

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 8892)

June 9, 2026

To Our Shareholders:

Takatoshi Ito
President and Representative Director
ES-CON JAPAN Ltd.
2-10-4 Toranomon, Minato-ku, Tokyo

Notice of 31st Ordinary General Meeting of Shareholders

We extend our sincere gratitude for your continued exceptional support.

We are pleased to announce the 31st Ordinary General Meeting of Shareholders of ES-CON JAPAN Ltd. (the “Company”) will be held as detailed below.

When convening this General Meeting of Shareholders, the Company has taken electronic provision measures, which electronically provide information contained in the Reference Documents for the General Meeting of Shareholders etc. (the “matters subject to electronic provision measures”), and posted this information on the following websites on the internet. Please access either of the following websites to view the information.

The Company’s website:

<https://en.es-conjapan.co.jp/investor/meeting/> (in English)

(Access to the above website to view the Notice of Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026.)

Website for Shareholders’ Meeting materials:

<https://d.sokai.jp/8892/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

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

(Please access the TSE website above, enter “ES-CON” in the “Issue name (company name)” field or our securities code “8892” in the “Code” field, and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to find “[Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting]” in the “Filed information available for public inspection” section.)

If you are unable to attend the meeting in person, you may exercise your voting rights via the internet etc. or in writing by mail. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than the end of our business hours (6:00 p.m.) on Tuesday, June 23, 2026 (JST).

Exercising Voting Rights via the Internet etc.

Please indicate your approval or disapproval of each proposal after reviewing the Guide on How to Exercise Voting Rights via the internet etc. below by the above deadline.

Exercising Voting Rights in Writing (by Mail)

Please indicate your approval or disapproval of each proposal on the Voting Rights Exercise Form enclosed with this Notice of Convocation and return it by mail by the above deadline.

- 1. Date and Time:** Wednesday, June 24, 2026 at 10:00 a.m. (reception starts at 9:00 a.m.) (JST)
- 2. Venue:** Kaede, B1 floor, Westin Hotel Tokyo
1-4-1, Mita, Meguro-ku, Tokyo
* Please note that the venue is different from the previous Ordinary General Meeting of Shareholders. Please refer to the “Map for General Meeting of Shareholders” at the end of this document.

3. Purpose of the Meeting:

Matters to be reported

1. The Business Report, the Consolidated Financial Statements for the 31st fiscal year (from April 1, 2025 to March 31, 2026), and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 31st fiscal year (from April 1, 2025 to March 31, 2026)

Matters to be resolved

Proposal No. 1: Dividends of Surplus

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

Proposal No. 3: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal No. 4: Election of One (1) Director Who Is an Audit and Supervisory Committee Member

4. Matters Determined upon Convocation (Guide to Exercising Voting Rights)

1. If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form, we will treat it as if you indicate your approval.
2. If you exercise your voting rights both via the internet etc. and in writing on the Voting Rights Exercise Form, only the vote exercised via the internet etc. will be deemed valid, regardless of the arrival date of the voting form. If you exercise your voting rights more than once via the internet etc., only the last vote will be deemed valid.

- When attending the meeting in person, please submit the Voting Rights Exercise Form enclosed with this Notice of Convocation at the reception desk.
- Should any of the matters subject to electronic provision measures require revisions, a notice of the revisions and the details of the revised matters before and after the revisions will be posted on each of the websites on the internet provided on page 1.
- The Company will send paper-based documents containing the matters subject to electronic provision measures to shareholders who have requested delivery of such documents; however, such documents will not include the following matters, in accordance with laws and regulations and the Articles of Incorporation.
 - (i) “System to Ensure the Appropriateness of Operations under the Companies Act and Regulations for Enforcement of the Companies Act” and “Overview of Operational Status of System to Ensure the Appropriateness of Operations” of the Business Report
 - (ii) “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
 - (iii) “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial StatementsAccordingly, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements contained in such documents constitute only part of the documents audited by the Independent Auditor and the Audit and Supervisory Committee, respectively, in preparing the Independent Auditor’s Report and the Audit Report.
- If you exercise your voting rights by proxy, your proxy must be another shareholder of the Company who has voting rights. Please note that you may appoint only one (1) proxy.
- No gifts will be provided to shareholders attending the meeting. We appreciate your understanding.

Guide to Exercising Voting Rights

Voting rights at the General Meeting of Shareholders are important rights of shareholders. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders. There are three methods for exercising voting rights, as described below.

If you attend the meeting in person

Please submit the Voting Rights Exercise Form at the reception desk of the venue.

Meeting date and time

Wednesday, June 24, 2026 at 10:00 a.m. (reception starts at 9:00 a.m.) (JST)

If you exercise your voting rights via the internet etc.

Please indicate your approval or disapproval of each proposal following the instructions on the next page.

Exercise deadline

Votes must be entered by 6:00 p.m. on Tuesday, June 23, 2026 (JST).

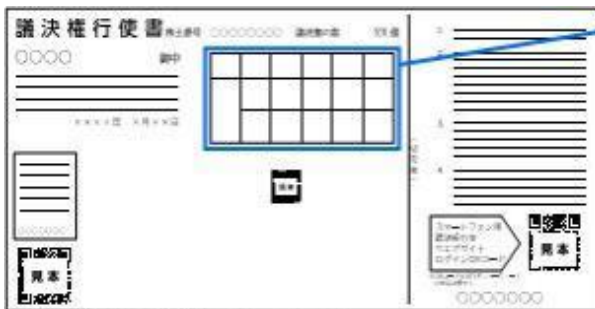
If you exercise your voting rights in writing (by mail)

Please indicate your approval or disapproval of each proposal on the Voting Rights Exercise Form and return it by mail.

Exercise deadline

Votes must arrive by 6:00 p.m. on Tuesday, June 23, 2026 (JST).

How to fill Out the Voting Rights Exercise Form

The image shows a sample of a Voting Rights Exercise Form. It features a grid with multiple rows and columns, likely for recording votes on different proposals. A blue arrow points from the text on the right to this grid. The form also includes various fields for personal information, a QR code, and a stamp area.

The Voting Rights Exercise Form shown is for illustrative purposes only.

Please indicate your approval or disapproval of each proposal in this section.

Proposals No. 1, No. 2, and No. 4

To vote for the proposal

→ Place a circle in the “賛 (For)” column.

To vote against the proposal

→ Place a circle in the “否 (Against)” column.

Proposal No. 3

To vote for all candidates

→ Place a circle in the “賛 (For)” column.

To vote against all candidates

→ Place a circle in the “否 (Against)” column.

To oppose some of the candidates

→ Place a circle in the “賛 (For)” column and enter the number(s) of the candidate(s) you oppose.

- If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of any proposal on the Voting Rights Exercise Form, your vote will be treated as approval of that proposal.
- If you exercise your voting rights both via the internet etc. and in writing on the Voting Rights Exercise Form, the vote exercised via the internet etc. will be deemed valid, regardless of the arrival date and time of the Voting Rights Exercise Form. If you exercise your voting rights more than once via the internet etc., only the last vote will be deemed valid.
- Please note that any charges imposed by internet service providers or telecommunications carriers, such as connection charges, for accessing the voting rights exercise website will be borne by shareholders.

Guide on How to Exercise Voting Rights via the Internet etc.

Deadline for exercising voting rights via the internet etc.
Votes must be entered by 6:00 p.m. on Tuesday, June 23, 2026 (JST)

How to exercise voting rights by smartphone etc.

1. Scan the QR code[®] on the Voting Rights Exercise Form.
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Tap the “議決権行使へ (Proceed to Voting)” button on the front page of the Shareholders’ Meeting Portal[®].
3. The front page of Smart Exercise[®] will be displayed. Follow the on-screen guidance to indicate your approval or disapproval.

How to exercise voting rights by personal computer etc.

Please access the following URL after entering the login ID and password indicated on the Voting Rights Exercise Form. After logging in, please follow the on-screen guidance to indicate your approval or disapproval.

URL for the Shareholders’ Meeting Portal: <https://www.soukai-portal.net> (available in Japanese only)

The voting rights exercise website will remain available. <https://www.web54.net> (available in Japanese only)

Important notes:

- If you wish to change your vote after you have already exercised your voting rights, you will need to enter the “Voting Rights Exercise Code” and “Password” indicated on the Voting Rights Exercise Form.
- If you exercise your voting rights both via the internet etc. and in writing on the Voting Rights Exercise Form, only the vote exercised via the internet etc. will be deemed valid, regardless of the arrival date and time of the Voting Rights Exercise Form. If you exercise your voting rights more than once via the internet etc., only the last vote will be deemed valid.
- Institutional investors may exercise their voting rights via the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.

Inquiries:

Sumitomo Mitsui Trust Bank, Limited,
Securities Agent Web Support Hotline

Phone: 0120-652-031

(Service hours: 9:00 a.m. to 9:00 p.m. (JST))

Please also check the Q&A by scanning the QR Code on the right.
(available in Japanese only)



Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Dividends of Surplus

The Company positions the return of profits to shareholders as one of its most important management issues. Its basic policy is to provide stable returns of profits in line with continuous corporate growth, while comprehensively considering the enhancement of internal reserves for future business growth, financial soundness, dividend payout ratio, and other factors.

Under this policy, we will pay a year-end dividend for the fiscal year under review as follows:

1. Type of dividend property: cash
2. Allotment of dividend property to shareholders and their aggregate amount:
48 yen per common share of the Company
4,670,564,784 yen
3. Effective date of dividends of surplus: June 25, 2026

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

1. Reason for the proposal

As announced in the “Notice of Execution of Share Subscription Agreement (for Capital Increase by Way of Third-Party Allotment) with Montedio Football Park Co., Ltd., for the Construction and Ownership of a New Stadium, and Share Subscription Agreement with Montedio Yamagata Ltd., a J.League Club Operator (to Make it a Consolidated Subsidiary)” dated February 26, 2026, the Company has completed making Montedio Football Park Co., Ltd. (hereinafter “MFP”) a consolidated subsidiary, and plans to make Montedio Yamagata Ltd. (hereinafter “MY”) a consolidated subsidiary as of July 1, 2026. In line with this, the Company proposes to amend Article 2 of the Articles of Incorporation to add the operation of a professional soccer club run by MY and related businesses to the purpose of the Company.

2. Details of the amendment

The details of the amendment are as follows:

(Amendments are underlined)

Existing Articles of Incorporation	Proposed amendment
<p>Article 2 (Purpose)</p> <p>The purpose of the Company shall be to engage in the following businesses and to control or manage the business activities of companies, partnerships, or other equivalent business entities (including those established under foreign laws) by holding their shares or interests, etc.:</p> <p>(1)–(6) (Omission of the provisions)</p> <p>(7) Planning, sale, brokerage, and consulting services for housing equipment, interior decorations, gardening supplies, clothing, daily sundries, nursing care products, etc.</p> <p>(8)–(23) (Omission of the provisions)</p> <p>(24) Businesses related to the design, development, sale, installation, leasing, rental, maintenance and management of solar power generation equipment and facilities, as well as the electric power selling business</p> <p>(25) (Omission of the provisions)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p><u>(26)</u> Any and all businesses incidental or related to each of the preceding items</p>	<p>Article 2 (Purpose)</p> <p>(Introductory text: Unchanged)</p> <p>(1)–(6) (Unchanged)</p> <p>(7) Planning, sale, brokerage, and consulting services for housing equipment, interior decorations, gardening supplies, clothing, daily sundries, nursing care products, <u>sporting goods, food, medicines,</u> etc.</p> <p>(8)–(23) (Unchanged)</p> <p>(24) Businesses related to the design, development, sale, installation, leasing, rental, maintenance and management of solar power generation equipment, <u>etc.</u> and facilities, as well as the electric power selling business</p> <p>(25) (Unchanged)</p> <p><u>(26) Operation of professional sports clubs, as well as holding of sports competitions and various performances, and management and operation as a designated manager of public facilities, stadium facilities, sports facilities, etc.</u></p> <p><u>(27) Acquisition, management, use, and sale of intellectual property rights such as broadcasting rights, trademark rights, and copyrights</u></p> <p><u>(28) Travel agency business, tourism business, and land transportation business</u></p> <p><u>(29)</u> Any and all businesses incidental or related to each of the preceding items</p>

Proposal No. 3: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of six (6) Directors.

To ensure fairness and transparency, the selection of each candidate is determined after discussions at the Nomination and Remuneration Advisory Committee, key members of which consist of External Directors.

With regard to this proposal, the Audit and Supervisory Committee has expressed its opinion that no particular matters to be pointed out have been identified as a result of deliberations on individual candidates.

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Takatoshi Ito (September 1, 1971)	September 2001 Joined ES-CON JAPAN Ltd. February 2006 Executive Officer, ES-CON JAPAN Ltd. March 2007 Managing Director, ES-CON JAPAN Ltd. November 2010 Head of Business Division, ES-CON JAPAN Ltd. March 2011 President and Representative Director, ES-CON JAPAN Ltd. (present post) January 2012 Head of Tokyo Office, ES-CON JAPAN Ltd. May 2013 President and Representative Director, ES-CON PROPERTY Ltd. August 2013 Head of Development Division, ES-CON JAPAN Ltd. July 2014 Director, ES-CON ASSET MANAGEMENT Ltd. November 2014 President and Executive Officer, ES-CON JAPAN Ltd. (present post) September 2016 Director, ES-CON LIVING SERVICE Ltd. July 2018 Director, ES-CON PROPERTY Ltd. July 2019 Director, One's Own House Co., Ltd. (currently ES-CON HOME Co., Ltd.) Director, Rise Home Co., Ltd. (currently ES-CON CRAFT Ltd.) January 2020 Member of the Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (present post) October 2020 Director, Ryomon Co., Ltd. (present post) October 2021 Director, Picasso Co., Ltd. (present post) Director, Yuki Sangyo Co., Ltd. (present post) January 2022 Director, FUEL Inc. (currently ES-CON INVESTMENT PARTNERS Ltd.) July 2023 Director, Shijo Omiya Building Co., Ltd. (present post) December 2023 Executive Chairman, ES-CON Sports & Entertainment Ltd. (present post) April 2025 Director, Shiba Real Estate Inc. (present post)	1,291,200
Reelection		[Reasons for nomination as candidate for Director] Mr. Takatoshi Ito has been responsible for the Group's management as President and Representative Director of the Company. With his strong leadership, he has been leading the entire Group, thereby contributing to the multifaceted development and expansion of the Group's businesses. The Company proposes his continued election as Director so that he can contribute to further strengthening the functions of the Board of Directors by drawing on his proven track record of establishing the Group's solid business foundation as well as extensive insight and professional experience in all aspects of corporate management.	

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
2 Reelection	Minoru Nakanishi (September 14, 1952)	<p>April 1975 Joined Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)</p> <p>April 2005 Executive Officer and Head of Osaka Branch Office, Yasuda Trust & Banking Co., Ltd.</p> <p>April 2008 Joined SOKEN Co., Ltd. Inaugurated as Senior Managing Director</p> <p>August 2011 Joined ES-CON JAPAN Ltd.</p> <p>June 2012 Executive Officer and Head of Finance and Accounting Department, ES-CON JAPAN Ltd.</p> <p>March 2013 Director, ES-CON JAPAN Ltd.</p> <p>May 2013 Director, ES-CON PROPERTY, Ltd.</p> <p>August 2013 Head of Management Division, ES-CON JAPAN Ltd.</p> <p>July 2014 Director, ES-CON ASSET MANAGEMENT Ltd.</p> <p>November 2014 Executive Officer, ES-CON JAPAN Ltd.</p> <p>March 2015 Managing Director, ES-CON JAPAN Ltd. Managing Executive Officer, ES-CON JAPAN Ltd.</p> <p>September 2016 Director, ES-CON LIVING SERVICE Ltd.</p> <p>March 2017 Senior Managing Director, ES-CON JAPAN Ltd. (present post) Senior Managing Executive Officer, ES-CON JAPAN Ltd. (present post)</p> <p>October 2020 Director, Ryomon Co., Ltd. (present post)</p> <p>October 2021 Director, Picasso Co., Ltd. (present post) Director, Yuki Sangyo Co., Ltd. (present post)</p> <p>January 2023 Head of Management Planning Division, ES-CON JAPAN Ltd. (present post)</p> <p>July 2023 Director, Shijo Omiya Building Co., Ltd. (present post)</p> <p>April 2026 Executive Chairman, Montedio Yamagata Ltd. (present post) Director, Montedio Football Park Co., Ltd. (present post)</p>	217,600
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Minoru Nakanishi has been responsible for the entire administrative departments including Finance and Accounting, Human Resources, General Affairs, and Legal Affairs Departments as Head of Management Division, playing a pivotal role in spearheading the establishment of the Group's solid business foundation as a guardian of the Company. In addition, he is currently working to formulate and steadily execute growth strategies aimed at the long-term development of the Company as Head of Management Planning Division. Having judged that he has contributed to the enhancement of the Group's corporate value and is an appropriate candidate to drive the further sustainable enhancement of corporate value in the future, the Company proposes his continued election as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
3 Reelection	Masakazu Tsubouchi (August 29, 1973)	April 1996 July 2013 July 2016 April 2020 July 2023 April 2025 June 2025	0
		<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Masakazu Tsubouchi has extensive experience and track record spanning many years in accounting departments, including experience in serving as General Manager of Settlement Group at Chubu Electric Power Co., Inc. and supervising accounting operations of its group company JERA Co., Inc. At the Company, he is responsible for the Legal Affairs and General Affairs and President's Office as Head of Management Division, as well as for the Compliance Department, playing a pivotal role in the establishment of the Group's solid business foundation as a guardian of the Company. Having judged that he is an appropriate candidate for Director based on his deep insight derived from his experience and track record, the Company proposes his continued election as Director.</p>	
4 Reelection	Keiko Otsuki (August 10, 1955)	April 1979 February 1985 January 1991 January 1996 January 1998 April 2003 January 2008 June 2018 February 2020 March 2021 March 2023	0
		<p>[Significant concurrent positions]</p> <p>Director, Japan Promote Organization for Medical Resources Development</p> <p>[Reasons for nomination as candidate for External Director and overview of expected roles]</p> <p>Ms. Keiko Otsuki has extensive experience and track record as a securities analyst including her activities abroad. The Company proposes her continued election as External Director so that she can utilize her deep insight derived from such experience and track record in the Company's management. Although she has no prior experience in corporate management other than as outside officer, the Company believes that for the reasons stated above, she is fully capable of appropriately performing her duties as External Director. If elected, the Company expects her to enhance the transparency and soundness of the Company's management by providing effective oversight and check-and-balance functions from an objective perspective, independent of the executive management team. We also expect her involvement in the selection of the Company's officer candidates and the determination of officer remuneration as a member of the Nomination and Remuneration Advisory Committee from an objective and neutral standpoint. While she currently serves as External Director of the Company, her term of office as External Director will be five years and three months upon the conclusion of this Ordinary General Meeting of Shareholders.</p>	

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
5 Reelection	Hiroaki Hattori (December 4, 1956)	<p>April 1980 Joined Taiyo-Kobe Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2010 Executive Officer, Head of Kobe Middle Market Banking Division, Sumitomo Mitsui Banking Corporation</p> <p>April 2012 Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>June 2015 Representative Director and Deputy President, Executive Deputy President, The Minato Bank, Ltd.</p> <p>April 2016 Representative Director, President and CEO, The Minato Bank, Ltd.</p> <p>April 2018 Representative Director, Kansai Mirai Financial Group, Inc.</p> <p>April 2021 Representative Director and Chairman, The Minato Bank, Ltd.</p> <p>May 2021 Chairperson, Kobe Association of Corporate Executives</p> <p>June 2021 External Auditor, Osaka Small and Medium Business Investment & Consultation Co., Ltd. (present post)</p> <p>April 2022 Director and Chairman, The Minato Bank, Ltd.</p> <p>March 2023 External Director, ES-CON JAPAN Ltd. (present post) Member of the Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (present post)</p> <p>April 2025 Special Advisor, The Minato Bank, Ltd. (present post)</p> <p>[Significant concurrent positions] Special Advisor, The Minato Bank, Ltd. External Auditor, Osaka Small and Medium Business Investment & Consultation Co., Ltd.</p>	1,800
		<p>[Reasons for nomination as candidate for External Director and overview of expected roles]</p> <p>Mr. Hiroaki Hattori has extensive experience and track record at financial institutions, spearheading the management of The Minato Bank, Ltd. as Representative Director, President and CEO and Representative Director and Chairman. Having judged that he has deep insight derived from his many years of extensive experience and track record as a corporate manager and is capable of fully utilizing such insight as External Director, the Company proposes his continued election as External Director. If elected, the Company expects him to enhance the transparency and soundness of the Company's management by providing effective oversight and check-and-balance functions from an objective perspective, independent of the executive management team. We also expect his involvement in the selection of the Company's officer candidates and the determination of officer remuneration as a member of the Nomination and Remuneration Advisory Committee from an objective and neutral standpoint. While he currently serves as External Director of the Company, his term of office as External Director will be three years and three months upon the conclusion of this Ordinary General Meeting of Shareholders.</p>	

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
6 Reelection	Hiroko Kiba (November 1, 1964)	<p>April 1987 Joined Tokyo Broadcasting System, Inc. (currently Tokyo Broadcasting System Television, Inc.)</p> <p>April 2001 Part-time Lecturer, Faculty of Education, Chiba University</p> <p>April 2006 Specially Appointed Professor, Faculty of Education, Chiba University</p> <p>January 2007 Member of Council for Regulatory Reform, Cabinet Office</p> <p>July 2007 Member of Advisory Committee for Natural Resources and Energy, Ministry of Economy, Trade and Industry</p> <p>February 2008 Member of Meeting on Education Rebuilding, Cabinet Office</p> <p>March 2009 Member of Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>April 2013 Visting Professor, Chiba University (present post)</p> <p>March 2016 Member of National Land Council, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>June 2016 Director, The Ports and Harbours Association of Japan (present post)</p> <p>November 2017 Member of Medical Ethics Council, Ministry of Health, Labour and Welfare (present post)</p> <p>February 2019 Member of Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology</p> <p>June 2019 Outside Audit & Supervisory Board Member, INPEX CORPORATION (present post)</p> <p>June 2022 External Director, Central Japan Railway Company (present post)</p> <p>March 2025 Member of Panel on Infrastructure Development, Ministry of Land, Infrastructure, Transport and Tourism (present post)</p> <p>June 2025 External Director, ES-CON JAPAN Ltd. (present post) Member of the Nomination and Remuneration Advisory Committee, ES-CON JAPAN Ltd. (present post)</p> <p>[Significant concurrent positions] External Director, Central Japan Railway Company Outside Audit & Supervisory Board Member, INPEX CORPORATION</p>	0
<p>[Reasons for nomination as candidate for External Director and overview of expected roles]</p> <p>Ms. Hiroko Kiba has served in numerous public offices and other positions through her career as freelance newscaster, university professor, and council member of Ministry of Land, Infrastructure, Transport and Tourism and Ministry of Economy, Trade and Industry. Having judged that she has deep insight into sustainability management and the promotion of diversity and is capable of fully utilizing such insight as External Director, the Company proposes her continued election as External Director. Although she has no prior experience in corporate management other than as outside officer, the Company believes that for the reasons stated above, she is fully capable of appropriately performing her duties as External Director. If elected, the Company expects her to enhance the transparency and soundness of the Company's management by providing effective oversight and check-and-balance functions from an objective perspective, independent of the executive management team. We also expect her involvement in the selection of the Company's officer candidates and the determination of officer remuneration as a member of the Nomination and Remuneration Advisory Committee from an objective and neutral standpoint. While she currently serves as External Director of the Company, her term of office as External Director will be one year upon the conclusion of this Ordinary General Meeting of Shareholders.</p>			

- Notes: 1. There is no special interest between any of the candidates and the Company.
2. Mr. Masakazu Tsubouchi has served as an executive (a person who executes business) of the Company's parent company Chubu Electric Power Co., Inc. and its group company JERA Co., Inc. for the past 10 years. The positions and responsibilities he has held as an executive of Chubu Electric Power Co., Inc. and its group company in the past 10 years are as provided in the above "Career summary and positions and responsibilities at the Company (Significant concurrent positions)" column.
3. Ms. Keiko Otsuki, Mr. Hiroaki Hattori, and Ms. Hiroko Kiba are candidates for External Directors.
4. Central Japan Railway Company, where Ms. Hiroko Kiba is serving as External Director, received a cease and desist order from the Japan Fair Trade Commission under the Antimonopoly Act in relation to railway overpass inspection work commissioned by local governments and other entities. While Ms. Kiba was not aware of this fact until the aforementioned incident came to light, she has regularly stated the importance of ensuring strict compliance with laws and regulations at the Board of Directors and other meetings. Upon becoming aware of this fact, she fulfilled her duties by providing advice and opinions on fact-finding investigations and recurrence prevention measures, among other things.
5. The Company has entered into an agreement with Ms. Keiko Otsuki, Mr. Hiroaki Hattori, and Ms. Hiroko Kiba to limit their liability for damages as prescribed in Article 427, Paragraph 1 of the Companies Act.

The outline of the content of the agreement is as follows:

- If Directors (excluding Executive Directors etc.) become liable for damages to the Company due to negligence of their duties, their liability shall be limited to the minimum liability amount stipulated by laws and regulations.
6. The Company has notified the Tokyo Stock Exchange of its appointment of Ms. Keiko Otsuki, Mr. Hiroaki Hattori, and Ms. Hiroko Kiba as independent officers. If their reelection is approved, the Company will continue to report them as independent officers.
 7. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act and will continue to renew the agreement, with Directors and Executive Officers as the insured. If reelected, each candidate will be included as the insured under said insurance policy.
Of the liability of Directors and Executive Officers for damages to third parties and the Company, this insurance policy covers compensation for damages and litigation expenses to be borne by the insured and does not cover compensation for damages caused by intent or gross negligence.

Proposal No. 4: Election of One (1) Director Who Is an Audit and Supervisory Committee Member

Of the four (4) Directors who are Audit and Supervisory Committee Members, the term of office of Mr. Tomohiko Wakayama will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of one (1) Director who is an Audit and Supervisory Committee Member.

The Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
Tomohiko Wakayama (March 30, 1963) Reelection	April 1985 Joined Chubu Electric Power Co., Inc. July 2010 General Manager of Budget Group, Finance & Accounting Department, Chubu Electric Power Co., Inc. November 2011 Seconded to Toenec Corporation, attached to the Group Business Promotion Department, Chubu Electric Power Co., Inc. July 2013 General Manager of Fuels Department, Chubu Electric Power Co., Inc. October 2013 Seconded to Chubu Electric Power Australia Pty Ltd, attached to the Fuels Department, Chubu Electric Power Co., Inc. July 2016 General Manager of Business Strategy Office, Customer Service & Sales Company, Chubu Electric Power Co., Inc. April 2018 General Manager of General Affairs Department, Customer Service & Sales Company, Chubu Electric Power Co., Inc. June 2019 Auditor, Cenergy Co. June 2022 Auditor, CEPO Handa Biomass Power Co., Ltd. Auditor, CS Aqua Co., Ltd. Auditor, Nakao Geothermal Power Generation Corporation March 2023 Director (Audit and Supervisory Committee Member), ES-CON JAPAN Ltd. June 2023 Director (Full-time Audit and Supervisory Committee Member), ES- CON JAPAN Ltd. (present post)	3,600
[Reasons for nomination as candidate for Director] Mr. Tomohiko Wakayama has extensive experience and track record of having served as General Manager of General Affairs Department, Customer Service & Sales Company, General Manager of Fuels Department, and General Manager of Budget Group, Finance & Accounting Department at Chubu Electric Power Co., Inc. He also has deep insight into management oversight derived from his experience of having served as an auditor at four Chubu Electric Power Group companies. Having judged that he is an appropriate candidate for Director who is an Audit and Supervisory Committee Member, the Company proposes his continued election so that he can apply his deep insight based on such experience to audits of the Company.		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Mr. Tomohiko Wakayama has served as an executive (a person who executes business) of the Company's parent company Chubu Electric Power Co., Inc. for the past 10 years. The positions and responsibilities he has held as an executive of the company in the past 10 years are as provided in the above "Career summary and positions and responsibilities at the Company (Significant concurrent positions)" column. If his reelection is approved, the Company will continue to enter into a limited liability agreement with the same content with him.
 3. The Company has entered into an agreement with Mr. Tomohiko Wakayama to limit his liability for damages as prescribed in Article 427, Paragraph 1 of the Companies Act.
The outline of the content of the agreement is as follows:
 - If Directors (excluding Executive Directors etc.) become liable for damages to the Company due to negligence of their duties, their liability shall be limited to the minimum liability amount stipulated by laws and regulations.
 4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act and will continue to renew the agreement, with Directors and Executive Officers as the insured. If reelected, Mr. Tomohiko Wakayama will be included as the insured under said insurance policy.
Of the liability of Directors and Executive Officers for damages to third parties and the Company, this insurance policy covers compensation for damages and litigation expenses to be borne by the insured and does not cover compensation for damages caused by intent or gross negligence.

(Reference) Skills Matrix

Name	Positions at the Company	Gender	Skills expected of Directors						
			Corporate management/ Business strategy	Real estate business/ Urban development	Finance/ Accounting	Compliance/ Risk management	ESG/ Sustainability	HR & labor affairs/ Diversity	DX
Takatoshi Ito	President and Representative Director President and Executive Officer	Male	●	●	●	●			
Minoru Nakanishi	Senior Managing Director Senior Managing Executive Officer	Male	●		●		●	●	
Masakazu Tsubouchi	Director Executive Officer	Male			●	●			●
Keiko Otsuki <u>External</u> <u>Independent</u>	Director	Female		●	●		●		
Hiroaki Hattori <u>External</u> <u>Independent</u>	Director	Male	●		●	●		●	
Hiroko Kiba <u>External</u> <u>Independent</u>	Director	Female				●	●	●	
Masayoshi Nishitake <u>External</u> <u>Independent</u>	Director Audit and Supervisory Committee Member	Male			●	●			●
Tomohiko Wakayama	Director Audit and Supervisory Committee Member	Male	●		●	●			
Hiroto Mizobata <u>External</u> <u>Independent</u>	Director Audit and Supervisory Committee Member	Male	●		●	●			
Tadashi Fukuda <u>External</u> <u>Independent</u>	Director Audit and Supervisory Committee Member	Male	●			●			

Business Report (from April 1, 2025 to March 31, 2026)

1. Status of the Corporate Group

I. Business progress and results

(1) Overview of operating results

During the fiscal year ended March 31, 2026 (the “fiscal year under review”), while the Japanese real estate industry saw a decline in the number of for-sale condominium units supplied due to such factors as soaring commercial land prices and construction costs, purchasing appetite remained robust, particularly in urban areas. In the leasing market, rent levels for both residences and retail facilities have been on a rising trend. Furthermore, investor appetite for purchasing income-producing properties remained high, leading to active transaction volumes in the real estate trading market.

The Group operates five business segments, namely the condominium, real estate development, real estate leasing, asset management, and other businesses. The condominium business focuses on offering for-sale condominiums to a broad customer base, ranging from first-time buyers to high-end segments, based on our product planning capability rooted in craftsmanship. Meanwhile, the real estate development business engages in the acquisition and development of diverse income-producing properties, including retail facilities tailored to the needs of local communities. The real estate leasing business is a recurring-revenue business that generates stable cash flows, and other businesses include overseas business. Through the diversification of these businesses, we have been building a revenue structure capable of adapting to changes in the external environment.

In recent years, the Group has been working on urban development projects in rural areas with sports as a core focus. So far, we have been engaged in mixed-use development projects around Hokkaido Ballpark F Village in Kitahiroshima City, Hokkaido, and multiple projects are currently underway. In addition, we have decided to participate in a project to develop a new stadium for the J.League club Montedio Yamagata. Going forward, the Group will work to promote urban development centered around the soccer stadium, which integrates stadium development (tangible aspect) and club operations (intangible aspect).

For the fiscal year under review, the Group reported net sales of 137,029 million yen (up 20.6% year on year) and operating profit of 26,101 million yen (up 22.5% year on year), significantly bolstered by the sale of properties in the real estate development business. On the other hand, while ordinary profit was 17,190 million yen (down 0.8% year on year) due to the recording of a loss at an equity-method associate TSUNAGU Community Farm LLC, among other factors, profit attributable to owners of parent amounted to 12,191 million yen (up 8.9% year on year).

The new major initiatives taken by the Group during the fiscal year under review are as detailed below.

- (i) Progress in urban development projects at Hokkaido Ballpark F Village
At Hokkaido Ballpark F Village, centered around ES-CON Field HOKKAIDO—the home stadium of Hokkaido Nippon-Ham Fighters to which the Company holds the naming rights—we are making steady progress in the next development phase with an eye toward the opening of a new JR line station in 2028. We will further increase the attractiveness of the entire area by successively promoting the development of a 36-story high-rise condominium ES CON FIELD TOWER and a large-scale mixed-use facility that integrates “Work, Live, Learn, Play,” starting with the construction of a hotel under DHAWA brand.
- (ii) New urban development project centered around the J.League soccer club Montedio Yamagata
In February 2026, the Company decided to make Montedio Football Park Co., Ltd., the purpose of which is to construct and own a new stadium in Tendo City, Yamagata; and Montedio Yamagata Ltd., the operator of the J.League soccer club Montedio Yamagata, its consolidated subsidiaries^{*1, 2}. Montedio Yamagata is a soccer club based in Yamagata Prefecture, including Yamagata City, Tendo City, and Tsuruoka City, and engages in initiatives that contribute to fostering local communities and revitalizing the regional economy through sports. Meanwhile, a project has been launched to develop a new stadium Montedio Football Park. The stadium will serve as the next-generation base for Montedio Yamagata and is scheduled to open in 2028. We intend to contribute to the creation of regional hubs for social exchange and cultural dissemination centered around the stadium, by leveraging our insight into sports-driven urban development cultivated through the mixed-use development of Hokkaido Ballpark F Village.

- *1. The acquisition of shares in Montedio Football Park Co., Ltd. has been completed in February 27, 2026.
- *2. The execution of the acquisition of shares in Montedio Yamagata Ltd. (“MY”) is subject to the partial amendment to Articles of Incorporation at this Ordinary General Meeting of Shareholders as well as to the approval of Japan Professional Football League (J.League) and at MY’s general meeting of shareholders. The acquisition of shares is scheduled to be executed on July 1, 2026.

(iii) Further stabilization of revenue structure (decision on the acquisition of ARK REAL ESTATE, Co., Ltd.)

With the aim of further expanding the earnings base in the recurring-revenue businesses consisting of the real estate leasing and asset management businesses, the Company has decided, on March 19, 2026, to acquire all shares in ARK REAL ESTATE Co., Ltd. (hereinafter “ARK REAL ESTATE”), which operates a real estate business primarily in the Kansai region, to make it a consolidated subsidiary, following the transfer off certain businesses and other assets through an absorption-type company split to be conducted by ARK REAL ESTATE. The Company is currently driving its business under the 5th Medium-term Management Plan, in which improving the recurring revenue ratio is set as one of its management targets. Based on the policy to steadily accumulate income-producing properties in operation through the execution of this acquisition scheduled on October 30, 2026, we expect the acquisition to contribute to the Company’s profitability enhancement and the stabilization of our management base.

(iv) Global business expansion

In July 2024, we invested in a project to develop a luxury Ālia condominium in Honolulu, Hawaii. This was followed by an investment in January 2025 in the development project of a large-scale Kuilei Place condominium, which primarily targets local residents in Honolulu. We are currently driving the sales and marketing operations for both properties. In May 2025, we also invested in the development project of Origin Place Chaengwattana condominium, targeted at local residents in Nonthaburi Province located within the Bangkok Metropolitan Region.

(v) Promotion of sustainability management

- Strengthening our sustainability promotion system
To strengthen our system for sustainability promotion activities and clarify management’s involvement, the Company has established a Sustainability Promotion Committee in April 2025.

The Committee is chaired by President & Representative Director and composed of members designated by the Chairperson as well as of observers including Full-time Audit and Supervisory Committee Members. Under the Committee, an Environment Subcommittee, a Social Subcommittee, and a Human Rights Subcommittee were also established to discuss and examine specific initiatives based on our Basic Sustainability Policy.

The deliberations of the Committee are reported to the Board of Directors, where they are reviewed and supervised. This structure ensures the effectiveness of our efforts to promote sustainability management. Meanwhile, the legality and validity of operations are audited by the Audit and Supervisory Committee through such means as attending the meetings of the Sustainability Promotion Committee, the Board of Directors, and other important meetings and inspecting important documents. Such matters are also audited by the Internal Auditing Office through conducting interviews with Senior Managing Director & Head of Management Planning Division and Head of Sustainability Promotion Department, among other means. Regarding matters involving other departments or organizations, we work together with the Risk Management Committee and other relevant bodies as appropriate to promote sustainability management through a unified, group-wide effort.

- Financing through green loans
We have commenced fundraising through green loans—a financing method exclusively available for projects that contribute to solving environmental issues, such as the construction of environment-friendly buildings. As of the end of March 31, 2026, we executed such loans for the following two projects:
 - i. Le JADE Hokkaido Kitahiroshima (Kitahiroshima City, Hokkaido), and
 - ii. ES CON FIELD TOWER (Kitahiroshima City, Hokkaido).
- Achieving a well-being society (promotion of urban development)
As part of efforts to contribute to the revitalization of local community and the enhancement of its livability through the promotion of environment- and society-friendly urban development, we promoted JR Kitahiroshima Station West Exit Area Revitalization Project in Kitahiroshima City,

Hokkaido and the development of TSUNAGU GARDEN Senri Fujishirodai in Suita City, Osaka.

- Utilizing diverse human resources
As a result of our efforts to secure diverse human resources, the percentage of women among new hires during the fiscal year under review reached 36%, exceeding our target of 35% or above. We also conducted a group-wide survey aimed at improving employee engagement, which resulted in a higher rating (Rank BB). The Company was also recognized as one of the 2026 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category).

(2) Overview of operating results by segment

Operating results by segment were as follows.

Net sales and profit by segment

Segment	30th fiscal year (Previous fiscal year)		31st fiscal year (Fiscal year under review)	
	Net sales	Segment profit	Net sales	Segment profit
Condominium business	66,908	12,045	63,630	11,493
Real estate development business	28,427	10,212	52,019	14,913
Real estate leasing business	15,600	7,021	17,262	8,033
Asset management business	1,645	997	2,207	1,291
Other businesses	1,020	319	1,909	653
Total	113,603	30,595	137,029	36,386

* Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses attributable to each segment from net sales.

(i) Condominium business

The condominium business recorded decreases in both sales and profit, with net sales of 63,630 million yen (down 4.9% year on year) and segment profit of 11,493 million yen (down 4.6% year on year). Although this was mainly due to a decline in the number of condominium units delivered compared with the previous fiscal year, in which the completion of multiple large-scale properties had been concentrated, we have successively completed a series of unique properties tailored to the specific needs of the local community, such as Le JADE Senri-Fujishirodai, a mixed-use development project integrating retail facilities and a nursery school, in addition to the delivery of a high-end residence DIAMAS Hayama and Grand Le JADE Mishuku-dori situated in a location of great scarcity value, among other properties. In total, we delivered 971 condominium units.

(ii) Real estate development business

The real estate development business recorded substantial increases in both sales and profit, with net sales of 52,019 million yen (up 83.0% year on year) and segment profit of 14,913 million yen (up 46.0% year on year). The factors behind the year-on-year increases include the sale of multiple large-scale properties. In addition to large-scale property sales including those of logistics facilities and development sites, the provision of properties to listed a REIT and private funds operated by the Group helped accelerate a group-wide asset recycling model.

(iii) Real estate leasing business

The real estate leasing business recorded increases in both sales and profit, with net sales of 17,262 million yen (up 10.7% year on year) and segment profit of 8,033 million yen (up 14.4% year on year). The full-period operation of a retail facility tonarie KITAHIROSHIMA and ES-CON Field Hokkaido Hotel Kitahiroshima Ekimae in Kitahiroshima City, Hokkaido, with the addition of revenue from a new consolidated subsidiary Shiba Real Estate Inc., led to the further expansion of our stable revenue base.

(iv) Asset management business

The asset management business recorded increases in both sales and profit, with net sales of 2,207 million yen (up 34.2% year on year) and segment profit of 1,291 million yen (up 29.5% year on year). Asset management fees increased due to the expansion of assets under management (AUM) as a result of the replacement of properties in the listed REIT and the formation of the first private fund that invests in in-house developed properties. Furthermore, the number of properties under management in the property management and other businesses also remained steady, contributing to boosting revenue.

(v) Other businesses

The other businesses recorded net sales of 1,909 million yen (up 87.1% year on year) and segment profit of 653 million yen (up 104.9% year on year), mainly driven by the impact of dividend income received from investment projects in overseas businesses.

As a result of the above, for the fiscal year under review, the Group reported net sales of 137,029 million yen, operating profit of 26,101 million yen, ordinary profit of 17,190 million yen, and profit attributable to owners of parent of 12,191 million yen.

(Millions of yen)	
Net sales	137,029
Operating profit	26,101
Ordinary profit	17,190
Profit attributable to owners of parent	12,191

II. Status of capital investment

- (1) Major facilities acquired during the fiscal year under review
No particular matters to be noted.
- (2) Sale, removal, and destruction of important fixed assets during the fiscal year under review
No particular matters to be noted.

III. Status of financing

During the fiscal year under review, the Company raised additional funds of 49,880 million yen through borrowings from financial institutions and other organizations. In July 2025, the Company also issued 10,000 million yen of Second Series Unsecured Callable Corporate Bonds with Inter-bond Pri Passu Clause to fund the expansion of its development projects in Japan and abroad.

IV. Issues to be addressed

In the Japanese real estate market, the outlook remains uncertain due mainly to the risk of rising interest rates associated with the Bank of Japan's policy change, labor shortages, and higher construction costs driven by surging raw material costs. On the other hand, the market environment remains favorable, supported by robust owner occupiers demand for for-sale condominiums mainly in urban areas, increasing rent levels, and continued investor appetite for purchasing income-producing properties.

Under this environment, the Group is implementing the following initiatives to ensure the steady execution of the Long-term Vision 2030, which outlines our vision and directions we should head in toward FY2030, and the 5th Medium-term Management Plan (FY3/2025 to FY3/2027), which will enter its final year in the next fiscal year.

- (1) Diversification of business portfolio and strengthening of revenue base
In our core condominium business, we will work to maintain our solid supply system and build even stronger system by implementing land acquisition and design and construction after carefully examining market trends, with the goal of securing stable revenue through steady profit recognition.

In the real estate development business, we will seek to steadily monetize assets by continuing strategic sales activities under a market environment where investor appetite for income-producing properties remains strong, while promoting the development of diverse asset types, ranging from rental residences and retail facilities to leasehold land.

In the real estate leasing business, we will advance the construction of an optimal leasing portfolio by holding and operating diverse asset types of income-producing properties, including in-house developed properties. We aim to maximize earnings through value-up initiatives such as strategic leasing and renovations, thereby strengthening our medium- to long-term recurring-revenue base.

In the asset management business, we will maximize the Group's synergies by selling properties developed within the Group to listed REITs and private funds. We will work to further expand our assets under management (AUM) to enhance our stable revenue base through fee businesses, thereby advancing the diversification of our revenue structure.

- (2) Adaptation to changing needs and creation of added value
To support diverse lifestyles and workstyles, we will continue to plan and develop properties that add value to for-sale condominiums and bring out the full potential of individual land sites. In the real estate leasing business, we will endeavor to build up recurring income-producing assets by focusing on leasing activities that accurately timed to the rising rent trend and property value enhancement to increase our resilience to changes in the external environment such as interest rate hikes.

- (3) Improvement of capital efficiency and continuation of shareholders returns
We will pursue the optimum balance between a stable financial base that underpins our sustainable growth and efficient use of capital, thereby further enhancing our capital efficiency under high investment discipline.

The Company positions the return of profits to shareholders as one of its most important management issues. Since its adoption in November 2016, we have maintained a progressive dividend policy—specifically, maintaining or increasing dividends without cutting them, with the previous fiscal year’s dividends per share being set as the lower limit. Going forward, we will continue to pursue the enhancement of medium- to long-term corporate value and shareholder returns by ensuring stable and consistent dividend payments in line with our sustainable business growth.

- (4) Medium- to long-term corporate management strategy and management indicator targets
As guidelines and strategy for achieving sustainable long-term growth, we have formulated the Long-term Vision 2030, which outlines our vision and directions we should head in toward FY2030.

We will advance various initiatives, viewing the directions we should head in as Deepening and Evolution of the following matters:

- Priority themes for business strategy (Direction we should head in)
 - Deepening*
 - (i) Further growth of core businesses
 - (ii) Synergies with the Chubu Electric Power Group
 - (iii) Further stabilization of revenue structure
 - (iv) Management that is conscious of cost of capital and stock price
 - Evolution*
 - (i) Diversification of development projects and asset/business types
 - (ii) Expansion of the area of domestic operations
 - (iii) Global expansion
 - (iv) Challenge of expanding into new business domains
 - (v) New urban development and management
 - (vi) Promotion of DX
- Priority themes for sustainability management (Materiality issues / Direction we should head in)
 - Deepening*
 - (i) Harnessing diverse human resources
 - (ii) Ensuring thorough compliance
 - (iii) Strengthening governance and risk management of the Company and Group companies
 - Evolution*
 - (i) Promoting a decarbonized society
 - (ii) Achieving a well-being society
- Targets for 2030
Ordinary profit of 30.0 billion yen and real estate assets of 1 trillion yen

V. Status of assets and income

(Millions of yen, unless otherwise stated)

Item	28th FY12/2022	29th FY3/2024	30th FY3/2025	31st (Fiscal year under review) FY3/2026
Net sales	99,431	118,861	113,603	137,029
Operating profit	15,492	19,074	21,311	26,101
Ordinary profit	14,012	16,585	17,320	17,190
Profit attributable to owners of parent	7,250	10,050	11,193	12,191
Basic earnings per share (Yen)	76.04	105.44	117.18	127.31
Total assets	263,729	399,696	459,847	509,773
Net assets	64,144	70,702	78,681	86,122
Net assets per share (Yen)	691.87	759.56	827.19	904.53

Notes: 1. In the 21st fiscal year ended December 31, 2015, the Company introduced a performance-linked stock compensation plan and a share-based Employees Stock Ownership Plan (the “ESOP”) for Directors. For the purpose of calculating basic earnings per share, the number of the Company’s shares held by the Board Benefit Trust (the “BBT”) and the Share-based ESOP Trust established for these plans is included in the number of treasury shares to be deducted from the average number of shares outstanding during the period. In addition, for the purpose of calculating net assets per share, the number of the Company’s shares held by these trusts is included in the number of treasury shares to be deducted from the total number of issued shares at the end of the period.

2. Due to a change in the fiscal year-end, the 29th fiscal year covers 15 months from January 1, 2023 to March 31, 2024.

VI. Status of principal parent company and subsidiaries

(1) Status of the parent company

Company name	Share capital (Millions of yen)	Voting rights ratio in the Company (%)	Relationship with the Company
Chubu Electric Power Co., Inc. (Note 1)	430,777	51.0	Capital and business alliance

- Notes: 1. Chubu Electric Power Co., Inc. (“Chubu Electric Power”) is the filing company of Annual Securities Reports.
2. The Company increased capital by way of a third-party allotment with Chubu Electric Power as the allottee as of April 5, 2025. As a result, Chubu Electric Power acquired 26,619,000 shares of the Company. Chubu Electric Power is the Company’s parent company holding 51.0% of the voting rights in the Company. The Company entered into a capital and business alliance agreement with Chubu Electric Power. The agreement stipulates that, among other provisions, the Company shall consult with or report to Chubu Electric Power in advance regarding changes in capital, mergers, dissolution, business transfers, share exchanges, share transfers, company splits, and other important policies. It also designates Chubu Electric Power as a preferred candidate for energy supply and equipment installation related to the Company’s development projects. However, the Company maintains the authority to conduct business activities and make management decisions based on its own business judgment. Therefore, we believe that a certain level of independence from the parent company is effectively ensured.

(2) Transactions with the parent company

- (i) Matters considered so as not to harm the Company’s interests in conducting said transactions
Our policy is to determine transaction terms with the parent company reasonably by considering contract terms and market prices in the same manner as with other companies. Decisions on whether or not to proceed with the transactions and terms thereof are made after careful consideration to ensure the transactions do not unduly harm the rights of minority shareholders.
- (ii) The Board of Directors’ judgment on whether or not said transactions harm the Company’s interests and reasons thereof
The Company’s Board of Directors concluded that the transactions with the parent company mentioned in (i) above do not harm the Company’s interests based on its reasonable judgment that the transaction terms have been determined fairly and appropriately, with due consideration given to the necessity of each transaction.
- (iii) Opinions when the judgment of the Board of Directors differs from the opinions of External Directors
Not applicable.

(3) Status of principal subsidiaries

Company name	Share capital (Millions of yen, unless otherwise stated)	Voting rights ratio held by the Company (%)	Principal business
<i>Consolidated subsidiaries</i>			
ES-CON PROPERTY Ltd.	20	100.0	Asset management business
ES-CON ASSET MANAGEMENT Ltd.	100	100.0	Asset management business
ES-CON LIVING SERVICE Ltd.	40	100.0	Real estate development business Real estate leasing business Asset management business Other businesses
ES-CON HOME Co., Ltd.	30	100.0	Condominium business Other businesses
ES-CON CRAFT Ltd.	10	100.0	Condominium business Other businesses
Picasso Co., Ltd.	101	100.0	Real estate leasing business
Yuki Sangyo Co., Ltd.	101	100.0	Real estate leasing business
Shijo Omiya Building Co., Ltd.	101	100.0	Real estate leasing business
Shiba Real Estate Inc. (Note 9)	5	100.0	Real estate leasing business
ES-CON INVESTMENT PARTNERS Ltd. (Note 10)	135	100.0	Asset management business
ESCON USA V LLC (Note 7)	USD 70,670 thousand	100.0	Other businesses
Ryomon Co., Ltd. (Note 5)	100	51.0	Other businesses
ES-CON Sports & Entertainment Ltd.	100	51.0	Other businesses
Montedio Football Park Co., Ltd. (Note 11)	100	97.8	Other businesses
ESCON JAPAN (THAILAND) CO., LTD. (Note 2)	THB 1,000 thousand	49.0 [26.0]	Other businesses
<i>Equity-method associates</i>			
Origin Chaengwattana CO., LTD. (Notes 3, 8)	THB 500,000 thousand	40.0 (40.0)	Other businesses
Alia Venture, L.P. (Note 4)	USD 1 thousand	–	Other businesses
Kuilei Venture, L.P. (Note 4)	USD 1 thousand	–	Other businesses
TSUNAGU Community Farm LLC (Note 6)	490	31.1	Other businesses

- Notes: 1. Segment names are provided in the “Principal business” column.
2. Percentages in square brackets under the “Voting rights ratio held by the Company” column represent the ratios of voting rights owned by closely-related parties or parties in agreement and are excluded from the percentages above.
3. Percentages in parentheses under the “Voting rights ratio held by the Company” column represent the ratios of voting rights indirectly owned by the Company and are included in the percentages above.
4. Although the Company does not own its voting rights, the entity is deemed as an equity-method associate by applying the *Practical Solution on Application of the Control Criteria and Influence Criteria to Investment Associations* (Accounting Standards Board of Japan (ASBJ) PITF No. 20, September 8, 2006, revised on March 25, 2011).
5. Ryomon Co., Ltd. is balance-sheet insolvent, with net liabilities of 6,738 million yen as of the end of March 2026.
6. TSUNAGU Community Farm LLC is balance-sheet insolvent, with net liabilities of 7,913 million yen as of the end of March 2026.
7. ESCON USA V LLC falls under the category of specified subsidiary.
8. Origin Chaengwattana CO., LTD., in which the Company invested, became an equity-method associate on May 19, 2025.
9. Shiba Real Estate Inc. became a consolidated subsidiary on April 1, 2025.
10. FUEL Inc. changed its trade name to ES-CON INVESTMENT PARTNERS Ltd. on June 1, 2025.
11. Montedio Football Park Co., Ltd. became a consolidated subsidiary on February 27, 2026.

VII. Principal business

The Group's principal businesses are as follows.

(1) Condominium business

In the condominium business, the Group operates a for-sale condominium business under brands, including its core brand Le JADE; a brand pursuing scarcity value Grand Le JADE; and a high-end residence brand DIAMAS. We have established an integrated system covering everything from land acquisition to original planning, development, and sales, centered on Japan's five major metropolitan regions such as Tokyo, Kansai, and Hokkaido. We strive to ensure stable revenue by providing high value-added housing that leverages regional characteristics and location. The Group also operates a detached house business through its consolidated subsidiaries.

This business is primarily conducted by the Company and its consolidated subsidiaries ES-CON HOME Co., Ltd. and ES-CON CRAFT Ltd.

(2) Real estate development business

In the real estate development business, the Group develops and operates diverse types of assets such as offices, leasehold land, and land readjustment projects. We ensure monetization and high capital efficiency by acquiring and developing land timed to market trends, and strategically selling developed properties to external buyers, or listed REITs or private funds managed by the Group.

This business is primarily conducted by the Company.

(3) Real estate leasing business

In the real estate leasing business, the Group owns and leases income-producing properties—primarily community-based retail facilities, rental residences, and leasehold land—including properties developed in-house. In this way, we are actively building a rental asset portfolio that serves as a pillar of medium- to long-term recurring revenue. We also endeavor to maximize revenue by increasing the value of our properties through such means as strategic leasing and renovation.

This business is primarily conducted by the Company and its consolidated subsidiaries Picasso Co., Ltd., Yuki Sangyo Co., Ltd., Shijo Omiya Building Co., Ltd., and Shiba Real Estate Inc.

(4) Asset management business

In the asset management business, the Group is engaged in the management of listed REITs and private funds (asset management) and the monument and operation of income-producing properties (property management), and management of for-sale condominiums. We strive to enhance property value through appropriate asset management, while building up revenue from fee-based business by expanding our assets under management (AUM). As such, this business plays a key role in expanding the entire Group's recurring-revenue base.

This business is primarily conducted by the Company's consolidated subsidiaries ES-CON PROPERTY Ltd., ES-CON ASSET MANAGEMENT Ltd., ES-CON LIVING SERVICE Ltd., and ES-CON INVESTMENT PARTNERS Ltd.

(5) Other businesses

In the other businesses, the Group is engaged in investments in overseas projects, as well as in an urban-type columbarium business and consulting and sales brokerage services. We have also participated in regional revitalization projects through sports and other types of entertainment, thereby driving the creation of new value and exploration of new growth areas.

These businesses are primarily conducted by the Company and its consolidated subsidiaries Ryomon Co., Ltd. and ES-CON Sports & Entertainment Ltd., as well as by five other consolidated subsidiaries and six equity-method associates.

VIII. Major offices

Name	Location
Tokyo Head Office, ES-CON JAPAN, Ltd.	Minato-ku, Tokyo
Osaka Head Office, ES-CON JAPAN, Ltd.	Chuo-ku, Osaka City
Nagoya Office, ES-CON JAPAN, Ltd.	Naka-ku, Nagoya City
Kyushu Office, ES-CON JAPAN, Ltd.	Hakata-ku, Fukuoka City
Hokkaido Office, ES-CON JAPAN, Ltd.	Chuo-ku, Sapporo City
Okinawa Office, ES-CON JAPAN, Ltd.	Naha City, Okinawa
ES-CON PROPERTY Ltd.	Minato-ku, Tokyo
ES-CON ASSET MANAGEMENT Ltd.	Minato-ku, Tokyo
ES-CON LIVING SERVICE Ltd.	Minato-ku, Tokyo
ES-CON HOME Co., Ltd.	Omiya-ku, Saitama City
ES-CON CRAFT Ltd.	Omiya-ku, Saitama City
Picasso Co., Ltd.	Chuo-ku, Osaka City
Yuki Sangyo Co., Ltd.	Chuo-ku, Osaka City
Shijo Omiya Building Co., Ltd.	Shimogyo-ku, Kyoto City
Shiba Real Estate Inc.	Minato-ku, Tokyo
ES-CON INVESTMENT PARTNERS Ltd.	Minato-ku, Tokyo
Ryomon Co., Ltd.	Minato-ku, Tokyo
ES-CON Sports & Entertainment Ltd.	Minato-ku, Tokyo
Montedio Football Park Co., Ltd.	Yamagata City, Yamagata
ESCON USA V LLC	Delaware, United States
ESCON JAPAN (THAILAND) CO., LTD.	Bangkok, Thailand
<i>Equity-method associates</i>	
Origin Chaengwattana CO., LTD.	Bangkok, Thailand
Alia Venture, L.P.	Delaware, United States of America
Kuilei Venture, L.P.	Delaware, United States of America
TSUNAGU Community Farm LLC	Fukuroi City, Shizuoka

- Notes: 1. Shiba Real Estate Inc. became a consolidated subsidiary on April 1, 2025.
2. FUEL Inc. changed its trade name to ES-CON INVESTMENT PARTNERS Ltd. on June 1, 2025.
3. Montedio Football Park Co., Ltd. became a consolidated subsidiary on February 27, 2026.
4. Origin Chaengwattana CO., LTD., in which the Company invested, became an equity-method associate on May 19, 2025.

IX. Status of employees

Number of employees (Persons)	Changes from the end of the previous fiscal year (Persons)
487	Increase by 12

X. Principal lenders and amount of borrowings

(Millions of yen)

Lender	Amount of borrowings
Sumitomo Mitsui Banking Corporation	48,167
Mizuho Bank, Ltd.	30,449
North Pacific Bank, Ltd.	19,712
Sumitomo Mitsui Trust Bank, Limited	15,306
THE NISHI-NIPPON CITY BANK, LTD.	13,100

2. Matters Regarding Shares of the Company

I. Number of shares authorized to be issued

99,000,000 shares

II. Total number of shares issued

98,580,887 shares (including 1,277,454 treasury shares)

III. Number of shareholders

35,199

IV. Major shareholders

Shareholder name	Number of shares owned (Shares)	Shareholding ratio (%)
Chubu Electric Power Co., Inc.	49,599,000	51.0
The Master Trust Bank of Japan, Ltd. (trust account)	4,896,000	5.0
TENMA SEIRYU CO., LTD	3,610,000	3.7
Custody Bank of Japan, Ltd. (trust account)	2,456,700	2.5
Seiryu Corporation Co., Ltd.	2,100,000	2.2
Takatoshi Ito	1,291,200	1.3
MSIP CLIENT SECURITIES	718,500	0.7
Nomura Securities Co., Ltd.	621,900	0.6
JP MORGAN CHASE BANK 385781	576,865	0.6
Keiko Akashi	531,000	0.5

- Notes: 1. The top 10 major shareholders are listed in the above table.
2. Although the Company owns 1,277,454 treasury shares, it is excluded from the above list of major shareholders.
1,414,300 shares of the Company held by Custody Bank of Japan, Ltd. (trust account) in the BBT and the Share-based ESOP Trust are not included in the number of treasury shares.
3. The shareholding ratios are calculated after deducting 1,277,454 treasury shares.

V. Status of shares granted to the Company's officers during the fiscal year under review as consideration for performance of duties

	Number of shares (Shares)	Number of recipients (Persons)
Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors)	3,400	1

- Notes: 1. The details of the Company's stock compensation are provided in "4. Matters Regarding the Company's Officers, II. Remuneration for Directors" below.
2. The above figure represents the number of shares granted to retired officers.

3. Matters Regarding Share Acquisition Rights etc.

Not applicable.

4. Matters Regarding the Company's Officers

I. Status of Directors (as of March 31, 2026)

Position	Name	Responsibilities and significant concurrent positions
President and Representative Director President and Executive Officer	Takatoshi Ito	Member of the Nomination and Remuneration Advisory Committee Director, Ryomon Co., Ltd. Director, Picasso Co., Ltd. Director, Yuki Sangyo Co., Ltd. Director, Shijo Omiya Building Co., Ltd. Executive Chairman, ES-CON Sports & Entertainment Ltd. Director, Shiba Real Estate Inc.
Senior Managing Director Senior Managing Executive Officer	Minoru Nakanishi	Head of Management Planning Division Director, Ryomon Co., Ltd. Director, Picasso Co., Ltd. Director, Yuki Sangyo Co., Ltd. Director, Shijo Omiya Building Co., Ltd.
Director Executive Officer	Masakazu Tsubouchi	Head of Management Division Head of President's Office Director in Charge of Compliance
Director	Keiko Otsuki	Member of the Nomination and Remuneration Advisory Committee Director, Japan Promote Organization for Medical Resources Development
Director	Hiroaki Hattori	Member of the Nomination and Remuneration Advisory Committee Special Advisor, The Minato Bank, Ltd. External Auditor, Osaka Small and Medium Business Investment & Consultation Co., Ltd.
Director	Hiroko Kiba	Member of the Nomination and Remuneration Advisory Committee External Director, Central Japan Railway Company Outside Audit & Supervisory Board Member, INPEX CORPORATION
Director (Full-time Audit and Supervisory Committee Member)	Masayoshi Nishitake	
Director (Full-time Audit and Supervisory Committee Member)	Tomohiko Wakayama	
Director (Audit and Supervisory Committee Member)	Hiroto Mizobata	Representative, Mizobata Certified Public Accountant Office Representative Partner, Mizobata Accounting Office External Director (Audit and Supervisory Committee Member), Yamaki Co., Ltd.
Director (Audit and Supervisory Committee Member)	Tadashi Fukuda	External Auditor, EXEDY Corporation

- Notes: 1. Directors, Ms. Keiko Otsuki, Mr. Hiroaki Hattori, and Ms. Hiroko Kiba and Directors who are Audit and Supervisory Committee Members, Messrs. Masayoshi Nishitake, Hiroto Mizobata, and Tadashi Fukuda are External Directors.
2. Director who is an Audit and Supervisory Committee Member, Mr. Hiroto Mizobata is a certified public accountant and certified tax accountant and has expertise in accounting and tax affairs. Director who is an Audit and Supervisory Committee Member, Mr. Tadashi Fukuda is a qualified attorney-at-law and has expertise in legal affairs.
3. In order to ensure effective auditing and robust supervisory functions through day-to-day information gathering, Messrs. Masayoshi Nishitake and Tomohiko Wakayama were elected as Full-term Audit and Supervisory Committee Members.
4. Directors, Ms. Keiko Otsuki, Mr. Hiroaki Hattori, and Ms. Hiroko Kiba and Directors who are Audit and Supervisory Committee Members, Messrs. Masayoshi Nishitake, Hiroto Mizobata, and Tadashi Fukuda are designated as independent officers who have no risk of conflict of interest with general shareholders, as required by the Tokyo Stock Exchange.
5. Directors, Messrs. Mitsuhiro Matsuzawa and Atsushi Kawashima retired due to the expiration of their terms of office at the conclusion of the 30th Ordinary General Meeting of Shareholders held on June 25, 2025.
6. Changes in Directors' positions, responsibilities, and significant concurrent positions during the fiscal year under review are as follows:
- Director, Ms. Keiko Otsuki retired as Outside Director of KRS Corporation as of February 25, 2026.
 - Director who is an Audit and Supervisory Committee Member, Mr. Tadashi Fukuda retired as Executive Partner of Daiichi Law Office, P.C. as of December 31, 2025.
7. Changes in Directors' positions, responsibilities, and significant concurrent positions after the end of the fiscal year under review are as follows:
- Senior Managing Director, Senior Executive Officer, Mr. Minoru Nakanishi assumed as Executive Chairman of Montedio Yamagata Ltd. and Director of Montedio Football Park Co., Ltd. as of April 28, 2026.
8. The Company reappointed Messrs. Takatoshi Ito (President and Executive Officer), Minoru Nakanishi (Senior Managing Executive Officer), Tomohiko Egashira (Senior Managing Executive Officer), Akira Mizunoya (Managing Executive Officer), and Masakazu Tsubouchi as Delegated Executive Officers; Messrs. Yoshiro Kato and Katsushi Wakayama as Employed Senior Executive Officers; and Messrs. Tadashi Tanaka, Tomohito Nakata, and Seiken Naito, Ms. Megumi Nakadozono, and Mr. Hiroyuki Yamato as Employed Executive Officers as of April 24, 2026. The Company also appointed Mr. Wataru Orii as a new Delegated Executive Officer (Managing Executive Officer) as of May 1, 2026.

II. Remuneration for Directors

- (1) Policy for determining the content of remuneration for Directors other than those who are Audit and Supervisory Committee Members

Regarding remuneration for Directors other than those who are Audit and Supervisory Committee Members, our basic policy is to ensure appropriate remuneration levels by verifying the status of performance target achievement and benchmarking against industry peers at the Nomination and Remuneration Advisory Committee. In light of the volatile nature of our businesses, our remuneration structure is designed to sustain and even enhance the management team's motivation by increasing the proportion of annual and medium-term incentive remuneration.

The Board of Directors, at its meeting held on February 24, 2021, resolved the policy for determining the content of remuneration for individual Directors other than those who are Audit and Supervisory Committee Members. Before passing this resolution, the Board of Directors consulted with the Nomination and Remuneration Advisory Committee on the details to be resolved and received a report from the Committee.

The Board of Directors has also confirmed that the remuneration for individual Directors for the fiscal year under review, including the determination method and the actual content, is consistent with the determination policy and that the report of the Nomination and Remuneration Advisory Committee was duly respected. Therefore, the Board has judged that the remuneration is in accordance with the said policy.

- (2) Content, composition, and composition ratio of remuneration for Directors other than those who are Audit and Supervisory Committee Members

The remuneration for Directors other than those who are Audit and Supervisory Committee Members (excluding External Directors) is composed of fixed monthly basic remuneration, annual incentive remuneration based on performance for each fiscal year, and medium-term incentive remuneration based on performance during the period covered by the Medium-term Management Plan (MTMP). The composition ratio is determined according to the position and responsibilities of each Director.

The remuneration for External Directors is composed solely of fixed monthly basic remuneration.

Overview of remuneration when incentive remuneration is paid at target amounts

Remuneration type	Representative Director	Director & Executive Vice President	Senior Managing Director	Managing Director	Director	Purpose and overview of remuneration payment
Basic remuneration	55%	54%	52%	55%	55%	This remuneration is paid in accordance with the differences in roles, such as management oversight and business execution, as well as the level of responsibility associated with each position. The remuneration amount is determined based on executive category and position.
Annual incentive remuneration	30%	29%	29%	30%	27%	This remuneration is designed to provide an incentive for business execution toward achieving business plans, and paid in cash based on annual performance, using consolidated profit and consolidated operating profit as performance indicators. The remuneration amount is determined by evaluating the progress of business measures and achievement level of business plans in the relevant fiscal year and reflecting the evaluation results.
Medium-term incentive remuneration	15%	17%	19%	15%	18%	This remuneration is designed to provide an incentive for business execution conscious of sustainable growth and paid in shares by evaluating the achievement of MTMP and changes in corporate value, using the consolidated operating profit and total shareholder return (TSR) targets set forth in the MTMP as performance indicators. Share acquisition rights granted based on annual performance during the MTMP period are evaluated by a third party for each period. The rights are then vested according to the evaluation results.

- (3) Method of calculating remuneration for Directors other than those who are Audit and Supervisory Committee Members (excluding External Directors)
- (i) Annual incentive remuneration
A certain percentage of profits is allocated to a fund for annual incentive remuneration, which is then distributed based on each Director's position and the achievement of business plans.
- Remuneration fund = Consolidated profit × Coefficient A × Coefficient B based on the achievement of consolidated operating profit target
- Remuneration amount = Remuneration fund × (Individual points ÷ Total points)
- Coefficient A: This coefficient is set so that the remuneration reaches the target amount when the business plans for the first year of the MTMP are achieved. It is updated at the start of each MTMP period.
- Coefficient B: This coefficient is set to zero if the achievement level of consolidated operating profit target is less than 80% and is capped at 1.5x.
- Individual points: Points awarded to each Director:
Points for each position + Performance points (based on the achievement level of consolidated operating profit target and President's commitment evaluation)
- (ii) Medium-term incentive remuneration
Points are awarded each year based on the achievement of consolidated operating profit target, using the base number of shares for each position set in the first year of the MTMP. These annually awarded points are accumulated in the final year of the plan. The number of shares to be granted is calculated by multiplying the total cumulative points for the applicable period by a performance-linked coefficient. This coefficient is determined by the Board of Directors following deliberations by the Nomination and Remuneration Advisory Committee based on the degree of divergence between the Company's total shareholder return (TSR) and the TOPIX Real Estate Index.
- Annually*
Annually awarded points = Base number of shares for each position × Coefficient based on the achievement level of consolidated operating profit target
- After the applicable period*
Vested points = Total cumulative points for the applicable period × Coefficient based on the divergence between the Company's TSR and TOPIX Real Estate Index
- (4) Timing of remuneration payments
While the fixed monthly basic remuneration is paid every month, the annual incentive remuneration is paid after the end of each fiscal year. Meanwhile, for the medium-term incentive remuneration, points are awarded after the end of each fiscal year, and the awarded points are vested in the final year of the MTMP, using consolidated operating profit and TSR as calculation indicators. Except in certain cases, the Company's shares are delivered to each Director according to the number of awarded points after concluding a transfer restriction agreement. The transfer restrictions are lifted upon the individual's retirement from all positions as Director or other officers of the Company.
- (5) Policy for determining remuneration for individual Directors
To ensure the transparency of officers' remuneration, the content of remuneration for individual Directors is determined based on discussions at the Nomination and Remuneration Advisory Committee consisting of one Internal Director and three External Directors (all of whom are Independent External Directors). As an advisory body to the Board of Directors, the Nomination and Remuneration Advisory Committee determines the draft proposals for the remuneration amounts of individual Directors other than those who are Audit and Supervisory Committee Members. The Committee also deliberates on and determines the draft policies for determining officer remuneration plans, remuneration levels, evaluation systems, and other details.
- (6) Policy for determining remuneration for Directors who are Audit and Supervisory Committee Members
The policy for determining the remuneration for Directors who are Audit and Supervisory Committee Members is determined by taking into account their performance and responsibilities regarding the auditing of the legality and validity of business execution that contributes to the sustainable enhancement of corporate value. The draft policy for determining the content of remuneration for individual Directors who are Audit and Supervisory Committee Members is determined by the Nomination and Remuneration Advisory Committee, and such content is finalized through discussions among Directors who are Audit and Supervisory Committee Members.

(7) Total amount of remuneration for the fiscal year under review

(Millions of yen, unless otherwise stated)

Position	Number of recipients (Persons)	Total amount of remuneration	Total amount of remuneration by type		
			Basic remuneration	Performance-linked remuneration	Non-monetary remuneration
Directors (exclude. Audit and Supervisory Committee Members) [External Directors]	8 [4]	329 [31]	212 [31]	79 [-]	38 [-]
Directors (Audit and Supervisory Committee Members) [External Directors]	4 [3]	60 [35]	60 [35]	- [-]	- [-]
Total [External Directors]	12 [7]	390 [66]	272 [66]	79 [-]	38 [-]

- Notes: 1. The above figures include remuneration paid to Directors, Messrs. Mitsuhiro Matsuzawa and Atsushi Kawashima, who retired at the conclusion of the 30th Ordinary General Meeting of Shareholders held on June 25, 2025.
2. The total amount of remuneration for Directors does not include the employee's salary for Directors who concurrently serve as employees.
3. The details of the performance indicators selected as the basis for calculating the amount of performance-linked remuneration and the calculation method thereof are as provided in "(3) Method of calculating remuneration for Directors other than those who are Audit and Supervisory Committee Members (excluding External Directors)" above. Furthermore, these performance indicators were selected to focus on sales and revenue growth by ensuring steady corporate management each year, and consolidated operating profit, which represents our core business performance, and profit attributable of owners of parent have been designated as such indicators. The actual results for the performance indicators for the fiscal under review were 26,101 million yen for consolidated operating profit and 12,191 million yen for profit attributable to owners of parent.
4. The content of non-monetary remuneration consists of provision for share awards for directors (and other officers) for the fiscal year under review, which was determined in accordance with the Share Benefit Regulations for officers.
5. The maximum amount of remuneration for Directors (excluding Audit and Supervisory Committee Members) was resolved to be up to 400 million yen per year (excluding a portion of the employee's salary for Directors who concurrently serve as employees) at the 21st Ordinary General Meeting of Shareholders held on March 25, 2016. The number of Directors (excluding Audit and Supervisory Committee Members) as of the conclusion of this General Meeting of Shareholders was six (including zero External Directors).
6. The maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members was resolved to be up to 100 million yen per year at the Extraordinary General Meeting of Shareholders held on November 29, 2023. The number of Directors who are Audit and Supervisory Committee Members as of the conclusion of this General Meeting of Shareholders was four (including three External Directors).
7. Under the performance-linked stock compensation plan for officers, the performance-linked stock compensation is paid to Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors) and four Delegated Executive Officers with special titles. At the 21st Ordinary General Meeting of Shareholders held on March 25, 2016, the 25th Ordinary General Meeting of Shareholders held on March 26, 2020, the 26th Ordinary General Meeting of Shareholders held on March 26, 2021, the Extraordinary General Meeting of Shareholders held on November 29, 2023, and the 29th Ordinary General Meeting of Shareholders held on June 25, 2024, the remuneration amount was resolved separately from the remuneration described in Note 5 above. The numbers of Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors) and Delegated Executive Officers with special titles as of the conclusion of the 29th Ordinary General Meeting of Shareholders were four.

(8) Directors whose total remuneration is 100 million yen or more

(Millions of yen)

Name (Position)	Total amount of remuneration	Total amount of remuneration by type		
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration
Takatoshi Ito (President and Representative Director President and Executive Officer)	172	103	50	19
Minoru Nakanishi (Senior Managing Director Senior Managing Executive Officer)	103	59	29	15

(9) Roles and activities of the Nomination and Remuneration Advisory Committee

To strengthen the independence and objectivity of the Board of Directors' functions and its accountability on the nomination and remuneration of Directors, the Company established the Nomination and Remuneration Advisory Committee under the Board of Directors on January 30, 2020.

During the fiscal year under review, the Nomination and Remuneration Advisory Committee met four times (including one written resolution) and held two opinion exchange meetings with Board Members and Department Heads based on the succession plan to deliberate on and determine the selection of candidates for Directors and Executive Officers and officer remuneration.

The details are as follows:

(i) Composition

The Nomination and Remuneration Advisory Committee shall be composed of three or more members, at least a majority of which shall be External Directors. The selection of the members is subject to a resolution of the Board of Directors.

(ii) Matters to be deliberated and authority

The Nomination and Remuneration Advisory Committee determines draft proposals for the election and dismissal of Directors other than those who are Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members to be submitted to general meetings of shareholders. The Committee also determines the draft proposals for the appointment and removal of the Representative Director and Directors and Executive Officers with special titles, the division of duties among Executive Directors, and basic policies regarding these matters, as well as deliberates on matters concerning the succession plan, among other topics. The Committee evaluates the performance of the Chief Executive Officer and other management executives every year, including the achievement of performance targets, and deliberates on whether or not to reappoint them based on the evaluation results.

The Nomination and Remuneration Advisory Committee determines the draft proposals for the remuneration amounts of individual Directors other than those who are Audit and Supervisory Committee Members. The Committee also deliberates on matters such as the remuneration determination policy to determine the draft proposals thereof.

III. Matters regarding limited liability agreements

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each of the Directors (excluding those who are Executive Directors etc.) to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act.

The maximum amount of liability for damages under said agreement is the minimum liability amount stipulated by laws and regulations.

IV. Matters regarding directors and officers liability insurance agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act, with Directors and Executive Officers as the insured. The insurance premiums are fully borne by the Company.

Of the liability of Directors and Executive Officers for damages to third parties and the Company, this insurance policy covers compensation for damages and litigation expenses to be borne by the insured.

Provided, however, that, in order to ensure that the appropriateness of the performance of duties by the insured is not impaired, the policy does not cover compensation for damages caused by intent or gross negligence.

V. Matters regarding External Officers

(1) Status of significant concurrent positions held in other organizations and relationships between the Company and such organizations

(i) Director, Ms. Keiko Otsuki is concurrently serving as Director of Japan Promote Organization for Medical Resources Development (MRD). There is no special interest between the Company and the organization.

(ii) Director, Mr. Hiroaki Hattori is concurrently serving as Special Advisor of The Minato Bank, Ltd. and External Auditor of Osaka Small and Medium Business Investment & Consultation Co., Ltd. There is no special interest between the Company and any of these organizations.

(iii) Director, Ms. Hiroko Kiba is concurrently serving as External Director of Central Japan Railway Company and Outside Audit & Supervisory Board Member of INPEX CORPORATION. There is no special interest between the Company and any of these organizations.

(iv) Director who is an Audit and Supervisory Committee Member, Mr. Hiroto Mizobata is concurrently serving as Representative of Mizobata Certified Public Accountant Office, Representative Partner of

Mizobata Accounting Office, and External Director (Audit and Supervisory Committee Member) of Yamaki Co., Ltd. There is no special interest between the Company and any of these organizations.

- (v) Director who is an Audit and Supervisory Committee Member, Mr. Tadashi Fukuda is concurrently serving as External Auditor of EXEDY Corporation. There is no special interest between the Company and the organization.

(2) Major activities during the fiscal year under review

Position	Name	Summary of attendance, comments made, and duties performed with respect to the roles expected of an External Director
Director	Keiko Otsuki	Ms. Keiko Otsuki attended all 12 meetings of the Board of Directors held during the fiscal year under review, and made comments at the meetings as necessary, drawing on her extensive experience and broad perspective as a securities analyst. She has appropriately fulfilled her role in ensuring the validity and appropriateness of decision-making by providing oversight and advice based on her insight, particularly from an investor's point of view. In addition, as a member of the Nomination and Remuneration Advisory Committee, she attended all three committee meetings and two opinion exchange meetings with Board Members and Department Heads held during this fiscal year. In these meetings, she exercised her supervisory function from an objective and neutral standpoint, leveraging her professional expertise in the selection of the Company's officer candidates and the determination of officer remuneration.
Director	Hiroaki Hattori	Mr. Hiroaki Hattori attended all 12 meetings of the Board of Directors held during the fiscal year under review, and made comments at the meetings as necessary, drawing on his extensive knowledge and experience gained at financial institutions. He has appropriately fulfilled his role in ensuring the validity and appropriateness of decision-making by providing oversight and advice based on his extensive experience and broad perspective, particularly those gained through many years of career as a corporate manager. In addition, as a member of the Nomination and Remuneration Advisory Committee, he attended all three committee meetings and two opinion exchange meetings with Board Members and Department Heads held during this fiscal year. In these meetings, he exercised his supervisory function from an objective and neutral standpoint, leveraging his professional expertise in the selection of the Company's officer candidates and the determination of officer remuneration.
Director	Hiroko Kiba	Ms. Hiroko Kiba attended nine out of 10 meetings of the Board of Directors held since her appointment on June 25, 2025, and made comments at the meetings as necessary, drawing on her broad knowledge and experience gained through her career in numerous public offices and other positions. She has appropriately fulfilled her role in ensuring the validity and appropriateness of decision-making by providing oversight and advice based on her insight, particularly into sustainability management and the promotion of diversity. In addition, as a member of the Nomination and Remuneration Advisory Committee, she attended all two committee meetings and two opinion exchange meetings with Board Members and Department Heads held since her appointment on June 25, 2025. In these meetings, she exercised her supervisory function from an objective and neutral standpoint, leveraging her professional expertise in the selection of the Company's officer candidates and the determination of officer remuneration.
Director (Full-time Audit and Supervisory Committee Member)	Masayoshi Nishitake	Mr. Masayoshi Nishitake attended all 12 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. As a full-time External Director, he also attended headquarters meetings and other important meetings to actively gather information and made necessary comments as appropriate from a high-level perspective, drawing on his extensive experience and track record at financial institutions. In doing so, he has appropriately fulfilled his role in ensuring the validity and appropriateness of decision-making.

Position	Name	Summary of attendance, comments made, and duties performed with respect to the roles expected of an External Director
Director (Audit and Supervisory Committee Member)	Hiroto Mizobata	Mr. Hiroto Mizobata attended all 12 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review, and provided appropriate advice on various issues, particularly those on accounting and tax affairs, from an independent standpoint, drawing on his professional expertise as a certified public accountant and certified tax accountant. In doing so, he has appropriately fulfilled his role in ensuring the validity and appropriateness of decision-making.
Director (Audit and Supervisory Committee Member)	Tadashi Fukuda	Mr. Tadashi Fukuda attended 11 out of 12 meetings of the Board of Directors and 13 out of 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review, and provided appropriate advice on various issues, particularly those on legal affairs, from an independent standpoint, drawing on his extensive experience in corporate legal affairs and broad insight as an attorney. In doing so, he has appropriately fulfilled his role in ensuring the validity and appropriateness of decision-making.