

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

Dear Shareholders,

Securities code: 9704
March 10, 2026
5-2-6, Toranomom, Minato-ku, Tokyo
Agora Hospitality Group Co., Ltd.
Representative Director, Chairperson Chiu Wing Kwan Winnie

Notice of Convocation of the 88th Ordinary General Meeting of Shareholders

Thank you for your continued support and cooperation with the management of Agora Hospitality Group. Notice is hereby given that the 88th Ordinary General Meeting of Shareholders of the Company will be held as follows.

The General Meeting of Shareholders will be accessible electronically, and in accordance with Article 325-3 of the Companies Act, the electronically provided materials have been posted on the Company's website. Please access and review them on the Company's website below.

Website for posting shareholder meeting materials <https://d.sokai.jp/9704/teiji/>



The electronic materials are posted on the website of the Tokyo Stock Exchange as well as on the website of the General Meeting of Shareholders.

Tokyo Stock Exchange website (TSE Listed Company Information Service)
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



If you are unable to attend the meeting, you may exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Tuesday, March 24, 2026 (JST), in accordance with the instructions below.

Details

1. Date and time	Wednesday, March 25, 2026, at 10 a.m. (Reception starts at 9:30 a.m.)
2. Venue	4-45-1, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka Banquet room, Rikyu, 3rd. floor, Hotel Agora Regency Osaka Sakai
3. Purpose of the meeting	<p>Matters to be reported:</p> <ol style="list-style-type: none"> 1. 88th. business year (from January 1 to December 31, 2025) The business results, consolidated financial statements, and the result of consolidated financial statement audits performed by the Audit & Supervisory Board 2. 88th. business year (from January 1 to December 31, 2025) The details of financial statements <p>Matters to be resolved:</p> <ul style="list-style-type: none"> Proposal No. 1: Election of Six (6) Directors Proposal No. 2: Election of One (1) Audit & Supervisory Board Member Proposal No. 3: Determination of Remuneration for Allotment of Shares with Restriction on Transfer for Directors (including External Directors)
4. Guidance on exercising voting rights	<ol style="list-style-type: none"> (1) Voting in writing Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return the form to us by 6:00 p.m. on Tuesday, March 24, 2026. (2) Exercising voting rights on the Internet, etc. When exercising your voting rights via the Internet, etc., please read [Instructions for Exercising Voting Rights via the Internet, etc.] below and enter your approval or disapproval according to the instructions there. (3) The deadline for exercising your voting rights is 6:00 p.m. on Tuesday, March 24, 2026. Please exercise your voting rights as soon as possible. (4) Exercising voting rights in writing (by mail). If no indication is provided, we will treat it as an indication of approval. If you exercise your voting rights both in writing and via the Internet, etc., we will treat the exercise of your voting rights via the Internet, etc., as valid. Additionally, if you exercise your voting rights multiple times via the Internet, etc., or if you exercise your voting rights more than once using a personal computer or smartphone, we will treat the last vote as the valid exercise of your voting rights.

- If you attend the meeting in person, please submit the voting form sent together with this Notice of Meeting to the reception desk at the meeting venue.
- The following items (i) and (ii) are not included in the document stating the items to be provided electronically, which will be delivered to shareholders who have requested delivery of the document in accordance with laws and regulations and Article 18 of the Company's Articles of Incorporation.
 - (i) "Notes to Consolidated Financial Statements" of the consolidated financial statements.
 - (ii) "Notes to non-consolidated financial statements" of the financial statements.

The information contained in the electronic provision of measures is, therefore, part of the consolidated financial statements, and financial statements audited by the Board of Statutory Auditors in preparing its audit report and the consolidated financial statements and financial statements audited by the Independent Auditor in preparing the Independent Auditor's report.
- If circumstances arise that require amendments to the electronic provision measures, please contact the website of the General Meeting of Shareholders on the Internet (<https://d.sokai.jp/9704/teiji/>) [and the TSE Listed Company Information Service (<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>), and the information before and after the amendments will be posted.

Website for posting shareholder meeting materials (<https://d.sokai.jp/9704/teiji/>)
 Tokyo Stock Exchange website (TSE Listed Company Information Service)
 (<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>)
 Agora Hospitality Group website (<https://www.agora.jp/group/>)

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Guidance on Exercising Voting Rights

Voting rights at General Meetings of Shareholders are important rights of you as a shareholder. Please exercise your voting rights after reading and considering the details of the attached Reference Document for the General Meeting of Shareholders.

The following three ways to exercise your voting rights are available.



Attending the General Meeting of Shareholders

Please present the enclosed Voting Rights Exercise Form at the reception desk upon your arrival.

Date and time

10:00 a.m. on Wednesday, March 25, 2026 (Reception starts at 9:30)



Exercising Voting Rights in Writing (by Postal Mail)

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it to us.

Deadline

Votes are to reach us by 6:00 p.m. on Tuesday, March 24, 2026



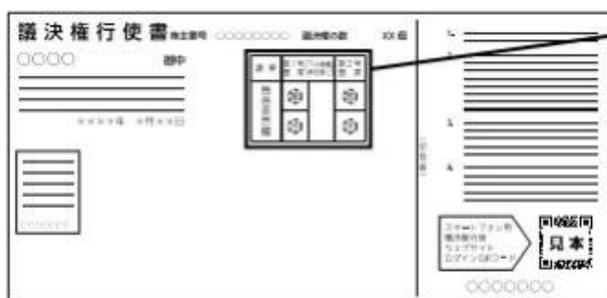
Exercising Voting Rights on the Internet

Please follow the instructions on the next page and enter your approval or disapproval of the proposals.

Deadline

Entries are to be completed by 6:00 p.m. on Tuesday, March 24, 2026

Instructions on Filling the Voting Rights Exercise Form



※議決権行使書はイメージです。

こちらに議案の賛否をご記入ください。

- 第1号議案**
- 全員賛成の場合 >> 「賛」の欄に○印
 - 全員反対する場合 >> 「否」の欄に○印
 - 一部の候補者を反対する場合 >> 「賛」の欄に○印をし、反対する候補者の番号をご記入ください。
- 第2号議案**
- 賛成の場合 >> 「賛」の欄に○印
 - 反対する場合 >> 「否」の欄に○印

If you have voted both in writing (by postal mail) and on the Internet, etc., the vote on the Internet, etc., will prevail. If you have voted multiple times on the Internet, etc., we will treat the last vote cast as the effective one.

Instructions on Exercising Voting Rights on the Internet

Exercising voting rights on the Internet
Entries to be completed by 6:00 p.m. on Tuesday,
March 24, 2026

Exercising Voting Rights via Smartphone or Other Devices.



Exercising Voting Rights via PC or Other Devices

Please access the following URL and log in using the Login ID and Password printed on the Voting Rights Exercise Form. After logging in, please follow the on-screen instructions to enter your vote.

Portal URL for the General Meeting of Shareholders ▶<https://www.soukai-portal.net>

The conventional voting website is also available. ▶<https://www.web54.net>

Acceptance of Advance Questions Deadline for Submission of Advance Questions: 6:00 p.m., March 18, 2026 (Wednesday)

For this General Meeting of Shareholders, shareholders may submit questions regarding agenda items in advance via the portal site for the General Meeting of Shareholders. Questions considered to be of high interest among shareholders will be addressed at the General Meeting of Shareholders. As with the method for exercising the voting rights mentioned above, please access the portal site for the General Meeting of Shareholders and tap/click the “Advance Questions” button on the top page. After the “Enter Advance Questions” screen appears, please follow the on-screen instructions to submit your question.

Please note that individual responses will not be provided to each shareholder.

Notes

- If you wish to change your vote after exercising voting rights, you need to enter the Voting Rights Exercise Code and Password printed on the Voting Rights Exercise Form.
- If voting rights are exercised both in writing and via the Internet, the Internet vote shall be considered valid.
If voting rights are exercised multiple times via the Internet, the last vote shall be treated as valid.
- The system is unavailable due to maintenance from 0:00 to 5:00 a.m. on the first Monday of January, April, July, and October.

Inquiries

Sumitomo Mitsui Trust Bank,
Limited
Securities Agency Web Support
Desk

0120-652-031

(Service Hours: 9:00 a.m. – 9:00 p.m.)



Please also refer to the Q&A section for further information.

Reference Documents for General Meeting of Shareholders

Bills and references

Item 1: Election of Six (6) Directors

The term of office of seven Directors (including three External Directors) will expire upon the conclusion of the ordinary general meeting of stockholders. The Company requests that its shareholders appoint the following persons as the succeeding Directors.

Elect and appoint six Directors (including two External Directors). The candidates for Directors are as follows:

Candidate	1	Brief personal history, positions and responsibilities in the Company and important concurrent positions in other companies
<p>Winnie Wing Kwan Chiu</p>	<p>1</p>	<p>2002/ 6 Director of Malaysia Land Properties Sdn. Bhd. (present)</p> <p>2008/ 7 Non-Executive Director, Land and General Bhd.</p> <p>2010/ 6 Executive Director, Dorsett Hospitality International</p> <p>2011/11 President & Executive Director of Dorsett Hospitality International (present)</p> <p>2015/ 3 Director of Far East Global Asia Limited (present)</p> <p>2015/ 6 External Director, the Company</p> <p>2019/ 3 Director, the Company</p> <p>2019/ 6 Executive Director, Far East Consortium International Ltd.</p> <p>2024/ 3 Representative Director Chairperson, the Company (present)</p> <p>Representative Director, Agora Hospitalities Co., Ltd. (present)</p> <p>Representative Director, Agora Hotel Management Sakai Co., Ltd. (present)</p> <p>Representative Director, Agora Hotel Management Osaka Co., Ltd. (present)</p> <p>Representative Director, Agora Hotel Management Tokyo Co., Ltd. (present)</p> <p>Representative Director, Namba Hotel Operations Co., Ltd. (present)</p>
<p>Reappointment</p>	<p>1</p>	<p>Reason for Appointment</p> <p>The candidate, Ms. Winnie Wing Kwan Chiu, has extensive global experience in the lodging business acquired as the president of Dorsett Hospitality International, which operates Dorsett hotels. She assumed the position of External Director of the Company in June 2015 and has been responsible primarily for the supervision of the Company’s business operations. The Company expected that through leveraging her global network, she would contribute to expanding the business and appointed her in March 2019 as a Director. Additionally, she has been providing appropriate opinions about the Company’s growth strategies and business operation as chair of the Board of Directors since June 2015 and has stated that transparency of the Company’s decision-making process and information disclosure shall be improved through governance enhancement while placing importance on compliance. In our hotel business, in which a large number of female employees play active roles, we believe that we should work on developing systems, etc., with an aim to create a more comfortable workplace. We will work actively with her to strengthen governance, promote women in the workplace, and support them in achieving a balance between work and family life.</p> <p>Although the candidate, Ms. Winnie Wing Kwan Chiu, is the daughter of Mr. David Chiu, who is a major shareholder of the Company, we have selected her as a candidate for representative director and chairperson after considering her relationship with our major shareholders and other factors. Two of our independent external directors interviewed the candidate for representative director, and after judging that she can remain in the post of representative director and chairperson and continuously perform the post appropriately, the Board of Directors selected her as the candidate for director.</p>
<p>Date of birth</p> <p>April 24, 1980</p> <p>Number of the Company’s shares held 8,115 thousand shares</p>	<p>1</p>	

Candidate 2

XIAN
Chuping

Reappointment

Date of birth

August 30, 1962

Number of the Company's shares
held N/A

Brief personal history, positions and responsibilities in the Company and important concurrent positions in other companies

1983/ 7	Beijing International Studies University Bachelor of Arts in Japanese
1990/ 3	Fukushima University Master of Economics
2011/12	Senior Executive Program for China By China Europe International Business School (CEIBS) / Harvard Business School (HBS) / Tsinghua University School of Economics and Management (TSEM)
1983/ 9	China Radio International Japanese Department
1990/ 4	Yamaichi Securities Co. Ltd. Director of Foreign Fixed Income Department
1994/ 6	Yamaichi Securities Hong Kong Limited General Manager of Fixed Income Department
1998/ 2	Daiwa Securities SMBC Hong Kong Limited General Manager of Securities Department
2002/ 7	Daiwa Securities Co., Ltd. Chief Representative of Beijing Representative Office
2008/10	Daiwa SMBC-SSC Securities Co., Ltd. Vice Chairman
2014/ 4	Daiwa Securities Co., Ltd. Chief Representative of Beijing Representative Office
2017/ 4	Daiwa Capital Markets Hong Kong Limited President and Chief Executive Officer
2018/ 4	Daiwa Securities Group Inc. Senior Managing Director / Deputy Head of Asia & Oceania Daiwa Capital Markets Hong Kong Limited President and Chief Executive Officer *Stationed in Hong Kong
2021/ 7	Daiwa Securities Group Inc. Senior Managing Director / Deputy Head of Asia & Oceania Daiwa Capital Markets Hong Kong Limited President and Chief Executive Officer *Stationed in Hong Kong Daiwa Securities (China) Co., Ltd. Chairman Daiwa (Shanghai) Corporate Strategic Advisory Co. Ltd. Chairman
2022/ 9	Daiwa Capital Markets Hong Kong Limited Head of China Daiwa Securities (China) Co., Ltd. Chairman
2024/ 3	Director CEO & President, the Company Agora Hospitalities Co., Ltd. Director (present) Agora Hotel Management Sakai Co., Ltd. Director (present) Agora Hotel Management Osaka Co., Ltd. Director (present) Agora Hotel Management Tokyo Co., Ltd. Director (present) Namba Hotel Operations Co., Ltd. Director (present)
2024/ 8	Representative Director President & CEO, the Company (present)

Reason for Appointment

The candidate, Mr. XIAN Chuping, has been involved in the financial business for many years and has extensive experience and knowledge in business management, including serving as an executive at a major Japanese securities company. Since assuming the post of Director in March 2024, he has made a significant contribution to the Group's growth by leveraging his broad experience, knowledge concerning global business management, and strong leadership. If reappointed, he will continue to serve as Representative Director, President & CEO, and supervise the overall management of the Company. For the election of candidates for directors at this annual shareholders' meeting, two of our independent external directors, who are the members of our nominating committee, have interviewed candidates for director for this election, and after judging that he can continuously perform the post of the Representative Director, President & CEO appropriately, the Board of Directors selected him as the candidate for director.

Candidate 3

Shi Huiting

Reappointment

Date of birth
April 11, 1992
Number of the Company's shares held N/A

Brief personal history, positions and responsibilities in the Company and important concurrent positions in other companies

2016/ 1	Executive in charge of PR and IR, joined Dorsett Hospitality International
2018/11	Executive in charge of PR and IR, Far East Consortium International Ltd.
2019/ 9	Finance Manager, Dorsett Hospitality International
2023/ 2	Finance Associates Director, Dorsett Hospitality International
2024/ 3	Temporarily transferred to the Company (present)
2025/ 3	Director, the Company
2026/ 2	Director and CFO, the Company (present)

Reason for Appointment

Candidate Shi Huiting holds senior positions at listed real estate companies and hotel management companies in Hong Kong. She has extensive knowledge in the field of public relations and investor relations for the hotel and real estate business and has received high praise in the investor relations field, such as being selected as a member of the 2019 Best IR Team by Hong Kong Investor Relations Association. Later, after switching to the finance department, she made use of the experience she cultivated through investor relations and obtained CFA Institute certified securities analyst qualification and U.S. certified public accountant (CPA) qualifications, and specializes in corporate finance, acquisitions, and hotel asset management. Presently, she has been temporarily transferred to the Company and is engaged in the company's strategic initiatives spanning hotel operations, asset management, and corporate finance as a senior manager. The Company deems her capable of supervising operations in the execution of operations for overall corporate management and made her a candidate. The Company is convinced that adding Ms. Shi Huiting, who has extensive practical experience in IR and finance and a strategic perspective on overall corporate management, to the Board of Directors will greatly contribute to improving our corporate value.

During the selection process of the candidate Ms. Shi Huiting, two of our independent external directors who are members of the Company's Nomination Committee interviewed the candidate, the Company considered her capable of continuing to appropriately carry out its operations as a director and selected her as a candidate for director.

Candidate 4

Hiroshi
Aso

Reappointment

Date of birth

September 17, 1968

Number of the Company's shares
held 400 thousand shares

Brief personal history, positions and responsibilities in the Company and important concurrent positions in other companies

1993/ 4	Joined ITOCHU Corporation
1995/ 4	Tokyo Humania Enterprise Inc. (temporary transfer) Hotel Nikko Tokyo business preparation section
2002/ 4	Joined E-Ship K.K.
2005/ 1	Deputy CEO, Ten Key Advertising Co. (Shanghai)
2006/10	CEO & President, Xin Hua Net Japan K.K.
2007/12	Deputy CEO, Shanghai Tianji Advertising
2011/ 1	Director of Agora Hospitalities Co, Ltd. (present)
2017/ 3	Director, the Company, (present)

Reason for Appointment

The candidate, Mr. Hiroshi Aso, previously joined ITOCHU Corporation, worked at the business preparation section of Hotel Nikko Tokyo and a trading company in China and other Asian regions, and has experience with business in China. He assumed the position of Director of the Company in March 2017 and has made decisions about the overall management of the Company and operating and overseeing new projects in the Company's core lodging business based on his extensive experience in trading and distribution businesses in Asia and profound international perspective.

The Company deems that he is capable of continuing his duties as Director after two of our independent external directors, who are the members of our nominating committee, have interviewed candidates for Director for this election and have selected him as a candidate.

Candidate **5**

Takanori Kitamura

Reappointment

External and Independent

Date of birth

November 15, 1946

Number of the Company's shares
held 100 thousand shares

Brief personal history, positions and responsibilities in the Company and important concurrent positions in other companies

1972/ 4	Joined the Ministry of Foreign Affairs (MOFA)
1989/ 1	Chief of Research Planning Department, Economic Cooperation Bureau
1990/12	Protocol Office, Minister's Secretariat, MOFA
1998/ 7	Minister to China
2004/ 4	Consulate General in Hong Kong
2006/ 9	Ambassador to Greece
2010/ 7	Retired from MOFA
2010/ 8	Professor at the Chinese University of Hong Kong
2013/ 3	External Director, the Company (present)
2015/ 8	Visiting professor at the Chinese University of Hong Kong
2023/ 8	Honorary Fellow, Chinese University of Hong Kong (present)

Reason for appointment and outline of expected role

The candidate, Mr. Takanori Kitamura, was appointed as the External Director of the Company in March 2013. He is also registered as an independent director as stipulated by the Tokyo Stock Exchange. Although Mr. Kitamura has no direct experience in corporate management other than serving as an outside officer, he provides advice on the execution of the Company's business and supervises management from an independent standpoint based on the following expertise; (1) Based on his experience as a diplomat, he has analyzed geopolitical risks regarding the trends of overseas tourists who are easily influenced by international situations; (2) Analyzing the tastes of overseas tourists based on his experience as a consul general ambassador in Hong Kong and Greece, both of which are tourism-oriented regions; (3) Based on his experience as a diplomat, he provides advice on the execution of the Company's business based on his knowledge of external information transmission and public relations. He also supervises the execution of business from an independent standpoint. After several directors including our independent external directors have interviewed the candidates for directors, he has been nominated as a candidate for External Director of the Company, based on his wide range of experience as a diplomat and academic and his rich international experience, and we believe that he will continuously be able to appropriately carry out the supervisory function of the business execution system as an External Director of the Company. He satisfies the requirements for independence stipulated by the Tokyo Stock Exchange and will continue to be an independent director if elected as proposed.

Candidate **6**

Giovanni Angelini

Reappointment
External and Independent

Date of birth

September 23, 1945

Number of the Company's shares held N/A

Brief personal history, positions and responsibilities in the Company and important concurrent positions in other companies

1996	Council Member of the Hong Kong Management Association (HKMA), Hong Kong (present)
1999/ 6	CEO and Managing Director, Shangri-La Hotels and Resorts
2009/ 5	Chairman of Angelini Hospitality (present)
2011/ 4	Vice Chairman, Dusit Fudu International Hotel Management (Shanghai) Co., Ltd.
2013/ 6	Independent External Director, New Century Real Estate Investment Trust
2014/ 3	Independent External Director, Dorsett Hospitality International Limited
2018/10	External Director, the Company (present)
2018	Professor of Practice (Hotel Management) School of Hotel & Tourism Management, The Polytechnic University, Hong Kong
2022	Advisory Board Member, The Landmark Development/OTT Financial Group, Toronto, Canada (present)

Reason for appointment and outline of expected role

The candidate, Mr. Giovanni Angelini, assumed the position of External Director of the Company in October 2018. He has been registered as an Independent Director specified by the Tokyo Stock Exchange and provides advice and supervises the Company's business management from an independent position.

He has broad experience in the global hotel business, including a former job as CEO of Shangri-La Hotels and Resorts, and thorough knowledge of the lodging business that is the Company's core business. Therefore, after several directors, including our independent external directors, interviewed the candidates for director, the Company deems him fully capable of continuing to fulfill his roles as an advisor and supervisor of its operations and selected him as a candidate for External Director.

He meets the requirements for independence specified by the Tokyo Stock Exchange and, if elected as proposed, will continue to be an Independent Director.

(Note) 1. The candidate, Ms. Winnie Wing Kwan Chiu, is the daughter of Mr. David Chiu, a substantial major shareholder. The Agora Hospitality Group's Board of Directors resolved on 13 September 2022 to make a silent partnership investment in Agora Ohama Godo Kaisha, a consolidated subsidiary of The Agora Hospitality Group, and Agora Ohama Godo Kaisha has received a silent partnership investment of 51 million yen in 2025 from a legal entity substantially represented by a close relative of the candidate mentioned above.

(Note) 2. Other than the above, the candidates do not have a special interest in the Company.

(Note) 3. Candidates Takanori Kitamura, and Giovanni Angelini are Candidates for External Director specified in Item 7, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act.

(Note) 4. The term of office of the candidate, Mr. Takanori Kitamura, as External Director of the Company, will be Thirteen (13) years upon the conclusion of the Ordinary General Meeting of Shareholders. The Company plans to designate him as Independent Director pursuant to the provisions of the Tokyo Stock Exchange.

(Note) 5. The term of office of the candidate, Mr. Giovanni Angelini, as External Director of the Company will be for Seven (7) years and Six (6) months upon the conclusion of the Ordinary General Meeting of Shareholders. The Company plans to designate him as an Independent Director pursuant to the provisions of the Tokyo Stock Exchange.

(Note) 7. The Company has entered into contracts with candidates Takanori Kitamura, and Giovanni Angelini to limit liability under Article 423, Paragraph 1 of the Companies Act. The amount of limitation of the liability for damages pursuant to this agreement will be the amount specified in laws and regulations. If the reappointment of each person is approved as an External Director as originally proposed, we will continue the contract to limit the liability under Article 423, Paragraph 1 of the Companies Act.

(Note) 8. The candidates for the appointment of Directors at the Ordinary General Meeting of Shareholders were selected based on their knowledge and experience, which qualifies them to conduct business management appropriately, fairly, and efficiently, in accordance with the provisions of the Companies Act, Financial Instruments and Exchange Act, and other relevant laws. The candidates were interviewed, screened, and selected by the Board of Directors.

(Note) 9. Since December 2005, the Company has entered into liability insurance contracts for officers, etc., with an insurance company with the Company and its subsidiaries, as well as the directors and corporate auditors belonging to them, as insured. The insurance premium is fully borne by the company. Claims for damages caused by the insured's illegal acquisition of profits or benefits will not be covered by the above insurance contract. If the appointment of each person is approved as a director as originally proposed, they will continue to be insured under the contract. In addition, we plan to renew the content during the term of office.

Item 2

Election of One (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member, Mr. Boswell Wai Hung Cheung will resign at the closing of this annual general meeting of shareholders. . Therefore, we request the appointment of one (1) substitute Audit & Supervisory Board Member. The approval of the Audit & Supervisory Board has been obtained for this agenda item.

The term of office of the newly appointed Audit & Supervisory Board Member will be the remaining term of office of the predecessor.

The candidate for Audit & Supervisory Board Member is as follows.

Candidate

**CHUNG,
Benny
Koon
Chung**

New Candidate

External

Date of birth

June 27, 1973

Number of the Company's shares held N/A

Brief personal history, positions in the Company and important concurrent positions in other companies

1994/9	Joined Coopers & Lybrand (presently PWC)
2009/11	Director, Merrill Lynch (Asia Pacific) Limited
2015/9	Managing Director, Jefferies Hong Kong Limited
2017/5	Co-CEO, Quam Capital Limited
2024/10	Deputy COO, Lifestyle International Holdings Ltd
2025/7	CFO, Dorsett Hospitality International Group (present)

Reason for Appointment

The candidate, Mr. Benny Chung Koon Chung, joined Coopers & Lybrand (now PricewaterhouseCoopers) and engaged in IPO auditing and M&A due diligence as a senior accountant, and then he assumed the positions of CFO, CEO at investment banks and other financial institutions and gained a wealth of experience and knowledge of corporate management. Currently, as CFO of Dorsett Hospitality International, he serves as head of finance at a hotel operating company. As the candidate has a background as an accountant (CPA qualification), and has extensive management experience as CFO and CEO for many years, and specialized knowledge concerning finance and accounting, the Company has deemed that the candidate is capable of carrying out audit operations appropriately from a wide range of perspectives, such as monitoring the execution of our overseas business operations, and has made him a candidate for a newly appointed external Audit & Supervisory Board member.

(Note) 1. No special interest exists between the candidate and the Company.

(Note) 2. Candidate, Chung, Benny Koon Chung is the candidate for external auditor.

(Note) 3. If the appointment of Mr. Chung, Benny Koon Chung as an Audit & Supervisory Board Member, is approved as originally proposed, the Company plans to enter into an agreement with him to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act.

(Note) 4. Since December 2005, the Company has maintained a directors and officers liability insurance (D&O insurance) contract with an insurance company, naming the Company, its subsidiaries, and their Directors and Audit & Supervisory Board Members as the insured. The insurance premiums are fully borne by the Company. However, damages arising from the insured's illegal acquisition of profits or benefits are not covered by the said insurance contract. If the election of all candidates is approved as originally proposed, and Mr. Chung, Benny Koon Chung assumes office as an Outside Audit & Supervisory Board Member, they will all be included as the insured under the said contract. The Company plans to renew the contract with the same terms during their term of office.

Reference

If resolution items No. 1 and No. 2 are approved and adopted, the status of officers will be as follows.

Male: 7 Female: 2

Japanese: 4, non-Japanese: 5

Name	Title	Experience in a service industry such as the hospitality industry and professional management experience	Experience in overseas tourism administration, geopolitical knowledge, international business analysis of overseas tourists' tastes and trends based on the international situation	Specialized knowledge and ability in accounting and finance	Abundant international knowledge and experience	Real estate transactions
Ms. Winnie Wing Kwan Chiu	Director	•	•		•	•
Mr. XIAN Chuping	Director			•	•	•
Mr. Hiroshi Aso	Director	•			•	
Mr. Takanori Kitamura	Director		•		•	
Mr. Giovanni Angelini	Director	•	•		•	•
Mr. Shi Huiting	Director		•	•	•	•
Mr. Juichiro Sugito	Auditor			•		
Mr. Shinji Shibuya	Auditor			•	•	
Ms. Chung, Benny Koon Chung	Auditor	•		•	•	

Determination of Remuneration for Allotment of Shares with Restriction on Transfer for Directors (including External Directors)

At the 87th Ordinary General Meeting of Shareholders held on March 25, 2025, shareholders approved a maximum annual remuneration for Directors of 150 million yen (including up to 75 million yen for Outside Directors), excluding stock options. Separately from this limit, it was also approved that the amount of stock option remuneration for Directors be determined by multiplying the fair value of each share acquisition right by the total number of rights (up to a maximum of 180,000 units) granted to Directors in office on the allocation date.

The Company proposes to allocate ordinary shares of the Company (hereinafter referred to as the “Restricted Stock”) to the Directors of the Company (including Outside Directors; hereinafter referred to as the “Eligible Directors”) as follows. This is intended to provide them with an incentive to sustainably improve the Company’s corporate value and to promote further value sharing with shareholders. The Restricted Stock shall be subject to a certain transfer restriction period and provisions regarding gratuitous acquisition by the Company, etc.

Accordingly, we would like to comprehensively consider various matters such as the Eligible Director’s degree of contribution, and separately from the remuneration for directors described above, set the total amount of remuneration, etc. relating to Restricted Stock for the Eligible Directors to be within 225 million yen per year (of which, within 15 million yen for external directors). The allocation of the Restricted Stock will be decided by comprehensively considering various matters such as the Eligible Directors’ degree of contribution, and the maximum number of shares of the Restricted Stock to be allocated in each business year set forth in 2. below will be approximately 1% of the total number of issued shares (approximately 5% of the total number of issued shares in the case of disposing of all treasury shares held by the Company and allocating the maximum number of shares of the Restricted Stock over a period of five years). This agenda item is planned to be implemented by the method of disposing of the treasury shares held by the Company over approximately the next five years, and since the impact on the market is limited and the dilution rate is minor, the Company believes that the content of this agenda item is reasonable.

If this agenda item is approved, at the Company’s Board of Directors meeting after the conclusion of this General Meeting of Shareholders, the Company plans to change the policy for determining the content of remuneration, etc. for individual directors stated on page 34 of the business report as described in this agenda item (Reference) so that the policy is consistent with the approved content. This agenda item is in line with the revised policy, and the content is deemed reasonable.

Furthermore, currently there are seven (7) directors of the Company (including two external directors), and if Item 1 is approved, there will be six directors (including two external directors), and there will be six Eligible Directors.

Details

Specific details and maximum number of shares of the Restricted Stock to the Eligible Directors

1. Allocation of and payment for Restricted Stock

The allocation of the Restricted Stock shall be made by either of the following methods based on a resolution of the Board of Directors of the Company:

- (i) The method of allocating the Restricted Stock to the Eligible Directors as remuneration, etc. relating to the Restricted Stock without the requirement of payment for the issuance or disposition thereof (hereinafter referred to as the “Delivery Without Contribution”)
- (ii) The method of allocating the Restricted Stock by providing to the Eligible Director monetary remuneration claims within the scope of the aforementioned annual amount as remuneration, etc. relating to the Restricted Stock, and by each Eligible Director delivering all such monetary remuneration claims in kind (hereinafter referred to as the “Delivery With Contribution in Kind”)

(1) In the case of Delivery Without Contribution

In the case of the Delivery Without Contribution, although there is no requirement of payment for the issuance or disposition of the Restricted Stock, the amount of remuneration, etc. for the Eligible Directors relating to the Restricted Stock shall be calculated based on the closing price of the ordinary stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors of the Company pertaining to the issuance or disposition thereof (or the closing price on the most recent previous trading day, if no transactions are concluded on that day) so that the amount of remuneration, etc. relating to the Restricted Stock calculated in this way is within the scope of the aforementioned annual amount.

In addition, the aforementioned Restricted Stock will be allocated on the condition that the Eligible Director has concluded an agreement on allocation of the Restricted Stock that includes the content set forth in 3. below.

(2) In the case of Delivery With Contribution in Kind

In the case of the Delivery With Contribution in Kind, the paid-in amount for the Restricted Stock will be determined by the Board of Directors of the Company based on the closing price of the ordinary stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors of the Company for the issuance or disposition thereof (or the closing price on the most recent previous trading day, if no transactions are concluded on that day) to the extent that the amount is not particularly advantageous to the Eligible Directors who subscribe for such Restricted Stock.

In addition, the above monetary remuneration claims shall be provided on the condition that the Eligible Director has agreed on the contribution in kind set forth above and has concluded an agreement on allocation of the Restricted Stock that includes the content set forth in 3. below.

2. Total number of shares of the Restricted Stock

The maximum number of shares of the Restricted Stock to be allocated in each business year shall be the total of 3,000,000 shares of the Restricted Stock that are to be allocated to the Eligible Directors.

However, in case the Company performs a share split (including allocation of shares of common stock of the Company without contribution) or share consolidation of the Company's ordinary stocks after the date of resolution of this agenda item, or in case the total number of shares of the Restricted Stock to be allocated in a similar case shall be adjusted, the total number of such shares of the Restricted Stock may be reasonably adjusted.

3. Content of agreement on allocation of the Restricted Stock

Upon allocation of the Restricted Stock, based on a resolution of the Board of Directors of the Company, the agreement on allocation of the Restricted Stock concluded between the Company and an Eligible Director to whom the Restricted Stock is to be allocated shall include the following:

(1) Content of restrictions on the transfer restriction

An Eligible Director to whom the Restricted Stock has been allocated may not transfer to any third party, establish a pledge on, establish a security interest on, make an inter vivos gift of, bequeath, or otherwise dispose of the Restricted Stock allocated to such Eligible Director (hereinafter referred to as the "Allocated Shares") for a period of not less than three years (hereinafter referred to as the "Transfer Restriction Period") prescribed by the Board of Directors of the Company (hereinafter referred to as the "Transfer Restriction").

(2) Acquisition of Restricted Stock without compensation

In case an Eligible Director to whom the Restricted Stock is allocated resigns or retires from either of positions as director, executive officer, and employee of the Company before the expiration of the Transfer Restriction Period, the Company naturally acquires the Allocated Shares without compensation, unless there are reasons that the Board of Directors of the Company determines to be justified. In addition, if there are any Allocated Shares for which the Transfer Restriction has not been lifted pursuant to the provisions of the grounds for lifting the Transfer Restriction set forth in (3) below at the time that the Transfer Restriction Period stated in (1) above expires, the Company naturally acquires such Allocated Shares without compensation.

(3) Lifting of Transfer Restriction

Provided that the Eligible Director to whom the Restricted Stock has been granted continuously holds a position as either a director, executive officer, or employee of the Company during the Transfer Restriction Period, the Company shall lift the Transfer Restriction on all of the Allocated Shares upon the expiration of the Transfer Restriction Period.

However, in case such Eligible Director resigns or retires from either of position as director, executive officer, and employee of the Company before the expiration of the Transfer Restriction Period for reasons that the Board of Directors of the Company determines to be justified, the number of Allocated Shares for which the Transfer Restriction is to be lifted and the timing of the lifting of the Transfer Restriction shall be reasonably adjusted, as necessary.

(4) Treatment in the event of organizational restructuring, etc.

During the Transfer Restriction Period, in case a agenda item regarding a merger agreement under which the Company will be the dissolving company, a share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary, or other organizational restructuring, etc. is approved by the general meeting of shareholders of the Company (or by the Board of Directors of the Company in the case the approval of the general meeting of shareholders of the Company is not required in relation to such organizational restructuring, etc.), the Company will, based on a resolution of the Board of Directors of the Company, lift the Transfer Restriction for a number of Allocated Shares that will be reasonably determined based on the period from the commencement date of the Transfer Restriction Period until the date of approval of such organizational restructuring, etc., prior to the effective date of the organizational restructuring, etc.

In such case, the Company naturally acquires the Allocated Shares for which the Transfer Restriction has not been lifted without compensation at the time immediately after the Transfer Restriction is lifted pursuant to the above provisions.

(Reference)

1. Policy for Determining the Content of Remuneration for Officers

At the Board of Directors meeting held on March 25, 2025, the Company established a Nomination and Remuneration Committee as an advisory body to the Board of Directors to enhance the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of Directors, thereby strengthening corporate governance. At the Board of Directors meeting held on May 15, 2025, a resolution was passed to delegate the determination of the amount of remuneration for each Director to discussions between the Representative Director & Chairman and the Representative Director, President & CEO. Furthermore, the Board of Directors has determined that the individual remuneration for Directors for the current fiscal year is consistent with the determination policy and that the methods and content of the determined remuneration align with said policy.

The details of the policy for determining the individual remuneration for Directors are as follows:

1. Basic Policy

The remuneration for the Company's Directors is determined by taking into account the external market levels for officer remuneration, the responsibilities and scope of business execution of each Director, and the minimum remuneration amount corresponding to the burden of management monitoring. The basic policy is to ensure that remuneration functions as an incentive for the sustainable improvement of corporate value and to promote value sharing with shareholders.

2. Policy for Determining Individual Amounts of Basic Remuneration (Monetary Remuneration)

(Including policies on determining conditions up to the timing of granting remuneration, etc.)

Basic remuneration for Directors shall be fixed monthly remuneration. The amount is determined comprehensively based on the individual's title, responsibilities, and years of service, while also considering remuneration levels at other companies, the Company's business performance, and employee salary levels.

3. Policy for Non-monetary Remuneration

The Company grants the following non-monetary remuneration to enhance motivation for improving business performance and increasing corporate value, and to align the interests of Directors with the common interests of shareholders.

1. Restricted Stock (RS): For the purpose of providing an incentive for the sustainable improvement of corporate value and further promoting value sharing with shareholders, Restricted Stock (RS) shall be granted at a specific time to Directors (including Outside Directors). This is conducted either without the need for payment in exchange for the issuance or disposal of shares, or by having all monetary remuneration claims provided by the Company contributed in-kind. To suppress dilution, the Company will, in principle, prioritize the disposal of its treasury shares. The number of shares to be granted will be determined based on title, responsibilities, and the share price, among other factors.
2. Share Acquisition Rights (Stock Options): For the purpose of providing incentives for share price appreciation, stock options shall be granted at a specific time to Directors and Audit & Supervisory Board Members. The number of stock options to be granted is determined within the limit of the total remuneration amount approved at the General Meeting of Shareholders, based on each individual's responsibility and scope of business execution and the burden of management monitoring. Granting these options appropriately motivates recipients to maximize mid-to-long-term shareholder and corporate value and ensures they recognize their responsibility regarding the share price.

4. Policy for Determining the Proportion of Each Type of Remuneration

As a general guideline for fiscal 2023, the ratio of basic remuneration to non-monetary remuneration for Directors (excluding Outside Directors) was set at approximately 7:3. From fiscal 2024 onward, the proportion of each type of remuneration will be determined at the time of remuneration review during the election of Directors. The Board will comprehensively consider the optimal balance for each individual, taking into account the Company's business performance, the amount of non-monetary remuneration, and the individual's title, responsibilities, and influence on management.

5. Matters Concerning the Determination of Individual Remuneration for Directors

The Company established a voluntary Nomination and Remuneration Committee at the Board of Directors meeting held on March 25, 2025, to enhance fairness, transparency, and objectivity. To ensure transparency and prevent arbitrary decisions, the Nomination and Remuneration Committee determines the allocation method for monetary remuneration, RS, and stock options for each Director. Based on this determination, the Board of Directors decides the specific remuneration amount for each individual, considering their degree of contribution, position, and suitability for long-term corporate value creation.

(Attached document)

I. Business Report (From January 1, 2025, to December 31, 2025)

I. Status of the Company

1. Business progress and results

During the fiscal year under review, the Japanese economy fluctuated, with personal consumption lacking momentum due to factors such as the impact of rising prices.

On the other hand, in the environment surrounding the hotel industry, the continuous weakening of the yen served as a strong tailwind, leading to a significant expansion in inbound demand. According to the Japan National Tourism Organization (JNTO), the number of foreign visitors to Japan in 2025 reached 42,683,600, surpassing 42 million for the first time and setting a new record high. This record-breaking increase in foreign visitors, backed by the resumption and increase of flight operations, strongly drove the accommodation market.

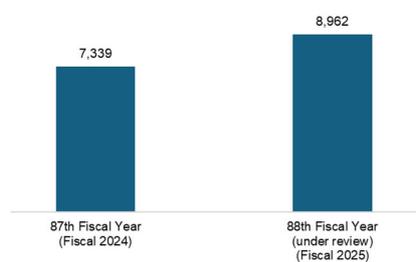
Under these operating conditions, the Group maximized the capture of robust inbound demand and achieved operations with high occupancy rates and high average daily rates. As a result, net sales for the fiscal year under review amounted to 9,908 million yen (up 18.3% year on year). In terms of profit, in addition to the increase in revenue, efforts to control costs through the establishment of an efficient operational structure contributed to a substantial increase in earnings, with operating profit of 1,055 million yen (up 110.3% year on year) and ordinary profit of 869 million yen (up 250.3% year on year). Furthermore, due to the recording of gain on forgiveness of debts related to Agora Place Osaka Namba as extraordinary income, profit attributable to owners of parent was 1,274 million yen, representing a significant increase compared to the previous fiscal year.

Item	87th Fiscal Year (December 2024) Amount (million yen)	88th Fiscal Year (December 2025) Amount (million yen)	Year-on-Year Rate of Change
Net sales	8,337	9,908	18.3%
Operating profit (loss)	501	1,055	110.3%
Ordinary profit (loss)	248	869	250.3%
Profit (loss) attributable to owners of parent	108	1,274	—

The sales status of the corporate group by business category is as follows.

Hotel Business division

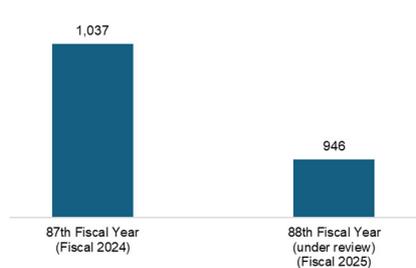
Net sales (unit: million yen)



In the Hotel business segment, business performance was driven by the increase in the number of foreign visitors to Japan due to the weak yen. As a result of higher inbound demand, the average daily rate (ADR) has been on an upward trend, and in the Osaka area in particular, the higher demand for accommodation from other parts of Japan and overseas due to the Expo 2025 Osaka, Kansai, Japan was appropriately captured, and users of Hotel Agora Regency Osaka Sakai and Hotel Agora Osaka Moriguchi increased significantly. As a result, the ADR and occupancy rate at both facilities increased significantly, resulting in a dramatic increase in profitability. Also, the opening of Dorsett by Agora Osaka Sakai in March 2025 contributed to increased sales for the entire Group. On the other hand, operation of Agora Place Osaka Namba was terminated at the end of July 2025, but the strong performance of existing facilities offset the impact, and the business segment as a whole maintained growth. As a result, net sales were 8,962 million yen (up 22.1% year on year) and operating profit was 1,395 million yen (up 99.7% year on year) for the fiscal year under review.

Other investment business division

Net sales (unit: million yen)



The memorial park business in Malaysia was strong on the back of higher demand for suburban cemeteries and indoor ossuaries due to soaring land prices in urban areas, but net sales were 894 million yen (down 0.9% year on year) and operating profit was 101 million yen (down 28.7% year on year) for the fiscal year under review.

The securities business manages shares and corporate bonds, etc. listed on the Hong Kong securities market, and net sales were 27 million yen (down 75.9% year on year) and operating profit was 20 million yen (down 80.9% year on year) due to impacts of market trends and foreign exchange rates.

As a result of this, net sales in the Other investment business came to 946 million yen (down 8.8% year on year) for the fiscal year under review, with operating profit of 137 million yen (down 47.9% year on year).

Dividends for the current consolidated fiscal year will not be paid in consideration of the enhancement of internal reserves necessary for future aggressive business development in the Hotel Business, which is the core business of the Group. We ask for the understanding of our shareholders.

2. Capital investment

The Group sees potential inbound demand as a growth opportunity and has made a capital investment of 433 million yen for hotel construction and other efforts in the Hotel business. In addition, in the Other investment business, a capital investment of 8 million yen was made mainly for the memorial park business.

3. Financing

Financing in the financial year under review consisted of own funds as well as 458 million yen procured through the exercise of the share acquisition rights, 228 million yen of long-term borrowings from financial institutions and the acceptance of a silent partnership investment in Agora Ohama LLC, which received a silent partnership investment of 51 million yen.

4. Transfers, absorption-type splits or incorporation-type splits of business

There is nothing significant to be noted.

5. Acceptance of business

There is nothing significant to be noted.

6. Succession of rights and obligations regarding the business of other corporations due to an absorption-type merger (including a merger with a party other than Japanese companies (limited to a merger in which the Company will continue to exist after the merger)) or an absorption-type split

There is nothing significant to be noted.

7. Acquisition or disposal of equity interests (including shares) or share acquisition rights of other companies

There is nothing significant to be noted.

8. Status of assets and income /loss



Item		2022 85th Fiscal Year	2023 86th Fiscal Year	2024 87th Fiscal Year	2025 88th Fiscal Year (Fiscal year under review)
Net sales	(million yen)	4,951	7,309	8,377	9,908
Ordinary profit (loss)	(million yen)	(1,106)	(195)	248	869
Profit (loss) attributable to owners of parent	(million yen)	(1,298)	(149)	108	1,274
Basic earnings (loss) per share	(yen)	(5.11)	(0.59)	0.43	4.82
Total assets	(million yen)	17,035	18,231	20,653	20,988
Net assets	(million yen)	5,145	5,341	6,647	8,850

9. Issues to be addressed

In FY2025, driven by inbound demand such as the number of foreign visitors to Japan reaching a record high, the Group's business performance improved significantly due to the new opening of hotels entrusted with operation and improved occupancy rates at existing facilities. FY2026 is the first year of the next medium-term management plan, and the Company is working to address the following issues to achieve continued improvement of corporate value.

- (1) **Diverse business development and enhanced risk management**
We aim to operate multiple accommodation facilities, mainly through management contract projects, starting with the opening of "Agora Place Kyoto Nijo" in February 2026. This will allow us to expand our portfolio by leveraging our existing hotel operation know-how. In addition, in attracting visitors to Japan, we will implement promotions that are not dependent on any specific country or region and diversify geopolitical risk, thereby building a stable management base that is resilient to changes in the external environment.
- (2) **Promotion of human capital management**
The Group regards human resources as its greatest management resource as it accelerates "human capital management." In addition to acquire human resources with diverse backgrounds (expanding social media and referral recruitment), we will also strengthen support for individual development through mentor system and level-specific training. By fostering an organizational culture in which each employee embodies the spirit of "hospitality" (meaning considering others' perspectives) and can act autonomously as a professional, we will improve quality of service and achieve high retention rates.
- (3) **Regional cooperation and creation of accommodation value**
Coexistence with local communities is regarded as an important management issue, and we will deepen regional cooperation that incorporates the history and culture of the regions in which hotels are located into the stay experience. By offering unique added value that blends traditional local industries and culture, we hope to leave a strong impression on our guests and contribute to revitalizing the local economy. Additionally, we will improve operational efficiency through the use of digital transformation (DX) and redirect the time saved to providing a higher level of customer service.
- (4) **Financial standing reinforcement and investment business promotion**
The issue of unpaid obligations and social security expenses that arose during the COVID-19 pandemic has been resolved, and we will continue to improve unprofitable divisions and thoroughly manage costs to maintain a strong financial position. In the memorial park business in Malaysia, we will appropriately manage ESG risks (environment and human rights) through close cooperation with local communities as we aim to steadily contribute to profits.

With the keywords "challenge" and "growth," the Group will continue to innovate without fear of change and meet the expectations of all stakeholders.

The next few years will be a pivotal time for Agora. The Group looks forward to steadily implementing our growth plans and welcoming domestic and international guests.

10. Status of the parent company and significant subsidiaries

(1) Relationship with the parent company

There is nothing significant to be noted.

(2) Status of important subsidiaries and affiliated companies

(Subsidiary)

Company Name	Capital or investment	Investment ratio	Major business
Agora Hospitalities Co., Ltd.	57,496 thousand yen	100.0%	Hotel Business in Japan
Agora Hotel Management Osaka Co., Ltd.	4,800 thousand yen	100.0%	Hotel Business in Japan
Agora Hotel Management Sakai Co., Ltd.	0 thousand yen	100.0%	Hotel Business in Japan
Agora Hotel Management Tokyo Co., Ltd.	10,000 thousand yen	100.0%	Hotel Business in Japan
Galaxy GK	100 thousand yen	100.0% (100.0%)	Hotel Business in Japan
Bata International, Inc.	199 USD	49.7% [50.3%]	Real estate development business such as housing in Australia
Rawan Memorial Park	1,000 thousand Malaysian Ringgit	92.7% [7.3%]	Memorial Park business in Malaysia

(Affiliates)

Company Name	Capital or investment	Investment ratio	Major business
Hidden Valley Australia	2 Australian dollars	50.0% (50.0%)	Real estate development business such as housing in Australia

In the investment ratio column, numbers in () show indirect investment, and those in [] show the investment ratio of persons in a close relationship, etc.

11. Major business contents (as of December 31, 2025)

Hotel Business and other investment business

12. Major lenders (as of December 31, 2025)

Lender	Balance of loans
The Tokyo Star Bank, Ltd.	4,161 million yen
Resona Bank, Limited	2,835 million yen
Kansai Mirai Bank, Ltd.	977 million yen
United Overseas Bank Limited	920 million yen

13. Employee status (as of December 31, 2025)

Segment	Hotel Business	Other investment business	Corporate (Common)	Total
number of employees	475 persons	41 persons	13 persons	529 persons

(Note) 1. The number of employees indicates the number of personnel.

(Note) 2. The number of employees under “Corporate (Common)” indicates the number of employees who engage in duties of more than one segment or management divisions, etc., that cannot be categorized into specific business segments.

14. Major offices (as of December 31, 2025)

Name	Location
Head Office	Tokyo Metropolitan area
Hotel Agora Osaka Moriguchi	Osaka
Hotel Agora Regency Osaka Sakai	Osaka
Dorsett by Agora Osaka Sakai	Osaka
Agora Tokyo Ginza	Tokyo Metropolitan area
Agora Place Tokyo Asakusa	Tokyo Metropolitan area
Hidden Valley	Australia
Lawan Memorial Park	Malaysia

15. Other important matters regarding the current state of the corporate group

There is nothing significant to be noted.

II. Matters Regarding Shares (as of December 31, 2025)

- 1) Total number of authorized shares 1,200,000,000 shares
- 2) Total number of issued shares 281,708,934 shares
Including 15,005,055 shares of treasury stock
- 3) Total number of shareholders at the end of the fiscal year 26,609 persons

4) Status of the top 10 shareholders

Shareholder name	Number of shares held Unit: Thousand shares	Holding ratio %
Bank Julius Baer & Co. Ltd. Hong Kong Client Account	83,095	31.16
Bank Julius Baer & Co. Ltd. Singapore Clients	30,000	11.25
Goldman Sachs International	8,115	3.04
Rakuten Securities, Inc. Shared Account	3,016	1.13
BNP PARIBAS SINGAPORE / 2S/ JASDEC / CLIENT ASSET	3,001	1.13
Shuji Narisawa	1,600	0.60
INTERACTIVE BROKERS LLC	1,320	0.50
493611 BBH-DBS Bank Hong Kong Limited Account 005 Non- U.S.	1,317	0.49
Toshiharu Tsuzuki	1,000	0.37
Kentaro Ito	975	0.37

(Note) 1. Less than 1,000 shares are rounded down.

(Note) 2 The Company holds 15,005,055 shares of treasury stock but is excluded from the above major shareholders.

(Note) 3. The holding ratio is calculated after deducting treasury stock.

5) Other important matters regarding stocks

Acquisition, disposal, etc., of treasury stock during the current period and holding at the end of the current period

- (1) Acquired shares

Stock type	Ordinary stock
Number of shares	114 shares
- (2) Disposal shares

Stock type	Ordinary stock
Number of shares	12,730,000 shares
- (3) Shares held

Stock type	Ordinary stock
Number of shares	15,005,055 shares

III. Matters regarding the Company's share acquisition rights(as of December 31, 2025)

- 1) Outline of the contents of share acquisition rights held by Company officers on the last day of the fiscal year granted as consideration for the performance of duties

Items	10th Stock Acquisition Rights	
Issuance resolution date	Annual General Meeting of Shareholders Held on March 25, 2025	
No. of holders and No. of stock acquisition rights	6 persons	161,060 pieces
Directors (excluding External Directors)	4 persons	142,560 pieces
External Director of the Company	2 persons	18,500 pieces
Types of shares subject to stock acquisition rights	Ordinal stock	
Number of shares subject to stock acquisition rights	16,106,000 shares	
Payment amount of stock acquisition rights	Free of charge	
Number of shares per stock acquisition right	100	
Total amount of assets invested when exercising stock acquisition rights	1,095,208,000 yen	
Stock acquisition rights exercise period	From October 1, 2027 to April 30, 2032	
Conditions of exercise	<p>(1) The target must be a director, corporate auditor, employee, or other equivalent position of the Company or its subsidiaries at the time of exercising stock acquisition rights.</p> <p>(2) Even if the target loses the status of (1) above, the stock acquisition rights shall be approved by the Board of Directors, except in the case of dismissal, disciplinary dismissal, dismissal of reminders, resignation, or retirement for personal reasons, exercise can be permitted.</p> <p>(3) If the subject dies, the heir will not be allowed to inherit the stock acquisition rights.</p> <p>(4) Pledge of stock acquisition rights and other dispositions are not permitted.</p> <p>(5) Other conditions for exercising shall be as set forth in the stock acquisition rights grant agreement concluded between the Company and the stock acquisition rights holder based on the general meeting of shareholders and the resolution of the Board of Directors.</p>	

2) Status of stock acquisition rights issued to employees, etc., as compensation for the execution of their duties during the fiscal year under review

(as of December 31, 2025)

Items	10th Stock Acquisition Rights	
Issuance resolution date	Annual General Meeting of Shareholders Held on March 25, 2025	
No. of holders and No. of stock acquisition rights	52 persons	38,940 pieces
Employees of the Company	6 persons	10,990 pieces
Employees of the Company's subsidiaries	46 persons	27,950 pieces
Types of shares subject to stock acquisition rights	Ordinal stock	
Number of shares subject to stock acquisition rights	3,894,000 shares	
Payment amount of stock acquisition rights	Free of charge	
Number of shares per stock acquisition right	100	
Total amount of assets invested when exercising stock acquisition rights	264,792,000 yen	
Stock acquisition rights exercise period	From October 1, 2027 to April 30, 2032	
Conditions of exercise	<p>(1) The target must be a director, corporate auditor, employee, or other equivalent position of the Company or its subsidiaries at the time of exercising stock acquisition rights.</p> <p>(2) Even if the target loses the status of (1) above, the stock acquisition rights shall be approved by the Board of Directors, except in the case of dismissal, disciplinary dismissal, dismissal of reminders, resignation, or retirement for personal reasons, exercise can be permitted.</p> <p>(3) If the subject dies, the heir will not be allowed to inherit the stock acquisition rights.</p> <p>(4) Pledge of stock acquisition rights and other dispositions are not permitted.</p> <p>(5) Other conditions for exercising shall be as set forth in the stock acquisition rights grant agreement concluded between the Company and the stock acquisition rights holder based on the general meeting of shareholders and the resolution of the Board of Directors.</p>	

IV. Matters Regarding Company Officers (as of December 31, 2025)

1) Names, responsibilities, and significant concurrent positions of directors and Audit & Supervisory Board Members

Positions and responsibilities	Name	Significant concurrent positions
Representative Director Chairperson	Winnie Wing Kwan Chiu	Director of Far East Global Asia, Director of Malaysia Land Properties Sdn. Bhd, President of Dorset Hospitality International, Executive Director of Far East Consortium International, Representative Director and President of Agora Hospitalities Co., Ltd., Representative Director of Agora Hotel Management Sakai Co., Ltd., Representative Director of Agora Hotel Management Osaka Co., Ltd., Representative Director of Agora Hotel Management Tokyo Co., Ltd., Representative Director of Namba Hotel Operations Co., Ltd.
Representative Director, CEO & President	Xian Chuping	Director of Agora Hospitalities Co., Ltd., Director of Agora Hotel Management Sakai Co., Ltd., Director of Agora Hotel Management Osaka Co., Ltd., Director of Agora Hotel Management Tokyo Co., Ltd., Director of Namba Hotel Operations Co., Ltd.
Director	Hiroshi Asoho	Director of Agora Hospitalities Co., Ltd.
Director	Shi Huiting	Director of Agora Hospitalities Co., Ltd.
Director	Takanori Kitamura	Honorary Fellow, The Chinese University of Hong Kong
Director	Clarence Yean Kang Wong	–
Director	Angelini Giovanni	Chairman, Angelini Hospitality, Professor of Practice (Hotel Management) School of Hotel & Tourism Management, The Polytechnic University, Hong Kong
Full-time auditor	Juichiro Sugito	–
Auditor	Shinji Shibuya	–
Auditor	Boswell Wai Hung Cheung	Far East Consortium International CFO and Company Secretary

- (Note) 1. Directors Takanori Kitamura, Clarence Yean Kang Wong, and Angelini Giovanni are external directors as prescribed in Article 2, Item 15 of the Companies Act
- (Note) 2. Audit & Supervisory Board Members Shinji Shibuya and Boswell Wai Hung Cheung are external audit & supervisory board members as prescribed in Article 2, Item 16 of the Companies Act.
- (Note) 3. Mr. Juichiro Sugito, a Full-time Audit & Supervisory Board Member, has served as General Manager of the Finance and Accounting Department of the Company for many years and has considerable knowledge of finance and accounting. In addition, Mr. Shinji Shibuya has the specialized knowledge and experience cultivated through auditing operations at a financial institution, and Mr. Boswell Wai Hung Cheung is a Certified Public Accountant. They have considerable knowledge related to finance and accounting.
- (Note) 4. The Company has designated Director Takanori Kitamura and Director Angelini Giovanni as independent officers based on the provisions of the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange.

2) Outline of the contents of the liability limitation contract

External Directors Takanori Kitamura, Clarence Yean Kang Wong, and Angelini Giovanni, Audit & Supervisory Board Members Juichiro Sugito, Shinji Shibuya, and Boswell Wai Hung Cheung are liable for damages under Article 423, Paragraph 1 of the Companies Act. We have concluded a contract to limit the number of damages, and the maximum number of damages based on the contract is the amount stipulated by law for each person.

3) Total amount of remuneration for directors and Audit & Supervisory Board Members

(1) Policy, etc. for determining the details of remuneration, etc. for Board Members

At the meeting of the Board of Directors held on March 25, 2025, the Company established the Nomination and Remuneration Committee as an advisory body to the Board of Directors, in order to enhance the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of Directors, and to further strengthen corporate governance. Subsequently, at the meeting of the Board of Directors held on May 15, 2025, the Board resolved to delegate the determination of the amount of remuneration for each Director to the Chairman and Representative Director, subject to consultation with the President, Representative Director and CEO. In addition, the Board of Directors judges that the method of determining the content of remuneration, etc., and the determined remuneration, etc., for individual remuneration, etc., of directors for the current fiscal year. is consistent with the decision policy and is in line with the decision policy.

The content of the decision policy regarding the content of individual remuneration, etc. for directors is as follows.

1. Basic policy

The remuneration of our directors is at the level of the external market for executive remuneration, and the responsibility and category of business execution of each director when determining individual remuneration. The type and amount of remuneration are determined in consideration of the minimum amount of executive compensation according to the burden of surrounding and management monitoring.

2. Policy on the amount of individual remuneration, etc. of basic remuneration (monetary remuneration) (including policy on determining conditions until the time when remuneration, etc. is given).

The remuneration of our directors is fixed monthly remuneration, and according to the position, responsibilities, and years of office, the decisions will be made by comprehensively considering the level of other companies, our business performance, and employee salary level.

3. Policy on non-monetary compensation, etc.

The Company has traditionally granted stock options to its Directors and Corporate Auditors at specific intervals, aimed at incentivizing the enhancement of shareholder value through stock price appreciation. The number of stock options granted is determined according to the responsibility and scope of each director's business execution and the burden of management monitoring within the maximum amount of remuneration approved at the general meeting of shareholders. Furthermore, we will provide appropriate incentives to those eligible for the grant to maximize shareholder value and corporate value over the medium to long term and make them aware that they are in a position to be responsible for the stock price.

4. Decision policy regarding the ratio of each type of remuneration, etc.

As a rough guide, the ratio of each type of remuneration for directors (excluding external directors) in FY2023 shall be 7:3 between basic remuneration and non-monetary remuneration. The proportion of each type in FY2024 and after shall be determined when setting remuneration during the reelection period for directors, taking into consideration the company's business performance and the amount of non-monetary remuneration, etc., in a comprehensive manner.

5. Matters related to the determination of the content of individual remuneration, etc. for directors

At the Board of Directors meeting held on March 25, 2025, the Company established a voluntary Nomination and Remuneration Committee to strengthen the fairness, transparency, and objectivity of procedures for director nominations and remuneration, etc. and to enhance corporate governance. At the 87th Ordinary General Meeting of Shareholders held on March 25, 2025, it was approved that the amount of monetary compensation for Directors shall be no more than 150 million yen per year (including no more than 75 million yen for Outside Directors). Separately from this monetary compensation limit, it was also approved that the amount of stock option compensation for Directors shall be the amount obtained by multiplying the fair value per Share Acquisition Right by the total number of Share Acquisition Rights to be allotted to Directors in office on the allotment date (up to a maximum of 180,000 units). In addition, at the Board of Directors meeting held on May 15, 2025, the Company resolved to delegate to discussions between Representative Director and Chairperson Winnie Wing Kwan Chiu and Representative Director, CEO & President Xian Chuping, after receiving a report from the Nomination and Remuneration Committee to ensure transparency and prevent arbitrary decisions. The content of this authority is the amount of the basic remuneration of each director within the range of the remuneration limit approved by a resolution of the general meeting of shareholders, and the reason for delegating this authority is that the Company believes that discussion between the two representative directors is the most appropriate way to fairly evaluate the degree of work burden of each director.

(2) Total amount of remuneration, etc. for the current fiscal year

Item	Payment personnel of BOD members	Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration	Total amount of remuneration
Directors (External directors)	7 persons (3)	64,828 thousand yen (5,494 thousand yen)	– (–)	54,357 thousand yen (6,243 thousand yen)	119,186 thousand yen (11,737 thousand yen)

Audit & Supervisory Board Members (External auditors)	4 persons (3)	9,525 thousand yen (2,580 thousand yen)	– (–)	– (–)	9,525 thousand yen (2,580 thousand yen)
Total (External officers)	11 persons (6)	74,353 thousand yen (8,074 thousand yen)	– (–)	54,357 thousand yen (6,243 thousand yen)	128,711 thousand yen (14,317 thousand yen)

(Note) 1. As of the end of the current fiscal year, there are Seven (7) directors and Three (3) Audit & Supervisory Board Members. There is one director who has no basic remuneration. This one (1) person is a director who also serves as an officer of a subsidiary and receives compensation from the subsidiary as an officer. In addition, the number includes one (1) person whose term of office as the Company's Audit & Supervisory Board Member expired on March 25, 2025.

(Note) 2. The content of non-monetary remuneration, etc., is the stock option of the Company, and the conditions for allotment are as described in "3. Policy on non-monetary remuneration, etc."

(Note) 3. The amount of monetary compensation for directors is within 150 million yen per year at the 87th Ordinary General Meeting of Shareholders held on March 25, 2025 (of which 75 million yen per year is for external directors) (excluding the salary for employees of directors who also serve as employees). The number of directors at the end of the general meeting of shareholders is seven (of which three were external directors). In addition, at the 87th Ordinary General Meeting of Shareholders held on March 25, 2025, the upper limit of stock options to be granted as compensation separately from monetary compensation was resolved to have no more than 18,000,000 shares. The number of directors at the end of the general meeting of shareholders is seven (of which three were external directors).

(Note) 4. At the 87th Ordinary General Meeting of Shareholders held on March 25, 2025, the amount of monetary compensation for Audit & Supervisory Board Members was resolved to be within 20 million yen per year. At the end of the general meeting, the number of Audit & Supervisory Board Members is three (of which two were external auditors).

4) Summary of the contents of the Directors and Officers Liability Insurance Policy

The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company since December 2005, with the directors and Audit & Supervisory Board Members of the Company and its subsidiaries as the insured. The Company bears the full cost of the insurance premiums. The above insurance policy does not cover claims for damages arising from the insured's illegally obtained profits or benefits. The insurance policy is scheduled to be renewed during the term of office with the same contents.

5) Matters concerning external officers

(1) Important concurrent positions of external officers

Position and responsibilities	Name	Significant concurrent status
Director	Takanori Kitamura	Honorary Fellow, The Chinese University of Hong Kong
Director	Clarence Yean Kang Wong	–
Director	Angelini Giovanni	Chairman, Angelini Hospitality, Director, Professor of The Polytechnic University, Hong Kong
Auditor	Shinji Shibuya	–
Auditor	Boswell Wai Hung Cheung	Far East Consortium International CFO and Company Secretary

(Note) There is no special interest between the Company and other corporations, etc., for which external officers concurrently serve.

(2) Main activity status of external officers

Position and responsibilities	Name	Summary of duties performed in relation to the role expected to be fulfilled.
Director	Takanori Kitamura	He attended five (5) out of five (5) meetings of the Board of Directors held during the current fiscal year. He expressed useful opinions regarding the execution of the Company's business, including 1) international situation and trends of overseas tourists, 2) analysis of overseas tourists' tastes, and 3) external information transmission and public relations, based on his experience as a diplomat.
Director	Clarence Yean Kang Wong	He attended five (5) out of five (5) meetings of the Board of Directors held during the current fiscal year. He provided a wealth of insight into the hotel business, which is the company's core business, and provided opinions that are useful for the management of the company from his perspective as a corporate manager. Additionally, he has shared useful opinions beyond the Board of Directors meetings on strengthening the legal compliance system and internal control systems.
Director	Angelini Giovanni	He attended five (5) out of five (5) meetings of the Board of Directors held during the current fiscal year and made appropriate comments based on his extensive experience in the hotel business over many years and his knowledge and experience as a manager. In addition, he has provided useful opinions regarding the hotel business, which is the core business of the Company, not only at meetings of the Board of Directors.

Position and responsibilities	Name	Main activity status
Auditor	Shinji Shibuya	He attended four (4) out of four (4) meetings of the Board of Directors and seven (7) out of seven (7) meetings of the Board of Corporate Auditors held since taking office on March 25, 2025 under review and expressed his opinions useful for the Company's management from his experience as a manager. He also provided useful opinions on strengthening the legal compliance system and internal control system, etc., not only at the Board of Directors meetings.
Auditor	Boswell Wai Hung Cheung	He attended three (3) out of five (5) meetings of the Board of Directors and six (6) out of ten (10) meetings of the Board of Corporate Auditors held during the fiscal year under review and provided useful opinions from his professional perspective as an accountant on matters such as strengthening legal compliance systems and internal control systems.

(3) Total amount of remuneration for external officers

Item	Number of people	Remuneration, etc.
Total amount of remuneration for external officers	6 persons	8,074 thousand yen

V. Matters Regarding Accounting Auditors

1. Name of Accounting

Auditor Avantia GP

2. Remuneration, etc. for Accounting Auditor

(1) Remuneration, etc. for Accounting Auditor with respect to the fiscal year under review 35,500 thousand yen

(2) Total amount of money and other property benefits to be paid by the Company and its subsidiaries – thousand yen

(Note) 1. Due to the fact that the amount of audit fees, etc., for audit services under the Companies Act and those of audit services under the Financial Instruments and Exchange Act are not clearly distinguished in the audit agreement between the Company and Accounting Auditors, and the fact that it is not practically possible to categorize them, remunerations, etc. above indicate aggregated amounts of said fees for the fiscal year under review.

(Note) 2. Pursuant to the “Practical Guidelines for Cooperation with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Association, Audit & Supervisory Board of the Company reviewed the fairness of the audit hours and remuneration, etc. for Accounting Auditors for the fiscal year under review, upon having confirmed audit hours by audit item, changes in audit fees and the status of audit plans and actual results in the past fiscal years. Accordingly, the Company has obtained the consent of the Audit & Supervisory Board Members with respect to remuneration, etc., for Accounting Auditors as prescribed in Article 399, Paragraph 1 of the Companies Act.

3. Details of non-audit services Not applicable.

4. Policy on decision to dismiss or not to re-appoint an Accounting Auditor

Audit & Supervisory Board shall determine the content of a proposal for the dismissal or non-reappointment of an Accounting Auditor to be submitted to a general meeting of shareholders if the Board judges it necessary to do so or in any other cases where there is difficulty in the execution of duties by an Accounting Auditor.

In addition, in the case where an Accounting Auditor is regarded as falling under any of the items of Article 340, Paragraph 1 of the Companies Act, Audit & Supervisory Board shall dismiss Accounting Auditor based on the agreement of Audit & Supervisory Board. In this case, a Corporate Auditor designated by Audit & Supervisory Board shall report about the dismissal of an Accounting Auditor and the reason for the dismissal at the general meeting of shareholders convened immediately following the dismissal.

VI. Matters Regarding the Establishment of a System to Ensure the Appropriateness of Business Activities

1. Outline of contents of resolutions of the Board of Directors

Summary of systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation and other systems necessary to ensure the properness of operations is as follows.

- (1) Systems necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
For the proper and efficient management of business operations, Directors and employees shall comply with laws and regulations, the Articles of Incorporation, and rules in good faith and make every effort to execute their duties. In addition, the Audit & Supervisory Board shall conduct audits on the effectiveness and functionality of internal control systems, make efforts to identify and correct issues at an early stage, and work to enhance the supervision of overall management functions.
- (2) Systems to retain and manage information pertaining to the execution of duties by Directors
 - (i) The Company shall appropriately retain and manage information pertaining to the execution of duties by Directors in accordance with the Rules of the Board of Directors, the Rules on Internal Information Management, etc.
 - (ii) Regarding the management and preservation of documents, the Company shall retain them for periods necessary for its operations unless otherwise provided for by laws and regulations.
- (3) Rules concerning the management of the risk of loss and other systems
The Company shall develop organizations and functions that oversee risk management, and implement other measures necessary to minimize loss from a variety of risks that will have a significant impact on the management of the Company, including changes in the management environment, other disasters, and incidents; changes in asset value such as overseas investments and foreign exchange and share price fluctuations; and legal regulations.
- (4) Systems necessary to ensure efficiency in the execution of duties by Directors
 - (i) The Board of Directors of the Company shall determine matters concerning basic policies on business operations of the Company, matters concerning annual business plans, and other important matters concerning the execution of operations, and oversee the status of business operations sequentially.
 - (ii) In order to ensure management speed, the Company shall hold management meetings as necessary to determine important matters for the execution of operations other than matters to be submitted to the Board of Directors meetings.
- (5) Systems necessary to ensure the properness of operations in the corporate group comprised of the Company and its subsidiaries and affiliates in and outside Japan
 - (i) With respect to subsidiaries and affiliates of the Company, rules on reporting to the Company matters concerning the execution of duties by Directors, etc. of subsidiaries and affiliates, rules on the management of the risk of loss and other systems
 - A. The Company shall have its subsidiaries and affiliates in and outside Japan regularly report their business results, etc., to the Company and carry out necessary consultations.
 - B. The Company shall establish sections in charge of overseas business and promote business operations and management.
 - (ii) Systems necessary to ensure efficiency in the execution of duties by Directors, etc. of subsidiaries and affiliates of the Company.
The Company shall establish systems that ensure the efficient execution of duties by Directors, etc., of subsidiaries and affiliates based on concurrent holding by Directors of the Company of the position of Directors of subsidiaries and affiliates.
 - (iii) Systems necessary to ensure that the execution of duties by Directors, etc., and employees of subsidiaries and affiliates of the Company comply with laws and regulations and the Articles of Incorporation.
The Company shall provide consultation and assistance for the development of systems necessary to dispatch relevant Directors and Audit & Supervisory Board Members to subsidiaries and affiliates of the Company in and outside Japan and to ensure the properness of operations
- (6) Matters concerning assigning employees, if requested by Audit & Supervisory Board Members, to assist Audit & Supervisory Board Members in the execution of their duties and matters necessary to ensure the independence of such employees from Directors and the effectiveness of instructions given to such employees by Audit & Supervisory Board Members
 - (i) In order to enhance the effectiveness of audits by Audit & Supervisory Board Members and aid them in implementing audits, the Company shall establish and develop systems to support their audits through cooperation with the Internal Audit Office.
 - (ii) Employees who assist Audit & Supervisory Board Members in the execution of duties shall independently carry out such duties without being subject to instructions and orders from other Directors, etc.
 - (iii) In the case where said employees concurrently serve as employees of other departments, said employees shall engage in duties by prioritizing those pertaining to Audit & Supervisory Board Members.

- (7) Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems necessary to ensure that audits are effectively conducted by Audit & Supervisory Board Members
 - (i) Audit & Supervisory Board Members shall attend the Board of Directors' meetings, management meetings, and other important meetings and conduct audits on the execution of duties by Directors.
 - (ii) Directors and employees of the Company and its subsidiaries and affiliates shall, if they become aware of situations that may cause serious damage to the Company or may be in violation of laws and regulations, the Articles of Incorporation, etc., report such matters to Audit & Supervisory Board Members as appropriate. In addition, the Company shall work to establish systems assuring that whistleblowers will not suffer from any disadvantageous treatment due to their submission of reports.
 - (iii) Audit & Supervisory Board Members shall periodically exchange information with Accounting Auditors and corporate lawyers.
 - (iv) In order to pay costs incurred from the execution of duties by Audit & Supervisory Board Members, the Company shall include funds for such payment in the annual budget. It shall promptly amortize said costs or liabilities within the budget when Audit & Supervisory Board Members request advance payment, reimbursement, etc. of costs.

2. Summary of the status of operation of said systems in the fiscal year under review

- (1) Systems necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

Pursuant to the Rules of the Board of Directors and the Guidelines on Decision-making prescribed in the Authority Rules, the Board of Directors approved important management matters submitted as proposals by the chair of the Board of Directors, received reports on the execution of duties from officers, etc. and business executors and oversaw the overall management. In addition, deliberations and reporting were conducted by the Board of Directors in a timely and appropriate manner on important managerial issues in addition to matters subject to submission to the Board of Directors. Moreover, the Company developed a whistleblowing system for employees. The Internal Audit Office led initiatives for the prompt and appropriate response to whistleblowing, implemented strict measures with respect to violations, and aimed to take preventive measures.
- (2) Systems to retain and manage information pertaining to the execution of duties by Directors

The Company manages the execution of duties by Directors in accordance with the Rules of the Board of Directors and the Guidelines on Decision-making prescribed in the Authority Rules. With regard to the retention of information on such execution of duties, it is appropriately preserved and managed in accordance with the Rules on the Management of Corporate Information, which are rules pertaining to insider information management. Minutes of general meetings of shareholders and meetings of the Board of Directors, accounting books, contracts, and other important documents are appropriately preserved and managed in the respective departments in charge.
- (3) Rules concerning the management of the risk of loss and other systems

The Board of Directors are responsible as an organization vested with the function to oversee the management of risks that will have a significant impact on the management of the Company, including changes in the management environment, other disasters and incidents; changes in asset value such as overseas investments and foreign exchange and share price fluctuations; and legal regulations. The Board of Directors met five (5) times during the fiscal year under review and held deliberations as necessary to minimize losses concerning business operations.
- (4) Systems necessary to ensure efficiency in the execution of duties by Directors

Pursuant to the Rules of the Board of Directors and the Guidelines on Decision-making prescribed in the Authority Rules, the Board of Directors approved important management matters submitted as proposals by the chair of the Board of Directors, received reports on the execution of duties from officers, etc. and business executors and oversaw the overall management. In addition, as a function to supplement the operation of the Board of Directors, the Company has established Rules on Collective Decision-making to facilitate business operation through the appropriate delegation of authority to respective officers in accordance with the Guidelines on Decision-making prescribed in the Authority Rules.

- (5) Systems necessary to ensure the properness of operations in the corporate group comprised of the Company and its subsidiaries and affiliates in and outside Japan
- (i) With respect to subsidiaries and affiliates of the Company, rules on reporting to the Company matters concerning the execution of duties by Directors, etc. of subsidiaries and affiliates, rules on the management of the risk of loss and other systems. With respect to subsidiaries in Japan, the Company has them report their business results, etc., to the Company every month and carries out necessary consultations for business operations. With respect to subsidiaries outside Japan, the Representative Director and CFO is in charge of their business and monitors their operations and management.
 - (ii) Systems necessary to ensure efficiency in the execution of duties by Directors, etc. of subsidiaries and affiliates of the Company. Directors who execute business operations of the Company concurrently serve as Directors of its subsidiaries and affiliates, and this situation is stated in IV. Matters regarding officers of the Company.
 - (iii) Systems necessary to ensure that the execution of duties by Directors, etc., and employees of subsidiaries and affiliates of the Company comply with laws and regulations and the Articles of Incorporation. The Company has been dispatching relevant Directors and Audit & Supervisory Board Members to subsidiaries and affiliates of the Company in and outside Japan. The Representative Director was dispatched to overseas subsidiaries to conduct monitoring of operations during the fiscal year under review. In addition, employees of domestic subsidiaries of the Company are familiar with the whistleblowing system. The Internal Audit Office is leading initiatives for prompt and appropriate responses to whistleblowing, implements strict measures with respect to violations, and endeavors to take preventive measures.
- (6) Matters concerning assigning employees, if requested by Audit & Supervisory Board Members, to assist Audit & Supervisory Board Members in the execution of their duties and matters necessary to ensure the independence of such employees from Directors and the effectiveness of instructions given to such employees by Audit & Supervisory Board Members
- (i) To enhance the effectiveness of audits by Audit & Supervisory Board Members and help them smoothly carry out audits, the Company has established and developed systems to support their audits through cooperation with the Internal Audit Office.
 - (ii) Employees who assist Audit & Supervisory Board Members in the execution of duties concurrently serve as employees of other departments and carry out duties by giving priority to those pertaining to Audit & Supervisory Board Members.
- (7) Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems necessary to ensure that audits are effectively conducted by Audit & Supervisory Board Members
- (i) Meetings of the Audit & Supervisory Board were held ten (10) times. Audit policies and plans were formulated upon discussion among the Audit & Supervisory Board Members. By attending important internal meetings and making on-site visits to monitor business activities, Audit & Supervisory Board Members conducted audits of operations and status of assets, the execution of duties by Directors and status of compliance with laws and regulations, the Articles of Incorporation, etc.
 - (ii) The Internal Audit Office has been established as a section vested with voluntary audit and governance functions. Internal Audit Office Members have been periodically exchanging information with Accounting Auditors and Audit & Supervisory Board Members and have conducted audits of the status of the execution of duties by Directors at appropriate times. Moreover, the Company developed a whistleblowing system for employees. The Internal Audit Office led initiatives for the prompt and appropriate response to whistleblowing, implemented strict measures with respect to violations, and aimed to take preventive measures.
 - (iii) In order to enhance the effectiveness of audit functions, Audit & Supervisory Board Members regularly obtain information from Japan Audit & Supervisory Board Members Association and pursue self-improvement through participation in various training sessions, etc. In addition, full-time Audit & Supervisory Board Members are leading initiatives for periodic exchange of opinions with Accounting Auditors and cooperation with corporate lawyers.

VII. Basic Policy Regarding Control of the Company

The Company has not established a particular basic policy regarding a party who controls decisions on the Company's financial and business policies, etc.

VIII. Policy regarding decisions on distribution of surplus, etc.

The Company considers the enhancement of internal reserves for future positive business development to be an important management issue. With respect to dividends, the Company believes that the top priority is to establish a revenue structure that enables the stable posting of profit attributable to owners of parent. Considering drastic changes in the business environment, the Company is currently refraining from publicly releasing specific numerical targets. However, in order to achieve sustainable business expansion and reinforcement of the revenue base, the Company is focused on securing stable revenues by expanding the hotel alliance, and is working to improve earnings as soon as possible.

Consolidated Financial Statements

Consolidated Balance Sheet

Account title	88th Fiscal Year As of December 31, 2025
Assets	
I Current assets	6,255,864
Cash and deposits	3,566,429
Accounts receivable - trade	559,101
Securities	94,835
Supplies	101,329
Costs on development business and other	1,685,842
Other	261,632
Allowance for doubtful accounts	(13,307)
II Non-current assets	14,562,482
1. Property, plant and equipment	13,426,986
Buildings and structures, net	7,698,072
Vehicles	15,259
Tools, furniture and fixtures	201,390
Land	5,510,992
Construction in progress	1,272
2. Intangible assets	558,327
Software	18,594
Goodwill	539,732
3. Investments and other assets	577,169
Investment securities	188,922
Long-term loans receivable	472,881
Deferred tax assets	155,761
Other	114,857
Allowance for doubtful accounts	(355,253)
III Deferred assets	170,467
Business commencement expenses	170,467
Total assets	20,988,815

Account title	(Unit: thousand yen) 88th Fiscal Year As of December 31, 2025
Liabilities	
I Current liabilities	3,797,346
Accounts payable - trade	326,227
Current portion of long-term borrowings	1,190,849
Accounts payable - other	1,176,569
Accrued expenses	31,432
Income taxes payable	321,377
Provision for bonuses	186,638
Other	564,251
II Non-current liabilities	8,340,844
Long-term borrowings	7,721,891
Long-term guarantee deposits	226,922
Deferred tax liabilities	34,045
Other	357,985
Total liabilities	12,138,190
Net assets	
I Shareholders' equity	5,229,114
Share capital	8,534,406
Capital surplus	2,688,893
Retained earnings	(5,445,501)
Treasury shares	(548,684)
II Accumulated other comprehensive income	380,967
Foreign currency translation adjustment	380,967
III Share acquisition rights	64,800
IV Non-controlling interests	3,175,742
Total net assets	8,850,624
Total liabilities and net assets	20,988,815

Consolidated Statement of Income

(Unit: thousand yen)

Account title	88th Fiscal Year	
	From January 1, 2025 to December 31, 2025	
I Net sales		9,908,171
II Cost of sales		6,384,795
Gross profit		3,523,375
III Selling, general and administrative expenses		2,467,905
Operating profit (loss)		1,055,470
IV Non-operating income		
Interest income	19,271	
Rental income from buildings	15,388	
Foreign exchange gains	3,923	
Share of profit of investments accounted for using equity method	56,992	
Penalty income	59,733	
Gain on expiration of prepaid card	788	
Other	23,155	179,252
V Non-operating expenses		
Interest expenses	164,941	
Financing expenses	13,416	
Amortization of business commencement expenses	50,328	
Provision of allowance for doubtful accounts	109,784	
Other	27,007	365,479
Ordinary profit (loss)		869,243
Extraordinary income		
Gain on forgiveness of debts	1,113,728	
Gain on reversal of share acquisition rights	28,952	1,142,680
Profit (loss) before income taxes		2,011,924
Income taxes - current	421,776	
Income taxes - deferred	47,303	469,079
Profit (loss)		1,542,844
Profit (loss) attributable to non-controlling interests		268,656
Profit (loss) attributable to owners of parent		1,274,188

Consolidated Statement of Changes in Equity

(from January 1, 2025 to December 31, 2025) (Unit: thousand yen)

Item	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of January 1, 2025	8,534,406	2,646,101	(6,719,689)	(1,032,417)	3,428,401
Changes of items during the consolidated fiscal year					
Exercise of share acquisition rights		42,791		483,740	526,531
Profit attributable to owners of parent			1,274,188		1,274,188
Purchase of treasury shares				(7)	(7)
Net changes in items other than shareholders' equity					
Total changes during the consolidated fiscal year	-	42,791	1,274,188	483,732	1,800,713
Balance as of December 31, 2025	8,534,406	2,688,893	(5,445,501)	(548,684)	5,229,114

(Unit: thousand yen)

Item	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance as of January 1, 2025	279,189	279,189	97,203	2,842,236	6,647,031
Changes of items during the consolidated fiscal year					
Exercise of share acquisition rights					526,531
Profit attributable to owners of parent					1,274,188
Purchase of treasury shares					(7)
Net changes in items other than shareholders' equity	101,777	101,777	(32,403)	333,505	402,879
Total changes during the consolidated fiscal year	101,777	101,777	(32,403)	333,505	2,203,592
Balance as of December 31, 2025	380,967	380,967	64,800	3,175,742	8,850,624

Financial Statements

Balance Sheet

(Unit: thousand yen)

Account title	88th Fiscal Year As of December 31, 2025
Assets	
I Current assets	1,058,487
Cash and deposits	167,312
Accounts receivable - trade	327,724
Securities	94,835
Accounts receivable from subsidiaries and associates - other	1,315,775
Other	38,756
Allowance for doubtful accounts	(885,917)
II Non-current assets	8,798,044
1. Property, plant and equipment	893,127
Buildings and structures, net	33,225
Tools, furniture and fixtures	2,940
Land	856,961
2. Intangible assets	347
Software	347
3. Investments and other assets	7,904,569
Investment securities	880
Shares of subsidiaries and associates	1,807,339
Long-term loans receivable from subsidiaries and associates	1,053,078
Investments in other securities of subsidiaries and associates	5,662,931
Long-term accounts receivable - other	356,184
Other	43,230
Allowance for doubtful accounts	(1,019,075)
Total assets	9,856,531

Account title	88th Fiscal Year As of December 31, 2025
Liabilities	
I Current liabilities	1,871,723
Short-term borrowings from subsidiaries and associates	1,401,896
Current portion of long-term borrowings	2,049
Accounts payable - other	382,989
Accrued expenses	2,834
Income taxes payable	39,910
Provision for bonuses	8,618
Other	33,422
II Non-current liabilities	1,649,520
Long-term borrowings	9,481
Long-term borrowings from subsidiaries and associates	673,208
Long-term accounts payable - other	328,273
Long-term guarantee deposits	19,452
Provision for loss on business	619,104
Total liabilities	3,521,243
Net assets	
I Shareholders' equity	6,270,488
1. Share capital	8,534,406
2. Capital surplus	1,960,188
Legal capital surplus	224,533
Other capital surplus	1,735,654
3. Retained earnings	(3,675,422)
Other retained earnings	(3,675,422)
Retained earnings brought forward	(3,675,422)
4. Treasury shares	(548,684)
II Share acquisition rights	64,800
Total net assets	6,335,288
Total liabilities and net assets	9,856,531

Profit and Loss Statement

(Unit: thousand yen)

Account title	88th Fiscal Year	
	From January 1, 2025 to December 31, 2025	
I Net sales		575,105
II Cost of sales		39,188
Gross profit		535,916
III Selling, general and administrative expenses		575,439
Operating loss		39,522
IV Non-operating income		
Interest and dividend income	532	
Rental income from buildings	4,363	
Foreign exchange gain	1,849	
Miscellaneous Income	10,710	
Gain on expiration of prepaid card	1,113	
Other	790	19,360
V Non-operating expenses		
Interest expenses	9,663	
Provision of allowance for doubtful accounts	170,925	
Other	45	180,633
Ordinary loss		200,796
VI Extraordinary income		
Gain on forgiveness of debts	62,523	
Gain on reversal of share acquisition rights	28,952	91,475
VII Extraordinary losses		
Provision for loss on business	327,104	327,104
Loss before income taxes		436,424
Income taxes - current		35,353
Loss		471,778

Statement of Changes in Equity

(from January 1, 2025 to December 31, 2025) (Unit: thousand yen)

(data) item	Shareholders' equity				
	Share capital	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings
					Retained earnings brought forward
Balance as of January 1, 2025	8,534,406	224,533	1,692,862	1,917,396	(3,203,644)
Changes of items during period					
Exercise of share acquisition rights			42,791	42,791	
Net loss (loss)					(471,778)
Purchase of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	42,791	42,791	(471,778)
Balance as of December 31, 2025	8,534,406	224,533	1,735,654	1,960,188	(3,675,422)

(Unit: thousand yen)

Item	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance as of January 1, 2025	(1,032,417)	6,215,741	97,203	6,312,945
Changes of items during period				
Exercise of share acquisition rights	483,740	526,531		526,531
Net loss (loss)		(471,778)		(471,778)
Purchase of treasury shares	(7)	(7)		(7)
Net changes in items other than shareholders' equity			(32,403)	(32,403)
Total changes during period	483,732	54,746	(32,403)	22,342
Balance as of December 31, 2025	(548,684)	6,270,488	64,800	6,335,288

Auditors' Report

Auditors' Report by Financial Auditors on Consolidated Financial Statements

Independent Auditor's Report

February 25 2026

Agoura Hospitality Group, Inc.
To: Board of Directors

Avantia Audit Corporation
Tokyo Office

designated employee Managing Partner certified public accountant Daisuke Kato

designated employee Managing Partner certified public accountant Kota Watanabe

Audit Opinion

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to consolidated financial statements of Agoura Hospitality Group, Inc. for the fiscal year from January 1, 2025 to December 31, 2025, in accordance with Article 444(4) of the Companies Act.

We recognize that the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Agoura Hospitality Group, Inc. and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under these auditing standards is further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements. We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Other Descriptions

The other statements are the business report and attached documents. Management is responsible for the preparation and disclosure of the other statements. It is also the responsibility of the corporate auditors and the board of corporate auditors to monitor the directors' performance of their duties in the development and operation of the reporting process for the other statements.

Our audit opinion on the consolidated financial statements does not include the other statements, and we express no opinion on any of the other statements.

Our responsibility in the audit of the consolidated financial statements is to read the other information carefully and, in the course of that reading, to consider whether there are material differences between the other information and the consolidated financial statements or knowledge we have acquired in the course of our audit, and to pay attention to whether there are any indication of material errors in the other information other than such material differences.

If, based on the work we have performed, we determine that there are material errors in the other statements, we are required to report these facts.

We have no matters to report on the other statements.

Responsibility of Management, Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the establishment and operation of internal control determined as necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the consolidated financial statements on a going concern basis and for disclosing any matters related to going concern that are required to be disclosed in accordance with accounting principles generally accepted in Japan.

The responsibility of the Corporate Auditors and the Board of Corporate Auditors is to monitor the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

The auditor is responsible for obtaining reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the consolidated financial statements in the auditor's report from an independent standpoint. A misstatement is considered to be material if it could reasonably be expected to result from fraud or error and, individually or in the aggregate, could reasonably be expected to influence the decisions of users of the consolidated financial statements.

The auditor shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan and shall maintain professional skepticism and

- Identify and assess the risks of material misstatement due to fraud or error. The auditor shall also design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the auditor's discretion. In addition, sufficient and appropriate audit evidence must be obtained to provide a basis for expressing an opinion.
- The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control; however, in making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by management, the reasonableness of the accounting estimates made by management, and the adequacy of the related notes.
- Conclude whether it is appropriate for management to prepare the consolidated financial statements on a going concern basis and, based on the audit evidence obtained, whether a material uncertainty exists regarding events or circumstances that might cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern exists, the auditor is required to call for caution on the notes to the consolidated financial statements in the auditor's report or, if the notes to the consolidated financial statements are not appropriate with respect to the material uncertainty, to express an opinion with exclusions on the consolidated financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the auditor's report, but future events or circumstances may cause the entity to cease to exist due to going concern.
- Evaluate whether the presentation and notes to the consolidated financial statements conform to accounting principles generally accepted in Japan and whether the presentation of consolidated financial statements, including the related notes, as well as their structure, contents, and the consolidated financial statements present the underlying transactions and accounting events fairly.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries by planning and performing the audit on the consolidated financial statements to provide a basis for our opinion. The auditor is responsible for the directing, supervising, and review of the audit on the consolidated financial statements. The auditor remains solely responsible for the audit opinion.

The auditor shall report to the corporate auditors and the board of corporate auditors on the scope and timing of the planned audit and significant audit findings, including material deficiencies in internal controls identified during the course of the audit and other matters required by the audit standards.

The auditor shall report to the corporate auditors and the board of corporate auditors on the auditor's compliance with the rules of professional ethics in Japan regarding independence and any matters that may reasonably be considered to affect the auditor's independence and any safeguards, if any, applied to remove or mitigate disincentives to acceptable level.

Relationship of interest

The auditing firm or its designated engagement partners have no interest relationship with the Company or its consolidated subsidiaries, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End

Auditors' Report by Financial Auditors on Financial Statements

Independent Auditor's Report

February 25, 2026

Agoura Hospitality Group, Inc.

To: Board of Directors

Avantia Audit Corporation
Tokyo Office

designated employee Managing Partner certified public accountant Daisuke Kato

designated employee Managing Partner certified public accountant Kota Watanabe

Audit Opinion

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in equity, the notes to financial statements and their attached documents (hereafter refer to as the "financial statements, etc.") of Agoura Hospitality Group, Inc. for the fiscal year from January 1, 2025 to December 31, 2025, in accordance with Article 436 paragraph 2 item 1 of the Companies Act.

We recognize that the financial statements, etc., referred to above present fairly, in all material respects, the financial position and results of operations of Agoura Hospitality Group Co., Ltd. for the period for which the financial statements, etc., were prepared in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under these auditing standards is further described in the Auditors' Responsibility for the Audit of the Financial Statements, etc. We are independent of the Company and fulfill our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Other Descriptions

The other statements are the business report and attached documents. Management is responsible for the preparation and disclosure of the other statements. It is also the responsibility of the corporate auditors and the board of corporate auditors to monitor the directors' performance of their duties in the development and operation of the reporting process for the other statements.

Our audit opinion on the financial statements, etc., does not include the other statements, and we express no opinion on any of the other statements.

Our responsibility in the audit of the financial statements, etc. is to read the other information carefully and, in the course of reading the other information, to consider whether there are material differences between the other information and the financial statements, etc., or knowledge we have acquired in the course of our audit, and to pay attention to whether there are any indication of material errors in the other information other than such material differences.

If, based on the work we have performed, we determine that there are material errors in the other statements, we are required to report these facts.

We have no matters to report on the other statements.

Responsibility of Management, Corporate Auditors and the Board of Corporate Auditors for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the financial statements, etc., in accordance with accounting principles generally accepted in Japan. This includes the establishment and operation of internal control determined as necessary by management for the preparation and fair presentation of the financial statements, etc., that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, etc., management is responsible for evaluating whether it is appropriate to prepare the financial statements, etc., on a going concern basis and for disclosing any matters related to going concern that are required to be disclosed in accordance with accounting principles generally accepted in Japan.

The responsibility of the Corporate Auditors and the Board of Corporate Auditors is to monitor the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements, etc.

The auditor is responsible for obtaining reasonable assurance about whether the financial statements, etc. as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the financial statements, etc. in the auditor's report from an independent standpoint. A misstatement is considered to be material if it could reasonably be expected to result from fraud or error and, individually or in the aggregate, could reasonably be expected to influence the decisions of users of the financial statements, etc.

The auditor shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan and shall maintain professional skepticism and

- Identify and assess the risks of material misstatement due to fraud or error. The auditor shall also design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the auditor's discretion. In addition, sufficient and appropriate audit evidence must be obtained to provide a basis for expressing an opinion.
- The purpose of an audit of the financial statements, etc., is not to express an opinion on the effectiveness of internal control; however, in making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by management, the reasonableness of the accounting estimates made by management, and the adequacy of the related notes.
- Conclude whether it is appropriate for management to prepare the financial statements, etc., on a going concern basis and, based on the audit evidence obtained, whether a material uncertainty exists regarding events or circumstances that might cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern exists, the auditor is required to call for caution about the notes to the financial statements, etc. in the auditor's report or, if the notes to the financial statements, etc. are not appropriate with respect to the material uncertainty, to express an opinion with exclusions on the financial statements, etc. The auditor's conclusion is based on audit evidence obtained up to the date of the auditor's report, but future events or circumstances could cause the entity to cease to exist due to going concern.
- Evaluate whether the presentation and notes to the financial statements, etc. conform to accounting principles generally accepted in Japan, and whether the presentation of the financial statements, etc., including the related notes, as well as their structure, contents, and the financial statements, etc., present fairly the underlying transactions and accounting events.

The auditor shall report to the corporate auditors and the board of corporate auditors on the scope and timing of the planned audit and significant audit findings, including material deficiencies in internal controls identified during the course of the audit and other matters required by the audit standards.

The auditor shall report to the corporate auditors and the board of corporate auditors on the auditor's compliance with the rules of professional ethics in Japan regarding independence and any matters reasonably believed to affect the auditor's independence and any safeguards, if any, applied to remove or mitigate disincentives to an acceptable level.

Relationship of interest

The auditing firm or its designated engagement partners have no interest relationship with the Company, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End

Audit & Supervisory Board's Report

Audit Report

The Audit & Supervisory Board has discussed and prepared this Audit Report based on the audit reports prepared by each of the Audit & Supervisory Board Members pertaining to the conduct of duties by Members of the Board of Directors during 88th business year extending from January 1, 2025 through December 31, 2025, and reports as follows.

1. Methods and contents of Audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board determined the audit policies, division of duties, etc., and received a report from each Audit & Supervisory Board Member on the execution of audit and its results. The Audit & Supervisory Board also received reports from directors, accounting auditors, etc. on the execution of their duties and asked for explanations, as necessary.
 - (2) In compliance with standards for audits by Audit & Supervisory Board Members stipulated by the Audit & Supervisory Board and based on the audit policies, division of duties, etc., each Audit & Supervisory Board Member communicated with Members of the Board of Directors, employees in internal audit departments and other departments, etc. and strived to collect information and develop an auditing environment, while executing audit under following methods.
 - i) Attended the Board of Directors' meetings and other important meetings and received reports from Members of the Board of Directors and employees, etc. on the execution of their duties and asked for explanations, as necessary. Each Audit & Supervisory Board Member also reviewed important approval documents and surveyed operations and assets at the Company's head office and major business offices. As for the subsidiaries, each Audit & Supervisory Board Member communicated with subsidiaries' Members of the Board of Directors, etc., exchanged information with them, and received reports on business from the subsidiaries as necessary
 - ii) Regularly received reports from Members of the Board of Directors and employees, etc. on the structures and operations regarding system to ensure that execution of duties by the Members of the Board of Directors as described in business reports conforms to laws and regulations as well as the articles of incorporation, and other systems established based on resolutions at the Board of Directors' meetings regarding establishment of systems stipulated in Article 100, paragraph 1 and paragraph 3 of Regulations for Enforcement of the Companies Act as necessary to secure appropriateness of operations by a business group comprised of a stock company and subsidiaries (internal control system) and content of such resolutions, asked for explanations as necessary, and expressed opinions.
 - iii) Monitored and verified whether the accounting auditor holds an independent position and executes appropriate audit, received reports on the execution of duties from the accounting auditor and asked for explanations, as necessary. Each Audit & Supervisory Board Members also received notice from the accounting auditor confirming that the "systems to ensure the appropriate execution of duties by the accounting auditor" (as described in each of the items of Article 131 of the Regulations for Corporate Accounting) has been properly developed in accordance with the "quality control standard for auditing" (Business Accounting Council), etc., and asked for explanations, as necessary.

Based on the above method, we examined business reports regarding the business year under review and their attached documents, financial statements (the balance sheet, the statement of income, the statement of changes in equity and the notes to financial statements), and their attached documents, and consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to consolidated financial statements).

2. Results of Audit
 - (1) Audit results concerning the business report, etc.
 - i) It is recognized that the business report and attached documents accurately represent the Company's situation as required by laws and regulations and the Articles of Incorporation.
 - ii) It is recognized that no irregularity or violation of applicable laws or regulations or the Articles of Incorporation was found with respect to the execution of duties by Members of the Board of Directors.
 - iii) It is recognized that the content of resolutions of the Board of Directors concerning the internal control system is appropriate. It is also recognized that there is nothing to point out concerning the contents of business reports and the execution of duties by Members of the Board of Directors with respect to the internal control system.

(2) Audit results concerning financial statements and attached documents
It is recognized that the auditing method of Avantia Audit Corporation, the accounting auditor, and the results of the audit are appropriate.

(3) Audit results of consolidated financial statements
It is recognized that the auditing method of Avantia Audit Corporation, the accounting auditor, and the results of the audit are appropriate.

February 25, 2026

Audit & Supervisory Board of Agora Hospitality Group Co., Ltd.

Full-time Audit & Supervisory Board Member Juichiro Sugito

Audit & Supervisory Board Member (External Auditor) Boswell Wai Hung Cheung

Audit & Supervisory Board Member (External Auditor) Shinji Shibuya

(Note) Auditor Auditor Boswell Wai Hung Cheung and Shinji Shibuya are the external auditors as stipulated in Article 2 Item 16 and Article 355 paragraph 3 of the Companies Act.

End