

Securities code: 1878

June 6, 2025

(Commencement date of electronic provision measures: May 28, 2025)

To Our Shareholders

Kei Takeuchi
Representative Director, CEO
Daito Trust Construction Co., Ltd.
16-1, Konan 2-chome, Minato-ku, Tokyo

Notice of Convocation of the 51st Ordinary General Meeting of Shareholders

We hereby inform you that the 51st Ordinary General Meeting of Shareholders of the Company will be held as described below.

Measures for electronic provision are taken for this meeting, and the matters for electronic provision measures are posted as “Notice of Convocation of the 51st Ordinary General Meeting of Shareholders” on the website below.

<The Company’s website>

<https://www.kentaku.co.jp/corporate/en/ir/kabunushi.html>

They are also posted on the website of the Tokyo Stock Exchange (TSE) besides the above. Please confirm them by accessing the website of TSE (Listed Company Search) below and entering the issue name (Daito Trust Construction) or securities code (1878) to search, then selecting “Basic information” and “Documents for public inspection/PR information.”

<TSE’s website (Listed Company Search)>

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

If you are not attending the meeting, you may exercise your voting rights in advance via postal mail or the Internet. **Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on June 25, 2025 (Wednesday).**

1. Date and Time: June 26, 2025 (Thursday) 11:00 a.m. (Reception desk opens at 10:00 a.m.)

2. Place: 4-1, Shinonome 1-chome, Koto-ku, Tokyo
ROOFLAG Rental Housing Exhibition Hall

3. Agenda for the Meeting:

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the 51st Fiscal Term (April 1, 2024 to March 31, 2025)
2. The Non-consolidated Financial Statements for the 51st Fiscal Term (April 1, 2024 to March 31, 2025)

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus for the 51st Fiscal Term
- Proposal No. 2:** Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 3:** Election of Four (4) Directors Who Are Audit & Supervisory Committee Members
- Proposal No. 4:** Partial Amendment to Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) and Executive Officers

Notes:

1. The paper copy of the notice of convocation has been sent to all the shareholders uniformly regardless of the request for the paper copy regarding this meeting. In addition, the sending procedure of materials for general meetings of shareholders may change for subsequent meetings.
2. For those attending, please present the enclosed Voting Rights Exercise Form to the receptionist on arriving at the meeting.
3. If you vote by proxy, please make sure your proxy presents the Letter of Attorney along with the Voting Rights Exercise Form to the receptionist. In addition, pursuant to the provisions of the Articles of Incorporation of the Company, only one (1) shareholder holding the voting right of the Company is entitled to exercise a proxy voting right on your behalf.
4. Please understand that those who are not shareholders entitled to exercise voting rights, such as non-shareholder proxies or accompanying persons, will not be allowed to enter the venue even if they bring the Voting Rights Exercise Form. However, persons (including sign language interpreters), guide dogs, hearing dogs, and assistance dogs accompanying shareholders with disabilities will be allowed to enter the venue.
5. If there are any amendments to the matters for electronic provision measures, the revised version will be posted on the websites where the original versions are posted.
6. As part of our efforts to be environmentally friendly, the attending officers and the meeting staff of the Company will dress in a “cool biz” style (without jacket and tie). Please dress lightly upon attending the meeting.
7. Pursuant to the provisions of law and Article 15, Paragraph 2 of the Articles of Incorporation of the Company, the paper copy to be sent to shareholders does not include the following matters for electronic provision measures: “Main business”, “Employees”, “Main place of business”, “Main creditors and borrowing amounts”, “Other significant matters concerning shares”, “Matters concerning share options of the Company”, “Status of Accounting Auditor” and “Systems to ensure proper business activities and the outline of the operation status of the systems” in Business Report, “Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements” in Consolidated Financial Statements and “Non-consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements” in Non-consolidated Financial Statements.

Proposals and references:

Proposal No. 1: Appropriation of Surplus for the 51st Fiscal Term

Appropriation of surplus for the 51st Fiscal Term is reported as follows:

Year-End Dividend

The Company recognizes adequate profit return to shareholders as one of the most important management matters and practices it. For dividends, the Company, while taking the basic policy stance of providing stable dividends through ongoing reinforcement of our business foundation, aims to set the payout ratio at 50%, and includes a basic dividend of 100 yen and the profit return based on consolidated business performance.

In light of these standards, the Company will set a dividend of 427 yen per share for the year-end dividend of the 51st Fiscal Term.

The annual dividend to be paid would be 714 yen per share (up 159 yen per share from the previous fiscal year) including the interim dividend of 287 yen per share paid in November last year.

(1) Type of dividend property

Cash

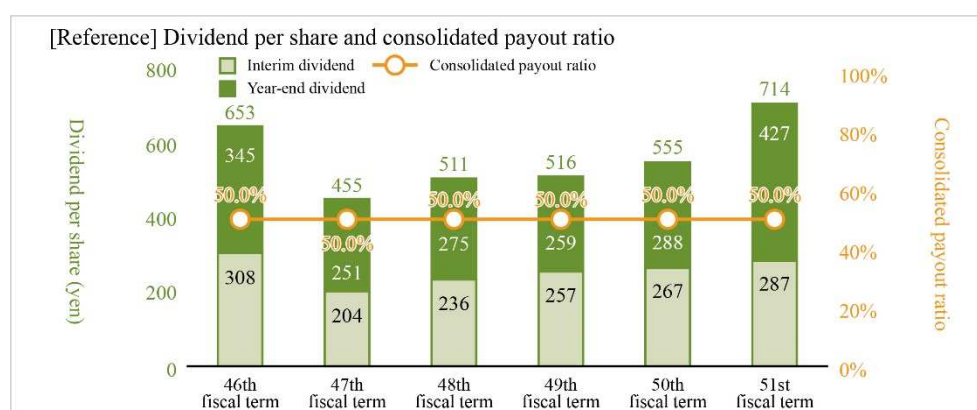
(2) Matters regarding dividend property's allocation to shareholders and total amount

Cash payment of dividend per share: 427 yen per common share of the Company

Total amount: 28,424,668,797 yen

(3) Effective date of dividend payment

June 27, 2025



Proposal No. 2: Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members) are to expire at the conclusion of this year’s Ordinary General Meeting of Shareholders. For this reason, the Company proposes that shareholders elect ten (10) Directors (excluding Directors who are Audit & Supervisory Committee Members), including four (4) Outside Directors. Each candidate for Director (excluding Directors who are Audit & Supervisory Committee Members) is determined by the Board of Directors based on the recommendations from the Nominating and Remuneration Committee.

Regarding the appointment of Directors (excluding Directors who are Audit & Supervisory Committee Members), the Audit & Supervisory Committee of the Company has carefully considered the content of deliberations at the Nominating and Remuneration Committee and has determined that the candidates and their selection process are appropriate and there are no particular issues to point out.

If all fourteen (14) candidates of this proposal and Proposal No. 3 are elected as originally proposed, seven (7) of the fourteen (14) Directors including those who are Audit & Supervisory Committee Members will qualify as independent outside officers who have satisfied the independence criteria established by the Company, and the Company has judged that they will enable discussions at the Board of Directors based on opinions expressed from an independent and neutral perspective.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows.

[Reference] Composition of Board of Directors if elected as originally proposed

Ratio of Outside Directors



Ratio of Female Directors



Candidate No.	Name	Gender (Age)	Years in office	Nature of candidacy	Position and responsibilities in the Company	Attendance at the Board of Directors meetings
1	Kei Takeuchi	Male (59 years old)	11 years	Reappointment	Representative Director, CEO General Manager of Construction Business Sales Headquarters Committee Member of Governance Committee Committee Member of Nominating and Remuneration Committee	15/15 (100.0%)
2	Yoshihiro Mori	Male (59 years old)	4 years	Reappointment	Director, Managing Executive Officer General Manager of Real Estate Business Headquarters Committee Member of Governance Committee	15/15 (100.0%)
3	Tsukasa Okamoto	Male (57 years old)	2 years	Reappointment	Director, Senior Executive Officer CFO, General Manager of Corporate Management Headquarters and Group Finance and Accounting Department Committee Member of Governance Committee	15/15 (100.0%)
4	Yutaka Amano	Male (57 years old)	2 years	Reappointment	Director, Senior Executive Officer General Manager of Business Development Headquarters	15/15 (100.0%)
5	Yoshimasa Tanaka	Male (57 years old)	2 years	Reappointment	Director, Senior Executive Officer General Manager of Human Resource Management Headquarters	14/15 (93.0%)
6	Yutaka Takahashi	Male (53 years old)	—	New appointment	Senior Executive Officer General Manager of Construction Business Technical Headquarters	—
7	Atsushi Iritani	Male (59 years old)	4 years	Reappointment Outside Director Independent Officer	Outside Director Chairman of Governance Committee Chairman of Nominating and Remuneration Committee	15/15 (100.0%)
8	Junko Owada	Female (59 years old)	1 year	Reappointment Outside Director Independent Officer	Outside Director Committee Member of Governance Committee Committee Member of Nominating and Remuneration Committee	12/12 (100.0%)
9	Koichi Abe	Male (72 years old)	—	New appointment Outside Director Independent Officer	—	—
10	Kyoko Asakawa	Female (62 years old)	—	New appointment Outside Director Independent Officer	—	—

(Notes) 1. There is no special interest between each of the candidates and the Company.

2. Candidates, Mr. Atsushi Iritani, Ms. Junko Owada, Mr. Koichi Abe, and Ms. Kyoko Asakawa are candidates for Outside Director.

The Company has designated Mr. Atsushi Iritani, Ms. Junko Owada, Mr. Koichi Abe, and Ms. Kyoko Asakawa as independent officers as they satisfy the independence criteria established by the Company as well as standards for independence established by the Tokyo Stock Exchange and the Nagoya Stock Exchange and has notified said Exchanges accordingly.

3. The Company has entered into a Limited Liability Agreement with Mr. Atsushi Iritani and Ms. Junko Owada. The Company will continue the Limited Liability Agreement with them if the reelection of both candidates is approved. In addition, the Company will enter into a Limited Liability Agreement with Mr. Koichi Abe and Ms. Kyoko Asakawa after their election. Outlines of this Limited Liability Agreement are described below:

- In the event that the Company bears liability for damages caused by neglect of the duty of Director (excluding

Executive Directors, etc.), the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.

- The limited liability stated above shall be applicable only when the Director (excluding Executive Directors, etc.) performs his or her duty in good faith and without material negligence.
4. The Company has entered into an Indemnity Agreement set forth in Article 430-2, Paragraph 1 of the Companies Act with Mr. Kei Takeuchi, Mr. Yoshihiro Mori, Mr. Tsukasa Okamoto, Mr. Yutaka Amano, Mr. Yoshimasa Tanaka, Mr. Atsushi Iritani and Ms. Junko Owada. The Company shall compensate the expenses described in Paragraph 1-1 and the losses in Paragraph 1-2 within the scope stipulated by laws and regulations. The Company will continue with the said Agreement with them if the election of each candidate is approved. In addition, the Company will enter into an Indemnity Agreement with Mr. Yutaka Takahashi, Mr. Koichi Abe and Ms. Kyoko Asakawa upon their appointment.
 5. The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure all of its Officers. The insurance policy covers legal damages and litigation expenses to be borne by the insureds. If the candidates are appointed as Director, each of them will be insured under the insurance contract. The Company plans to renew the insurance contract with the same conditions during their terms of office.



Reappointment

- Date of birth
November 29, 1965
(59 years old)
- Number of the
Company shares held
6,896 shares
- Terms of office as
Director
11 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
15/15 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1989	Joined the Company
April 2007	General Manager of Metropolitan Area Construction Sales Department
April 2010	General Manager of Toukai Construction Sales Department
April 2012	Executive Officer and General Manager of Tenant Recruiting Management Department
June 2014	Director and Executive Officer, General Manager of Tenant Recruiting Management Department
April 2015	Director and Executive Officer, General Manager of Central Japan Construction Business Headquarters
April 2017	Director and General Manager of Real Estate Business Headquarters
April 2020	Managing Director and General Manager of West Japan Construction Business Headquarters
April 2021	Managing Director and General Manager of Construction Business Headquarters
April 2023	Representative Director and Chief Executive Officer, General Manager of Construction Business Headquarters
April 2024	Representative Director, CEO General Manager of Construction Business Sales Headquarters (current position)

Reason for nomination as candidate for Director

Mr. Takeuchi has long been involved in the Daito Group's core business, construction and real estate businesses. Currently, while serving as CEO of the entire Daito Group, as the operating officer in the construction business, he is performing his duties to execute management strategies for the entire Group and further strengthen its construction business, aiming for achievement of the medium-term management plan. Furthermore, based on such experience and insights, he has fully performed his duties of business execution, making decisions on important matters at Board of Directors meetings and overseeing management.

Mr. Takeuchi, therefore, has been nominated as a candidate for Director based on the judgment that he will continue contributing to the further enhancement of the Daito Group's corporate value through the utilization of his abundant experience and insights and strong leadership in management.



Reappointment

- Date of birth
October 24, 1965
(59 years old)
- Number of the
Company shares held
2,421 shares
- Terms of office as
Director
4 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
15/15 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

February 1994	Joined the Company
April 2012	General Manager of Tenant Sales Promotion Department (in charge of East Japan Region)
April 2014	Director and General Manager of Credit Department, Daito Building Management Co., Ltd. (currently Daito Kentaku Partners Co., Ltd.)
April 2017	Executive Officer Representative Director and President, Daito Kentaku Leasing Co., Ltd.
June 2021	Director and Executive Officer, Representative Director and President, Daito Kentaku Leasing Co., Ltd.
April 2023	Director and Managing Executive Officer, General Manager of Real Estate Business Headquarters (current position) Representative Director and President, Daito Kentaku Partners Co., Ltd.

Reason for nomination as candidate for Director

Mr. Mori has long been involved in the real estate leasing business, the Daito Group's core business. Currently, as the operating officer of the real estate leasing business, he is performing his duties to grow the stock under the Company's management, establish a more robust management structure and enhance tenant recruiting capabilities, aiming for achievement of the medium-term management plan. Furthermore, based on such experience and insights, he has fully performed his duties of business execution, making decisions on important matters at Board of Directors meetings and overseeing management.

Mr. Mori, therefore, has been nominated as a candidate for Director based on the judgment that he will continue contributing to the further enhancement of the Daito Group's corporate value through the utilization of his abundant experience and insights in management.



Reappointment

- Date of birth
October 6, 1967
(57 years old)
- Number of the
Company shares held
919 shares
- Terms of office as
Director
2 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
15/15 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

October 1997	Joined Aoyama Audit Corporation
April 2002	Registered as a certified public accountant
September 2006	Joined PricewaterhouseCoopers Aarata
March 2011	Joined the Company
June 2013	Auditor, Housecom Co., Ltd.
April 2015	General Manager of Accounting Department
April 2020	Executive Officer and General Manager of Accounting Department
April 2023	Senior Executive Officer and General Manager of Finance and Accounting Department
June 2023	Director, Senior Executive Officer and General Manager of Finance and Accounting Department
April 2024	Director, Senior Executive Officer, CFO, General Manager of Corporate Management Headquarters and Group Finance and Accounting Department (current position)
June 2024	Outside Corporate Auditor, Solasto Corporation (current position)

Reason for nomination as candidate for Director

Mr. Okamoto is qualified as a certified public accountant and has been involved in the finance and accounting departments of the Daito Group since he joined the Company. Currently, as CFO and the operating officer of internal control, he is performing his duties to develop the Group's finance strategies and strengthen its corporate governance, aiming for achievement of the medium-term management plan. Furthermore, based on such experience and insights, he has fully performed his duties of business execution, making decisions on important matters at Board of Directors meetings and overseeing management.

Mr. Okamoto, therefore, has been nominated as a candidate for Director based on the judgment that he will continue contributing to the further enhancement of the Daito Group's corporate value through the utilization of his abundant experience and insights and strong expertise in management.



Reappointment

- Date of birth
October 28, 1967
(57 years old)
- Number of the
Company shares held
953 shares
- Terms of office as
Director
2 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
15/15 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

March 1997	Joined the Company
April 2013	General Manager of Product Development Department
April 2014	General Manager of East Metropolitan Area Construction Business Department
April 2015	General Manager of West Metropolitan Area Construction Business Department
April 2016	General Manager of Product Development Department
April 2019	General Manager of Business Strategy Department
April 2021	Executive Officer and General Manager of Business Strategy Department
April 2023	Senior Executive Officer and General Manager of Real Estate Development Headquarters
June 2023	Director, Senior Executive Officer and General Manager of Real Estate Development Headquarters
April 2024	Director, Senior Executive Officer and General Manager of Business Development Headquarters (current position)

Reason for nomination as candidate for Director

Mr. Amano has long been involved in the sales divisions of the construction business, the Daito Group's core business, the technology departments and the business strategy departments working on new businesses. Currently, as the operating officer of business development departments, he is performing his duties to develop new business territories by strengthening the real estate development business and stepping up M&A both in Japan and overseas, aiming for achievement of the medium-term management plan. Furthermore, based on such experience and insights, he has fully performed his duties of business execution, making decisions on important matters at Board of Directors meetings and overseeing management.

Mr. Amano, therefore, has been nominated as a candidate for Director based on the judgment that he will continue contributing to the further enhancement of the Daito Group's corporate value through the utilization of his abundant experience and insights in management.



Reappointment

- Date of birth
May 8, 1968
(57 years old)
- Number of the
Company shares held
1,012 shares
- Terms of office as
Director
2 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
14/15 (93.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1991	Joined the Company
April 2018	General Manager of Sales Management Department
April 2019	General Manager of Chugoku and Shikoku Area Construction Business Department
April 2021	General Manager of Chugoku Area Construction Business Department
April 2022	Executive Officer and General Manager of Chugoku Area Construction Business Department
April 2023	Senior Executive Officer and General Manager of General Administration Headquarters
June 2023	Director, Senior Executive Officer and General Manager of General Administration Headquarters
April 2025	Director, Senior Executive Officer and General Manager of Human Resource Management Headquarters (current position)

Reason for nomination as candidate for Director

Mr. Tanaka has long been involved in the sales divisions of the construction business, the Daito Group's core business. Currently, as the operating officer of the HR department and general administration departments, he is performing his duties to promote human capital management and DX and to implement the Group's disaster prevention vision, aiming for achievement of the medium-term management plan. Furthermore, based on such experience and insights, he has fully performed his duties of business execution, making decisions on important matters at Board of Directors meetings and overseeing management.

Mr. Tanaka, therefore, has been nominated as a candidate for Director based on the judgment that he will continue contributing to the further enhancement of the Daito Group's corporate value through the utilization of his abundant experience and insights in management.



New appointment

- Date of birth
February 27, 1972
(53 years old)
- Number of the
Company shares held
872 shares

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1995	Joined the Company
April 2014	General Manager of Corporate Planning Division
April 2015	General Manager of Sales Planning Department
April 2018	General Manager of Real Estate Development Department
January 2021	Vice President and Director, INVALANCE Ltd.
April 2023	Executive Officer President and Representative Director, INVALANCE Ltd.
May 2025	Senior Executive Officer and General Manager of Construction Business Technical Headquarters (current position)

Reason for nomination as candidate for Director

Mr. Takahashi was long involved in the construction and corporate planning divisions of the construction business, the Daito Group's core business. Subsequently, he has been involved in a wide range of areas, including sales planning and real estate development departments, and until the previous fiscal year, he was President and Representative Director of a subsidiary of the Company, INVALANCE Ltd., focusing his efforts on promoting the real estate development business. Currently, as the operating officer of the technology department, which manages the design and construction departments, he is performing his duties to achieve a low-carbon society through familiarization of ZEH rental housing and promotion of DX in the construction industry, aiming for achievement of the medium-term management plan.

Mr. Takahashi, therefore, has been nominated as a candidate for Director based on the judgment that he will contribute to the further enhancement of the Daito Group's corporate value through the utilization of his abundant experience and insights in management.



Reappointment
Outside Director
Independent Officer

- Date of birth
January 2, 1966
(59 years old)
- Number of the
Company shares held
0 shares
- Terms of office as
Outside Director
4 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
15/15 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

September 1988	Joined Barclays Securities Japan Limited
October 1992	Joined Inoue Saito Eiwa Audit Corporation (currently KPMG AZSA LLC.)
April 1998	Appointed to public prosecutor
September 2007	Registered with Daini Tokyo Bar Association; Atsumi & Sakai
July 2009	Tokyo Regional Taxation Bureau (fixed-term public employee)
July 2012	Atsumi & Sakai
January 2016	Joined Nagashima Ohno & Tsunematsu (current position)
March 2020	Outside Director and Audit & Supervisory Committee Member, AKARU-TASU HOLDINGS Co., Ltd. (current position)
June 2021	Outside Director, the Company (current position)
March 2022	Outside Audit & Supervisory Board Member, TRAINOCATE Holdings, Ltd.

Reason for nomination as candidate for Outside Director and outline of expected roles

Mr. Iritani has been engaged in crisis management operations such as financial legal affairs and compliance as an attorney, and has also been involved in audit operations at financial institutions as a certified public accountant. Thus, he has extensive experience and broad insights. Based on such experience and insights, Mr. Iritani is fully performing his duties of making decisions on important matters and overseeing business execution by providing sound advice from various perspectives. In addition, as Chairman of the Nominating and Remuneration Committee and the Governance Committee of the Company, he has proactively been involved in ensuring transparency and fairness of nomination and remuneration and strengthening corporate governance.

Therefore, Mr. Iritani has been nominated as a candidate for Outside Director in the expectation that he will continue to contribute to strengthening corporate governance and provide sound advice based on his strong expertise and experience, and fulfill supervisory on the management.



Reappointment
Outside Director
Independent Officer

- Date of birth
August 31, 1965
(59 years old)
- Number of the
Company shares held
0 shares
- Terms of office as
Outside Director
1 year (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
12/12 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1989	Joined Nippon Telegraph and Telephone Corporation
August 2001	Joined Recruit Group - Personnel Measurement Institute Co., Ltd.
April 2009	Executive Officer, Recruit Management Solutions Co., Ltd.
April 2013	Executive Officer, Recruit Career Co., Ltd.
July 2016	Advisor, TOKYO ICHIBAN FOODS CO., LTD. (current position)
June 2020	External Director, ARBEIT-TIMES CO., LTD.
May 2021	Outside Director, AEON MALL Co., Ltd.
January 2023	Outside Director, H.I.S. Co., Ltd. (current position)
June 2024	Outside Director, the Company (current position)

Reason for nomination as candidate for Outside Director and outline of expected roles

Ms. Owada has been engaged in the development and operations of HR tech at the Recruit Group, Hitachi, Ltd., and others, and has gained extensive insights in the areas of human resource systems and human resource strategies. In addition, she holds a British MBA and has assumed positions as advisor and outside director at listed companies. Thus, she has broad insights into corporate management. Based on such experience and insights, Ms. Owada is fully performing her duties of making decisions on important matters and overseeing management at the Board of Directors by providing sound advice from various perspectives.

Therefore, Ms. Owada has been nominated as a candidate for Outside Director with the expectation that she will continue to provide advice on the Company's human capital management and IT and DX strategies and supervise management, based on her abundant experience and insights.



New appointment
Outside Director
Independent Officer

- Date of birth
February 21, 1953
(72 years old)
- Number of the
Company shares held
0 shares

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1977	Joined Toray Industries, Inc.
June 2005	Vice President (Member of the Board), Toray Industries, Inc.
June 2009	Senior Vice President (Member of the Board), Toray Industries, Inc.
June 2011	Senior Vice President (Member of the Board & Member of the Executive Committee), Chief Technology Officer, Toray Industries, Inc.
June 2013	Senior Vice President and Representative Member of the Board, Chief Technology Officer, Toray Industries, Inc.
June 2014	Executive Vice President and Representative Member of the Board, Chief Technology Officer, Toray Industries, Inc.
June 2022	Executive Vice President, Toray Industries, Inc. Chairman and Representative Member of the Board, Toray Research Center, Inc.
June 2024	Advisor, Toray Industries, Inc. Special Advisor, Toray Research Center, Inc. (current position)

Reason for nomination as candidate for Outside Director and outline of expected roles

Mr. Abe has long engaged in corporate management as a management executive at Toray Industries, Inc. and its group companies, and has abundant experience and broad insight into corporate management. He has contributed to steady implementation of the company's management vision and medium- to long-term growth strategies. He has deep professional skills and knowledge, especially in research, technology, and all aspects of production technology. Mr. Abe has been nominated as a candidate for Outside Director with the expectation that he will provide advice on the Company's management strategies and technical fields and supervise management, based on his abundant experience and insights.



New appointment
Outside Director
Independent Officer

- Date of birth
December 1, 1962
(62 years old)
- Number of the
Company shares held
0 shares

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1985	Joined Ministry of Agriculture, Forestry and Fisheries
August 2015	Director-General of Resources Management Department, Fisheries Agency
July 2019	Director-General for Policy Coordination, Minister's Secretariat
August 2020	Deputy Director-General, Forestry Agency
April 2021	Director-General of Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries
October 2023	Advisor (in charge of Sustainability Management Department), Meiji Holdings Co., Ltd. (current position)

Reason for nomination as candidate for Outside Director and outline of expected roles

Ms. Asakawa has abundant experience and broad insight into government policies through her field work and in key positions at the Ministry of Agriculture, Forestry and Fisheries, the Fisheries Agency, the Forestry Agency and other organizations. She has contributed to the development of Japan's agriculture, forestry and fisheries industry through policy formulation in various fields, international negotiations, field management of national forests, and sales of cross-laminated timber (CLT). Furthermore, she is currently involved in promoting sustainability at a business company, drawing on her experience and knowledge.

Ms. Asakawa has been nominated as a candidate for Outside Director with the expectation that she will provide advice on the Company's sustainability promotion and new value creation in regional revitalization and supervise management, based on her abundant experience and insights.

Proposal No. 3: Election of Four (4) Directors Who Are Audit & Supervisory Committee Members

The terms of office of all four (4) Directors who are Audit & Supervisory Committee Members are to expire at the conclusion of this year's Ordinary General Meeting of Shareholders. For this reason, the Company proposes that shareholders elect four (4) Directors who are Audit & Supervisory Committee Members, including three (3) Outside Directors. Each candidate for Director is determined by the Board of Directors based on the recommendations from the Nominating and Remuneration Committee.

Regarding the appointment of Directors who are Audit & Supervisory Committee Members, the Audit & Supervisory Committee of the Company has carefully considered the content of deliberations at the Nominating and Remuneration Committee and has determined that the candidates and their selection process are appropriate and there are no particular issues to point out.

This proposal has received the consent of the Audit & Supervisory Committee.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows.

Candidate No.	Name	Gender (Age)	Years in office	Nature of candidacy	Position and responsibilities in the Company	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Committee meetings
1	Masa Matsushita	Male (64 years old)	2 years	Reappointment Outside Director Independent Officer	Outside Director, Standing Audit & Supervisory Committee Member Chairman of Audit & Supervisory Committee Committee Member of Governance Committee	15/15 (100.0%)	12/12 (100.0%)
2	Shuji Kawai	Male (58 years old)	2 years	Reappointment	Director, Standing Audit & Supervisory Committee Member Committee Member of Audit & Supervisory Committee Committee Member of Governance Committee	15/15 (100.0%)	12/12 (100.0%)
3	Kenji Kobayashi	Male (62 years old)	2 years	Reappointment Outside Director Independent Officer	Outside Director, Audit & Supervisory Committee Member Committee Member of Audit & Supervisory Committee Committee Member of Governance Committee	15/15 (100.0%)	12/12 (100.0%)
4	Chieko Ouchi	Female (62 years old)	—	New appointment Outside Director Independent Officer	Outside Director Committee Member of Nominating and Remuneration Committee Committee Member of Governance Committee	12/12 (100.0%)	—

(Notes) 1. There is no special interest between each of the candidates and the Company.

2. Candidates, Mr. Masa Matsushita, Mr. Kenji Kobayashi and Ms. Chieko Ouchi are candidates for Outside Director. The Company has designated Mr. Masa Matsushita, Mr. Kenji Kobayashi and Ms. Chieko Ouchi as independent officers as they satisfy the independence criteria established by the Company as well as standards for independence established by the Tokyo Stock Exchange and the Nagoya Stock Exchange and has notified said Exchanges accordingly.
3. The Company has entered into a Limited Liability Agreement with Mr. Masa Matsushita, Mr. Shuji Kawai, Mr. Kenji Kobayashi and Ms. Chieko Ouchi. The Company will continue the Limited Liability Agreement with them if the election of each candidate is approved. Outlines of this Limited Liability Agreement are described below:
 - In the event that the Company bears liability for damages caused by neglect of the duty of Director (excluding Executive Directors, etc.), the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
 - The limited liability stated above shall be applicable only when the Director (excluding Executive Directors, etc.) performs his or her duty in good faith and without material negligence.
4. The Company has entered into an Indemnity Agreement set forth in Article 430-2, Paragraph 1 of the Companies Act with Mr. Masa Matsushita, Mr. Shuji Kawai, Mr. Kenji Kobayashi and Ms. Chieko Ouchi. The Company shall compensate the expenses described in Paragraph 1-1 and the losses in Paragraph 1-2 within the scope stipulated by laws and regulations. The Company will continue with the said Agreement with them if the election of each candidate is approved.
5. The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure all of its Officers. The insurance policy covers legal damages and litigation expenses to be borne by the insureds. If the candidates are appointed as Director, each of them will be insured under the insurance contract. The Company plans to renew the insurance contract with the same conditions during their terms of office.



Reappointment
Outside Director
Independent Officer

- Date of birth
July 28, 1960
(64 years old)
- Number of the
Company shares held
500 shares
- Terms of office as
Outside Director
2 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
15/15 (100.0%)
- Attendance at the
Audit & Supervisory
Committee meetings
12/12 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1989	Registered with Tokyo Bar Association; Joined Tokyo Aoyama Law Office (currently Baker & McKenzie)
January 1999	Director, GE Yokogawa Medical System K.K. (currently GE Healthcare)
March 2003	Vice President and Director, Japan General Electric K.K. (GE Japan)
September 2005	Director and Senior Executive Officer, FAST RETAILING CO., LTD.
July 2010	Director, Siemens K.K.
March 2011	Director of the Board, Managing Executive Officer, KOKUYO Co., Ltd.
May 2017	Representative Director, Adastra Co., Ltd.
April 2018	Outside Director, CYPRESS. INC
January 2020	Vice President and General Counsel, Okinawa Institute of Science and Technology School Corporation
April 2020	Outside Director, afterFIT Co., Ltd.
June 2021	Outside Audit & Supervisory Board Member, the Company
August 2022	Outside Auditor, TEHARA Industry Co., Ltd. (current position)
March 2023	Outside Auditor, Asilla, Inc. (current position)
June 2023	Outside Director, Audit & Supervisory Committee Member, the Company (current position)
June 2024	Outside Director, Cypress Holdings, Inc. (current position)

Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of expected roles

Mr. Matsushita has specialized knowledge regarding corporate legal affairs and finance as an attorney, and extensive experience and insight as a corporate manager. He also has worked in several countries and has experience in the IT system field. Mr. Matsushita is fully performing his duties of overseeing the management of the Company by providing invaluable opinions from various angles, including the perspectives of corporate management and risk management. In addition, he actively exchanges opinions on audit policies as Chairman of the Audit & Supervisory Committee, and proactively conducts audits as Standing Audit & Supervisory Committee Member, through actions such as attending important internal meetings and visiting key offices and subsidiaries.

Therefore, Mr. Matsushita has been nominated as a candidate for Outside Director who is an Audit & Supervisory Committee Member in the expectation that he will continue to fulfill the audit and supervisory functions over the Company's management based on his strong expertise and experience.



Reappointment

- Date of birth
January 22, 1967
(58 years old)
- Number of the
Company shares held
10,260 shares
- Terms of office as
Director
13 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
15/15 (100.0%)
- Attendance at the
Audit & Supervisory
Committee meetings
12/12 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1989	Joined the Company
April 2012	Executive Officer and General Manager of Corporate Planning Division
June 2012	Director, Executive Officer and General Manager of Corporate Planning Division
April 2013	Director, Executive Officer, General Manager of Subsidiaries Business Headquarters and General Manager of Corporate Planning Division
April 2014	Director, Managing Executive Officer and General Manager of Corporate Management Headquarters, In charge of Corporate Planning Division, New System Development Division, Total Quality Control Division, CSR Promotion Department, and Lease Business Network Department
April 2017	Managing Director and General Manager of Corporate Management Headquarters and Subsidiary Business Headquarters, In charge of Corporate Planning Division, Total Quality Control Division and Legal Services Division
April 2018	Managing Director and General Manager of Corporate Management Headquarters and Subsidiary Business Headquarters, In charge of Corporate Planning Division, Total Quality Control Division, Legal Division and Public Relations Department
April 2019	Managing Director and General Manager of Corporate Management Headquarters and Subsidiary Business Headquarters
April 2023	Director and General Manager of Audit & Supervisory Committee Preparatory Department
June 2023	Director and Audit & Supervisory Committee Member (current position)

Reason for nomination as candidate for Director who is an Audit & Supervisory Committee Member

Mr. Kawai has long been involved in management administration divisions and the businesses of the subsidiaries of the Company and has been engaged in stabilizing the Daito Group's management foundation by managing the areas of compliance, accounting, legal affairs, governance, etc. By utilizing such experience and knowledge, he has proactively expressed his opinions and recommendations on important management matters of the Company, sufficiently fulfilling his roles of business execution and the supervision of the business execution of other Directors. In addition, as Standing Audit & Supervisory Committee Member, he actively exchanges opinions on audit policies and proactively conducts audits through actions such as attending important internal meetings.

Therefore, Mr. Kawai has been nominated as a candidate for Director who is an Audit & Supervisory Committee Member based on the judgment that he will continue to fulfill the audit and supervisory functions over the Company's management based on his abundant experience and insights in business execution of the Company, thereby contributing to the further enhancement of the Daito Group's corporate value.



Reappointment
Outside Director
Independent Officer

- Date of birth
April 12, 1963
(62 years old)
- Number of the
Company shares held
0 shares
- Terms of office as
Outside Director
2 years (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
15/15 (100.0%)
- Attendance at the
Audit & Supervisory
Committee meetings
12/12 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1987	Joined Mitsui Trust and Banking Company, Limited
September 1989	Joined Asahi Shinwa Accounting Corporation
April 1994	Joined Nagano Morita CPA Office (U.S.)
October 2001	Director, Shin Nihon Ernst & Young Co., Ltd.
April 2005	Managing Director, Ernst & Young Transaction Advisory Service Co., Ltd.
July 2007	Representative, Kenji Kobayashi Certified Public Accountant Office (current position)
July 2007	Joint CEO, BVCJ, Co., Ltd. (current position)
March 2013	Director, ZEN HOLDINGS Co., Ltd.
March 2015	Representative Director, ZEN HOLDINGS Co., Ltd.
June 2021	Outside Audit & Supervisory Board Member, the Company
September 2022	Outside Auditor, Hotel Management International K.K. (current position)
June 2023	Outside Director, Audit & Supervisory Committee Member, the Company (current position)

Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of expected roles

Mr. Kobayashi has specialized knowledge regarding finance and accounting as a certified public accountant, extensive experience and insight as a corporate manager as well as experiences in the fields of construction and real estate, and as an M&A advisor. Mr. Kobayashi is fully performing his duties of overseeing the management of the Company by providing invaluable opinions from various angles, including knowledge of the industry and the perspective of business strategy. In addition, as Audit & Supervisory Committee Member, he actively exchanges opinions on audit policies and proactively conducts audits.

Therefore, Mr. Kobayashi has been nominated as a candidate for Outside Director who is an Audit & Supervisory Committee Member in the expectation that he will continue to fulfill the audit and supervisory functions over the Company's management based on his strong expertise and experience.



New appointment
Outside Director
Independent Officer

- Date of birth
October 9, 1962
(62 years old)
- Number of the
Company shares held
0 shares
- Terms of office as
Outside Director
1 year (at the
conclusion of this
General Meeting)
- Attendance at the
Board of Directors
meetings
12/12 (100.0%)

Career summary, position and responsibilities in the Company and significant concurrent positions held

April 1983	Joined DENTSU Inc.
April 2003	General Manager, Medical Solutions Department, Account Planning Solutions Division, DENTSU Inc.
January 2008	Planning Director, Communication Design Center, DENTSU Inc.
January 2016	Managing Director, CR Planning III Division, DENTSU Inc.
January 2018	Executive Officer, DENTSU Inc.
January 2021	Director, Japan Women's Empowerment Professional Football League (WE LEAGUE)
January 2022	Executive Advisor, DENTSU Inc.
October 2022	Outside Director, Japan Green Investment Corp. for Carbon Neutrality (Scheduled to retire in June 2025)
August 2023	Outside Director, nosh Co., Ltd. (current position)
June 2024	Outside Director, the Company (current position)

Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of expected roles

Ms. Ouchi has experience in leading numerous projects at DENTSU Inc., as Executive Officer for enhancement of its corporate value, mainly in the fields of work environment transformation and human resources value enhancement. She was the said company's first female managing director of a creative division and Executive Officer and, in that capacity, served as a leader in promoting DE&I initiatives. Furthermore, she has served as Director of the Japan Women's Empowerment Professional Football League, proactively working on promotion of women's empowerment.

Ms. Ouchi has been nominated as a candidate for Outside Director who is an Audit & Supervisory Committee Member with the expectation that she will fulfill the audit and supervisory functions over the Company's management based on her abundant experience and insights.

[Reference] Composition of the Board of Directors if Proposal No. 2 and Proposal No. 3 are approved

Amidst a rapidly changing environment, the Company continues to provide all people with peace of mind in their lifestyle by realizing the Group's Purpose, VISION 2030, the medium-term management plan, and other goals. To that end, the Board of Directors, which spearheads corporate management, is composed of diverse talents who possess the following knowledge, experience, and abilities.

We expect each Director to demonstrate skills (knowledge and experience) in the following areas in particular. We believe that the Board of Directors as a whole is equipped with the necessary skills.

	Name	Expertise/Career	Corporate management	Business strategy/Marketing	Technology/Research and development/Quality control	Finance/Accounting	Sustainability	Legal affairs/Compliance/Internal control	International/Overseas business	Human capital management	IT/DX
Directors	Kei Takeuchi Male	—	●	●	●			●		●	
	Yoshihiro Mori Male	—	●	●			●			●	●
	Tsukasa Okamoto Male	Certified public accountant	●			●		●			
	Yutaka Amano Male	—	●	●	●				●		
	Yoshimasa Tanaka Male	—	●				●			●	●
	Yutaka Takahashi Male	—	●	●	●						
	Atsushi Iritani Outside Director Male	Attorney/Certified public accountant Former prosecutor				●	●	●	●		
	Junko Owada Outside Director Female	Corporate manager at a listed company						●	●	●	●
	Koichi Abe Outside Director Male	Corporate manager at a listed company	●	●	●		●	●			
	Kyoko Asakawa Outside Director Female	Former government official		●	●		●	●			
Directors (Audit & Supervisory Committee Members)	Masa Matsushita Outside Director Male	Attorney Former corporate manager at a listed company	●	●		●		●	●		
	Shuji Kawai Male	—	●			●		●	●		
	Kenji Kobayashi Outside Director Male	Certified public accountant Corporate manager	●	●		●		●	●		
	Chieko Ouchi Outside Director Female	Former corporate manager at a listed company		●			●	●		●	

*The table above does not present all the knowledge possessed by each of the persons, but shows up to five areas which enable them to demonstrate more expertise based on their experience, etc.

Skills expected	Reason for selection
Corporate management	To appropriately and promptly identify opportunities and risks, and carry out appropriate decision-making and oversight aimed at sustainably increasing corporate value in a rapidly changing environment
Business strategy/Marketing	To understand from market changes the ideal form of a secure lifestyle, materialize services including new businesses, and provide them to customers
Technology/Research and development/Quality control	To improve technology aimed at realizing a safe and secure lifestyle, and accurately realize and offer it to customers
Finance/Accounting	To generate cash flows through sustainable profit growth and effective use of assets, and strengthen a stable financial base based on business characteristics and risks
Sustainability	To solve social issues through ESG initiatives aimed at the realization of a sustainable society
Legal affairs/Compliance/Internal control	To establish internal control, accurately control risks, and ensure sound management activities through compliance with laws and regulations
International/Overseas business	To lead and manage business across borders in order to expand globally
Human capital management	To enhance the capabilities of employees, who are the source of corporate value improvement, and foster an organizational culture that allows them to fully utilize their capabilities
IT/DX	To employ the latest technology to improve productivity and efficiency and support the transformation of core businesses and the creation of new businesses

[Reference] Guidelines for Selecting Outside Officers

Outside Officers and Candidates as Outside Officers of the Company shall be selected from those who satisfy the following guidelines established by the Company.

1. Can directly supervise the discussions and decisions by the Board of Directors on, among others, management, corporate legal affairs, and governance issues;
2. Can reflect their own knowledge and insights in the development of a growth strategy, the establishment of a management strategy, the achievement of a mid-term business plan, etc.; and
3. Can provide advice and guidance on other corporate management issues based on their own knowledge, expertise and experience.

[Reference] Independence Criteria for Outside Officers

Outside Officers and Candidates as Outside Officers of the Company shall be selected from those who satisfy the following independence criteria established by the Company.

The following 1. applies to the present and for an indefinite past period and 2. through 5. apply to the present and for the period of past 10 years.

1. Persons related to the Daito Group
Not a director (excluding outside directors), audit & supervisory board member (excluding outside audit & supervisory board member), accounting advisor, executive officer, or employee (hereinafter “director, etc.”) of any subsidiary (Note 1) or affiliate (Note 2) of the Company (hereinafter the “the Daito Group”).
2. Persons with voting rights
 - (1) Not a shareholder holding 10% or more of the voting rights in the Company or a director, etc., of such a shareholder; and
 - (2) Not a director, etc., of a company in which the Daito Group holds 10% or more of the voting rights.
3. Persons with a trade relationship
 - (1) Not a director, etc., of a company with which the Daito Group has carried out transactions in the total amount that is equivalent to 2% or more of the consolidated net sales of either party;
 - (2) Not a director, etc., of a financial institution that is a major lender (with a lending balance equivalent to 2% or more of the consolidated total assets of the Company) to the Daito Group; and
 - (3) Not a director, etc., of a lead underwriter of the Daito Group.
4. Providers of expert services (lawyers, certified public accountants, consultants, etc.)
 - (1) Not a certified public accountant who is an accounting auditor of the Daito Group, or partner or employee of an audit firm; and
 - (2) Not a person who receives a total annual fee of 10 million yen or more from the Daito Group as a lawyer, certified public accountant, tax accountant or any other consultant in addition to the remuneration he/she receives from the Daito Group as a Director or Audit & Supervisory Board Member.
5. Others
 - (1) Not a relative within the second degree of kinship of any of the persons listed in 1 through 4 above (excluding those who are not significant);
 - (2) Not a director, etc., of a company with which the Daito Group has a relationship in which officers are exchanged between the parties; and
 - (3) Not a director, etc., of a company with which the Daito Group has a cross-holding of shares.

(Notes)

1. A “subsidiary” is a subsidiary prescribed in Article 8, Paragraph 3 of the Ordinance on Terminology, Forms and Preparation of Financial Statements, etc.
2. An “affiliate” is an affiliate prescribed in Article 8, Paragraph 5 of the Ordinance on Terminology, Forms and Preparation of Financial Statements, etc.

Proposal No. 4: Partial Amendment to Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) and Executive Officers

1. Reasons for proposal and reasons of appropriateness of the said compensation

The Company had obtained approval for the introduction of a stock compensation plan (hereinafter referred to as the “Plan”) at the 45th Ordinary General Meeting of Shareholders held on June 25, 2019. Furthermore, at the 49th Ordinary General Meeting of Shareholders held on June 27, 2023, the Company received approval from shareholders to abolish the Plan in conjunction with the transition to a Company with an Audit & Supervisory Committee, and reintroduce the Plan for Directors and Executive Officers who conclude the delegation contracts with the Company (excluding Directors who are Audit & Supervisory Committee Members and nonresidents in Japan; hereinafter correctively referred to as “Directors, etc.”). The Plan has been in place to this day.

At the Board of Directors meeting held in April 2025, the Company decided on a determination policy for remuneration, etc. of individual Directors, including increasing the stock compensation ratio, subject to the passage of this proposal. The decision is aimed at further increasing motivation for Directors, etc. to contribute to improving business performance and corporate value over the medium to long term and further aligning interests with shareholders. The outline of the policy is as described on page 32 and 33 below and this proposal is necessary and rational to grant the remuneration of individual Directors in line with the said policy. In addition, the proposal was deliberated by the Nominating and Remuneration Committee, which is chaired by an Outside Director (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same shall apply) and is composed of all of Outside Directors excluding Audit & Supervisory Committee Members and Representative Director. For these reasons, we believe this proposal is appropriate.

If Proposal No. 2 and No. 3 are approved as originally proposed, the number of Directors subject to this Plan will be ten (10) (including four (4) Outside Directors). In addition, as mentioned above, the Plan also covers the Executive Officers who concluded the delegation contracts with the Company (as of this time, the number of Executive Officers concurrently not serving as Director but subject to the Plan is eight (8)). Although the compensation, etc. based on the Plan include the compensation, etc. for the Executive Officers, the amount and details of the whole compensation, etc. based on the Plan is proposed as the compensation, etc. of Directors, etc. in the proposal, with the possibility that the said Executive Officers may newly assume the position of Director during the covered period of the Trust (defined in 2. (1) below).

2. Amount, details, etc., of compensation, etc. under the Plan

(1) Details of the Plan and outline of amendments

This Plan is a stock-linked compensation plan in which a trust (hereinafter referred to as the “Trust”) acquires the Company shares using the amount of compensation for Directors, etc. contributed by the Company, and through that Trust, the Company shares and the money equivalent to the amount gained from the disposal of the Company shares (hereinafter referred to as the “Company Shares, etc.”) are transferred and delivered to Directors, etc. (see (2) and below for details).

The Plan is comprised of a “performance-linked portion” where the transfer and delivery of the Company Shares, etc., are made after the expiry of the covered period (defined in (2) below) and a “non-performance-linked portion” where the transfer and delivery of the Company Shares, etc., are made after the retirement of Directors, etc. The “performance-linked portion,” intended for Directors excluding Outside Directors and Executive Officers (hereinafter referred to as “Executive Directors, etc.”), is intended to enhance the motivation of Executive Directors, etc. to

contribute to improving the medium- to long-term business performance and the corporate value of the Company, whereas the “non-performance-linked portion” is intended to strengthen the common interest between Directors, etc. and shareholders through shareholding by Directors, etc.

With the revision under this proposal, the proportion of remuneration for Executive Directors, etc., consisting of basic remuneration, bonuses on performance and stock compensation, will be set at 1:0.6:1 (the current proportion is 1:0.6:0.6). The main objective of the revision is to further enhance the motivation of Directors, etc. to contribute to improving the medium- to long-term business performance and corporate value and further align interests with shareholders. In line with this, the maximum amount of trust money that the Company contributes to the Trust per three fiscal years will be revised from 1.9 billion yen (including 15 million yen to Outside Directors) to 3.3 billion yen (including 30 million yen to Outside Directors). Additionally, the maximum total number of points to be granted to Directors, etc. per three fiscal years will be revised from 210,000 points (including 1,200 points to Outside Directors) to 240,000 points (including 2,100 points to Outside Directors). Furthermore, the amendment to the Plan will allow the condition for granting points, which is currently the achievement of 20% ROE and 50% payout ratio, to be appropriately revised by a decision of the Board of Directors after a deliberation by the Nominating and Remuneration Committee if a new medium-term management plan is formulated in the future. If the condition is revised, details of the revised condition, performance and other information will be appropriately disclosed through a business report and other means.

(i) Persons covered under this proposal who are subject to transfer and delivery of the Company Shares, etc.	<ul style="list-style-type: none"> • Directors (excluding Directors who are Audit & Supervisory Committee Members and nonresidents in Japan) • Executive Officers who conclude the delegation contracts with the Company (excluding non-residents in Japan)
(ii) Impact of the Company shares covered under this proposal on the total number of outstanding shares	
Maximum amount of money contributed by the Company (see (2) below)	<ul style="list-style-type: none"> • The maximum amount of money to be contributed per covered period (three fiscal years) shall be 3.3 billion yen (including 30 million yen to Outside Directors). • However, the maximum amount shall be 2.2 billion yen (including 20 million yen to Outside Directors) for the first covered period after the amendment (two fiscal years).
Maximum number of the Company Shares, etc. to be transferred and delivered from the Trust to Directors, etc. and method to acquire the Company shares (see (2) and (3) below)	<ul style="list-style-type: none"> • The maximum number of points (number of the Company shares) granted to Directors, etc. during the three fiscal years is 240,000 points (including 2,100 points to Outside Directors). • However, the maximum number of points is 160,000 points (including 1,400 points to Outside Directors) for the first covered period after the amendment (two fiscal years). • The ratio of 80,000 points, which is the average number of points per fiscal year of the aforementioned maximum points, to the total number of outstanding shares of the Company (as of March 31, 2025; after deducting treasury stock) is approximately 0.1%. • The Company shares will be acquired from the stock market or from the Company (through the issuance of new shares or the disposal of treasury stock, which excludes treasury stock acquired for the purpose of retirement as part of shareholder return).

(iii) Detailed conditions for achieving performance targets (see (3) below)	<p>[Executive Directors, etc.]</p> <ul style="list-style-type: none"> • For both the performance-linked portion and the non-performance-linked portion, points will be granted when certain conditions set by the Company based on the medium-term management plan and other criteria are met. (The achievement of 20% ROE and 50% payout ratio will continue to be a condition for granting points for the first covered period after the amendment. For subsequent covered periods, the Board of Directors will decide conditions separately based on the Company's medium-term management plan and other criteria at that time, following a deliberation by the Nominating and Remuneration Committee. Details of those conditions will be appropriately disclosed.) • The performance-linked portion shall fluctuate according to the achievement level of the Company's performance targets, etc. (During the first covered period after the amendment, in addition to the growth rate of consolidated operating profit, non-financial indicators (reduction rate of CO₂ emissions, the proportion of females in management personnel, employees' engagement, and compliance penetration level) will continue to be adopted. The targets for subsequent covered periods will be determined separately by the Board of Directors based on the Company's medium-term management plan and other criteria at that time, following a deliberation by the Nominating and Remuneration Committee. Details of those targets will be appropriately disclosed.) <p>[Outside Directors (excluding Directors who are Audit & Supervisory Committee Members)]</p> <ul style="list-style-type: none"> • None (granted with fixed points) 				
(iv) Timing of transfer and delivery to Directors, etc. of the Company Shares, etc. (see (4) below)	<table border="1"> <tr> <td data-bbox="710 1111 1098 1171">Performance-linked portion</td><td data-bbox="1098 1111 1449 1171">After expiry of the covered period</td></tr> <tr> <td data-bbox="710 1171 1098 1232">Non-performance-linked portion</td><td data-bbox="1098 1171 1449 1232">After retirement of the positions</td></tr> </table>	Performance-linked portion	After expiry of the covered period	Non-performance-linked portion	After retirement of the positions
Performance-linked portion	After expiry of the covered period				
Non-performance-linked portion	After retirement of the positions				

(2) Maximum amount of money to be contributed by the Company

This Plan covers the consecutive three fiscal years (hereinafter referred to as the “Covered Period”). The first Covered Period after the amendment of the Plan (hereinafter referred to as the “Initial Covered Period after the Amendment”) shall be the remaining two fiscal years of the Company's current medium-term management plan (from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2027).

The Company will contribute a total amount of up to 3.3 billion yen (including 30 million yen to Outside Directors)*¹ as compensation to Directors, etc. for each Covered Period to establish the Trust for a 3-year (2-year for the Initial Covered Period after the Amendment) trust period, the beneficiaries of which are Directors, etc. who meet the beneficiary requirements.

The Trust will acquire the Company shares from the stock market or from the Company (through the issuance of new shares or the disposal of treasury stock, which excludes treasury stock acquired for the purpose of retirement as part of shareholder return), using the entrusted money as a source of funds, in accordance with the instructions made by the trust administrator. During the trust period, the Company will grant points (as described in (3) below) to Directors, etc., and the Trust will transfer and deliver the Company Shares, etc., to Directors, etc.

Upon the expiry of the Initial Covered Period after the Amendment, the Company plans to continue the Plan by setting up a new Trust or amending the trust agreement and making an additional trust (such amendment to the trust agreement and additional trust, if any, shall be deemed equivalent to the establishment of the Trust).

In case where the Plan is continued by amending the trust agreement, the trust period shall be extended for three years as the new Covered Period. The Company shall make an additional contribution within the total amount of 3.3 billion yen (including 30 million yen to Outside Directors) for each extended trust period and continue to grant points to Directors, etc. during such extended trust period, whereas the Trust shall continue to transfer and deliver the Company Shares etc., to Directors, etc. during such extended trust period; provided, however, that, if the Company shares and money remain in the trust property, in the case such additional contribution is made, at the end of the trust period before such extension (excluding the Company Shares, etc., that correspond to the points granted but have not been transferred and delivered to Directors, etc.) (hereinafter such remaining shares and money referred to as “Remaining Shares, etc.”), the total amount of such Remaining Shares, etc., and the trust money to be additionally contributed by the Company shall be within the range of 3.3 billion yen (including 30 million yen to Outside Directors).

Furthermore, if Directors, etc. who may meet the beneficiary requirements remain in office upon the expiry of the trust period, no points will be granted to Directors, etc. thereafter, whereas the trust period of the Trust may be extended up to 10 years until the transfer and delivery of the Company Shares, etc., to such Directors, etc. are completed.

^{*1} Total amount of 2.2 billion yen (including 20 million yen to Outside Directors) for the Initial Covered Period after the Amendment (two fiscal years)

(3) Calculation method and upper limit, etc. of the number of the Company Shares, etc., to be acquired by Directors, etc.

The Company Shares, etc., shall be transferred and delivered according to the accumulated amount of each type of points related to (i) performance-linked portion and (ii) non-performance-linked portion for Executive Directors, etc., points related to (ii) non-performance-linked portion for Outside Directors (hereinafter referred to as “Cumulative Points”). The points related to (i) (ii) for Executive Directors, etc. will be granted when certain conditions set by the Company based on the medium-term management plan and other criteria are met. (The achievement of 20% ROE and 50% payout ratio will continue to be a condition for granting points for the Initial Covered Period after the Amendment. For subsequent Covered Periods, the Board of Directors will decide conditions separately based on the Company’s medium-term management plan and other criteria at that time, following a deliberation by the Nominating and Remuneration Committee. Details of those conditions will be appropriately disclosed.)

(i) Performance-linked portion

Points to be determined based on job titles are granted every year during the trust period and are fluctuated according to the achievement level of the Company’s performance targets, etc.^{*2} after the expiry of the Covered Period.

^{*2} During the Initial Covered Period after the Amendment, the Company plans to adopt, in addition to the growth rate of consolidated operating profit, nonfinancial indicators (reduction rate of CO₂ emissions, the proportion of females in management personnel, employees’ engagement, and compliance penetration level). The targets for subsequent Covered Periods will be determined separately by the Board of Directors based on the Company’s medium-term management plan and other criteria at that time.

(ii) Non-performance-linked portion

Points to be determined based on job titles are granted every year during the trust period.

One point shall be equivalent to one share of the Company’s common shares; provided, however, that, if the Company shares held in the Trust increase or decrease due to a stock split, a gratis

allotment of shares, a consolidation of shares, etc., the Company will adjust the number of Company shares to be transferred and delivered per point according to the rate of such increase or decrease.

The total number of points to be granted to Directors, etc. during the trust period of the Trust shall be up to 240,000 points (including 2,100 points to Outside Directors)^{*3} ^{*4} per three fiscal years. The number of shares to be acquired by the Trust during the Covered Period (hereinafter referred to as “Number of Shares to be Acquired”) shall be limited to the number of shares (240,000 shares) that is equivalent to the upper limit of such points. If the aforementioned adjustment is made, the upper limit of the Number of Shares to be Acquired shall also be adjusted accordingly.

The upper limit of the total number of Company Shares, etc., to be transferred and delivered to Directors, etc. was determined based on the upper limit of the trust money as mentioned in (2) above, while the latest stock prices, etc., were taken into account.

^{*3} 160,000 points (including 1,400 points to Outside Directors) for the Initial Covered Period after the Amendment (two fiscal years)

^{*4} At the Board of Directors meeting held on March 19, 2015, the Company resolved to conduct a stock split at a ratio of five shares for one share of common stock on October 1, 2015. Therefore, the maximum total number of points to be granted to Directors, etc. on and after October 1, 2015 will be adjusted to 1.20 million points (including 10,500 points to Outside Directors) per three fiscal years, and 800,000 points (including 7,000 points to Outside Directors) for the Initial Covered Period after the Amendment (two fiscal years).

(4) Outline of timing and method of transfer and delivery of the Company shares, etc., to Directors, etc. and other conditions of share transfer

(i) Performance-linked portion

The transfer and delivery of the Company shares, etc., related to the performance-linked portion shall be made at a specific time after the expiry of the Covered Period (provided, however, that if Executive Directors, etc. retire from their positions during the trust period, the transfer and delivery will be after their retirement).

Those Executive Directors, etc. who meet the beneficiary requirements shall receive from the Trust the Company shares equivalent to 50% of the Cumulative Points related to the performance-linked portion (shares less than one unit shall be rounded up), and for the number of shares equivalent to the remaining Cumulative Points, receive from the Trust the money equivalent to the amount gained from the sale of such shares after those shares are sold by the Trust. If Executive Directors, etc. retire from their positions during the Covered Period, the Cumulative Points related to the performance-linked portion will be adjusted taking into account the achievement level of the Company’s performance targets, etc. up to that point.

If an incumbent Executive Director, etc. dies before the transfer and delivery of the Company Shares, etc., are made upon the expiry of the Covered Period, the heir of such Executive Director, etc. shall receive from the Trust the money equivalent to the amount gained from the sale of the Company shares, which are equivalent to the Cumulative Points at that time, after all such shares are sold by the Trust.

In addition, if an Executive Director, etc. becomes a non-resident of Japan before the transfer and delivery of the Company Shares, etc., are made upon the expiry of the Covered Period, such Executive Director, etc. shall receive from the Trust the money equivalent to the amount gained from the sale of the Company Shares, which are equivalent to the Cumulative Points at that time, after all such shares are sold by the Trust.

(ii) Non-performance-linked portion

The transfer and delivery of the Company Shares, etc. related to the non-performance-linked portion shall be made at a specific time after the retirement of Directors, etc.

Those Directors, etc. who meet the beneficiary requirements shall receive from the Trust the Company shares equivalent to 50% of the Cumulative Points related to the non-performance-linked portion (shares less than one unit shall be rounded up) that are granted before retirement, and for the number of shares equivalent to the remaining Cumulative Points, receive from the Trust the money equivalent to the amount gained from the sale of such shares after those shares are sold by the Trust.

If an incumbent Director, etc. dies during the trust period, the heir of such Director, etc. shall receive from the Trust the money equivalent to the amount gained from the sale of the Company shares, which are equivalent to the Cumulative Points at that time, after all such shares are sold by the Trust.

In addition, if a Director, etc. becomes a non-resident of Japan during the trust period, such Director, etc. shall receive from the Trust the money equivalent to the amount gained from the sale of the Company shares, which are equivalent to the Cumulative Points at that time, after all such shares are sold by the Trust.

(iii) Forfeiture, etc. of stock compensation

In case of the occurrence of retrospective amendment to account settlement due to material error or misconduct in accounting, or the judgement of the Board of Directors to admit the occurrence of material violation, etc. of the delegation contracts, etc. by Directors, etc., the Company shall be able to deprive the said Directors, etc. of all or part of the right to receive stock compensation, or demand the compensation equivalent to all or part of the granted stock compensation..

(5) Voting rights of the Company shares held in the Trust

No voting rights of the Company shares held in the Trust shall be exercised during the trust period from the standpoint of ensuring neutrality to the corporate management of the Company.

(6) Handling of dividends of the Company shares held in the Trust

The dividends to be paid on the Company shares held in the Trust shall be received by the Trust and will be used to cover trust fees and trust expenses. The residual money after trust fees and trust expenses are covered, if any, upon the final closure of the Trust shall be donated to an organization that has no conflict of interest with the Company.

If the Trust is continuously used, however, such residual money shall be used as a source of funds for share acquisition.

(7) Other details of the Plan

The other details of the Plan shall be determined by the Board of Directors each time upon the establishment of the Trust, amendment to the trust agreement and additional contribution to the Trust.

For details of the Plan, please refer to the “Notice Regarding Partial Amendment to the Stock Compensation Plan for Officers” dated May 26, 2025.

[Reference] Outline of the determination policy for remuneration, etc. of individual Directors (excluding Directors who are Audit & Supervisory Committee Members)

At the Board of Directors meeting held in April 2025, the Company prescribed a determination policy for remuneration, etc. of individual Directors (excluding Directors who are Audit & Supervisory Committee Members) and the outline is as below. Remuneration, etc. for Directors who are Audit & Supervisory Committee Members shall be determined pursuant to the deliberation by Directors who are Audit & Supervisory Committee Members within the scope of the amount approved at the General Meeting of Shareholders.

1. Basic policy for remuneration of officers

Regarding remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company, we shall make a simple remuneration plan with the function of incentives contributing to mid- to long- term enhancement of corporate value to achieve the Company's management policy. At the same time, remuneration requires a level to maintain the speed of corporate reform of the Company and to gain and maintain excellent human resources to contribute to sustainable growth. Specifically, the basic policy is as follows:

- Incentive systems to strongly promote the achievement of the Company's management policy
- Strengthening the awareness of contribution to improvement in corporate performance and enhancement of corporate value
- Sharing of common interests with shareholders and investors
- Competitive compared with the remuneration level of similar scale enterprises in Japan and at a level to gain and maintain excellent human resources
- Remuneration determination process with high transparency and objectivity and fulfilling accountability to stakeholders

2. Remuneration level

Remuneration level shall be set to be competitive by researching and analyzing the level of benchmark enterprises and utilizing the database of external research institutions, while considering the Company's management conditions, etc.

3. Composition of Remuneration

Based on the basic policy above, the composition of remuneration focuses on incentives. Specifically, the remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter referred to as "Executive Directors") is composed of basic remuneration, bonuses on performance and stock compensation and its proportion is 1 : 0.6 : 1 (in case of 100% of achievement rate for performance targets). In the future, the target proportion is 1 : 2-3 : 2-3.

Meanwhile, for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same applies), remuneration is composed of basic remuneration and stock compensation. However, remuneration is not linked to performance considering their roles are to supervise the business executors appropriately.

(Basic remuneration)

For Executive Directors, basic remuneration based on job titles is granted monthly. For Outside Directors, basic remuneration based on their duties is granted monthly.

(Bonuses on performance)

Bonuses on performance are granted during the specified period annually as short-term incentives in each fiscal term according to the achievement rate of targets with the range of 0% to 130%. However, the bonuses shall be granted within the ranges of multiplying the consolidated profit (profit attributable to owners of parent) by a specific ratio to share common interests with shareholders. The bonuses are not payable if consolidated profit for the fiscal year under review falls short of 50.0 billion yen.

The indicators to measure the achievement of targets will be selected considering the mid- term management plan and materiality. We will pay attention to make the incentives appropriate for achievement of the mid- term management plan and materiality by adopting non-financial indicators and individual evaluations besides financial indicators.

(Stock compensation)

Stock compensation shall be granted for the purposes of promoting incentive for enhancement of mid- to long term corporate performance and corporate value of the Daito Group and the awareness of sharing common interests with our shareholders.

Specifically, stock compensation of Executive Directors is comprised of a performance-linked portion and a non-performance-linked portion. For the performance-linked portion, points to be determined based on job titles are granted every year and the points fluctuate within the range of 0% - 150% according to the achievement level of targets and the stock is granted according to the points during the specific period after the expiry of the Covered Period corresponding to a medium-term management plan. For the non-performance-linked portion, points to be determined based on job titles are granted every year and the stock is granted according to cumulative points upon retirement of the position. In addition, points are granted to Executive Directors when certain conditions set by the Company based on the medium-term management plan are met. The indicators to measure the achievement of targets will be selected considering the mid- term management plan and materiality. We will pay attention to make the incentives appropriate for achievement of the mid- term management plan and materiality by adopting non-financial indicators besides financial indicators. In addition, for Executive Directors, possession of the Company's stock equivalent to (annual) basic remuneration or more (including potentially possessed stock) is recommended in principle within five years after assuming the position.

Stock compensation of Outside Directors shall be non-performance-linked and fixed in consideration of their roles.

4. Determination process of remuneration

The Company established the Nominating and Remuneration Committee as an advisory organ for the Board of Directors to secure the properness and transparency of remuneration, etc. of Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same applies).

Determination policy for remuneration, etc. of individual Directors (including remuneration level, remuneration composition, and the setting of targets for performance-linked remuneration) is determined by the Board of Directors through sufficient deliberations by the Nominating and Remuneration Committee.

The amount of remuneration of individual Directors is determined by President and Representative Director entrusted by the Board of Directors based on the determination policy. Specifically, for the non-performance linked portion of basic remuneration and stock compensation, the Nominating and Remuneration Committee makes a draft of remuneration amounts and President and Representative Director determines the amount. For the performance-linked portion, the individual remuneration amounts are determined by applying calculation formula after the evaluation of each Executive Director relating to the performance-linked portion is deliberated by the Nominating and Remuneration Committee and President and Representative Director received recommendations from Nominating and Remuneration Committee.

5. Forfeiture, etc. of remuneration, etc.

In case of the resolution of the Board of Directors for retrospective amendment to account settlement due to material error or misconduct in accounting, or the judgement of the Board of Directors to admit the occurrence of material violation of the delegation contracts between the Company and the Director during the Director's office, the Nominating and Remuneration Committee is consulted by Board of Directors, and deliberates whether to confiscate all or part of the right to receive bonuses or stock compensation or not, whether to demand the return of all or part of the granted bonuses and stock compensation or not, and shall make recommendations to the Board of Directors based on the result. In addition, if a Director move to competing company without the Company's permission, the Nominating and Remuneration Committee will be consulted by the Board of Directors, and shall deliberate whether to demand the return of all or part of stock compensation or not, and shall make recommendations to the Board of Directors based on the result. The Board of Directors shall resolve whether to confiscate all or part of the right to receive bonuses or stock compensation or not, whether to demand the return of all or part of the granted bonuses and stock compensation to the Director or not, considering the recommendation results from Nominating and Remuneration Committee.

(Appendix) **Business Report**
(From April 1, 2024 to March 31, 2025)

1. Current State of Enterprise Group

(1) Business Progress and Results

(i) Overview of Business Environment

In the fiscal year ended March 31, 2025, the Japanese economy saw a gradual recovery, with increased capital investment due to a recovery in corporate earnings and a pick-up in private consumption due to the spread of wage increases. However, the outlook remains uncertain, with ongoing concerns over rising prices, as well as concerns about a slowdown in the global economy due to geopolitical risks and the trade policies of various countries.

New housing starts increased by 2.0% year-on-year to 816,018 on a cumulative basis for the fiscal year ended March 31, 2025. Meanwhile, in the field of rental housing on which the Daito Group is focused, housing starts of rental residential properties increased by 4.8% year-on-year to 356,893 on a cumulative basis for the fiscal year ended March 31, 2025.

In this environment, the Company carried out the strengthening and expansion of each business as initiatives for the first year of the medium-term management plan (FY2024 to FY2026). In the Construction Business, the total number of units sold increased to 121,678 due to concentrated sales efforts for ZEH rental housing. Furthermore, the Company pursued growth investments, such as making Housecom Co., Ltd. a wholly-owned subsidiary in the Real Estate Leasing Business and the acquisition of Ascot Corp. in the Real Estate Development Business.

(ii) Overview of Daito Group

During the fiscal year ended March 31, 2025, the Company recorded net sales of 1,842,357 million yen (up 6.4% year-on-year), operating profit of 118,875 million yen (up 13.4% year-on-year), ordinary profit of 129,455 million yen (up 19.1% year-on-year), and profit attributable to owners of parent of 93,858 million yen (up 25.7% year-on-year).




■ Segment Sales

Other Business

(Financial Business + Other Businesses)

4.6%


85.3 billion yen

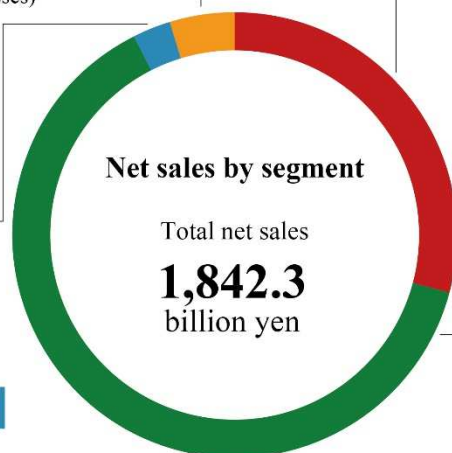
Up 8.5% year-on-year 

Real Estate Development Business

2.8%

51.3 billion yen


Up 64.8% year-on-year 



Construction Business

29.4%


540.9 billion yen

Up 9.9% year-on-year 

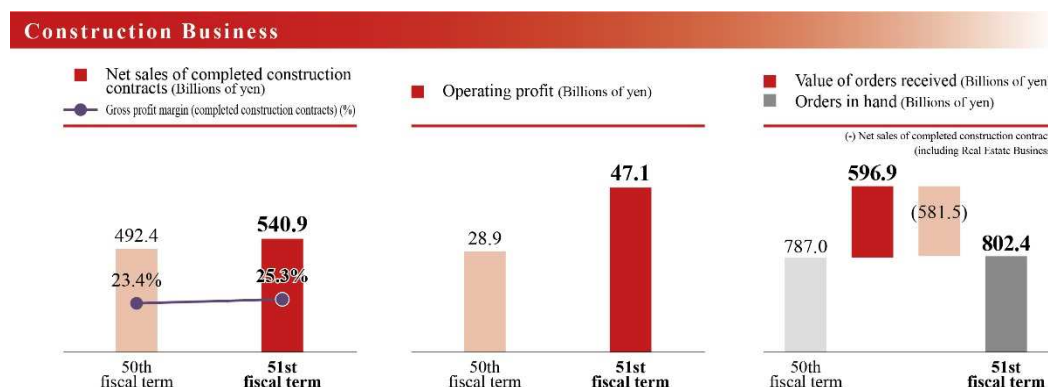
Real Estate Leasing Business

63.2%

1,164.6 billion yen

Up 3.1% year-on-year 

(iii) Progress and Results by Segment



■ Net sales of completed construction contracts increased by 9.9% year-on-year to 540,975 million yen mainly due to steady progress in construction and equalization of construction volumes. The gross profit margin for completed construction contracts increased by 1.9 points from the fiscal year ended March 31, 2024 to 25.3% due to contributions from the effects of price revisions. Operating profit increased by 63.1% year-on-year to 47,143 million yen.

■ Orders received increased by 1.1% year-on-year to 596,910 million yen, largely due to a shift of sales areas to central areas, concentrated sales efforts for rebuild projects and mid-rise properties, as well as the continued low level of the cancellation amount, and orders in hand as of March 31, 2025 increased by 2.0% year-on-year to 802,454 million yen.

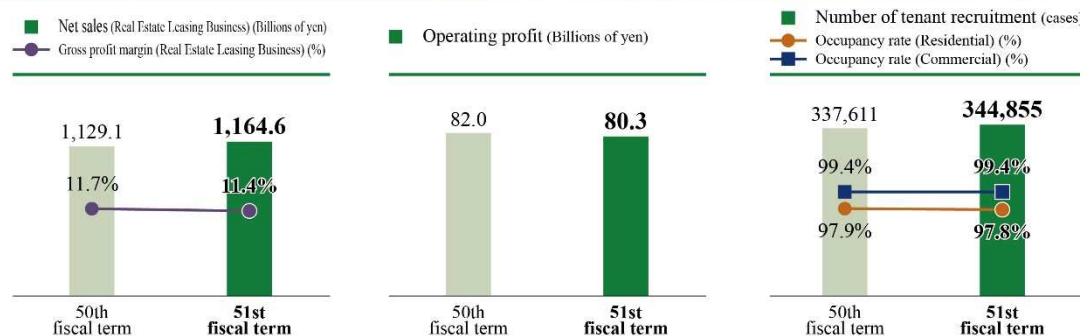
[Future Initiatives]

We will expand orders through initiatives such as an area strategy focusing on urban areas, digitalization of information development, and strengthening corporate sales, while also securing profit margins by streamlining our construction system.

In addition, we will continue to actively work to provide environmentally friendly rental housing, such as net zero energy house (ZEH).



Real Estate Leasing Business



■ Net sales increased by 3.1% year-on-year to 1,164,672 million yen, mainly due to an increase in rental revenues on the back of an increase in whole-building lease properties under our Lease Management Trust System and increased revenue from services that do not require a guarantor, while operating profit decreased by 2.1% year-on-year to 80,324 million yen primarily due to a slight decrease in occupancy rates.

■ The number of tenant recruitment increased by 2.1% year-on-year to 344,855. The rent basis occupancy rate of our leased residential properties as of March 31, 2025 decreased 0.1 points year-on year to 97.8%, and the rent basis occupancy rate of our leased commercial properties remained flat year-on-year at 99.4%.

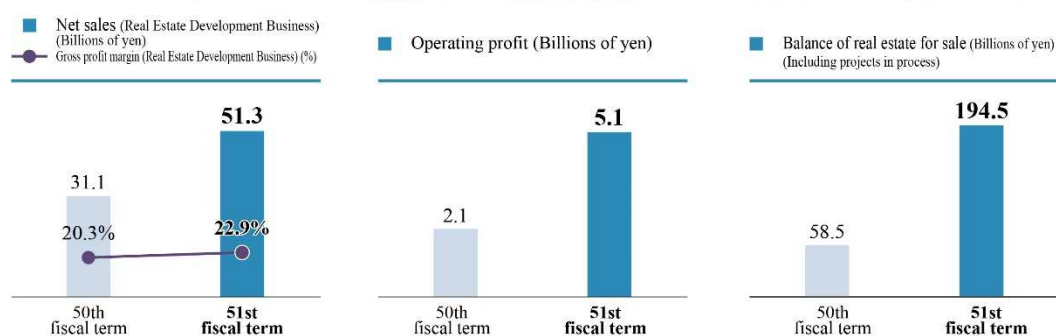
[Future Initiatives]

We maintain high occupancy rates supported by a high level of marketing capability and strong tenant recruiting capabilities. At the same time, we will continue to offer services that provide quality housing environment and living tailored to tenants' lifestyles.

Furthermore, in the brokerage business, in addition to the rental housing brokerage business, which has been our mainstay, we will also strengthen the sales brokerage business in order to expand sales.



Real Estate Development Business



■ Net sales increased by 64.8% year-on-year to 51,329 million yen mainly due to the favorable performance of investment-purpose condominium sales, in-house development and sales, and the purchase, renovation and resale business. Operating profit increased by 142.0% year-on-year to 5,151 million yen.

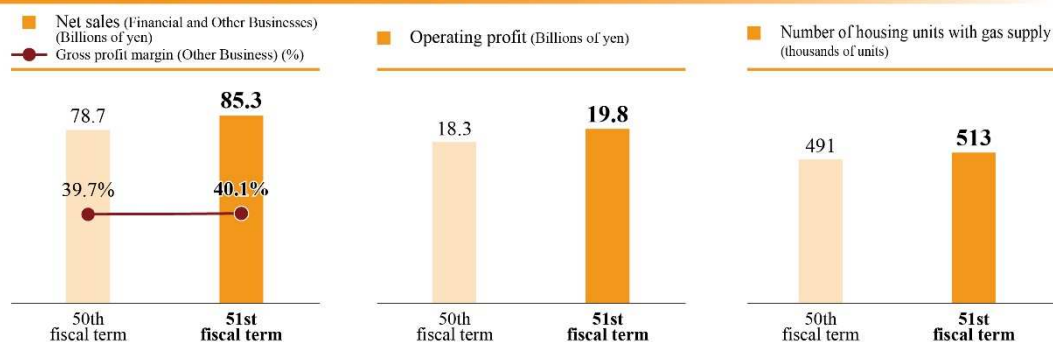
■ The number of investment-purpose condominiums sold increased by 8.8% year-on-year to 727 units, the number of income-generating properties sold increased by 1,100.0% year-on-year to 36 units and 100.0% year-on-year to 54 units in the in-house development and sale business and in the purchase and resale business, respectively. As a result, the balance of real estate for sale increased 332.0% year-on-year to 194,516 billion yen.

[Future Initiatives]

Leveraging the unique know-how of each group company, including INVALANCE Ltd., SHIMA CO., LTD., and Ascot Corp., which newly joined the Group, we will focus on developing higher value-added income-generating properties in the central Tokyo area. Moreover, in addition to residential properties, we will also promote the development and sales of non-residential properties, such as logistics facilities, hotels, and healthcare facilities.



Other Business (Financial Business and Other Businesses)



■ Net sales increased by 8.5% year-on-year to 85,380 million yen, and operating profit increased by 8.3% year-on-year to 19,877 million yen. This is mainly attributable to an increase in the number of housing units with gas supply and the improved room rate of hotels in Malaysia.

■ The cumulative number of housing units with gas supply, including LP gas and town gas, increased by 4.4% year-on-year to 513,000 units. The average occupancy rate of hotels in Malaysia increased 2.4 percentage points year-on-year to 76.5% and 4.1 percentage points year-on-year to 80.0% at Le Meridien and at Hilton, respectively.

[Future Initiatives]

Once group homes for the elderly, sales of which we promote as part of the Construction Business, are completed, Care Partner, one of our group companies, will handle tenant recruitment and operations.

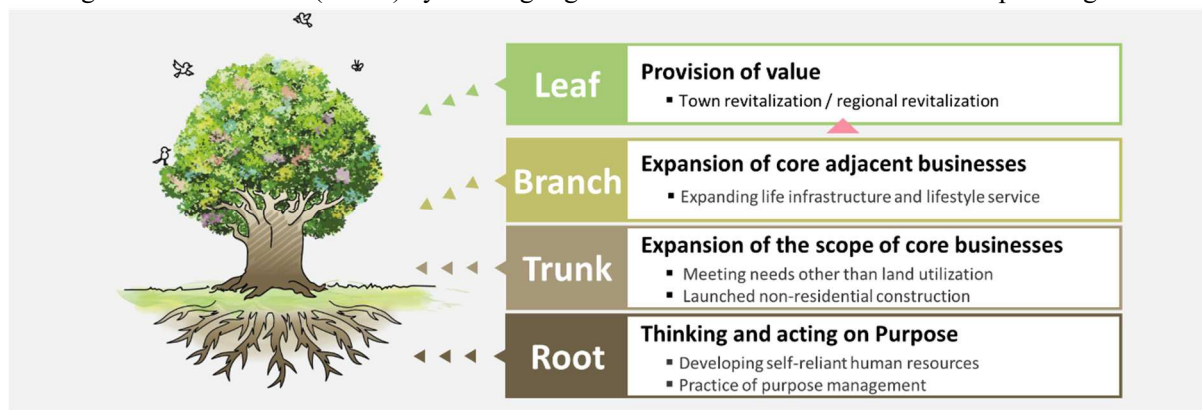
In addition to stable growth of our existing gas supply business and nursing care and childcare business, we will continue to expand our business areas by pursuing further synergies within the Group.



(2) Future Outlook and Business Strategies

■ Overall picture of “DAITO GROUP VISION 2030”

The Daito Group marked its 50th anniversary in 2023, and as a new step on the path to the next 50 years toward reaching the mark of a 100-year company, we have created the image of what we want to be in 2030 as the “DAITO Group VISION 2030.” Under VISION 2030, we will maximize the power of employees grounded on thought and action based on our Purpose (roots) and expand the domains of our core businesses (trunk) and lifestyle infrastructure and services (branches). Furthermore, we aim to achieve neighborhood and regional revitalization (leaves) by creating organic links between a solid trunk and spreading branches.



■ Positioning of the medium-term management plan

Last year, we developed a new medium-term management plan for the initial three years (from FY2024 to FY2026) of our roadmap to achieve the “DAITO Group VISION 2030.” Under the slogan of “New Challenges as a group,” we are promoting management to maximize our corporate value toward 2030.



■ 3 pillars of the medium-term management plan

The medium-term management plan is centered around three pillars: promotion of human capital management, establishment of a strong core business and tackling on new focus areas. The goals set for the final fiscal year are net sales of 2 trillion yen, operating profit of 140.0 billion yen, and ROE of 20% or more. With thinking and actions driven by the Purpose, we will maximize the power of all employees in the Group and work towards the realization of VISION 2030.

1	Promote human capital management: Enhancement of [ease at work] and [job satisfaction] → Maximizing the power of employees		
	• Granting stocks to employees	• Solving social issues	• Developing a work environment where everyone can thrive
2	Establish a strong core business		
	• Responding to major social changes	• Maintaining and expanding construction volumes	• Creating a virtuous circle from stock to flow
3	Tackle focus areas of the medium-term management plan		
	• Expanding real estate development business	• Expanding overseas business	• Promoting community development unique to the Daito Group

■ FY2026 targets

Net sales	2 trillion yen	Operating profit	140.0 billion yen	ROE	20%
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■ Key management indicators

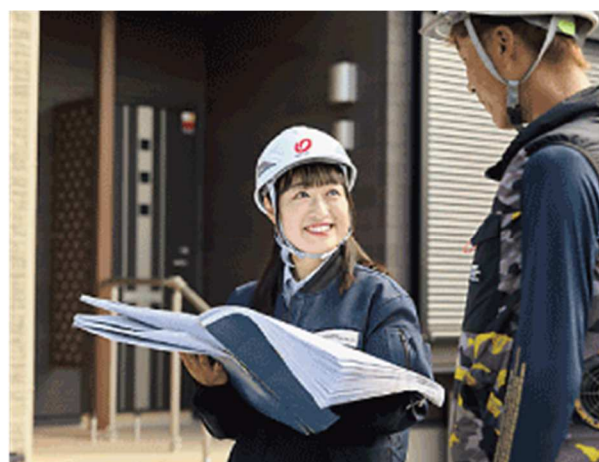
	Key Indicators	Medium-term Management Plan Targets and Policies
Financials	Equity Ratio	Maintaining 35% or higher
	Debt Equity Ratio	Maintaining 0.3% or less
	Long-term debt	Procurement as required
Investment	Capital investment	60.0 billion yen or more over 3 years (of which, 30.0 billion yen or more in IT and DX)
	Business investment	100.0 billion yen or more over 3 years
Shareholder Returns	Payout ratio	Dividend 50%
	Acquisition of treasury stock	Implemented on a flexible basis (to be determined on a single fiscal year basis)
Non-financials	Employee engagement score	60.7 (A)
	Percentage of female management personnel	8.0%
	Number of project partnerships with municipalities	10 locations
	Greenhouse gas emissions reduction rate	41%
	Percentage of female directors	20%

■ Initiatives taken during the fiscal year under review

(1) Promote human capital management: enhancement of ease at work and job satisfaction

- During FY2024, the first year of the medium-term management plan, we carried out various initiatives, including granting restricted stock with transfer restriction to employees. In one of our main initiatives, a project to spread the Purpose within the Company, field employees and management worked together to develop a code of conduct that would guide employees to act proactively in accordance with the Purpose. Going forward, we will spread the Purpose throughout the Company while implementing internal system reforms. We will also continue to improve the work environment by increasing the number of female managers and encouraging male employees to take parental leave.
- In terms of initiatives related to SDGs, we were awarded the Minister of Land, Infrastructure, Transport and Tourism Prize at the Grand Prize for the Global Environment Award in recognition of our development, popularization, and expansion of LCCM rental housing complexes*. Furthermore, we acquired our second biomass power plant in Ichinohe, Iwate Prefecture, and are currently preparing for it to begin operation this fall. We will continue our efforts to achieve 100% renewable energy usage and RE100 through the promotion of sales of ZEH and LCCM rental housing and the operation of biomass power plants.
- As a result of these initiatives, the score for the employee engagement survey reached 62.8 points for the fiscal year under review, exceeding the medium-term management plan target of 62 points. We will continue to strive to maximize the power of all employees of the Group and increase corporate value while improving the supportive working environment and job satisfaction, which are the driving force behind the Company.

* Housing that achieves a negative balance of CO₂ emissions over the life cycle of a building by reducing CO₂ emissions during construction, use, and demolition, as well as CO₂ emissions through energy generation using solar power.



(2) Establish a strong core business

- As the market environment for the Company changes rapidly along with social conditions, with construction costs, rents, and interest rates rising, we will maintain an optimal balance between sound rental housing business management for owners and profits for the Company by carefully observing market trends and setting appropriate sales prices and rents.
- In this environment, we have shifted our sales areas to urban areas where rent increases are expected and made proposals for repairs and rebuilding depending on the conditions of aging buildings. As a result, orders received increased in the three major metropolitan areas. We will continue to respond flexibly to changes in the business environment and increase orders.
- As a measure to address the shortage of construction engineers, we have taken steps to equalize construction volumes that were concentrated in busy periods across months. Although there is still room for improvement, we were able to increase net sales of completed construction contracts in the fiscal year under review without increasing the number of construction engineers. We will continue to develop a construction system that can handle further increases in orders, by achieving both equalizing construction volumes and maintaining high construction quality.



(3) Tackle focus areas of the medium-term management plan

- To further expand the real estate development business, we have welcomed Ascot Corp., a company with strengths in the development of condominiums in the central Tokyo area and logistics facilities, into the Daito Group as a wholly owned subsidiary. By combining our human resources and capital with the unique know-how of each group company, we will pursue the development of not only housing but also non-residential properties such as logistics facilities and hotels.
- In our overseas business, we renovated the first property we acquired in the United States in the previous fiscal year and completed its sale in collaboration with a local management company. Going forward, we will further deepen our relationships with local building management companies and other entities, strengthen our property procurement, and expand our development and sales.
- As part of our community development efforts, we have focused on developing elderly care facilities in order to address the social issue of an aging society. As a result, orders for residential care homes for the elderly increased significantly from four facilities in the 50th fiscal year to 67 facilities. In addition, we participated in a ZEH town development project in Chiba, Chiba Prefecture and commenced a community development project in Takaoka, Toyama Prefecture. We will continue to collaborate with local governments and different industries to carry out community development that is unique to the Daito Group.



(3) Capital Investment, etc.

In the fiscal year ended March 31, 2025, total capital investment amounted to 27,017 million yen, which primarily consisted of installation of solar power generation facilities and LP gas facilities.

(4) Financing

Given the expiration of commitment line agreements, the Daito Group has again executed commitment line agreements worth 40.0 billion yen (for a period of one year) during the fiscal year under review for the purpose of securing stable and flexible methods for fund procurement and further stabilizing the financial base.

(5) Trends in Assets and Income

(i) Trends in Assets and Income of Enterprise Group

Category	48th fiscal term: Fiscal year ended March 31, 2022	49th fiscal term: Fiscal year ended March 31, 2023	50th fiscal term: Fiscal year ended March 31, 2024	51st fiscal term: Fiscal year ended March 31, 2025 (under review)
Net sales (million yen)	1,583,003	1,657,626	1,731,467	1,842,357
Operating profit (million yen)	99,594	100,000	104,819	118,875
Ordinary profit (million yen)	103,671	103,898	108,720	129,455
Profit attributable to owners of parent (million yen)	69,580	70,361	74,685	93,858
Basic earnings per share (yen)	1,021.43	1,031.06	1,110.59	1,428.29
Total assets (million yen)	1,005,879	1,061,909	1,080,069	1,222,783
Net assets (million yen)	365,787	404,933	405,800	467,433

(ii) Trends in Assets and Income of the Company

Category	48th fiscal term: Fiscal year ended March 31, 2022	49th fiscal term: Fiscal year ended March 31, 2023	50th fiscal term: Fiscal year ended March 31, 2024	51st fiscal term: Fiscal year ended March 31, 2025 (under review)
Net sales (million yen)	437,742	470,003	506,384	552,061
Operating profit (million yen)	2,873	3,859	8,046	19,750
Ordinary profit (million yen)	48,736	55,820	62,881	108,361
Profit (million yen)	43,005	59,219	58,627	99,914
Basic earnings per share (yen)	631.32	867.80	871.80	1,520.44
Total assets (million yen)	669,348	686,272	684,797	762,514
Net assets (million yen)	138,085	153,913	134,456	203,290

2. The Company's Stock

- (1) Number of shares authorized 329,541,100 shares
- (2) Number of shares issued 66,568,311 shares (excluding treasury stock: 2,350,668 shares)
- (3) Number of shareholders 22,084 shareholders
- (4) Principal shareholders

Name of shareholder	Number of shares owned (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	10,674	16.03
STATE STREET BANK AND TRUST COMPANY 505001	3,825	5.75
HIKARI TSUSHIN, INC.	3,598	5.41
Custody Bank of Japan, Ltd. (Trust account)	3,349	5.03
JPMorgan Securities Japan Co., Ltd.	1,731	2.60
Co-op Suppliers' Stock Holding	1,634	2.46
Daito Trust Construction Employees' Shareholding Association	1,534	2.30
STATE STREET BANK WEST CLIENT - TREATY 505234	1,417	2.13
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	1,346	2.02
STATE STREET BANK AND TRUST COMPANY 505103	1,201	1.81

- (Notes) 1. Shareholding ratio is calculated after deducting treasury stock (2,350 thousand shares).
2. The Company holds 2,350 thousand shares of treasury stock, excluding 194 thousand shares held by the ESOP Trust, 220 thousand shares held by the J-ESOP and 100 thousand shares held by the Board Incentive Plan (BIP).

(5) Shares transferred to the Company's officers as compensation for execution of their duties during the fiscal year under review

Category	Number of shares	Number of persons who are subject to transfer
Outside Directors	91 shares	1 person

- (Note) Part of transferred shares were converted into money in the Board Incentive Plan and the amount equivalent to the conversion were delivered.

3. Corporate Officers

(1) Names, etc., of Directors

Position	Name	Responsibilities and Significant Concurrent Positions Held
Representative Director	Kei Takeuchi	Chief Executive Officer General Manager of Construction Business Headquarters Committee Member of Nominating and Remuneration Committee Committee Member of Governance Committee
Director	Yoshihiro Mori	Managing Executive Officer General Manager of Real Estate Business Headquarters Representative Director and President, Daito Kentaku Partners Co., Ltd. Committee Member of Governance Committee
Director	Masafumi Tate	Senior Executive Officer General Manager of Construction Business Technical Headquarters
Director	Tsukasa Okamoto	Senior Executive Officer, CFO, General Manager of Corporate Management Headquarters and Group Finance and Accounting Department Committee Member of Governance Committee Outside Corporate Auditor, Solasto Corporation
Director	Yutaka Amano	Senior Executive Officer General Manager of Business Development Headquarters
Director	Yoshimasa Tanaka	Senior Executive Officer General Manager of General Administration Headquarters
Director (Outside)	Atsushi Iritani	Chairman of Nominating and Remuneration Committee Chairman of Governance Committee Nagashima Ohno & Tsunematsu Outside Director and Audit & Supervisory Committee Member, AKARU-TASU HOLDINGS Co., Ltd.
Director (Outside)	Chieko Ouchi	Committee Member of Nominating and Remuneration Committee Committee Member of Governance Committee Outside Director, Japan Green Investment Corp. for Carbon Neutrality Outside Director, nosh Co., Ltd.
Director (Outside)	Junko Owada	Committee Member of Nominating and Remuneration Committee Committee Member of Governance Committee Outside Director, AEON MALL Co., Ltd. Outside Director, H.I.S. Co., Ltd.
Director (Standing Audit & Supervisory Committee Member)	Shuji Kawai	Committee Member of Governance Committee
Director (Outside) (Standing Audit & Supervisory Committee Member)	Masa Matsushita	Chairman of Audit & Supervisory Committee Committee Member of Governance Committee Outside Director, Cypress Holdings, Inc. Outside Auditor, TEHARA Industry Co., Ltd. Outside Auditor, Asilla, Inc.
Director (Outside) (Audit & Supervisory Committee Member)	Takashi Shoda	Committee Member of Governance Committee
Director (Outside) (Audit & Supervisory Committee Member)	Kenji Kobayashi	Committee Member of Governance Committee Representative, Kenji Kobayashi Certified Public Accountant Office Joint CEO, BVCJ, Co., Ltd. Outside Auditor, Hotel Management International K.K.

- (Notes)
- Ms. Chieko Ouchi and Ms. Junko Owada were newly elected and appointed as Directors at the 50th Ordinary General Meeting of Shareholders of the Company held on June 25, 2024.
 - Ms. Mami Sasaki retired upon expiration of her term as Director at the conclusion of the 50th Ordinary General Meeting of Shareholders of the Company held on June 25, 2024.
 - Mr. Atsushi Iritani, Ms. Chieko Ouchi, Ms. Junko Owada, Mr. Masa Matsushita, Mr. Takashi Shoda and Mr. Kenji Kobayashi are Outside Directors.
 - Audit & Supervisory Committee Member Mr. Kenji Kobayashi is qualified as Certified Public Accountant and has considerable financial and accounting knowledge.
 - The Company has designated Directors Mr. Atsushi Iritani, Ms. Chieko Ouchi, Ms. Junko Owada, Mr. Masa Matsushita, Mr. Takashi Shoda and Mr. Kenji Kobayashi as independent officers under the provisions set forth by the Tokyo Stock Exchange and the Nagoya Stock Exchange and has notified said Exchanges accordingly.
 - The Company has selected Mr. Shuji Kawai and Mr. Masa Matsushita as standing Audit & Supervisory Committee Members in order to enable information gathering from Directors (excluding Audit & Supervisory

Committee Members), information sharing at the important internal meetings and sufficient cooperation between the internal auditing department and Audit & Supervisory Committee and to strengthen the audit and supervisory functions of Audit & Supervisory Committee Members.

7. Changes in Directors' positions, responsibilities and significant concurrent positions held after the last date of the fiscal year are as follows.

Position	Name	Responsibilities and Significant Concurrent Positions Held
Director	Yoshihiro Mori	Managing Executive Officer General Manager of Real Estate Business Headquarters Committee Member of Governance Committee
Director	Masafumi Tate	Senior Executive Officer President and Representative Director, INVALANCE Ltd.
Director	Yoshimasa Tanaka	Senior Executive Officer General Manager of Human Resource Management Headquarters

(2) Outline of Limited Liability Agreements

The Company has entered into a Limited Liability Agreement with all of its Directors (excluding those who serve as Executive Directors, etc.), the outline of which is as described below:

- In the event that the Company bears liability for damages caused by neglect of the duty of Director (excluding those who serve as Executive Director, etc.), the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
- The limited liability stated above shall be applicable only when the Director (excluding those who serve as Executive Director, etc.) performs his or her duty in good faith and without material negligence.

(3) Outline of indemnity agreement

The Company has entered into an Indemnity Agreement set forth in Article 430-2, Paragraph 1 of the Companies Act with Mr. Kei Takeuchi, Mr. Yoshihiro Mori, Mr. Masafumi Tate, Mr. Tsukasa Okamoto, Mr. Yutaka Amano, Mr. Yoshimasa Tanaka, Mr. Atsushi Iritani, Ms. Chieko Ouchi, Ms. Junko Owada, Mr. Shuji Kawai, Mr. Masa Matsushita, Mr. Takashi Shoda and Mr. Kenji Kobayashi. The Company shall compensate the expenses described in Paragraph 1-1 and the losses in Paragraph 1-2 within the scope stipulated by laws and regulations. However, the Company stipulates that indemnity is unpaid in case of their performing his or her duty in bad faith or with material negligence.

(4) Outline of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure all of Directors and Audit & Supervisory Board Members of the Company and its subsidiaries. The insurance premiums are fully borne by the Company. The insurance policy covers legal damages and litigation expenses to be borne by the insureds.

(5) Remuneration of Directors for the fiscal year under review

(i) Determination policy for remuneration of individual Directors

At the Board of Directors meeting held in May 2023, the Company prescribed a determination policy for remuneration, etc. of individual Directors (excluding Directors who are Audit & Supervisory Committee Members) and the outline is as below. Remuneration, etc. for Directors who are Audit & Supervisory Committee Members shall be determined pursuant to the deliberation by Directors who are Audit & Supervisory Committee Members within the scope of the amount approved at the General Meeting of Shareholders.

a. Basic policy for remuneration of officers

Regarding remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company, we shall make a simple remuneration plan with the function of incentives contributing to mid- to long- term enhancement of corporate value to achieve the Company's management policy. At the same time, remuneration requires a level to maintain the speed of corporate reform of the Company and to gain and maintain excellent human resources to contribute to sustainable growth. Specifically, the basic policy is as follows:

- Incentive systems to strongly promote the achievement of the Company's management policy
- Strengthening the awareness of contribution to improvement in corporate performance and enhancement of corporate value
- Sharing of common interests with shareholders and investors
- Competitive compared with the remuneration level of similar scale enterprises in Japan and at a level to gain and maintain excellent human resources
- Remuneration determination process with high transparency and objectivity and fulfilling accountability to stakeholders

b. Remuneration level

Remuneration level shall be set to be competitive by researching and analyzing the level of benchmark enterprises by utilizing the database of external research institutions, while considering the Company's management conditions, etc.

c. Composition of Remuneration

Based on the basic policy above, the composition of remuneration focuses on incentives. Specifically, the remuneration of Directors (excluding Outside Directors) is composed of basic remuneration, performance-linked bonuses and stock compensation and its proportion is 1 : 0.6 : 0.6 (in case of 100% of achievement rate for performance targets). In the future, the target proportion is 1 : 2-3 : 2-3.

Meanwhile, for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members), remuneration is composed of basic remuneration and stock compensation. However, remuneration is not linked to performance considering their roles are to supervise the business executors appropriately.

(ii) Resolution by the General Meeting of Shareholders on remuneration of Directors

a. Remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members)

Monetary remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) is capped at 2.0 billion yen per year (including Outside Director remuneration capped at 100 million yen) as the total of basic remuneration and performance-linked bonuses, as resolved at the 49th Ordinary General Meeting of Shareholders of the Company held on June 27, 2023. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) as of the resolution at the said General Meeting of Shareholders was eight (including two Outside Directors).

Separately from the aforementioned amount of monetary remuneration, stock compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members) is capped at 210,000 points (number of shares) to be granted to Directors for a three-year covered period (points will not be granted if ROE is less than 20% and payout ratio is lower than 50%) or 1.9 billion yen in cash which is contributed to the Board Incentive Plan (BIP), as resolved at the 49th Ordinary General Meeting of Shareholders of the Company held on June 27, 2023. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) as of the resolution at the said General Meeting of Shareholders was eight (including two Outside Directors).

b. Remuneration of Directors who are Audit & Supervisory Committee Members

Directors who are Audit & Supervisory Committee Members' monetary remuneration is capped at 200 million yen per year as resolved at the 49th Ordinary General Meeting of Shareholders of the Company held on June 27, 2023. The number of Directors who are Audit & Supervisory Committee Members at the resolution of the said General Meeting of Shareholders was four (including three Outside Audit & Supervisory Committee Members).

(iii) Delegation of authority to determine remuneration for individual Directors

For the fiscal year under review, the Company resolved at the Board of Directors' meeting held on June 25, 2024 to delegate the authority of determining remuneration for individual Directors to Mr. Kei Takeuchi serving as Representative Director.

The delegation authorizes the Representative Director to give final approval to the results of the mutual evaluations of Directors, and evaluations of individual Directors made upon consulting the Nominating and Remuneration Committee and receiving its recommendations. Based on these evaluation results, the amount of basic remuneration, bonuses, and the number of shares to be allotted as stock compensation to individual Directors are determined.

The Company delegated the authority as above because the Representative Director is the most suitable for evaluating performance of the whole Company and business execution of each Director.

In order to ensure that the authority is properly exercised by the Representative Director, the Board of Directors consulted the Nominating and Remuneration Committee and received its recommendations on the evaluations of each Director and the draft of remuneration amounts.

(iv) Amount of Remuneration, etc., of Directors

Category	Number of persons paid	Basic remuneration	Performance-linked Bonuses	Stock compensation	Total
Directors (other than Audit & Supervisory Committee Members) [of which, Outside Directors]	10 [4]	¥325 million [¥37 million]	¥288 million [-]	¥168 million [¥2 million]	¥782 million [¥39 million]
Directors (Audit & Supervisory Committee Members) [of which, Outside Directors]	4 [3]	¥154 million [¥71 million]	- [-]	- [-]	¥154 million [¥71 million]
Total [of which, Outside officers]	14 [7]	¥479 million [¥108 million]	¥288 million [-]	¥168 million [¥2 million]	¥936 million [¥111 million]

- (Notes) 1. The amount paid to Directors indicated in the above table does not include the employee salary portion of Directors concurrently serving as employees.
2. Stock compensation granted to Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) are non-performance-linked and fixed in consideration of their roles.
3. The headcount as of the end of the fiscal year under review is thirteen (13) Directors, including four (4) Directors who are Audit & Supervisory Committee Members.

(v) Details of remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members)

a. Basic remuneration

For Executive Directors, basic remuneration based on job titles is granted monthly. For Outside Directors, basic remuneration based on their duties is granted monthly.

b. Performance-linked bonuses (short-term performance-linked monetary remuneration)

Bonuses on performance are granted during the specified period annually as short-term incentives in each fiscal term according to the achievement rate of targets with the range of 0 % to 130 %. However, the bonuses shall be granted within the ranges of multiplying the consolidated profit (profit attributable to owners of parent) by a specific ratio to share common interests with shareholders. The bonuses are not payable if consolidated profit for the fiscal year under review falls short of 50.0 billion yen. We adopt non-financial indicators and individual evaluations besides financial indicators as the indicators to measure the achievement of targets.

The evaluation indicators and results for the fiscal year under review are shown in the “Structure of performance-linked remuneration, evaluation indicators, results, etc. for the fiscal year under review” below.

c. Stock compensation (medium- to long-term performance-linked non-monetary remuneration)

In place of the previous stock option scheme as stock-linked compensation, the Company introduced a medium- to long-term performance-linked stock compensation plan pursuant to the resolution passed at the 45th Ordinary General Meeting of Shareholders of the Company held on June 25, 2019, for the purpose of raising Directors' willingness to contribute to the medium- to long-term improvement in the financial performance and enhancement of the enterprise value of the Company by clarifying the linkage between the financial performance and the shareholder value of the Company and sharing of common interests with shareholders.

The new plan covers the three fiscal years (hereinafter referred to as the "Covered Period") from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022 and each consecutive period of three fiscal years thereafter. The Company will contribute a total amount of up to 1.9 billion yen as compensation to Directors for each Covered Period to establish the trust (BIP Trust) for a 3-year trust period, the beneficiaries of which are Directors who meet the beneficiary requirements. During the trust period, the Company will grant points to Directors, and the total number of points to be granted to Directors per three fiscal years as the Covered Period (number of the Company shares) shall be up to 210,000 points (210,000 shares) on the condition that 20% ROE and 50% payout ratio are achieved.

The plan is comprised of a performance-linked portion and a non-performance-linked portion. For the performance-linked portion, points to be determined based on job titles are granted every year and are multiplied by the achievement level (0 to 150%) of the Company's performance targets, etc. after the expiry of the Covered Period. For the non-performance-linked portion, points to be determined based on job titles are granted every year.

The trust will deliver the Company shares, etc., to Directors and the money equivalent to the amount gained from the sale of such shares according to the number of points. Such delivery is made after the expiry of the Covered Period for the performance-linked portion and upon the retirement of Directors for the non-performance-linked portion.

Upon the expiry of the trust period of the trust, the Company continues the plan by setting up a new trust or amending the trust agreement and making an additional trust (such amendment to the trust agreement and additional trust, if any, shall be deemed equivalent to the establishment of the trust). In case where the plan is continued by amending the trust agreement, the trust period shall be extended for three years, and the three fiscal years after the extension of the trust period shall be deemed as the new Covered Period. The Company shall make an additional contribution within the total amount of 1.9 billion yen for each extended trust period and continue to grant points to Directors during such extended trust period, whereas the trust shall continue to transfer and deliver the Company shares, etc., to Directors during such extended trust period; provided, however, that, in the case that such additional contribution is made, if the Company shares and money remain in the trust property at the end of the trust period before such extension (excluding the Company shares, etc., that correspond to the points granted but have not been transferred and delivered to Directors), the total amount of such remaining shares, etc., and the trust money to be additionally contributed by the Company shall be within the range of 1.9 billion yen.

The partial amendment to the plan was resolved at the 49th Ordinary General Meeting of Shareholders of the Company held on June 27, 2023. The amendments are designed to add Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) to those eligible for stock compensation points (however, the plan shall be non-performance-linked and fixed in consideration of their roles) and to adopt non-financial indicators as evaluation indicators for the performance-linked portion.

The evaluation indicators and results for the fiscal year under review are shown in the "Structure of performance-linked remuneration, evaluation indicators, results, etc. for the fiscal year under review" below.

(vi) Forfeiture, etc. of compensation, etc.

In case of the resolution of the Board of Directors for a retrospective amendment to account settlement due to material error or misconduct in accounting, or the judgement of the Board of Directors to admit the

occurrence of a material violation of the delegation contracts between the Company and the Director during the Director's office, the Nominating and Remuneration Committee is consulted by Board of Directors, and deliberates whether to confiscate all or part of the right to receive bonuses or stock compensation (malus) or not, whether to demand the return of all or part of the granted bonuses and stock compensation (clawback) or not, and shall make recommendations to Board of Directors based on the result. In addition, if a Director moves to the competing company without the Company's permission, the Nominating and Remuneration Committee will be consulted by the Board of Directors, and shall deliberate whether to demand the return of all or part of stock compensation or not, and shall make recommendations to Board of Directors based on the result.

The Board of Directors shall resolve whether to confiscate all or part of the right to receive bonuses or stock compensation or not, whether to demand the return of all or part of the granted bonuses and stock compensation to the Director or not, considering the recommendation results from Nominating and Remuneration Committee.

(Reference) Structure of performance-linked remuneration, evaluation indicators, results, etc. for the fiscal year under review

Type		Evaluation indicator	Evaluation method	Result of the fiscal year under review	Evaluation coefficient
Performance-linked bonuses	Financials	Consolidated profit	Payment condition: Consolidated profit of 50.0 billion yen or more	93.8 billion yen	Achieved
		Consolidated operating profit	Achievement rate compared with the targets at the beginning of the term	108.0%	1.12
	Non-financials	Key sales indicators	Determined based on a table in accordance with the results of key sales indicators of construction business and real estate business	—	1.30
		Percentage of providing ZEH	Achievement rate compared with the targets at the beginning of the term	114.2%	1.21
		Employee engagement score (Note) 1	Determined based on a table in accordance with the results	62.8 (AA)	1.20
		Compliance penetration level		91.9%	1.10
	—	Individual evaluation (Note) 2	Determined based on individual performance results and Directors' mutual evaluation	—	—
Stock compensation	Financials	• ROE • Payout ratio	Payment condition: ROE of 20% or higher and payout ratio of 50% or higher	21.5% 50.0%	Achieved
		Growth rate of consolidated operating profit	Determined based on a table in accordance with the results (average during the covered period)	106.2%	1.10
	Non-financials	Achievement rate of CO ₂ emissions reduction target (Note) 3	Determined based on a table in accordance with the results (evaluation coefficient is the average during the covered period)	91.9%	0.88
		Percentage of female management personnel		8.9%	1.10
		Employee engagement score (Note) 1		62.8 (AA)	1.20
		Compliance penetration level		91.9%	0.90

- (Notes) 1. Outcomes from an employee engagement survey conducted by an external organization are used as results.
2. The Nominating and Remuneration Committee leads the initiative of Directors' mutual evaluation to ensure transparency.
3. Refers to the achievement rate of CO₂ emissions reduction target compared with CO₂ emissions in FY2017. The results were determined for the period of 12 months from January through December last year.

(6) Outside Officers**(i) Important concurrent positions and relationship with the Company****a. Outside Directors**

Name	Parties with which important concurrent positions are held and details of positions held concurrently	Relationship between such parties and the Company
Atsushi Iritani	Nagashima Ohno & Tsunematsu	There is no special relationship between these parties and the Company.
	Outside Director and Audit & Supervisory Committee Member, AKARU-TASU HOLDINGS Co., Ltd.	
Chieko Ouchi	Outside Director, Japan Green Investment Corp. for Carbon Neutrality	There is no special relationship between these parties and the Company.
	Outside Director, nosh Co., Ltd.	
Junko Owada	Outside Director, AEON MALL Co., Ltd.	There is no special relationship between these parties and the Company.
	Outside Director, H.I.S. Co., Ltd.	

b. Outside Directors (Audit & Supervisory Committee Members)

Name	Parties with which important concurrent positions are held and details of positions held concurrently	Relationship between such parties and the Company
Masa Matsushita	Outside Director, Cypress Holdings, Inc.	There is no special relationship between these parties and the Company.
	Outside Auditor, TEHARA Industry Co., Ltd.	
	Outside Auditor, Asilla, Inc.	
Takashi Shoda	-	-
Kenji Kobayashi	Representative, Kenji Kobayashi Certified Public Accountant Office	There is no special relationship between these parties and the Company.
	Joint CEO, BVCJ, Co., Ltd.	
	Outside Auditor, Hotel Management International K.K.	

(ii) Main activities during the fiscal year under review

a. Outside Directors

Name	Attendance at Board of Directors meetings (Attendance ratio)	Main activities and outline of duties performed in expected roles
Atsushi Iritani	15 times out of 15 meetings (100.0%)	<p>In the Board of Directors meetings, he actively stated opinions by making the most of his extensive experience and insights of legal affairs, compliance and others, thereby fulfilling the role expected of him in important decision-making and supervision of management.</p> <p>In addition, as Chairman of the Nominating and Remuneration Committee, he was proactively involved in ensuring transparency and fairness of nomination and remuneration. As Chairman of the Governance Committee, he was also proactively involved in strengthening the Company's corporate governance.</p>
Chieko Ouchi	12 times out of 12 meetings (100.0%)	<p>In the Board of Directors meetings, she actively stated opinions by making the most of her extensive experience and insights in human resource strategies, corporate branding and others, thereby fulfilling the role expected of her in important decision-making and supervision of management.</p> <p>In addition, as a Committee Member of the Nominating and Remuneration Committee, she was involved in ensuring transparency and fairness of nomination and remuneration. As a Committee Member of the Governance Committee, she was also involved in strengthening the Company's corporate governance.</p>
Junko Owada	12 times out of 12 meetings (100.0%)	<p>In the Board of Directors meetings, she actively stated opinions by making the most of her extensive experience and insights in human resource strategies, IT/DX and others, thereby fulfilling the role expected of her in important decision-making and supervision of management.</p> <p>In addition, as a Committee Member of the Nominating and Remuneration Committee, she was involved in ensuring transparency and fairness of nomination and remuneration. As a Committee Member of the Governance Committee, she was also involved in strengthening the Company's corporate governance.</p>

b. Outside Directors (Audit & Supervisory Committee Members)

Name	Attendance at Board of Directors meetings (Attendance ratio)	Attendance at Audit & Supervisory Committee meetings (Attendance ratio)	Main activities and outline of duties performed in expected roles
Masa Matsushita	15 times out of 15 meetings (100.0%)	12 times out of 12 meetings (100.0%)	<p>In the Board of Directors meetings, he actively stated his opinions based on his extensive experience and insights in corporate legal affairs and finance, thereby fulfilling the role expected of him in important decision-making and supervision of management.</p> <p>In the Audit & Supervisory Committee meetings, he actively exchanged opinions on audit policies as Chairman of the Audit & Supervisory Committee, and proactively conducted audits as Standing Audit & Supervisory Committee Member, through actions such as attending important internal meetings and visiting key offices and subsidiaries.</p> <p>In addition, as a Committee Member of the Governance Committee, he was involved in strengthening the Company's corporate governance.</p>
Takashi Shoda	15 times out of 15 meetings (100.0%)	12 times out of 12 meetings (100.0%)	<p>In the Board of Directors meetings, he actively stated his opinions based on his extensive experience and insights in corporate management that he accumulated as a corporate manager, thereby fulfilling the role expected of him in important decision-making and supervision of management.</p> <p>In the Audit & Supervisory Committee meetings, he actively exchanged opinions on audit policies and proactively conducted audits through actions such as interviews with Executive Directors.</p> <p>In addition, as a Committee Member of the Governance Committee, he was involved in strengthening the Company's corporate governance.</p>
Kenji Kobayashi	15 times out of 15 meetings (100.0%)	12 times out of 12 meetings (100.0%)	<p>In the Board of Directors meetings, he actively stated his opinions by making the most of his extensive experience and insights in finance and accounting and corporate management, thereby fulfilling the role expected of him in important decision-making and supervision of management.</p> <p>In the Audit & Supervisory Committee meetings, he actively exchanged opinions on audit policies and proactively conducted audits through actions such as interviews with Executive Directors.</p> <p>In addition, as a Committee Member of the Governance Committee, he was involved in strengthening the Company's corporate governance.</p>

(iii) Family Relationships of Outside Directors and Outside Audit & Supervisory Committee Members

None of the Outside Directors or Outside Audit & Supervisory Committee Members is an executive person of a subsidiary, associate or major business partner of the Company, or a spouse, any family within the third degree of kinship of a Director or Audit & Supervisory Committee Member of the Company or a similar person.

4. Company Structure and Policies

Policy on determination of cash dividends, etc.

The Company recognizes adequate profit return to shareholders as one of the most important management matters and is putting this into practice. For dividends, the Company, while taking the basic policy stance of providing stable dividends through ongoing reinforcement of our business foundation, aims to set the payout ratio at 50%, which includes a basic dividend of 100 yen and the profit return based on consolidated business performance.

In each term, the Company will examine acquisitions of treasury stock in comprehensive consideration of the business environment, stock market trends, financial positions, investment for growth, etc.

It was resolved at the 49th Ordinary General Meeting of Shareholders of the Company held on June 27, 2023 that the Company may determine cash dividends, etc. by a resolution of the Board of Directors as well as by a resolution of a General Meeting of Shareholders. However, as a general principle, we will determine year-end dividends by a resolution of an Ordinary General Meeting of Shareholders to secure an opportunity to directly listen to the intentions of our shareholders.

Consolidated Balance Sheet

(Millions of yen)

Assets			Liabilities		
Account item	(Reference) 50th Fiscal Term (As of March 31, 2024)	51st Fiscal Term (As of March 31, 2025)	Account item	(Reference) 50th Fiscal Term (As of March 31, 2024)	51st Fiscal Term (As of March 31, 2025)
Current assets:	624,275	756,441	Current liabilities:	326,941	410,833
Cash and deposits	245,758	235,890	Accounts payable for construction contracts	49,767	53,216
Money held in trust	11,500	—	Short-term borrowings	—	9,311
Accounts receivable from completed construction contracts and other	58,565	69,842	Current portion of long-term borrowings	10,982	58,681
Securities	3,798	3,006	Lease liabilities	203	224
Real estate for sale	17,115	94,515	Income taxes payable	22,065	28,393
Real estate for sale in process	41,472	100,001	Advances received on construction contracts in progress	52,868	49,751
Costs on construction contracts in progress	15,094	17,007	Advances received	102,424	120,180
Real estate for sale and development projects in progress	9,308	8,631	Provision for bonuses	23,278	28,654
Other inventories	7,195	8,567	Provision for warranties for completed construction	1,025	1,069
Prepaid expenses	75,579	81,748	Provision for loss on construction contracts	2,641	1,308
Operating loans	104,250	108,449	Deposits received	10,382	10,198
Other	35,197	29,317	Other	51,301	49,841
Allowance for doubtful accounts	(559)	(536)	Non-current liabilities:	347,327	344,517
Non-current assets:	455,794	466,341	Bonds payable	11,000	11,100
Property, plant and equipment	194,864	184,276	Long-term borrowings	57,176	44,530
Buildings and structures	62,873	63,562	Lease liabilities	656	629
Machinery and equipment	49,860	52,175	Deferred tax liabilities	101	1,400
Tools, furniture and fixtures	1,428	1,544	Provision for repairs on whole-building lease	221,824	229,105
Land	78,543	64,356	Retirement benefit liability	15,001	13,939
Lease assets	843	705	Long-term guarantee deposits	29,351	30,102
Other	1,314	1,932	Other	12,216	13,708
Intangible assets	33,406	35,150	Total liabilities	674,268	755,350
Goodwill	11,849	12,699	Net Assets		
Other	21,556	22,450	Shareholders' equity:	396,371	464,286
Investments and other assets	227,522	246,914	Share capital	29,060	29,060
Investment securities	53,737	44,160	Capital surplus	34,540	32,621
Subordinated bonds and subordinated trust beneficiary right	3,788	3,436	Retained earnings	391,255	445,821
Money held in trust	29,365	44,072	Treasury shares	(58,485)	(43,217)
Deferred tax assets	105,199	114,215	Accumulated other comprehensive income	6,169	2,103
Other	42,092	48,446	Valuation difference on available-for-sale securities	6,666	269
Allowance for doubtful accounts	(6,660)	(7,418)	Deferred gains or losses on hedges	714	81
			Revaluation reserve for land	(7,584)	(7,584)
			Foreign currency translation adjustment	7,164	9,407
			Remeasurements of defined benefit plans	(791)	(71)
			Share acquisition rights	130	56
			Non-controlling interests	3,129	986
			Total net assets	405,800	467,433
Total assets	1,080,069	1,222,783	Total liabilities and net assets	1,080,069	1,222,783

Consolidated Statement of Income

(Millions of yen)

Account item	(Reference) 50th Fiscal Term (From April 1, 2023 to March 31, 2024)		51st Fiscal Term (From April 1, 2024 to March 31, 2025)	
Net sales				
Net sales of completed construction contracts	492,434		540,975	
Sales in real estate lease business	1,129,164		1,164,672	
Sales in real estate development business	31,141		51,329	
Sales in other businesses	78,726	1,731,467	85,380	1,842,357
Cost of sales				
Cost of sales of completed construction contracts	376,980		404,134	
Cost of sales in real estate lease business	997,400		1,031,682	
Cost of sales in real estate development business	24,821		39,563	
Cost of sales in other businesses	47,487	1,446,689	51,120	1,526,501
Gross profit				
Gross profit on completed construction contracts	115,454		136,841	
Gross profit - real estate lease business	131,764		132,989	
Gross profit - real estate development business	6,319		11,766	
Gross profit - other business	31,239	284,777	34,259	315,856
Selling, general and administrative expenses		179,958		196,981
Operating profit		104,819		118,875
Non-operating income				
Interest income	775		842	
Dividend income	194		515	
Commission income	3,157		3,501	
Share of profit of entities accounted for using equity method	—		697	
Foreign exchange gains	—		4,775	
Miscellaneous income	1,794	5,920	1,739	12,072
Non-operating expenses				
Interest expenses	441		611	
Provision of allowance for doubtful accounts	—		0	
Commission expenses	121		119	
Share of loss of entities accounted for using equity method	69		—	
Foreign exchange losses	638		—	
Miscellaneous expenses	749	2,020	761	1,491
Ordinary profit		108,720		129,455
Extraordinary income				
Gain on sale of non-current assets	48		146	
Gain on sale of investment securities	2,136		4,543	
Compensation income	1,060		—	
Other	16	3,261	—	4,689
Extraordinary losses				
Loss on sale and retirement of non-current assets	274		334	
Impairment losses	664		3,178	
Loss on sale of investment securities	10		21	
Loss on valuation of investment securities	424	1,374	555	4,090
Profit before income taxes		110,607		130,055
Income taxes - current	43,924		42,827	
Income taxes - deferred	(8,539)	35,385	(6,506)	36,320
Profit		75,222		93,734
Profit (loss) attributable to non-controlling interests		536		(123)
Profit attributable to owners of parent		74,685		93,858

Non-consolidated Balance Sheet

(Millions of yen)

Assets			Liabilities		
Account item	(Reference) 50th Fiscal Term (As of March 31, 2024)	51st Fiscal Term (As of March 31, 2025)	Account item	(Reference) 50th Fiscal Term (As of March 31, 2024)	51st Fiscal Term (As of March 31, 2025)
Current assets:	397,581	452,404	Current liabilities:	465,334	520,770
Cash and deposits	161,387	151,960	Accounts payable for construction contracts	37,186	37,554
Accounts receivable from completed construction contracts and other	35,514	44,901	Current portion of long-term borrowings	10,600	48,750
Securities	3,798	3,006	Lease liabilities	25	44
Real estate for sale	1,225	24,456	Accounts payable - other	22,363	21,058
Real estate for sale in process	20,128	29,568	Income taxes payable	3,225	10,456
Costs on construction contracts in progress	14,916	16,364	Accrued consumption taxes	4,443	3,453
Real estate for sale and development projects in progress	9,308	8,631	Advances received on construction contracts in progress	51,149	48,355
Raw materials and supplies	4,788	6,255	Advances received	13,716	12,876
Short-term loans receivable from subsidiaries and affiliates	130,100	152,887	Deposits received	304,738	317,998
Prepaid expenses	648	1,877	Provision for bonuses	13,323	16,869
Accounts receivable - other	8,432	5,963	Provision for warranties for completed construction	992	1,013
Advances paid	4,677	4,618	Provision for loss on construction contracts	2,620	1,304
Other	3,135	2,372	Other	950	1,035
Allowance for doubtful accounts	(480)	(459)	Non-current liabilities:	85,006	38,453
Non-current assets:	287,216	310,109	Bonds payable	11,000	11,000
Property, plant and equipment	84,855	64,889	Long-term borrowings	54,825	6,075
Buildings	18,011	15,680	Lease liabilities	20	84
Structures	543	587	Provision for retirement benefits	8,599	8,558
Machinery and equipment	368	13	Other	10,561	12,735
Tools, furniture and fixtures and other	366	454	Total liabilities	550,341	559,224
Land	64,539	47,065	Net Assets		
Lease assets	41	118	Shareholders' equity:	134,819	210,697
Construction in progress	984	969	Share capital	29,060	29,060
Intangible assets	14,233	14,336	Capital surplus	34,540	34,540
Software	8,208	10,085	Legal capital surplus	34,540	34,540
Software in progress	5,842	4,028	Retained earnings	129,704	190,313
Other	182	222	Legal retained earnings	7,265	7,265
Investments and other assets	188,127	230,883	Other retained earnings	122,438	183,048
Investment securities	32,289	20,189	Retained earnings brought forward	122,438	183,048
Subordinated bonds and subordinated trust beneficiary right	3,788	3,436	Treasury shares	(58,485)	(43,217)
Money held in trust	29,365	33,069	Valuation and translation adjustments:	(462)	(7,464)
Stocks of subsidiaries and affiliates	89,677	113,769	Valuation difference on available-for-sale securities	6,407	38
Long-term loans receivable from subsidiaries and affiliates	1,855	2,059	Deferred gains or losses on hedges	714	81
Deferred tax assets	12,969	17,265	Revaluation reserve for land	(7,584)	(7,584)
Guarantee deposits	8,594	8,803	Share acquisition rights	99	56
Other	10,419	33,131	Total net assets	134,456	203,290
Allowance for doubtful accounts	(831)	(841)	Total liabilities and net assets	684,797	762,514
Total assets	684,797	762,514			

Non-consolidated Statement of Income

(Millions of yen)

Account item	(Reference) 50th Fiscal Term (From April 1, 2023 to March 31, 2024)		51st Fiscal Term (From April 1, 2024 to March 31, 2025)	
Net sales				
Net sales of completed construction contracts	492,150		532,823	
Sales on real estate business, etc.	14,234	506,384	19,238	552,061
Cost of sales				
Cost of sales of completed construction contracts	377,956		397,464	
Cost of sales on real estate business, etc.	8,210	386,167	13,134	410,599
Gross profit				
Gross profit on completed construction contracts	114,194		135,358	
Gross profit-real estate business, etc.	6,023	120,217	6,103	141,462
Selling, general and administrative expenses		112,170		121,711
Operating profit		8,046		19,750
Non-operating income				
Interest income	594		771	
Interest on securities	259		26	
Dividend income	49,005		78,291	
Commission income	2,667		2,834	
Miscellaneous income	3,054	55,581	7,743	89,666
Non-operating expenses				
Interest expenses	309		475	
Commission expenses	—		119	
Interest on bonds	50		50	
Provision of allowance for doubtful accounts	141		—	
Loss on extinguishment of share-based payment expenses	—		120	
Miscellaneous expenses	245	746	288	1,055
Ordinary profit		62,881		108,361
Extraordinary income				
Gain on sale of non-current assets	—		87	
Gain on sale of investment securities	2,645	2,645	4,430	4,517
Extraordinary losses				
Loss on sale and retirement of non-current assets	51		75	
Loss on valuation of investment securities	—		563	
Impairment losses	411	462	2,969	3,608
Profit before income taxes		65,064		109,270
Income taxes – current	9,500		10,562	
Income taxes – deferred	(3,063)	6,437	(1,206)	9,356
Profit		58,627		99,914