Audit and Supervisory Committee Opinion]

The Audit and Supervisory Committee carefully considered the appointment of the Company's directors, including confirming discussions in the advisory committee. The nomination process for the appointment of directors is appropriate and based on a comprehensive evaluation of the candidates' past careers, experience, insight, and abilities as managers, they are deemed suitable as directors of the Company.

[The Company's Director Appointment Policy]

The Company selects candidates based on the assumption that they possess high expertise and qualities and insights as managers, within the range of the number of directors stipulated in the Articles of Incorporation, considering the scale and scope of the business. In addition, we appoint independent outside director candidates who have high insight and can provide opinions and suggestions that contribute to management supervision and enhancement of corporate value from an objective standpoint.

On the other hand, we have introduced an executive officer system to clarify management supervision responsibilities and business execution responsibilities. Furthermore, we transitioned to a company with an audit and supervisory committee in June 2016. With these measures, the basic idea is to establish a system that allows the Board of Directors to conduct management supervision efficiently and effectively. Additionally, we appoint at least one director who is an audit and supervisory committee member with sufficient knowledge of finance and accounting.

[The Company's Director Appointment Procedure]

The nomination of directors (excluding directors who are audit and supervisory committee members) and candidates for directors who are audit and supervisory committee members is decided by a resolution of the Board of Directors, based on the opinions of candidates recommended by an advisory committee, which is composed of a majority of independent outside directors, taking into account their experience, insight, and abilities as managers.

[The Company's Criteria for Determining the Independence of Outside Directors]

Our Board of Directors considers an outside director to be independent if they are determined not to fall under any of the following items.

- ① An executive of the Company or its affiliates, or someone who has held such a position in the past 10 years
- ② A major shareholder of the Company (defined as a shareholder with 10% or more of voting rights) or their executive, or someone who has held such a position in the past 3 years
- ③ A party for whom the Company is a major client (defined as a party whose sales to our group account for 2% or more of their consolidated sales) or their executive, or someone who has held such a position in the past 3 years
- ④ A major client of the Company (defined as a client whose sales account for 2% or more of our group's consolidated sales) or their executive, or someone who has held such a position in the past 3 years
- ⑤ A major lender to the Company (defined as a financial institution that lends 2% or more of our consolidated total assets) or their executive, or someone who has held such a position in the past 3 years
- ⑥ A consultant, accounting expert, or legal expert who receives significant monetary or other property (defined as exceeding 10 million yen annually) from the Company, aside from director compensation, or someone who has held such a position in the past
- ⑦ An executive of an organization that receives significant donations or grants (defined as exceeding 10 million yen annually) from the Company
- ⑧ An executive of a company with a reciprocal appointment relationship with our outside officers
- ⑨ A spouse, relative within the second degree of kinship, or cohabiting relative of a person falling under any of the above items ① to ⑧

Skill matrix of the Board of Directors after the General Meeting of Shareholders (planned)

(Note) The skill matrix of the Board of Directors if the candidates listed in the convocation notice are elected as proposed is as follows.

Name	Current position at the Company	Knowledge, experience, and abilities to lead management and business					Knowledge, experience, and abilities to establish and maintain the management foundation			Listed at the bottom of the table (*)
		Corporate Management	Global business	All real estate business operations	All Health Care business operations	All Textile business operations	Financial accounting	Management of legal risk	Personnel and Labor	Sustainability, etc.
Director who is not an Audit and Supervisory	Kazuhiro Yamauchi	Representative Director, President and CEO	●	●	●	●	●	●	●	●
	Shogo Mieda	Director and Senior Managing Executive Office	●				●	●	●	●
	Shiro Nomura	Director & Senior Executive Officer	●			●		●	●	●
	Toshiki Yamagata	Director [Outside, Independent]	●	●	●			●	●	●
	Shusaku Okumura	Director [Outside, Independent]	●	●		●		●	●	●
Director who is an Audit and Su-	Yuji Kakuma	Director	●				●			●
	Haruki Inuma	Director [Outside, Independent]	●					●	●	●
	Takashi Kagami	Director [Outside, Independent]	●				●	●		●
	Shiho Azuma	Director [Outside, Independent]	●					●	●	●

(*) Knowledge, experience, and abilities to ensure corporate sustainability

End of document

Consolidated Balance Sheet

(As of March 31, 2026)

(Unit: Thousands of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Total current assets	2,461,816	Total current liabilities	1,721,245
Cash and deposits	1,203,366	Notes and accounts payable - trade	224,188
Notes receivable - trade	124,270	Short-term borrowings	641,320
Accounts receivable - trade	402,773	Income taxes payable	28,810
Inventories	664,582	Provision for bonuses	38,621
Other	67,873	Provision for shareholder benefit program	53,300
Allowance for doubtful accounts	(1,050)	Other	735,006
Total non-current assets	17,613,522	Total non-current liabilities	13,350,677
Total property, plant and equipment	16,837,515	Long-term borrowings	8,696,294
Buildings and structures, net	7,050,240	Lease liabilities	453,100
Land	9,267,467	Long-term guarantee deposits	1,222,128
Leased assets, net	451,147	Deferred tax liabilities	61,999
Other, net	68,659	Deferred tax liabilities for land revaluation	2,536,636
Total intangible assets	103,099	Retirement benefit liability	305,149
Goodwill	99,256	Asset retirement obligations	75,367
Other	3,842	Total liabilities	15,071,922
Total investments and other assets	672,907	(Net assets)	
Investment securities	594,416	Total shareholders' equity	224,363
Deferred tax assets	2,127	Share capital	100,000
Other	76,364	Capital surplus	29,916
		Retained earnings	133,150
		Treasury shares	(38,704)
		Total accumulated other comprehensive income	4,774,923
		Valuation difference on available-for-sale securities	165,592
		Deferred gains or losses on hedges	4,607
		Revaluation reserve for land	4,604,723
		Share acquisition rights	4,129
		Total net assets	5,003,416
Total assets	20,075,339	Total liabilities and net assets	20,075,339

Consolidated Statements of Income

(From April 1, 2025, To March 31, 2026)

(Unit: Thousands of yen)

Account	Amount	
Net sales		4,012,247
Cost of sales		2,685,032
Gross profit		1,327,214
Selling, general and administrative expenses		1,016,751
Operating profit		310,462
Non-operating income		
Interest income	119	
Dividend income	17,459	
Share of profit of entities accounted for using equity method	172	
Other	4,112	21,864
Non-operating expenses		
Interest expenses	209,766	
Other	6,548	216,314
Ordinary profit		116,012
Net income before taxes and other adjustments		116,012
Corporate Taxes, Resident Taxes and Business Taxes	30,015	
Income taxes – deferred	(4,811)	25,204
Net income		90,807
Profit attributable to owners of parent		90,807

Non-Consolidated Balance Sheet

(As of March 31, 2026)

(Unit: Thousands of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Total current assets	1,982,336	Total current liabilities	1,251,710
Cash and deposits	781,120	Trade notes payable	96,705
Notes receivable - trade	124,270	Accounts payable	133,191
Accounts receivable - trade	357,905	Short-term borrowings	641,320
Inventories	661,180	Income taxes payable	15,594
Other	58,910	Provision for bonuses	30,820
Allowance for doubtful accounts	(1,050)	Provision for shareholder benefit program	53,300
Total non-current assets	17,754,149	Other	280,778
Total property, plant and equipment	17,003,893	Total non-current liabilities	13,365,313
Buildings and structures, net	7,040,820	Long-term borrowings	8,696,294
Land	9,468,228	Lease liabilities	453,100
Leased assets, net	451,147	Long-term guarantee deposits	1,278,974
Other, net	43,697	Deferred tax liabilities	61,999
Total intangible assets	101,341	Deferred tax liabilities for land revaluation	2,536,636
Goodwill	99,256	Retirement benefit liability	269,764
Other	2,084	Asset retirement obligations	68,544
Total investments and other assets	648,914	Total liabilities	14,617,023
Investment securities	507,866	(Net assets)	
Investments in affiliates	66,656	Total shareholders' equity	340,409
Other	74,391	Share capital	100,000
		Capital surplus	29,916
		Other retained earnings	29,916
		Retained earnings	246,634
		Legal retained earnings	18,101
		Other retained earnings	228,532
		Retained earnings brought forward	228,532
		Treasury shares	(36,141)
		Valuation and translation adjustments	4,774,923
		Valuation difference on available-for-sale securities	165,592
		Deferred gains or losses on hedges	4,607
		Revaluation reserve for land	4,604,723
		Share acquisition rights	4,129
		Total net assets	5,119,462
Total Assets	19,736,485	Total liabilities and net assets	19,736,485

Non-Consolidated Statements of Income

(From April 1, 2025, To March 31, 2026)

(Unit: Thousands of yen)

Account	Amount	
Net sales		3,381,740
Cost of sales		2,138,730
Gross profit		1,243,010
Selling, general and administrative expenses		977,443
Operating profit		265,566
Non-operating income		
Interest income	405	
Dividend income	44,459	
Other	3,685	48,550
Non-operating expenses		
Interest expenses	209,766	
Other	6,438	216,204
Ordinary profit		97,912
Net income before taxes		97,912
Corporate Taxes, Resident Taxes and Business Taxes	15,594	
Income taxes – deferred	(4,598)	10,996
Net income		86,915