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Update on the Company's Large-Scale Purchase Rules (Takeover Defense Measures)

The Company's Large-Scale Purchase Rules were approved for renewal at the Company's Annual General Meeting of Shareholders held on March 28, 2023, as an initiative aimed at maintaining and enhancing corporate value and the common interests of shareholders.

Furthermore, we hereby announce that the Company's Board of Directors resolved today to renew the Large-Scale Purchase Rules as set forth below.

The renewal of the Large-Scale Purchase Rules is conditional upon its submission to the 6th Annual General Meeting of Shareholders scheduled for March 25, 2026, following the expiration of the current rules' validity period, and its approval by a majority of the voting rights of the attending shareholders.

Note that the basic content is the same as the Large-Scale Purchase Rules previously introduced.

1. Necessity and Objectives of the Large-Scale Purchase Rules

■ Concepts for the Large-Scale Purchase Rules

The Company considers the introduction of the Large-Scale Purchase Rules, with the objective of "ensuring the procedures for the delegation of appropriate decisions by all shareholders," to be one of the fiduciary responsibilities of management.

As a general rule, the acquisition of the Company's shares should be able to be performed freely, and in addition, there should be no intent to deny the mass acquisition of shares by shareholders, providing such an act leads to the securing and improvement of the vitality of the corporate activities of the Company and the common interests of shareholders.

However, not all of the stock accumulations and proposals made by a Large-Scale Purchaser (the detailed definition is as set forth in "(1) Subject of the Large-Scale Purchase Rules" in "2. Details of the Large-Scale Purchase Rules" in the attached Large-Scale Purchase Rules; the same applies hereinafter) with respect to the Company necessarily lead to the maintenance and improvement of the

corporate value of the Company and common interest of shareholders, and in some cases they will lead to the corporate value of the Company being damaged and common interest of shareholders being violated.

Furthermore, it is no exaggeration to say that the decision on whether or not to accept such a proposal from a Large-Scale Purchaser may have a significant effect on the future corporate value of the Company and the mutual interest of all shareholders.

Moreover, in the event of a proposal being made by a Large-Scale Purchaser that relates to the basic, fundamental, and important business strategy of the Company, or a management system that promotes such matters, the decision on whether or not to accept such a proposal should be entrusted to the discretion of all shareholders at that time, and ultimately, the decision should be made in accordance with the free intent of each individual shareholder.

In addition, in order for shareholders to make judgments based on their own free will, it is important that necessary and sufficient information be provided by the Large-Scale Purchaser so that they can appropriately judge on their own responsibility whether the Large-Scale Purchaser's proposal truly contributes to the maintenance and enhancement of the Company's corporate value and the common interests of shareholders, and that shareholders have a reasonable period of time for deliberation.

The Board of Directors of the Company has determined that the Company needs to renew the current Rules in the light of the need to be prepared for the above.

■ Perspective from the Corporate Governance Code

The Corporate Governance Code warns against abuse by clearly stating in Principle 1.5 that "Anti-takeover measures must not have any objective associated with entrenchment of the management or the board. With respect to the adoption or implementation of anti-takeover measures, the board and *kansayaku* should carefully examine their necessity and rationale in light of their fiduciary responsibility to shareholders, ensure appropriate procedures, and provide sufficient explanation to shareholders."

In line with this, the Company published "Company Guidelines for the Corporate Governance Code (Policies and Initiatives)" on March 26, 2025 (hereinafter, "Corporate Governance Guidelines"). In those Corporate Governance Guidelines, regarding Principle 1.5, it is clearly prescribed that "The Large-Scale Purchase Rules adopted by the Company are not intended to directly serve the effect of defending against acquisitions but rather are intended to secure procedures for appropriate decisions on such acts by all shareholders. Maintaining such rules ensures equal protection of shareholder rights by transparently sharing information with all shareholders, not just Large-Scale Purchasers, and we believe this aligns with the intent of this principle and is a fundamental responsibility of the Board of Directors. We therefore also recognize that having Large-Scale Purchase Rules in place is in line with the 'Responsibilities of the Board' as stipulated in General Principle 4."

As described above, under the concept that the ensuring of the performance of acts of Large-Scale Purchase, etc. on the Company, in accordance with certain reasonable rules that embody the aforementioned views, is in line with the interests of the Company and all of its shareholders, the Board of Directors of the Company has decided that it is necessary to renew certain Large-Scale Purchase Rules, including the prior provision of information.

With the Large-Scale Purchase Rules, the environment for the Company to aim for further growth will be established, and shareholders will be able to judge whether the Large-Scale Purchaser's proposal enhances or impairs the Company's corporate value and the common interests of shareholders.

The Company therefore believes that the Large-Scale Purchase Rules contribute to "Securing the Rights and Equal Treatment of Shareholders" as set forth in General Principle 1 of the Corporate Governance Code, and that ensuring the opportunity for such judgment corresponds to the "Responsibilities of the Board" as stated in General Principle 4 of the Corporate Governance Code.

Note that currently, there are no facts (including signs) that the Company is in receipt of proposals such as acquisition proposals from Large-Scale Purchasers.

The Large-Scale Purchase Rules are general rules and are not intended to target specific large-scale holders. However, current large-scale holders will also be subject to these rules if they qualify as "Large-Scale Purchasers" as described below (reference: Flowchart for the Large-Scale Purchase Rules).

2. Reasonableness of the Large-Scale Purchase Rules

(1) Fulfillment of the Guidelines Regarding Takeover Defense and the requirements of the Tokyo Stock Exchange Regulations

The Large-Scale Purchase Rules fulfill the three (3) principles (the principle of protecting and enhancing corporate value and shareholders' common interests; the principle of prior disclosure and shareholders' will; and the principle of ensuring the necessity and reasonableness of defense measures) set forth in the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005; the "Takeover Defense Measures in Light of Recent Environmental Changes" announced by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008; "Principle 1.5: Anti-Takeover Measures" in the "Corporate Governance Code" announced by the Tokyo Stock Exchange on June 11, 2021; the three principles (Principle of Corporate Value and Shareholders' Common Interests, Principle of Shareholders' Intent, and Principle of Transparency) set forth in the "Guidelines for

Corporate Takeovers" announced by the Ministry of Economy, Trade and Industry on August 31, 2023; and compliance items (sufficiency of disclosure, transparency, effects on secondary markets, and respect for shareholders' rights) when introducing takeover defense measures stipulated in the "Rules Concerning Code of Corporate Conduct" of the Tokyo Stock Exchange, and the Securities Listing Regulations.

(2) Introduction for the purpose of ensuring and increasing corporate value and the common interests of shareholders

As stated in 1. "Necessity and Objectives of the Large-Scale Purchase Rules" above, the Large-Scale Purchase Rules are being put in place for the purpose of ensuring and increasing the Company's corporate value and the common interests of shareholders, which are to be carried out, in the event that a Large-Scale Purchase, etc. of shares of the Company goes forward, in a manner that enables each shareholder to make an appropriate determination on the Large-Scale Purchaser's proposal of whether or not to accept the Large-Scale Purchase, etc. by ensuring necessary information and sufficient time to fully examine the proposal by the Large-Scale Purchaser including an alternative proposal by the Board of Directors of the Company.

(3) Respect for shareholders' will

The Current Rules were approved at the Extraordinary General Meeting of Shareholders of A.D.Works Co., Ltd., held on November 29, 2019, for the introduction of the Large-Scale Purchase Rules at the Company, which is the wholly owning parent company incorporated as a result of the sole share transfer with the effective period of three (3) years, and were approved for renewal at the Company's Annual General Meeting of Shareholders held on March 28, 2023.

Moreover, the effective period of the Rules is three (3) years, and at every annual general meeting of shareholders at which the effective period expires the Rules must be approved by shareholders.

The Company may abolish the Large-Scale Purchase Rules, even during the effective period of the Large-Scale Purchase Rules, if a general meeting of shareholders of the Company resolves to abolish said Large-Scale Purchase Rules.

(4) Respect for judgment of independent outsiders and information disclosure

The Special Committee exercises strict oversight of arbitrary acts by the Board of Directors of the Company, and in addition, the Special Committee may receive advice at the Company's expense from independent third parties (including financial advisors, attorneys, certified public accountants, consultants and other experts).

In addition, an outline of the Special Committee's judgment will be disclosed to shareholders.

A mechanism is therefore ensured for the transparent operation of the Large-Scale Purchase Rules.

(5) Establishment of reasonable and objective requirements

The Large-Scale Purchase Rules are set so that they will not be triggered unless reasonable and objective requirements are met, namely, in addition to cases where the Large-Scale Purchase, etc. does not comply with the Large-Scale Purchase Rules, cases where it is reasonably determined that the Company's corporate value or the common interests of shareholders would be significantly impaired, such as:

(i) Where it is determined that the purchase is being carried out without a bona fide intent to participate in the management of the Company, but rather for the purpose of making the Company or parties related to the Company buy back the shares at an inflated stock price;

(ii) Where it is determined that there exists the objective of so-called "scorched management" by, for example, temporarily controlling the management of the Company and having the Company's intellectual property, know-how, trade secrets, or major business partners and customers, etc., which are essential to the Company's business operations, transferred to the party that is proposing the purchase and its group companies;

(iii) Where it is determined that there exists the objective of inappropriately utilizing the assets of the Company as collateral or source of funds for repayment of the obligations of the party that is proposing the purchase and its group companies, etc. after taking control over the management of the Company;

(iv) Where it is determined that there exists the objective of temporarily controlling the management of the Company and selling or otherwise disposing of its real properties, securities, and other assets that are not currently related to the business of the Company, and having the Company use the proceeds from such sale to distribute elevated dividends temporarily, or selling the Company's shares at an inflated price, taking advantage of the timing of a sudden rise in the stock price due to temporarily elevated dividend payments;

(v) Where it is determined that the Company's shareholders are likely to be effectively forced to sell their shares such as in the event of a Large-Scale Purchase, etc. of the Company's shares, with a view to implementing a coercive two-stage purchase (purchase of shares including a tender offer, whereby no solicitation to purchase all of the shares is made in the initial purchase and the terms of the second-stage purchase are set more disadvantageously or are not made clear);

(vi) Where it is determined that the terms and conditions (including the amount and type of consideration; timing of purchase, etc.; legality of method of purchase, etc.; feasibility of purchase, etc.; policies on treatment of customers, business partners and employees of the Company Group and other stakeholders relating thereto after the purchase, etc.; and others) of a purchase, etc. are inadequate or inappropriate in light of the Company's intrinsic value;

(vii) Where it is determined to be a Large-Scale Purchase, etc. by so-called anti-social forces or

individuals or organizations controlled by or involved with such forces;

(viii) Where it is determined that the management policies and business plans of the Large-Scale Purchaser subsequent to the Large-Scale Purchase, etc. are highly unreasonable; and

(ix) Where it is determined that the management policies and business plans after the Large-Scale Purchase, etc. by the Large-Scale Purchaser are notably inferior to those (including an alternative proposal on management policies and business plans for after the Large-Scale Purchase, etc. by the Large-Scale Purchaser) of the Board of Directors of the Company.

It can therefore be said that a mechanism is ensured to prevent arbitrary triggering by the Company's Board of Directors.

(6) No dead-hand or slow-hand takeover defense measures

The Large-Scale Purchase Rules are not dead-hand takeover defense measures that cannot be abolished or implemented even if it is resolved at a general meeting of shareholders that a majority of the Directors are to be replaced. Furthermore, the term of office for Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company will be one (1) year and there are no additions to the requirements for dismissal. Therefore, the Rules are not slow-hand takeover defense measures in which obtaining management rights will be protracted even after a majority of shares have been acquired.

3. Initiatives for Maintaining and Increasing Corporate Value and the Common Interests of Shareholders of the Company

In order to maintain and enhance mid- to long-term corporate value and the common interests of shareholders, the Company, based on the "Growth Strategy to Enhance Corporate Value" disclosed on February 13, 2025, is accelerating business growth through a review of its business strategy, and is pursuing improvements in asset profitability (ROE), fostering growth expectations, and reducing the cost of shareholders' equity by implementing various measures such as business operations based on financial discipline, strengthening shareholder return policies, and enhancing IR activities.

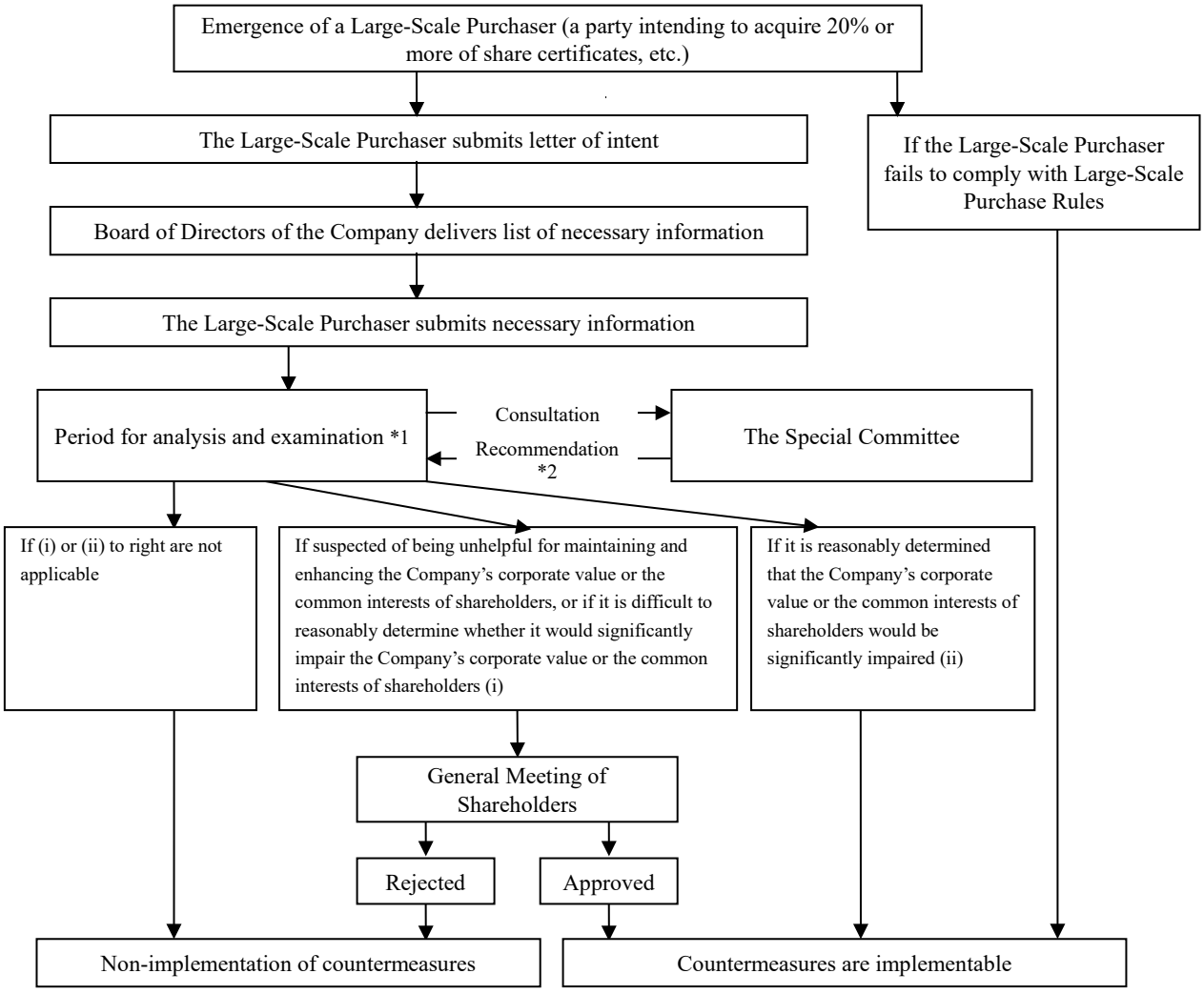
As a result, while ROE was 9.5% and PBR was 0.5 times as of the end of December 2024, ROE improved to 17.5% and PBR to 1 time as of the end of December 2025.

Going forward, we will continue to formulate appropriate growth strategies and medium-term management plans in response to changes in the business environment, and by steadily implementing measures based thereon, we aim to achieve sustainable enhancement of corporate value and maintain and enhance the common interests of shareholders.

[Flowchart for the Large-Scale Purchase Rules]

The chart below has been prepared for the sole purpose of making the Large-Scale Purchase Rules easy to grasp.

For the details of the Large-Scale Purchase Rules, please refer to the text of the Large-Scale Purchase Rules.



*1 The period for analysis and examination shall be, in principle, up to ninety (90) business days, however the Board of Directors of the Company may extend the period by up to thirty (30) business days, if necessary, upon receiving the recommendation of the Special Committee.

*2 The Special Committee shall issue a recommendation to the Board of Directors of the Company on whether or not it would be appropriate to implement countermeasures, and whether or not it would be appropriate to ascertain conclusively the will of shareholders in the event that it is

difficult to determine whether or not implementing countermeasures would be appropriate. The Board of Directors of the Company shall accord the utmost respect to this recommendation in adopting a resolution regarding implementation of countermeasures.

Appendix

Large-Scale Purchase Rules

A.D.Works Group Co., Ltd.

Renewal on March 25, 2026 (planned)

1. Purpose of the Large-Scale Purchase Rules

The Company believes that whether or not to accept a proposal from a Large-Scale Purchaser should ultimately be left to the judgment of each shareholder.

The Board of Directors of the Company believes the performance of acts of Large-Scale Purchase, etc. on the Company in accordance with certain reasonable rules aligns with the interests of the Company and all its shareholders, and has decided to establish certain rules, including the prior provision of information (hereinafter referred to as the "Large-Scale Purchase Rules").

■ Concepts for the Large-Scale Purchase Rules

The Company considers the introduction of the Large-Scale Purchase Rules, with the objective of "ensuring the procedures for the delegation of appropriate decisions by all shareholders," to be one of the fiduciary responsibilities of management.

As a general rule, the acquisition of the Company's shares should be able to be performed freely, and in addition, there should be no intent to deny the mass acquisition of shares by shareholders, as long as such an act leads to the securing and improvement of the vitality of the corporate activities of the Company and the common interests of shareholders.

However, not all of the stock accumulations and proposals made by a Large-Scale Purchaser with respect to the Company necessarily lead to the maintenance and improvement of the corporate value of the Company and common interest of shareholders, and in some cases they will lead to the corporate value of the Company being damaged and the common interests of shareholders being violated.

Moreover, in the event of a proposal being made by a Large-Scale Purchaser that relates to the basic, fundamental, and important business strategy of the Company, or a management system that promotes such matters, the decision on whether or not to accept such a proposal should be entrusted to the discretion of all current shareholders, and ultimately, the decision should be made in accordance with the free intent of each individual shareholder.

In addition, in order for shareholders to make judgments based on their own free will, it is important that necessary and sufficient information be provided by the Large-Scale Purchaser so that they can appropriately judge on their own responsibility whether the Large-Scale Purchaser's proposal truly contributes to the maintenance and enhancement of the Company's corporate value and the common interests of shareholders, and that shareholders have a reasonable period of time for deliberation.

The Board of Directors of the Company has determined that the Company needs to renew the current Rules in consideration of the need to be prepared for the above.

■ **Perspective from the Corporate Governance Code**

The Corporate Governance Code explicitly cautions against abuse by stating in Principle 1.5 that "Anti-takeover measures must not have any objective associated with entrenchment of the management or the board. With respect to the adoption or implementation of anti-takeover measures, the board and *kansayaku* should carefully examine their necessity and rationale in light of their fiduciary responsibility to shareholders, ensure appropriate procedures, and provide sufficient explanation to shareholders." On the other hand, in order for management to fulfill its fiduciary responsibility from the shareholders, it is necessary to continually improve corporate value in the medium to long term, and to maintain and improve the common interest of shareholders.

In line with this, the Company published "(Revised) Company Guidelines for the Corporate Governance Code (Policies and Initiatives)" on March 26, 2025 (hereinafter, "Corporate Governance Guidelines"). In those Corporate Governance Guidelines, with regard to Principle 1.5, it is clearly prescribed that "The Large-Scale Purchase Rules adopted by the Company are not intended to directly serve the effect of defending against acquisitions but rather are intended to secure procedures for appropriate decisions on such acts by all shareholders. Maintaining such rules ensures equal protection of shareholder rights by transparently sharing information with all shareholders, not just Large-Scale Purchasers, and we believe this aligns with the intent of this principle and is a fundamental responsibility of the Board of Directors. We therefore also recognize that having Large-Scale Purchase Rules in place is in line with the 'Responsibilities of the Board' as stipulated in General Principle 4."

As described above, under the concept that the ensuring of the performance of acts of Large-Scale Purchase, etc. on the Company, in accordance with certain reasonable rules that embody the aforementioned views, is in line with the interests of the Company and all of its shareholders, the Board of Directors of the Company has decided that it is necessary to renew certain Large-Scale Purchase Rules, including the prior provision of information.

With the Large-Scale Purchase Rules, the environment for the Company to aim for further growth will be established, and shareholders will be able to judge whether the

Large-Scale Purchaser's proposal enhances or impairs the Company's corporate value and their common interests.

Therefore, the Company believes that the Large-Scale Purchase Rules contribute to "Securing the Rights and Equal Treatment of Shareholders" as set forth in General Principle 1 of the Corporate Governance Code, and that ensuring the opportunity for such judgment corresponds to the "Responsibilities of the Board" as stated in General Principle 4 of the Corporate Governance Code.

Note that currently, there are no facts (including signs) that the Company is receiving proposals such as acquisition proposals from Large-Scale Purchasers.

The Large-Scale Purchase Rules are general rules and are not intended to target specific large-scale holders. However, current large-scale holders will also be subject to these rules if they qualify as "Large-Scale Purchasers" as described below (reference: Flowchart for the Large-Scale Purchase Rules).

2. Details of the Large-Scale Purchase Rules

(1) Subject of the Large-Scale Purchase Rules

The "Large-Scale Purchases, etc." that are subject to the Large-Scale Purchase Rules are:

(i) Purchases of the Company's share certificates, etc. (Note 1) (including but not limited to the commencement of a tender offer) aimed at making the voting rights ratio (Note 2) of a specific shareholder group (Note 3) 20% or more;

(ii) Purchases of the Company's share certificates, etc. (including but not limited to the commencement of a tender offer) that result in the voting rights ratio of a specific shareholder group becoming 20% or more; or

(iii) Regardless of whether or not the actions stipulated in (i) or (ii) above are implemented, (I) actions conducted between a specific shareholder group seeking to acquire the Company's share certificates, etc. and other shareholders of the Company (including cases where there are multiple such shareholders; the same applies hereinafter in this (iii)), and agreements or other actions that result in such other shareholders becoming joint holders with such specific shareholder group, or any actions (Note 4) that establish a relationship (Note 5) where one party substantially controls the other or where they act jointly or in coordination between such specific shareholder groups and such other shareholders, and (II) actions where the total share certificate, etc. holding ratio of such specific shareholder groups and such other shareholders with respect to share

certificates, etc. issued by the Company becomes 20% or more.

However, Large-Scale Purchases to which the Board of Directors of the Company agrees shall be excluded from the application of the Large-Scale Purchase Rules.

"Large-Scale Purchaser" means, as described above, a person who conducts or intends to conduct such Large-Scale Purchases, etc. alone or jointly or in coordination with other persons.

(2) Information provision

Initially, if the Board of Directors of the Company determines it to be necessary, the Large-Scale Purchaser must provide the Board of Directors of the Company with adequate information for the decision-making by the shareholders of the Company and the opinion formation by the Board of Directors of the Company (hereinafter referred to as the "Information").

The items to be included are as listed below (including but not limited to said items).

(i) Overview (including information on the specifics of the capital structure, lines of business, financial results for the past three (3) years, track record in the same category of business as the Company's, and other matters) of the Large-Scale Purchaser and its group (including major shareholders or equity interests, important related companies, joint holders, quasi joint holders, specially related parties, and details on each partner and other members in the case of funds; hereinafter the same shall apply);

(ii) Specifics of the holding status of all securities (securities as set forth in Article 2, Paragraph 2 of the Financial Instruments and Exchange Act; hereinafter the same shall apply) issued by the Company and held by the Large-Scale Purchaser and its group, the status (including the nature of transactions, prices, the venues and methods of these, and the counterparties to these) of all transactions (including derivatives transactions, lending and borrowing transactions, and collateralization) relating to the Company's securities carried out by the Large-Scale Purchaser and its group in the past sixty (60) days, and all contracts, arrangements and agreements (including oral ones and regardless of the feasibility of their execution) entered into by the Large-Scale Purchaser and its group relating to the Company's securities, and, in the case of scheduled agreements, their specific contents, such as the type of such scheduled agreements, the counterparties to the contracts, and the quantity of the applicable Company's shares;

(iii) Specifics of investment and financing within the past ten (10) years, and whether or not the Large-Scale Purchaser and its group fall under the definition of "foreign investors" as set forth in Article 26, Paragraph 1 of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the "Foreign Exchange Act") and information on the basis for this;

(iv) Specifics of the internal control system of the Large-Scale Purchaser and its group, and whether or not the system is effective and its status;

(v) Purposes of the Large-Scale Purchase, etc. (the acquisition of control or participation in management, pure investment or strategic investment, transfer, etc. to a third party of the Company's share certificates, etc. after the Large-Scale Purchase, etc. or material proposals (meaning material proposals as set forth in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Ordinance on Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc.); in the case of other purpose, such purpose and its overview are included; in the case of multiple purposes, all of the purposes must be stated), and the methods and specifics of the Large-Scale Purchase, etc. (including the class and number of the Company's share certificates, etc. scheduled to be acquired through the Large-Scale Purchase, etc.; the amount and kind of consideration in the Large-Scale Purchase, etc.; the timing of the Large-Scale Purchase, etc.; the mechanism of the relevant transactions; the legitimacy of the method used for the Large-Scale Purchase, etc. and the feasibility of carrying out the Large-Scale Purchase, etc.; and the like);

(vi) Whether or not there has been any communication of intent with any third party on the occasion of the Large-Scale Purchase, etc. (including any communication of intent relating to a material proposal as set forth in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act to the Company; hereinafter the same shall apply), and if there has been a communication of intent, the particular form and specifics of same;

(vii) The basis for calculation of consideration for the purchase of the Company's shares and the circumstances of the calculation (including the facts and assumptions underlying the calculation; the calculation methods; the amount of information used in the calculation; and specifics of any synergy or dis-synergy expected to result from the set of transactions relating to the Large-Scale

Purchase, etc.; the name of third parties if the third-party opinions have been heard during the calculation process and information on the third parties, an overview of opinions, as well as the circumstances in which the price was determined in consideration of the opinion);

(viii) Proof of available funds for the purchase of the Company's shares (including the specific names of providers (including substantial providers) of funds, procurement methods and the particulars of relevant transactions);

(ix) Management policy, corporate management candidates (including information on the candidates' experience in the same business category as the Company and the Company group, etc.), business plan, financial plan, capital policy, dividend policy, measures for utilization of assets, etc. that can be expected after participation in the Company's management;

(x) Measures to increase the Company's corporate value in a continuous and stable manner scheduled to be put in place after completion of the Large-Scale Purchase, etc. and basis on which these measures will increase the Company's corporate value;

(xi) Whether or not there will be any changes scheduled following completion of the Large-Scale Purchase, etc. with respect to the shareholders (except for the Large-Scale Purchaser and its group) of the Company, and stakeholders of the Company group such as employees, business partners and customers, as well as the specifics of same;

(xii) Specific measures to prevent conflicts of interests between the Large-Scale Purchaser and its group and other shareholders of the Company;

(xiii) Information on whether or not there are relations (regardless of whether direct or indirect) between the Large-Scale Purchaser and its group and anti-social forces or terrorism-related organizations and, should there be such relations, the specifics of same;

(xiv) Actual results of corporate acquisitions, capital tie-ups, etc. that the Large-Scale Purchaser and its group have accomplished over the past five (5) years (including information on the specific names and lines of business of counterparties to these corporate acquisitions, capital tie-ups, etc.; shareholders of said companies; the circumstances up to the execution of such capital tie-ups, etc.; changes in performance of the counterparties after the execution; and any specifics of synergies realized by the counterparties);

(xv) Overview (including the addresses, names, etc.) of individuals, corporations,

and organizations that provide funds of any form for purchase, regardless of the name such as capital and investment to the Large-Scale Purchaser and its group for the purpose of ultimately receiving economic benefits through the Large-Scale Purchase; any policy on recovering capital invested in the Large-Scale Purchase;

(xvi) Other information that the Board of Directors and Special Committee of the Company reasonably determine to be necessary.

As the specifics of the Information may differ depending on the details of the Large-Scale Purchase, etc., if a Large-Scale Purchaser intends to carry out a Large-Scale Purchase, etc., the Large-Scale Purchaser shall first submit a letter of intent addressed to the Representative Director of the Company to the effect that it will be subject to the Large-Scale Purchase Rules and stating the following items:

i Name, address, and location of the head office of the Large-Scale Purchaser and its group;

ii History for the past ten (10) years, whether or not any act of breach of laws and regulations has been committed over the past ten (10) years and the specifics thereof;

iii Names of representative and executives of the Large-Scale Purchaser and its group, their career record over the past ten (10) years, the occurrence of violations of laws and regulations within the past ten (10) years and details thereof;

iv Purposes of business and business description of the Large-Scale Purchaser and its group;

v Major shareholders and major investees of the Large-Scale Purchaser and its group (top ten (10) in terms of investment ratios and an overview of substantial shareholders);

vi Domestic contact information;

vii In the case of a foreign corporation, governing laws of incorporation;

viii Names, locations of head office, lines of business of major investees and shareholding ratios or investing ratios in the major investees; and

ix Overview of the proposed Large-Scale Purchase, etc.

The Representative Director of the Company will deliver to the Large-Scale Purchaser a list of the Information that the Large-Scale Purchaser needs to initially provide to the Company within ten (10) business days following the receipt of the letter of intent.

If the Board of Directors of the Company, upon examining the information initially

provided to the Company by the Large-Scale Purchaser, finds this to be insufficient, it will request the Large-Scale Purchaser to provide additional information until said Information is complete.

All or part of the fact of a proposal for the Large-Scale Purchase, etc. and the Information provided to the Board of Directors of the Company will be disclosed in a timely manner, in principle.

The letter of intent, and materials such as the Information, or requests that the Large-Scale Purchaser submits to the Company, the Representative Director of the Company, etc. must be prepared in Japanese only.

(3) Examination of information and expression of opinions, etc.

Secondly, the Board of Directors of the Company will have ninety (90) business days (provided, however, that if the Board of Directors of the Company receives a recommendation from the Special Committee and considers it necessary to do so because of such reasons as difficulty in judging the sufficiency of the consideration and the reasonableness of the proposal for purchase, the Board of Directors may extend the above period by up to thirty (30) business days, in which case, the Company will disclose the period and the grounds for the extension) as a period for evaluation, examination, negotiations, arriving at opinions and drawing up of alternative proposals by the Board of Directors (hereinafter referred to as the "Period for Evaluation by the Board of Directors") after the Large-Scale Purchaser has provided the Information to the Board of Directors of the Company.

The Company has set the Period for Evaluation by the Board of Directors at ninety (90) business days for the following reasons. In addition, it is believed that this is consistent with the principle of "Respecting the Intent of Shareholders and Ensuring Transparency" indicated in the Ministry of Economy, Trade and Industry's "Guidelines for Corporate Takeovers," as well as the purport of necessity, reasonableness, appropriate procedures, and accountability required by the Corporate Governance Code (Principle 1.5), and also conforms to the points of attention in the Tokyo Stock Exchange's prior consultation guidance on matters such as avoidance of excessive long periods and clarification of procedure content.

The Company is engaged not only in the acquisition, regeneration, and sale of real estate, but also in businesses such as the small-lot real estate business and office unit sales business involving long-term asset management for investors, as well as the finance arrangement business providing long-term consultation on capital policies for

listed companies, etc. Therefore, in evaluating a Large-Scale Purchase proposal, it is essential to carefully proceed with obtaining the consent of stakeholders while verifying the sustainability of each business and each project, and we recognize that without doing so, the Board of Directors cannot provide a level of justification that is explainable to shareholders.

Moreover, in the small-lot real estate business and office unit sales business, the Company bears fiduciary responsibility to over 2,500 investors, and it is necessary to evaluate the impact on operational sustainability, mid-term operations, and exit strategies for each product. Furthermore, if the Large-Scale Purchase proposal includes a short-term recovery or leverage orientation, it is necessary to conduct risk verification and check for any discrepancies with the initial product design or investor expectations.

Moreover, as the Group conducts business in Japan and overseas, and in evaluating the impact of a Large-Scale Purchase, it is necessary to collaborate with multi-layered stakeholders such as tenants, PM/AM operators, lenders, and trustees for each property, project, and location, and to conduct cross-location verification and consensus building, which requires a certain period due to geographical and practical constraints.

In addition, as of the end of December 2025, according to the Company's shareholder register, the shareholder composition of the Company is approximately 70% (approximately 17,000 persons) individual investors on a voting rights basis. The Board of Directors has the responsibility to balance the formation of opinions, including the formulation and comparative evaluation of alternative proposals to the purchase proposal, and careful information disclosure to enable a large number of shareholders to understand equally and sufficiently, and considering the above actual situation of the Company, it is believed that the deliberation by the Board of Directors requires a considerable period of time. In addition, it is believed that ensuring a certain degree of equal and sufficient information review period for shareholders even after the Board of Directors discloses information is essential for their appropriate judgment.

Under these circumstances, the Board of Directors of the Company requires diligent processes of evaluation and examination of the Large-Scale Purchaser and the proposals for purchase, negotiations, arriving at opinions, and drawing up of alternative proposals by the Board of Directors, in light of the relationships with stakeholders such as shareholders, business partners and customers, the provisions of various laws and regulations relevant to business, the jobs of employees, and other factors, and must carefully examine the effects of a Large-Scale Purchase, etc. on corporate value. The Period for Evaluation by the Board of Directors has therefore been set at ninety (90)

business days.

The Board of Directors of the Company will, during the Period for Evaluation by the Board of Directors, duly evaluate and examine the Information provided, and conscientiously compile and announce the opinion of the Board of Directors of the Company.

In such a case, the Board of Directors' opinion will comprise any of the following: 1) implementation of countermeasures, 2) no implementation of countermeasures, or 3) convocation of a general meeting of shareholders to ascertain shareholders' will.

That is, the requirements for implementing countermeasures if the Large-Scale Purchaser complies with the Large-Scale Purchase Rules would apply to the case where it is reasonably determined that the Large-Scale Purchase, etc. would significantly impair the Company's corporate value or the common interests of shareholders as stated in 3. (2) below. If the Board of Directors arrives at such a determination, it will decide to 1) implement countermeasures. Meanwhile, if it is difficult to determine whether or not the Large-Scale Purchase, etc. would significantly impair the Company's corporate value or the common interests of shareholders, the Board of Directors will decide 3) to convene a general meeting of shareholders to ascertain shareholders' will. Furthermore, if none of the above cases is applicable, the Board of Directors will decide 2) not to implement countermeasures.

In making the determination as stated above, the Board of Directors will pass a resolution that accords the utmost respect to the recommendation of the Special Committee (as stated in 4. below) and announce this resolution.

Additionally, the Board of Directors of the Company may, as needed, conduct negotiations with the Large-Scale Purchaser to improve the terms and conditions regarding the Large-Scale Purchase, etc. or submit its alternative proposal to shareholders of the Company.

(4) General Meeting of Shareholders

If the Board of Directors of the Company decides to convene a general meeting of shareholders to ascertain shareholders' will, it will immediately make an announcement to that effect after determining the details of specific countermeasures, promptly convene a general meeting of shareholders, and place on the agenda whether or not to implement specific countermeasures (provided, however, that if the Board of Directors of the Company determines it to be more expeditious and appropriate to place this item on the agenda of a general meeting of shareholders already scheduled to be held, taking

into consideration practical procedures and other matters, the Board of Directors of the Company will place this item on the agenda at said general meeting of shareholders).

In making the determination as stated above, the Board of Directors will pass a resolution that accords the utmost respect to the recommendations of the Special Committee (as stated in 4. below).

(5) Possible commencement period of the Large-Scale Purchase, etc.

The Large-Scale Purchase, etc. shall be allowed to commence only after the Board of Directors of the Company has resolved whether or not to implement the allotment of share options without contribution or after an agenda item on the implementation of countermeasures at a general meeting of shareholders has been rejected, if the Board of Directors places on the agenda at a general meeting of shareholders an item concerning whether or not to implement countermeasures. Until such time, no Large-Scale Purchase, etc. may be made.

(6) When it is determined that the proposal does not constitute a Large-Scale Purchase, etc. that would impair corporate value

If the Board of Directors of the Company determines, as a result of the evaluation and examination in (3) above or even prior to same, that the Large-Scale Purchase etc. by the Large-Scale Purchaser would not significantly impair the Company's corporate value or the common interests of shareholders, it will immediately resolve and announce to the effect that countermeasures will not be implemented.

3. Policy on Responses to the Large-Scale Purchase

(1) When the Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules

If the Large-Scale Purchase Rules are not complied with by the Large-Scale Purchaser, regardless of the specific acquisition method, the Board of Directors of the Company may exercise what is permitted by the Companies Act and other laws (including laws after enforcement at the time of countermeasures) and the Company's articles of incorporation for the purpose of protecting the interests of the Company and all its shareholders, and counter the Large-Scale Purchase, etc.

Regarding what specific measures to take, it will select the issuance of share options with main conditions attached such as discriminatory exercise conditions and acquisition clauses with the content below, or what the Board of Directors of the Company judges most appropriate at that time, and in that decision, the Board of

Directors of the Company will properly respect the recommendations obtained by consulting the Special Committee (as stated in 4. below).

i Number of Share Options

The number shall be determined by the Board of Directors of the Company.

ii Shareholders entitled to receive allotment of Share Options

Share Options shall be allotted without contribution at the rate of one (1) Share Option for one (1) share of the Company held by shareholders other than the Company registered on the last register of shareholders of the Company on the date of allotment.

iii Effective date of allotment of Share Options without contribution

This date shall be separately determined by a resolution on the allotment of Share Options without contribution.

iv Number of shares underlying Share Options

The number of shares (even if the Company becomes a company issuing class shares in the future, 1) the Company's shares to be issued at the time of exercise of the Share Options and 2) shares to be delivered in exchange for acquisition of Share Options shall refer to the same class of shares as shares (common shares) currently issued at the commencement of a general meeting of shareholders of the Company; Book-entry transfer shares set forth in Article 128, Paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares) underlying one (1) Share Option shall be one (1), unless this is separately adjusted.

v Value of assets to be paid in at the time of exercise of Share Options

The instrument of payment at the time of exercise of Share Options shall be cash, and the value of assets per share of the Company to be paid in at the time of exercise of Share Options shall be one (1) yen or more and separately specified by a resolution on the allotment of Share Options without contribution up to an amount of half the market value of one (1) share of the Company's shares. The term "market value" means an amount equivalent to the average closing price (including quotes) on all trading days for ordinary transactions of the Company's common shares on the Tokyo Stock Exchange for the period of the past ninety (90) days (excluding non-trading days) prior to a resolution on the allotment of Share Options without contribution. Any fraction of less than one (1) yen shall be rounded up.

vi Exercise period of Share Options

The exercise period shall be defined separately by a resolution on the allotment of Share Options without contribution within not less than one (1) month and not more than six (6) months, and the commencement date of the exercise period shall be the effective date of the allotment of Share Options without contribution or a date separately specified by a resolution on the allotment of Share Options without contribution.

vii Terms and conditions for exercise of Share Options

The parties stipulated in (a) through (f) below (hereinafter collectively referred to as the "Unqualified Parties") may not exercise Share Options in principle. However, if approved by the Company's Board of Directors, they shall be excluded from Unqualified Parties.

(a) Specific large-scale holders (Note 6);

(b) Joint holders of (a);

(c) Specific large-scale purchasers (Note 7);

(d) Specially related parties of (c);

(e) Any party that has acquired or inherited Share Options without approval from the Board of Directors of the Company from a party stipulated in (a) through (d) above; or

(f) Related party of the party to which (a) through (e) above are applicable (Note 8)

In addition, non-residents who require prescribed procedures by exercising the Share Options under applicable foreign laws and regulations (hereinafter collectively referred to as "non-residents") cannot, in principle, exercise the Share Options. However, the Share Options held by non-residents will also be subject to acquisition by the Company in exchange for the Company's shares as per ix (b) below, on the condition that it is confirmed not to conflict with applicable laws and regulations.

viii Restriction on transfer of Share Options

Acquisition of Share Options by transfer is subject to approval by the Board of Directors of the Company.

ix Causes for Acquisition of Share Options

(a) The Company may, at any time up to one (1) day before the initial date of the period for exercise of Share Options, acquire free of charge all of the Share Options on a date separately specified by the Board of Directors of the Company.

(b) The Company may, on the date separately specified by the Board of Directors of the Company, acquire all of the Share Options that have not been exercised and that are held by parties other than the Unqualified Parties and in exchange issue one (1) share of the Company's common share per Share Option (unless separately adjusted).

In addition, if the Board of Directors of the Company acknowledges that there remain parties other than the Unqualified Parties from among the parties that hold Share Options on and after the date of said acquisition, the Company may acquire all of the Share Options that have not been exercised until one (1) day before the date specified by the Board of Directors of the Company held by the parties other than the Unqualified Parties and in exchange issue the number of shares of the Company entitled per Share Option on the date specified by the Board of Directors of the Company after the above date of acquisition. The same shall apply thereafter.

(c) The Company may, on the date separately specified by the Board of Directors of the Company on and after the effective date for the gratis allotment of Share Options, acquire all of the Share Options held by the Unqualified Parties and in exchange issue the same number of share options that the Unqualified Parties will not be permitted to exercise in principle (Note 9) as consideration for the Share Options acquired (the Company does not plan to deliver cash as consideration for the acquisition of the Share Options themselves held by Unqualified Parties). In addition, Share Options to be so issued may have a certain acquisition clause attached, and other details shall be specified by a resolution on the gratis allotment of Share Options.

(d) Otherwise, cases where the Company may acquire the Share Options and terms and conditions thereof shall be separately specified by a resolution on the allotment of Share Options without contribution.

x Issuance of Share Options in the case of merger, absorption-type company split, incorporation-type company split, share exchange and share transfer

The above shall be separately specified by a resolution on the allotment of Share Options without contribution.

xi Issuance of share option certificates

Share option certificates representing Share Options shall not be issued.

xii Others

Other specifics of Share Options shall be as separately stipulated by a resolution on the allotment of Share Options without contribution.

(2) When the Large-Scale Purchaser complies with the Large-Scale Purchase Rules

When the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Board of Directors of the Company will not, in principle, take countermeasures against the Large-Scale Purchase, etc., even if it opposes the Large-Scale Purchase, etc., while there is a possibility that it will submit an alternative proposal, negotiate with the Large-Scale Purchaser, or seek to persuade the Company's shareholders, etc.

However, even if the Large-Scale Purchase Rules are complied with, if the Special Committee determines that the Large-Scale Purchase, etc. would significantly impair the Company's corporate value or the common interests of the Company's shareholders (as described in the examples in (i) to (ix) below), and the Special Committee recommends that the Company's Board of Directors implement countermeasures, the Board of Directors may implement countermeasures to protect the Company's corporate value and the interests of its shareholders.

(i) Where it is determined that the purchase is being carried out without a bona fide intent to participate in the management of the Company, but rather for the purpose of forcing the Company or parties related to the Company to buy back the shares at an inflated stock price;

(ii) Where it is determined that there exists the objective of so-called "scorched management" by, e.g., temporarily controlling the management of the Company and having the Company's intellectual property, know-how, trade secrets, or major business partners and customers, etc., which are essential to the Company's business operations, transferred to the party proposing the purchase and its group companies;

(iii) Where it is determined that there exists the objective of inappropriately utilizing the assets of the Company as collateral or source of funds for repayment of the obligations of the party proposing the purchase and its group companies, etc. after taking control over the management of the Company;

(iv) Where it is determined that there exists the objective of temporarily controlling the management of the Company and selling or otherwise disposing of its real properties, securities, and other assets that are not currently related to the business of the Company, and having the Company use the proceeds from said sale to distribute elevated dividends temporarily, or selling the Company's

shares at an inflated price, taking advantage of the timing of a sudden rise in the stock price due to temporarily elevated dividend payments;

(v) Where it is determined that the Company's shareholders are likely to be effectively forced to sell their shares such as in the event of a Large-Scale Purchase, etc. of the Company's shares, with a view to implementing a coercive two-stage purchase (purchase of shares including a tender offer, whereby no solicitation to purchase all of the shares is made in the initial purchase and the terms of the second-stage purchase are established more disadvantageously or are not clarified);

(vi) Where the terms and conditions (including the amount and type of consideration; timing of purchase, etc.; legality of method of purchase, etc.; feasibility of purchase, etc.; policies on treatment of customers, business partners and employees of the Company Group and other stakeholders relating thereto after the purchase, etc.; and others) of a purchase, etc. are inadequate or inappropriate in light of the Company's intrinsic value;

(vii) Where a Large-Scale Purchase, etc. is by so-called anti-social forces or individuals or organizations controlled by or involved with such forces;

(viii) Where it is determined that the management policies and business plans of the Large-Scale Purchaser subsequent to the Large-Scale Purchase, etc. are highly unreasonable; and

(ix) Where it is determined that the management policies and business plans of the Large-Scale Purchaser are notably inferior to those (including an alternative proposal on management policies and business plans for after the Large-Scale Purchase, etc. by the Large-Scale Purchaser) of the Board of Directors of the Company.

The Board of Directors of the Company shall, at the time of the above implementation of countermeasures, receive a recommendation from the Special Committee acknowledging that the implementation of countermeasures would be reasonable due to such reasons as it would not significantly disadvantage the Company's shareholders.

However, the above countermeasures shall be implemented if it is reasonably determined that the Large-Scale Purchase, etc. would significantly impair the Company's corporate value or the common interests of the Company's shareholders. The Company shall not implement the countermeasures on the sole grounds that the intent of the Large-Scale Purchaser formally falls under the above.

In addition, if it is difficult for the Board of Directors to determine whether or not the Large-Scale Purchase, etc. would significantly impair the Company's corporate value or the common interests of shareholders, the Board of Directors will decide to convene a general meeting of shareholders to ascertain shareholders' will. If shareholders approve the implementation of the countermeasures at said general meeting of shareholders, the countermeasures shall be implemented based on shareholders' will as well.

(3) Suspension, etc. of the implementation of countermeasures

In the case of (1) or (2) above, if the Large-Scale Purchaser presents an amendment to the Large-Scale Purchase, etc. or an alternative proposal to the Board of Directors of the Company after the Board of Directors or a general meeting of shareholders of the Company decides to implement specific countermeasures, when the Board of Directors of the Company determines it inappropriate to implement countermeasures as a result of a full examination of whether or not the amended Large-Scale Purchase, etc. or alternative complies with the Large-Scale Purchase Rules or whether or not it will impair the corporate value of the Company or the interests of all of the shareholders of the Company, the Board of Directors of the Company may suspend, amend or take other actions relating to the countermeasures only before a decision on shareholders' rights resulting from the implementation of the countermeasures and only when the interests of shareholders are not impaired.

The Board of Directors of the Company will consult on whether or not to suspend, amend or take other actions relating to the countermeasures with the Special Committee and will pass a resolution that accords the utmost respect to the recommendation of the Special Committee (as stated in 4. below) when deciding whether or not to so proceed.

4. Procedures for Consultation with the Special Committee

If the Information is provided by the Large-Scale Purchaser, the Board of Directors of the Company will promptly present the Information to the Special Committee, which has been established as an organ independent of the Board of Directors and consult on whether or not it would be appropriate to implement countermeasures or to ascertain conclusively the will of shareholders, as it is difficult to determine whether or not to implement countermeasures.

The Special Committee will, based on consultation with the Board of Directors of the Company, gather opinions, while receiving advice from external experts and so on, and

issue a recommendation to the Board of Directors of the Company on whether or not it would be appropriate to implement countermeasures or to ascertain conclusively the will of shareholders, as it is difficult to determine whether or not to implement countermeasures. The Board of Directors of the Company will, after disclosing the recommendations, accord proper respect to the recommendations in passing a resolution on whether or not to implement countermeasures or to convene a general meeting of shareholders to ascertain the will of shareholders.

The period from the Company's Board of Directors' consultation with the Committee to the issuance of a recommendation is included in the Period for Evaluation by the Board of Directors as stipulated in 2. (3) above. Note that the brief biographies of the current members of the Special Committee are as in the Attachment.

5. Effects, etc. on Shareholders and Investors

(1) Effects, etc. of the Large-Scale Purchase Rules on shareholders and investors

Since no legal measures such as the issuance of share options will be taken at the time of introducing the Large-Scale Purchase Rules, there is neither a change in the rights of shareholders nor a distortion in stock price discovery.

As stated in 3. above, the Company's policy on responding to a Large-Scale Purchase, etc. will differ depending on whether or not the Large-Scale Purchaser complies with the Large-Scale Purchase Rules. While the Company strives to duly disclose information, the Company's shareholders and investors should also pay attention to the Company's information disclosure and the Large-Scale Purchaser's actions.

(2) Effects, etc. on shareholders and investors when implementing countermeasures

The Board of Directors of the Company does not expect to implement any type of countermeasures that would cause the Company's shareholders (excluding those that acquire its shares to impair the Company's corporate value or the common interests of shareholders) to suffer significant losses or distort stock price discovery.

If the Board of Directors of the Company decides to implement countermeasures, the Company will perform disclosure in a timely and appropriate manner pursuant to laws and regulations and financial instruments exchange rules, in order to prevent shareholders from suffering contingent and unexpected loss.

(3) Effects, etc. on shareholders and investors at the time of the suspension, etc. of

implementation of countermeasures

If, after resolving on the issuance of share options as a countermeasure, the Board of Directors suspends the issuance of said share options or amends the specifics (for example, the numbers allotted) of the share options, the per-share value of shares will not be diluted or the rate of dilution will be changed. Accordingly, shareholders or investors who purchased, sold or otherwise transacted the Company's shares on the assumption that their value would be diluted to some extent would have the potential of suffering unexpected losses due to fluctuations in the stock price.

If the Board of Directors of the Company makes a decision relating to suspension, amendment, etc. of the countermeasures, the Company will make disclosures in a timely and appropriate manner pursuant to laws and regulations and financial instruments exchange rules, in order to prevent shareholders from suffering contingent and unexpected losses.

(4) Necessary procedures for shareholders at the time of the implementation of countermeasures

When issuing share options as countermeasures, the Company will send documents necessary for executing rights to said share options, such as a request form for exercise of said share options to the shareholders stated or recorded in the latest register of shareholders on the record date of allotment. Parties belonging to the group of specific shareholders including the Large-Scale Purchaser that have been recognized as meeting the requirements for implementation of countermeasures may not exercise said share options. If other shareholders intend to exercise said share options within the exercise period, they will receive issuance, etc. of the Company's shares by paying an amount equivalent to the predetermined exercise price to the location for the handling of payments after submitting a request form, etc. to exercise share options.

Additionally, if the Board of Directors of the Company acquires some of said share options in exchange for the Company's shares, shareholders other than the parties belonging to a group of specific shareholders that includes the Large-Scale Purchaser that have been determined to meet the requirements for implementation of countermeasures will receive issuance, etc. of the Company's shares as consideration for the acquisition of said share options without paying an amount equivalent to the exercise price, on the acquisition date separately determined by the Board of Directors of the Company.

In addition to the above, regarding details of allocation and payment methods, the

Company will disclose to or notify shareholders in a timely manner after a resolution by the Board of Directors of the Company on the issuance of share options as countermeasures. Therefore, please confirm the specifics of said details.

6. Revision of the Large-Scale Purchase Rules

The Large-Scale Purchase Rules are to be renewed on the condition that the Company will receive approval from shareholders at the 6th Annual General Meeting of Shareholders scheduled to be held on March 25, 2026. The effective period of these rules shall be three (3) years. After the expiration of the effective period, the Company must receive approval from the Company's shareholders at each annual general meeting of shareholders for the latest fiscal year ending within three (3) years from the annual general meeting of shareholders thereafter.

The Large-Scale Purchase Rules may be abolished by resolution of the Board of Directors of the Company, in addition to a resolution on abolishment of the Rules at a general meeting of shareholders of the Company.

The Board of Directors of the Company may amend or abolish the Large-Scale Purchase Rules or introduce new countermeasures, etc. as necessary in the future consideration of revisions of the laws relating to corporate defense such as the Companies Act, trends and analyses of judicial decisions, and the like from the viewpoint of maintaining and increasing corporate value and shareholder value. In such a case, the Company shall again receive approval from its shareholders (except for minor revisions).

Note 1 Share certificates, etc. are defined as share certificates, etc. as set forth in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Note 2 The ratio of voting rights is defined as, according to the specific method of purchase of a group of specific shareholders, (i) the ownership ratio of share certificates, etc. (defined as the ownership ratio of share certificates, etc. as set forth in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act; here, the number of share certificates, etc. held by a joint holder with the holder as set forth in the same Paragraph shall be numerically taken into consideration) by the holder if a group of specific shareholders is a holder of the Company's share certificates, etc. (defined as share certificates, etc. set forth in Article 27-23, Paragraph 1 of the same Act) and a joint holder thereof, or (ii) if a group of specific shareholders is a Large-Scale Purchaser of the Company's share certificates, etc. (defined as share certificates, etc. as set forth in Article 27-2, Paragraph 1 of the same Act) and its specially related party, the total of the ownership ratio of share certificates, etc. (defined as ownership ratio of share certificates, etc. as set forth in Article 27-2, Paragraph 8 of the same Act) of the Large-Scale Purchaser and a specially related party thereof. At the time of calculating, each of the ownership ratios of share certificates, the total number of voting rights (as set forth in Article 27-2, Paragraph 8 of the same Act) and the total number of issued shares (as set forth in Article 27-23, Paragraph 4 of the same Act) may be referenced from the most recently filed annual securities report, semiannual securities report, quarterly securities report or status report on purchasing own shares.

Note 3 A group of specific shareholders is defined as a holder (defined as a holder as set forth in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including a party included in holders as set forth in Paragraph 3 of the same Article) of the Company's share certificates, etc. (defined as share certificates, etc. set forth in Article 27-23, Paragraph 1 of the same Act) and a joint holder (defined as a joint holder set forth in Article 27-23, Paragraph 5 of the same Act, including a deemed joint holder under Paragraph 6 of the same Article), as well as a party that carries out a purchase, etc. (defined as a purchase, etc. set forth in Article 27-2, Paragraph 1 of the same Act, including transactions at financial instruments exchange markets) of the Company's share certificates, etc. (defined as share certificates, etc. as set forth in Article 27-2, Paragraph 1 of the same Act) and a specially related party thereof (defined as a specially related party as set forth in Article 27-2, Paragraph 7 of the same Act), and a party that is reasonably suspected of being one of above parties.

Note 4 Whether or not any act prescribed in text (iii) has occurred is reasonably determined by the Board of Directors of the Company according the proper respect to the recommendations of the Special Committee. The Board of Directors of the Company may request shareholders of the Company to provide necessary information to the extent needed to determine whether or not the requirements prescribed in the text (iii) are applicable.

Note 5 Determination of whether or not "a relationship where one party substantially controls the other or where they act jointly or in coordination between such specific shareholder group and such other shareholders" has been established will be made based on such factors as a new investing relationship, business tie-up relationship, transactional or contractual relationship, a relationship of an executive concurrently serving as an executive for another company, funds provision relationship, credit grant relationship, creation of substantial interests regarding the Company's share certificates, etc. through derivatives transactions, lending of shares, etc. and the direct and indirect impact of the group of specific shareholders and the other shareholders on the Company.

Note 6 A specific large-scale holder is, in principle, defined as a holder of share certificates, etc. issued by the Company and having a share-holding ratio pertaining to the share certificates, etc. of 20% or more (including a party acknowledged by the Board of Directors of the Company as falling thereunder); provided, however, that any party acquiring or holding share certificates, etc. of the Company recognized by the Board of Directors of the Company as not detracting from the Company's corporate value or the common interests of shareholders, or a party defined separately under a resolution on the allotment of Share without contribution Options by the Board of Directors of the Company shall not fall under a specific large-scale holder.

Note 7 A specific large-scale purchaser is, in principle, a party that has publicly announced that it is performing the purchase, etc. (as set forth in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this Note) of share certificates, etc. (as set forth in Article 27-2, Paragraph 1 of the same Act; the same shall apply hereinafter in this Note) issued by the Company whose holding ratio of share certificates, etc. after such purchase, etc. (including any holdings that correspond to the cases set forth in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act) combined with the share-holding ratio of the specially related parties of the party amounts to 20% or more (including a party recognized by the Board of Directors of the Company as falling thereunder); provided, however, that any party acquiring or holding share certificates, etc. of the Company recognized by the Board of Directors of the Company as not impairing the Company's corporate value or the common interests of shareholders, or a party defined separately by a resolution on the allotment of Share Options without contribution by the Board of Directors of the Company shall not fall under the definition of a specific large-scale purchaser.

Note 8 A "related party" of a given party is a party with substantial control over the given party, is controlled by the given party, or is under common control with the given party (including a party acknowledged by the Board of Directors of the Company as falling under same), or who has been recognized by the Board of Directors of the Company as a party that engages in activities in collaboration with the given party. "Control" is defined as "having control over the determination of financial and business policies" of another company, etc. (as set forth in Article 3, Paragraph 3 of the Regulations for Enforcement of the Companies Act).

Note 9 In a certain case, however, terms and conditions may be added to the effect that Unqualified Parties may be permitted to exercise said share options. Specifically, in the case where (i) purchasers, etc. pledge that they will suspend or revoke the purchase, etc. or not carry out the purchase, etc. thereafter following a resolution on the gratis allotment of Share Options, and the purchasers, etc. and other Unqualified Parties have disposed of the Company's shares through entrustment to a securities firm recognized by the Company, and (ii) the ownership ratio of share certificates, etc. (in calculating the ownership ratio of share certificates, etc., however, Unqualified Parties other than purchasers, etc. and their joint holders will be deemed to be joint holders of the purchasers, etc., and in addition, portions of said share options held by the Unqualified Parties whose exercise conditions have not been fulfilled will be excluded from the calculation) recognized by the Board of Directors of the Company is less than 20%, it may be stipulated that the purchasers, etc. that have carried out disposal and the other Unqualified Parties may exercise said share options they hold only up to the 20% level.

(Attachment) Outline of Special Committee, etc.

1. Members of the Special Committee

The Special Committee shall comprise three (3) or more members who satisfy the following requirements, approved by a majority of the Board of Directors of the Company, from the perspective of ensuring independence from the Board of Directors of the Company and judgment regarding corporate management.

(1) Our outside directors, who are independent from the management team responsible for business execution

(2) Outside experts such as attorneys, certified public accountants, academics, and experienced company executives

2. Brief Biographies of Members

(1) Our Outside Director (Audit & Supervisory Committee Members)

Hisashi Tanaami (September 11, 1954)

April 1978	Joined Chiyoda Mutual Life Insurance Company (currently The Gibraltar Life Insurance Co., Ltd.)
February 2001	Joined Matsui Securities Co., Ltd.
June 2002	Director of Matsui Securities Co., Ltd.
February 2004	Managing Director of Matsui Securities Co., Ltd.
June 2005	Member of the Board of Auditors of Monex Beans, Inc. (currently Monex, Inc.)
June 2005	Full-time Member of the Board of Auditors of Monex Beans Holdings, Inc. (currently Monex Group, Inc.)
June 2007	Director of Monex, Inc.
June 2007	Director of Monex Group, Inc.
April 2008	Adjunct Lecture of Hosei University
February 2011	Representative Director & Vice President of Monex, Inc.
June 2013	Executive Officer of Monex Group, Inc.
April 2017	Vice Chairman, Member of the Board of Monex, Inc.
December 2019	Statutory Auditor of Japan Catalyst, Inc. (current position)
January 2020	Outside Director (Audit & Supervisory Committee Member) of Tobila Systems Inc. (current position)
April 2020	Outside Director (Audit & Supervisory Committee Member) of the Company (current position)
June 2021	Part-time Director of Public Interest Foundation International Manpower Development Organization, Japan (current position)
June 2023	Statutory Auditor of Monex Asset Management, Inc. (current position)

(2) Our Outside Director (Audit & Supervisory Committee Members)

Sachiko Awai (May 21, 1957)

July 1984	Joined Japan Office of U.S. Meat Export Federation
January 1991	Joined Estée Lauder Companies (currently ELC Japan K.K.)
March 1997	Joined NIHON L'ORÉAL K.K.
November 2004	Joined GUERLAIN (LVJ Group)
May 2012	Joined fitfit, inc.
May 2013	President and Representative Director of La Prairie Japan
January 2019	General Manager, INCOCO Business Department of Newport Ltd.
January 2019	Part Time Adviser, Natural Water Business Department of Harves Co., Ltd.
June 2019	Outside Director (Audit & Supervisory Committee Member) of A.D.Works Co., Ltd.
April 2020	Outside Director (Audit & Supervisory Committee Member) of the Company (current position)
June 2020	Outside Director of INFOCOM CORPORATION
March 2022	Outside Director (Audit & Supervisory Committee Member) of BP Castrol K.K. (current position)
June 2023	Outside Director of H.U. Group Holdings, Inc. (current position)

(3) Our Outside Director (Audit & Supervisory Committee Members)

Hiroyuki Somekawa (July 29, 1958)

April 1981	Joined Asahi Mutual Life Insurance Company
April 1992	Deputy Manager, Real Estate General Affairs Section, Real Estate Department of Asahi Mutual Life Insurance Company
April 1995	Manager, Business Promotion Office, Business Department of Asahi Mutual Life Insurance Company
April 1996	Chief Secretary, Secretary Department of Asahi Mutual Life Insurance Company
September 2009	Deputy General Manager in Charge of Human Resources, General Affairs and Personnel Management Division of Asahi Mutual Life Insurance Company
April 2012	General Manager, Internal Audit Department of Asahi Mutual Life Insurance Company
April 2015	Standing Statutory Auditor of Asahi Mutual Life Insurance Company
January 2022	Auditor of A.D.Works Co., Ltd. (current position)
March 2024	Outside Director (Audit & Supervisory Committee Member) of the Company (current position)

Overview of Special Committee Regulations

1. Composition of Members

The Special Committee shall comprise three (3) or more members selected by the Board of Directors of the Company from among the Outside Directors of the Company that are independent from the management that executes the Company's business operations or outside experts such as attorneys, certified public accountants, academics and corporate managers with proven track record.

2. Term of Office

The term of office of the Special Committee members shall be three (3) years.

3. Authority of the Special Committee

(1) If the Company receives a proposal from a Large-Scale Purchaser, and the Board of Directors of the Company presents necessary information that has been submitted by the Large-Scale Purchaser to the Special Committee, the Special Committee shall examine and analyze the proposal; prepare a letter of recommendation stating whether or not it would be appropriate to implement countermeasures stipulated in the Large-Scale Purchase Rules of the Company, whether or not it would be appropriate to ascertain conclusively the will of shareholders as it is difficult to determine whether or not it would be appropriate to implement countermeasures, the reasonableness of the countermeasures to be implemented, etc.; and make a recommendation to the Board of Directors within ninety (90) business days from the date when the Board of Directors presented the necessary information received from the Large-Scale Purchaser to the Special Committee (provided, however, that the Special Committee may extend the above period by up to thirty (30) business days, as needed.).

(2) At the time of recommending whether or not to implement countermeasures, the Special Committee shall examine and analyze whether or not the Large-Scale Purchaser is in violation of the Large-Scale Purchase Rules and the following matters are applicable. If the Special Committee determines that any of the following circumstances is applicable, it shall recommend the implementation of countermeasures to the Board of Directors, and if the Special Committee determines that none of the following circumstances are applicable, it shall recommend the non-implementation of countermeasures to the Board of Directors; provided, however, that if a general meeting of shareholders held before the end of the period of recommendation by the Special Committee resolves to abolish the Large-Scale Purchase Rules of the Company or not to allow the implementation of countermeasures, or if a Board of Directors meeting held before the end of said period resolves to abolish the Large-Scale Purchase Rules of the Company or not to implement countermeasures, the Special Committee shall discontinue its examination or analysis and make no recommendation to the Board of Directors.

(i) Where it is determined that the purchase is being carried out without a bona fide intent to participate in the management of the Company, but rather for the purpose of making the Company or parties related to the Company buy back the shares at an inflated stock price;

(ii) Where it is determined that there exists the objective of so-called "scorched management" by, e.g., temporarily controlling the management of the Company and having the Company's intellectual property, know-how, trade secrets, or major business partners and customers, etc. that are essential to the Company's business operations transferred to the party proposing the purchase and its group companies;

(iii) Where it is determined that there exists the objective of inappropriately utilizing the assets of the Company as collateral or source of funds for repayment of the obligations of the party proposing the purchase and its group companies, etc. after taking control over the management of the Company;

(iv) Where it is determined that there exists the objective of temporarily controlling the management of the Company and selling or otherwise disposing of its real properties, securities, and other assets not currently related to the business of the Company, and having the Company use the proceeds from such sale to temporarily distribute elevated dividends, or selling the Company's shares at an inflated price, taking advantage of the timing of a sudden rise in the stock price due to temporarily elevated dividend payments;

(v) Where it is determined that the Company's shareholders are likely to be effectively forced to sell their shares such as in the event of a Large-Scale Purchase, etc. of the Company's shares, with a view to implementing a coercive two-stage purchase (purchase of shares including a tender offer, whereby no solicitation to purchase all of the shares is made in the initial purchase and the terms of the second-stage purchase are established more disadvantageously or are not clarified);

(vi) Where it is determined that the terms and conditions (including the amount and type of consideration; timing of purchase, etc.; legality of method of purchase, etc.; feasibility of purchase, etc.; policies on treatment of customers, business partners and employees of the Company Group and other stakeholders relating thereto after the purchase, etc.; and others) of a purchase, etc. are inadequate or inappropriate in light of the Company's intrinsic value;

(vii) Where it is determined to be a Large-Scale Purchase, etc. by so-called anti-social forces or individuals or organizations controlled by or involved with such forces;

(viii) Where it is determined that the management policies and business plans of the Large-Scale Purchaser subsequent to the Large-Scale Purchase, etc. are highly unreasonable; and

(ix) Where it is determined that the management policies and business plans following the Large-Scale Purchase, etc. by the Large-Scale Purchaser are notably inferior to those (including an alternative proposal on management policies and business plans subsequent to the Large-Scale Purchase, etc. by the Large-Scale Purchaser) of the Board of Directors of the Company.

(3) If the Large-Scale Purchaser presents an amendment to the Large-Scale Purchase, etc. or an alternative proposal to the Board of Directors of the Company after the Board of Directors or a general meeting of shareholders of the Company decides to implement specific countermeasures, the Special Committee shall examine whether or not to suspend, amend or take other actions relating to the countermeasures upon referral from the Board of Directors of the Company, prepare a letter of recommendation stating the results and make a recommendation to the Board of Directors.

4. Resolutions of the Special Committee

A resolution of the Special Committee shall, in principle, be adopted by a majority of the Special Committee members present at a meeting where all of the Special Committee members are present; provided, however, that if any unavoidable reason exists, a resolution may be adopted by a majority of the Special Committee members present at a meeting where two-third (2/3) or more of the Special Committee members are present.

5. Others

(1) A Special Committee meeting shall be convened when the Information is provided by the Large-Scale Purchaser or otherwise, as necessary.

(2) The Special Committee may receive advice at the Company's expense from independent third parties (including financial advisors, attorneys, certified public accountants, consultants and other experts).

(3) The Special Committee may have the Company's Directors, employees, Accounting Auditor and other third parties attend Special Committee meetings for deliberations or reporting.

[Reference]

Status of shares of A.D.Works Group Co., Ltd. (as of December 31, 2025)

1. Total number of authorized shares: 157,150,000
2. Total number of issued shares: 49,806,885 (excluding 613,979 treasury shares)
3. Number of shareholders: 24,642
4. Major shareholders (top 10)

Name of shareholder	Investment in the Company	
	Number of shares held	Shareholding ratio
Hideo Tanaka	5,359,200	10.76%
Liberty House Co., Ltd.	1,971,600	3.96%
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	900,000	1.81%
STATE STREET BANK AND TRUST COMPANY 505223	892,800	1.79%
BOFAS INC SEGREGATION ACCOUNT	882,810	1.77%
Tachibana Securities Co., Ltd.	769,100	1.54%
The Master Trust Bank of Japan, Ltd. (Executive Stock Compensation Trust Account 76735)	701,751	1.41%
STATE STREET BANK AND TRUST COMPANY 505044	690,200	1.39%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	671,944	1.35%
A.D.Works Group Co., Ltd.	613,979	-

(Note) The Company holds 613,979 treasury shares, which are excluded from the calculation of shareholding ratios.

5. Share distribution by owner (share ratio)

By owner	Shareholding ratio
Financial institutions	2.53%
Securities companies	6.79%
Other corporations	5.61%
Foreign corporations, etc.	12.86%
Individuals and others	70.99%
Treasury shares	1.22%