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June 30, 2025

To All

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Notice Concerning Receipt of a notice of hearing of opinions from the Japan Fair Trade Commission

On November 12, 2024, we and Nippon Trex Co., Ltd., our subsidiary, (hereinafter, the "Both Companies"), had on-site inspections by the Japan Fair Trade Commission on suspicion of forming a cartel regarding the sale of "Upper body" manufactured by the Both companies, and since then, Both Companies have fully cooperated with the Commission's investigation.

Today, we announce that the Both Companies have received a notice of hearing of opinions from the Commission regarding the cease and desist order (draft) and the surcharge payment order (draft) under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (hereinafter, the "Notice of Hearing").

The Both Companies will carefully review and confirm contents of the Notice of Hearing and will carefully consider future actions after receiving explanation from the Commission. The amount of the surcharge set out in the surcharge payment order (draft) is 2,601,890 thousand yen for us and 3,323,640 thousand yen for Nippon Trex Co., Ltd. The impact of this matter on our consolidated financial results forecast for the fiscal year ending in March 2026 is currently being examined and will be disclosed as soon as it is determined.

We would like to offer our deepest apologies to our customers, business partners, shareholders, and other related parties for the concern caused by this matter.

We take the receipt of the Notice of Hearing very seriously and will work together as a group to strengthen and thoroughly implement compliance.