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Securities code: 2982

March 12, 2024

(Date of commencement of measures for electronic provision: March 4, 2024)

To Shareholders with Voting Rights:

Hideo Tanaka
President and CEO
A.D.Works Group Co., Ltd.
2-2-3, Uchisaiwai-cho, Chiyoda-ku,
Tokyo, Japan

**NOTICE OF
THE 4TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 4th Annual General Meeting of Shareholders of A.D.Works Group Co., Ltd. (the “Company”) will be held as described below.

When convening this General Meeting of Shareholders, we will provide information electronically and thus post matters subject to measures for electronic provision as “NOTICE OF THE 4TH ANNUAL GENERAL MEETING OF SHAREHOLDERS” on the websites below on the Internet.

The Company’s website

<https://www.adwg.co.jp/en/ir/library/>

In addition to the above, matters subject to measures for electronic provision are also posted on the website below on the Internet.

TSE website (TSE Information on Listed Company Search)

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

Please access the website above, enter and search an issue name (A.D.Works Group) or securities code (2982), and select “Basic information,” “Documents for public inspection/PR information,” “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” in that order.

If you do not attend the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Tuesday, March 26, 2024, Japan time by following the guidance provided hereafter.

- 1. Date and Time:** Wednesday, March 27, 2024 at 10:00 a.m. Japan time
(Reception starts at 9:30 a.m.)
- 2. Place:** Hibiya International Building Conference Square 8F
Hibiya International Building 8F
2-2-3, Uchisaiwai-cho, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 4th Fiscal Year (January 1, 2023 – December 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 4th Fiscal Year (January 1, 2023 – December 31, 2023)
- Matters to be resolved:**
- Proposal 1:** Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 2:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 3:** Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

Exercise of Voting Rights and Other Matters Regarding the Convocation

- (1) **Method of exercising voting rights**
To exercise your voting rights, please choose one of the three means of attending the meeting in person on the day of the meeting, sending the Voting Rights Exercise Form by mail, or via the Internet, etc.
- (2) **Handling of the voting rights exercised multiple times**
If you exercise your voting rights both in writing and via the Internet, etc., your voting rights exercised via the Internet, etc. shall be deemed valid.
If you exercise your voting rights multiple times via the Internet, etc., the last exercise of your voting rights will be deemed valid.
- (3) **Handling of voting rights exercised without indicating approval or disapproval of proposals**
If you do not indicate your vote of approval or disapproval of proposals on the Voting Rights Exercise Form, you will be deemed to have approved the proposals.
- (4) **Exercise of the voting rights by proxy**
If you are unable to attend the meeting in person, another shareholder of the Company entitled to exercise voting rights may attend as your proxy. Please be advised that such proxy is required to submit a document certifying authority of the proxy.
- (5) **Attending in person on the day of the meeting**
When attending in person on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the meeting venue.
- (6) **This Notice**
Due to amendments to the Companies Act, matters subject to measures for electronic provision, such as the Reference Documents for the General Meeting of Shareholders, etc., will, in principle, be made available for viewing on the websites indicated above, and the Company will send paper copies only to shareholders who have requested them by the record date. However, for this General Meeting of Shareholders, even shareholders who did not request paper copies are being sent a summarized paper version containing the content of the Reference Documents for the General Meeting of Shareholders, etc., which is part of the matters subject to measures for electronic provision.
In addition, shareholders who requested paper copies are being sent documents basically containing all matters subject to measures for electronic provision. However, even these documents do not include the following matters, based on the provisions of laws and regulations and Article 17 of the Articles of Incorporation of the Company. Therefore, these documents are part of the documents that were audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing audit reports.
 - 1) “Summary of the System to Ensure Appropriateness of Business Activities and Status of Operations Thereof” in the Business Report;
 - 2) “Consolidated Statement of Changes in Equity” in the Consolidated Financial Statements;
 - 3) “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements;
 - 4) “Non-consolidated Statement of Changes in Equity” in the Non-consolidated Financial Statements; and
 - 5) “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial StatementsFor details on the Large-Scale Purchase Rules described in “Basic Policy Regarding Control of the Company” in the Business Report, please refer to the “NOTICE OF THE 3RD ANNUAL GENERAL MEETING OF SHAREHOLDERS 2023” posted on the websites indicated above.
- (7) **Revision of the documents, etc.**
Should this Notice or matters subject to measures for electronic provision require revision, the fact that revisions have been made, and the relevant matters before and after the revisions shall be disclosed on the websites above.


Reference Documents for the General Meeting of Shareholders

Proposals and References


Proposal 1: Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)



The terms of office of all five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, as the Company has determined that increasing the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) by one (1) would be appropriate for the future business expansion, it proposes that six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members) be elected.


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

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 Hideo Tanaka (February 7, 1950) [Reappointment]	April 1973 Joined Seibu Real Estate Co., Ltd. July 1991 Established Tanaka Fudosan Office October 1992 Joined Houseport Seiyo Co., Ltd. (currently Mizuho Realty Co., Ltd.) March 1993 Director of A.D.Works Co., Ltd. February 1995 Representative Director and President of A.D.Works Co., Ltd. April 2020 President and CEO of the Company (current position) January 2024 Representative Director and Chairman of A.D.Works Co., Ltd. (current position) [Significant concurrent positions] Representative Director and Chairman of A.D.Works Co., Ltd. Representative Director and Chairman of A.D.Partners Co., Ltd. Director and Chairman of A.D.Works USA, Inc. Director and Chairman of ADW Management USA, Inc.	5,003,017
[Reason for nomination as candidate for Director] Mr. Hideo Tanaka has a proven track record of leading the real estate business of A.D.Works Co., Ltd. (whose sole transfer of shares established the Company) from its start-up phase to the position it has grown into today. The Company has nominated him as a candidate for Director as it believes that his wealth of management experience as Representative Director and President, as well as his deep insight into the real estate business are indispensable for increasing the corporate value of the Group.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p>Toshiya Suzuki (November 9, 1964) [Reappointment]</p>	<p>April 1989 Joined Recruit Cosmos Co., Ltd. (currently COSMOS INITIA Co., Ltd.)</p> <p>January 2008 General Manager, Corporate Sales Section of AM Business Department of COSMOS INITIA Co., Ltd.</p> <p>November 2009 General Manager, Brokerage Business Department of COSMOS INITIA Co., Ltd.</p> <p>October 2013 General Manager, Solutions Business Department and General Manager, Investment Property Planning and Development Department of COSMOS INITIA Co., Ltd.</p> <p>October 2014 General Manager, Ownership Section of Leasing Business Department of COSMOS INITIA Co., Ltd.</p> <p>October 2015 Executive Officer and General Manager, Business Planning Office of A.D.Works Co., Ltd.</p> <p>June 2018 Director, Executive Officer, and General Manager, Business Planning Division of A.D.Works Co., Ltd.</p> <p>April 2019 Director, Executive Officer, and General Manager, Investment Properties Business Division of A.D.Works Co., Ltd.</p> <p>April 2020 Director and Senior Executive Officer of the Company</p> <p>January 2021 Director of the Company</p> <p>March 2023 Senior Managing Director of the Company (current position)</p> <p>January 2024 Representative Director and President of A.D.Works Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Representative Director and President of A.D.Works Co., Ltd. Director of A.D.Partners Co., Ltd. Director of JMR Asset Management Co., Ltd.</p>	90,472
<p>[Reason for nomination as candidate for Director] Mr. Toshiya Suzuki has a wealth of experience in the real estate business, including brokerage, leasing, and development for corporations, etc., at a major real estate company. He has an excellent track record in the income property leasing, development, and sales businesses at A.D.Works Co., Ltd. The Company has nominated him as a candidate for Director as it expects that he will continue to contribute to increasing the Group's corporate value by having experience appropriate for managing and supervising business divisions.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 <p>Koji Kaneko (October 23, 1965) [Reappointment]</p>	<p>April 1988 Joined ITOCHU Corporation June 2001 Joined KPMG Business Advisory LLC February 2002 General Manager, New Business Department of OHKI CORPORATION June 2004 Joined Fund Creation Co., Ltd. October 2004 Chief Executive Officer of Fund Creation REIT Advisers Co., Ltd. September 2010 General Manager, Management Strategy Division of Daito Trust Construction Co., Ltd. March 2013 Executive Officer and General Manager, Overseas Business Planning Office of A.D.Works Co., Ltd. June 2018 Director, Senior Executive Officer, and General Manager, Overseas Business Department of A.D.Works Co., Ltd. April 2020 Director and Senior Executive Officer of the Company January 2021 Director of the Company March 2023 Managing Director of the Company (current position) January 2024 Director and Managing Executive Officer of A.D.Works Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Director and Managing Executive Officer of A.D.Works Co., Ltd. Director, CEO and President of A.D.Works USA, Inc. Director of ADW Management USA, Inc. Representative Director and President of JMR Asset Management Co., Ltd.</p>	79,747
<p>[Reason for nomination as candidate for Director] Mr. Koji Kaneko has a track record of launching the US income property sales business at A.D.Works Co., Ltd. and growing it into a core business of the Group. He also has management experience at an asset management company of a listed REIT. The Company has nominated him as a candidate for Director as it expects that he will continue to contribute to increasing the Group's corporate value by having experience appropriate for managing and supervising business divisions.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	 Haruyasu Yamashita (January 3, 1967) [New appointment]	April 1989 Joined Sumitomo Realty & Development Co., Ltd. October 2001 Joined GMAC Commercial Mortgage Japan K.K. July 2005 Executive Director, Lending Division of UNIFIED PARTNERS, Ltd. June 2010 Business Development Executive of AMP Capital Investors Japan KK January 2013 Director, Real Estate Finance Department of The Tokyo Star Bank, Limited August 2016 General Manager of Finance & Accounting of A.D.Works Co., Ltd. April 2020 Group Managing Officer, Finance Division of the Company March 2021 Executive Officer, Senior Executive Manager, Finance Division of the Company (current position) [Significant concurrent position] Director and Executive Officer of A.D.Works Co., Ltd.	15,020
<p>[Reason for nomination as candidate for Director] Mr. Haruyasu Yamashita is highly knowledgeable in both non-recourse and corporate loan financing operations in general and real estate operations, including development. The Company has nominated him as a candidate for Director as it expects that he will contribute to increasing the Group's corporate value by leveraging his extensive experience and knowledge in the Group's corporate planning and finance.</p>			
5	 Taizo Muroya (July 4, 1976) [New appointment]	April 2002 Joined NTT Facilities, Inc. August 2005 Joined SBI Partners Co., Ltd. March 2006 Joined SBI Holdings, Inc. January 2017 Joined A.D.Works Co., Ltd. October 2017 General Manager, ARISTO Business Department, Business Planning Division of A.D.Works Co., Ltd. April 2019 General Manager, Asset Management Department, Investment Properties Business Division of A.D.Works Co., Ltd. April 2020 Executive Officer and Deputy General Manager, Investment Properties Business Division of A.D.Works Co., Ltd. January 2021 Director, Executive Officer, and General Manager, Asset Management Division of A.D.Works Co., Ltd. (current position) [Significant concurrent position] Director, Executive Officer, and General Manager, Asset Management Business Division of A.D.Works Co., Ltd.	-
<p>[Reason for nomination as candidate for Director] Mr. Taizo Muroya has a wealth of experience in the real estate business, including real estate transactions and fund management at a major financial services group, as well as experience in the online advertising business. He also has an excellent track record in the small-lot real estate product business at A.D.Works Co., Ltd. The Company has nominated him as a candidate for Director as it expects that he will contribute to increasing the Group's corporate value by having experience appropriate for managing and supervising business divisions.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
6	 Mamoru Sekiyama (August 14, 1949) [New appointment] [Outside] [Independent]	April 1974 Joined Marubeni Corporation April 2001 Senior Operating Officer, Utility Infrastructure Division and General Manager, Overseas Power Project Department of Marubeni Corporation April 2002 Corporate Vice President, Chief Operating Officer, Utility Infrastructure Division of Marubeni Corporation April 2005 Corporate Senior Vice President of Marubeni Corporation June 2006 Corporate Senior Vice President, Representative Director of Marubeni Corporation April 2007 Corporate Executive Vice President, Representative Director of Marubeni Corporation April 2009 Senior Executive Vice President, Representative Director of Marubeni Corporation April 2013 Vice Chairman of Marubeni Corporation April 2015 Corporate Adviser of Marubeni Corporation April 2015 Chairman of Marubeni Power Systems Corporation May 2016 Chairman of the Board, The Philippine Society of Japan (current position) June 2017 Outside Director of Astellas Pharma Inc. April 2020 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) [Significant concurrent position] Chairman of the Board, The Philippine Society of Japan	-	
		[Reason for nomination as candidate for Outside Director and expected roles] Mr. Mamoru Sekiyama has a wealth of experience, including international experience, and extensive knowledge accumulated as a corporate manager and outside director. The Company has nominated him as a candidate for Outside Director as it expects that he will provide advice and recommendations on corporate management, including management strategies, based on his extensive knowledge.		

- Notes:
- There are no special interests between any of the candidates and the Company.
 - Mr. Sekiyama is a candidate for Outside Director. He is currently an Outside Director (Audit & Supervisory Committee Member) of the Company and will have served for four years as Outside Director (Audit & Supervisory Committee Member) at the conclusion of this General Meeting of Shareholders.
 - The Company has entered into a directors and officers liability insurance agreement with an insurance company, making each candidate an insured. If the candidates are elected as Directors (excluding Directors who are Audit & Supervisory Committee Members) at this General Meeting of Shareholders, they will continue to be included as insured. Details of the agreement are given below. As the directors and officers liability insurance agreement is renewed every year, the Company plans to renew the agreement after its expiration, following the procedure required by the Companies Act.
 - Damages covered in the agreement are those that may arise due to the insured assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability. However, claims for damages caused by intent or gross negligence are not covered.
 - The insurance premiums are fully paid by the Company.
 - Pursuant to the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Sekiyama, who is an Outside Director (Audit & Supervisory Committee Member), to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum liability limit under the agreement is the amount stipulated in laws and regulations. If Mr. Sekiyama is elected as an Outside Director at this General Meeting of Shareholders, the Company will enter into the same liability limitation agreement with him.

5. The Company has registered Mr. Sekiyama as an independent director with the Tokyo Stock Exchange, Inc. If he is elected as a Director at this General Meeting of Shareholders, the Company will continue to make him an independent director.
6. The number of shares of the Company held by each candidate is as of January 1, 2024.


Proposal 2: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members


The terms of office of all four (4) Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, as a result of reviewing the optimal Board of Directors structure, the Company has determined that decreasing the number of Directors who are Audit & Supervisory Committee Members by one (1) would be appropriate, and therefore proposes that three (3) Directors who are Audit & Supervisory Committee Members be elected.

The proposal has been approved by the Audit & Supervisory Committee.

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

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 <p>Hisashi Tanaami (September 11, 1954)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>April 1978 Joined Chiyoda Mutual Life Insurance Company (currently The Gibraltar Life Insurance Co., Ltd.)</p> <p>February 2001 Joined Matsui Securities Co., Ltd.</p> <p>June 2002 Director of Matsui Securities Co., Ltd.</p> <p>February 2004 Managing Director of Matsui Securities Co., Ltd.</p> <p>June 2005 Member of the Board of Auditors of Monex Beans, Inc. (currently Monex, Inc.)</p> <p>June 2005 Full-time Member of the Board of Auditors of Monex Beans Holdings, Inc. (currently Monex Group, Inc.)</p> <p>June 2007 Director of Monex, Inc.</p> <p>June 2007 Director of Monex Group, Inc.</p> <p>April 2008 Adjunct Lecturer, Faculty of Science and Engineering of Hosei University (current position)</p> <p>February 2011 Representative Director & Vice President of Monex, Inc.</p> <p>June 2013 Executive Officer of Monex Group, Inc.</p> <p>April 2017 Vice Chairman, Member of the Board of Monex, Inc.</p> <p>December 2019 Statutory Auditor of Japan Catalyst, Inc. (current position)</p> <p>January 2020 Outside Director (Audit & Supervisory Committee Member) of Tobila Systems Inc. (current position)</p> <p>April 2020 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p>June 2021 Part-time Director of Public Interest Foundation International Manpower Development Organization, Japan (current position)</p> <p>June 2023 Statutory Auditor of Monex Asset Management, Inc. (current position)</p> <p>[Significant concurrent positions] Statutory Auditor of Japan Catalyst, Inc. Outside Director (Audit & Supervisory Committee Member) of Tobila Systems Inc. Adjunct Lecturer, Faculty of Science and Engineering of Hosei University Part-time Director of Public Interest Foundation International Manpower Development Organization, Japan Audit & Supervisory Board Member of Monex Asset Management, Inc.</p>	-
<p>[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and expected roles]</p> <p>Mr. Hisashi Tanaami has a wealth of experience accumulated while working as a corporate manager and in investment banking business, etc., at securities companies, and a high level of knowledge of corporate governance. The Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member as it expects that he will contribute to strengthening the supervisory function of the Board of Directors by appropriately monitoring and supervising management at the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p>Sachiko Awai (May 21, 1957)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>July 1984 Joined Japan Office of U.S. Meat Export Federation</p> <p>January 1991 Joined Estée Lauder Companies (currently ELC Japan K.K.)</p> <p>March 1997 Joined NIHON L'ORÉAL K.K.</p> <p>November 2004 Joined GUERLAIN (LVJ Group)</p> <p>May 2012 Joined fitfit, inc.</p> <p>May 2013 President and Representative Director of La Prairie Japan</p> <p>January 2019 General Manager, INCOCO Business Department of Newport Ltd.</p> <p>January 2019 Part Time Adviser, Natural Water Business Department of Harves Co., Ltd.</p> <p>June 2019 Outside Director (Audit & Supervisory Committee Member) of A.D.Works Co., Ltd.</p> <p>April 2020 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p>June 2020 Outside Director of INFOCOM CORPORATION (current position)</p> <p>March 2022 Outside Director (Audit & Supervisory Committee Member) of BP Castrol K.K. (current position)</p> <p>June 2023 Outside Director of H.U. Group Holdings, Inc. (current position)</p> <p>[Significant concurrent positions] Outside Director of INFOCOM CORPORATION Outside Director (Audit & Supervisory Committee Member) of BP Castrol K.K. Outside Director of H.U. Group Holdings, Inc.</p>	-
<p>[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and expected roles]</p> <p>Ms. Sachiko Awai has experience as a representative director of the Japanese branch of a global company and has a wealth of marketing experience for foreign brands built up over many years. The Company has nominated her as a candidate for Outside Director who is an Audit & Supervisory Committee Member as it expects that she will contribute to strengthening the supervisory function of the Board of Directors by appropriately monitoring and supervising management at the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Hiroyuki Somekawa (July 29, 1958) [New appointment] [Outside] [Independent]	April 1981 Joined Asahi Mutual Life Insurance Company April 1992 Deputy Manager, Real Estate General Affairs Section, Real Estate Department of Asahi Mutual Life Insurance Company April 1995 Manager, Business Promotion Office, Business Department of Asahi Mutual Life Insurance Company April 1996 Chief Secretary, Secretary Department of Asahi Mutual Life Insurance Company September 2009 Deputy General Manager in Charge of Human Resources, General Affairs and Personnel Management Division of Asahi Mutual Life Insurance Company April 2012 General Manager, Internal Audit Department of Asahi Mutual Life Insurance Company April 2015 Standing Statutory Auditor of Asahi Mutual Life Insurance Company January 2022 Auditor of A.D.Works Co., Ltd. (current position) [Significant concurrent position] Auditor of A.D.Works Co., Ltd.	-
<p>[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and expected roles]</p> <p>Mr. Hiroyuki Somekawa has experience in the internal audit department and as a Standing Statutory Auditor of major life insurance company. The Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member as it expects that he will help strengthen the supervisory function of the Board of Directors by giving advice to the Group from the perspective of the financial industry and appropriately monitoring and supervising management.</p>			

- Notes:
- There are no special interests between any of the candidates and the Company.
 - All of the candidates are candidates for Outside Directors.
 - The Company has entered into a directors and officers liability insurance agreement with an insurance company, making each candidate an insured. If the candidates are elected as Directors who are Audit & Supervisory Committee Members at this General Meeting of Shareholders, they will continue to be included in the insured under the same agreement. (Details of the agreement are given below.) In addition, as the directors and officers liability insurance agreement is renewed every year, the Company plans to renew the agreement after its expiration, following the procedure required by the Companies Act.
 - Damages covered in the agreement are those that may arise due to the insured assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability. However, claims for damages caused by intent or gross negligence are not covered.
 - The insurance premiums are fully paid by the Company.
 - Pursuant to the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into liability limitation agreements with Mr. Tanaami and Ms. Awai to limit their liabilities for damages under Article 423, Paragraph 1 of the same Act. The maximum liability limit under each agreement is the amount stipulated in laws and regulations. If the above-mentioned candidates are elected as Directors who are Audit & Supervisory Committee Members at this General Meeting of Shareholders, the Company will continue the agreements with them. In addition, if Mr. Somekawa is elected as a Director who is an Audit & Supervisory Committee Member at this General Meeting of Shareholders, the Company will enter into the same liability limitation agreement with him.
 - The Company has registered Mr. Tanaami and Ms. Awai as independent directors with the Tokyo Stock Exchange, Inc. If the candidates are elected as Directors who are Audit & Supervisory Committee Members at this General Meeting of Shareholders, the Company will continue to make them independent directors. In addition, if Mr. Somekawa is elected as a Director who is an Audit

& Supervisory Committee Member at this General Meeting of Shareholders, the Company will register him as an independent director with the Tokyo Stock Exchange, Inc.

6. Mr. Tanaami and Ms. Awai will have served for four years as Outside Directors (Audit & Supervisory Committee Members) of the Company at the conclusion of this General Meeting of Shareholders. Furthermore, Ms. Awai has once served as an Outside Director (Audit & Supervisory Committee Member) at the Company's subsidiary A.D.Works Co., Ltd., and Mr. Somekawa currently serves as an Auditor at A.D.Works Co., Ltd.
7. The number of shares of the Company held by each candidate is as of January 1, 2024.


Proposal 3: Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

The Company proposes the election of one (1) substitute Director who is an Audit & Supervisory Committee Member to prepare for cases when the number of Directors who are Audit & Supervisory Committee Members falls below the number set forth in laws and regulations.

In addition, the election may be nullified by a resolution of the Board of Directors with the consent of the Audit & Supervisory Committee, but only before the elected assumes office.

The proposal has been approved by the Audit & Supervisory Committee.

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

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
 Tamio Harakawa (June 16, 1950) [Outside] [Independent]	April 1974 Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) August 1995 Manager, Nara Saidaiji Branch of The Sumitomo Trust and Banking Co., Ltd. June 1997 Manager, Shinjuku Branch of The Sumitomo Trust and Banking Co., Ltd. June 1998 General Manager, Business Promotion Department of The Sumitomo Trust and Banking Co., Ltd. June 2001 Manager, Fukuoka Branch of The Sumitomo Trust and Banking Co., Ltd. June 2003 President and Director of Businext Corporation June 2007 Director and Senior Executive Officer of Sumishin Business Service Co., Ltd. (currently Sumitomo Mitsui Trust Business Service Co., Ltd.) June 2008 Auditor of Life Housing Loan, Ltd. (currently Sumitomo Mitsui Trust Loan & Finance Co., Ltd.) October 2010 Adviser, Research Department of The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) June 2012 Outside Auditor of A.D.Works Co., Ltd. June 2016 Outside Director (Audit & Supervisory Committee Member) of A.D.Works Co., Ltd. March 2022 Outside Auditor of Sumikawa ADD Co., Ltd. (current position) [Significant concurrent position] Outside Auditor of Sumikawa ADD Co., Ltd.	-
<p>[Reason for nomination as candidate for substitute Outside Director who is an Audit & Supervisory Committee Member and expected roles]</p> <p>Mr. Tamio Harakawa has a wealth of experience and extensive knowledge of corporate management and auditing. The Company has nominated him as a candidate for substitute Outside Director who is an Audit & Supervisory Committee Member as it expects that he will help strengthen the supervisory function of the Board of Directors by monitoring overall management and providing effective advice at the Company.</p>		

- Notes:
1. There are no special interests between the candidate and the Company.
 2. Mr. Harakawa is a candidate for substitute Outside Director.
 3. The Company has entered into a directors and officers liability insurance agreement with an insurance company, making Mr. Harakawa the insured. If he assumes office as a Director who is an Audit & Supervisory Committee Member, he will continue to be included in the insured under the same agreement. (Details of the agreement are given below.) In addition, as the directors and officers

liability insurance agreement is renewed every year, the Company plans to renew the agreement after its expiration, following the procedure required by the Companies Act.

- Damages covered in the agreement are those that may arise due to the insured assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability.

However, claims for damages caused by intent or gross negligence are not covered.

- The insurance premiums are fully paid by the Company.

4. Pursuant to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company will enter into a liability limitation agreement with Mr. Harakawa to limit his liabilities for damages under Article 423, Paragraph 1 of the same Act if he assumes office as an Outside Director who is an Audit & Supervisory Committee Member. The maximum liability limit under the agreement will be the amount stipulated in laws and regulations.
5. If Mr. Harakawa assumes office as an Outside Director who is an Audit & Supervisory Committee Member, the Company will register him as an independent director with the Tokyo Stock Exchange, Inc.
6. Mr. Harakawa has once served as an Outside Auditor and an Outside Director (Audit & Supervisory Committee Member) at the Company's subsidiary A.D.Works Co., Ltd. and currently serves as an Outside Auditor at the Company's subsidiary Sumikawa ADD Co., Ltd.
7. The number of shares of the Company held by the candidate is as of January 1, 2024.

(Reference)

Functions Matrix of the A.D.Works Group's Board of Directors

If Proposals 1 and 2 are approved as originally proposed, the functions matrix of the Company's Board of Directors will be as follows.

Knowledge: information learned with essential understanding

Insight: assertion of thoughts based on knowledge

Level: the person is capable of giving a lecture at the Company or outside the Company on the theme marked with ○

Function category 1 (Requirements to be elected as Outside Director): Competence to fulfill the supervisory function (skills, experience, etc.)

Name	Outside Director				Outside Directors as a whole	Board of Directors as a whole
	Mamoru Sekiyama	Hisashi Tanaami	Sachiko Awai	Hiroyuki Somekawa		
Gender	Male	Male	Female	Male		
1) Corporate governance and risk management						
Insights into corporate governance	○	○	○	○	○	○
Experience and insights related to risk management (assessment and assertion)	○	○	○		○	○
Insights related to the stewardship code and engagement guidelines		○			○	○
Insights related to conflicts of interest between creditors / shareholders, and the management; insights related to related party transactions		○			○	○
Experience or insights related to the establishment and evaluation of internal control systems	○	○	○	○	○	○
Experience or insights related to the establishment and evaluation of information security		○			○	○
2) Compliance						
Knowledge of the Companies Act	○	○		○	○	○
Knowledge of the Financial Instruments and Exchange Act		○		○	○	○
Knowledge of disclosure and the rules of the exchanges		○			○	○
Knowledge of global laws	○				○	○
Knowledge of accounting standards and accounting audits		○		○	○	○
Knowledge of laws and regulations relevant to business areas	○				○	○

Function category 2 (Requirements to be elected as Outside Director): Functions contributing to increasing corporate value (skills, experience, etc.)

	Outside Director				Outside Directors as a whole	Board of Directors as a whole
	Mamoru Sekiyama	Hisashi Tanaami	Sachiko Awai	Hiroyuki Somekawa		
Name						
Gender	Male	Male	Female	Male		
1) Experience and knowhow related to corporate management						
Experience as a senior management team member at multiple companies and insights related to management		○	○	○	○	○
Experience as director at public companies and insights related to management	○	○	○		○	○
Successful achievements related to allocation of management resources (mainly in decision making on business portfolios)	○		○		○	○
Track record of management consulting for diverse companies		○			○	○
2) Experience and knowhow related to investment in companies and businesses *Board 3.0 item						
Track record as an investor (PE fund, VC, fund manager, etc.)		○			○	○
Successful achievements in starting up a business; successful achievement in setting up a new business	○				○	○
Successful achievements related to M&As and PMI	○	○			○	○
Business experience and insights related to the evaluation of corporate value	○				○	○
3) Experience and knowhow related to human resources policy and fund procurement						
Insights related to diversity			○	○	○	○
Successful achievements and insights related to diverse work styles and the designing of human resources systems		○		○	○	○
Successful achievements and insights related to diverse capital policies, stock policies, and fund procurement	○	○			○	○

Function category 3 (Requirements to be elected as Director, including Executive Director): Functions contributing to increasing corporate value (skills, experience, etc.)

Name	Outside Director				Outside Directors as a whole	Internal Executive Director					Board of Directors as a whole
	Mamoru Sekiyama	Hisashi Tanaami	Sachiko Awai	Hiroyuki Somekawa		Hideo Tanaka	Toshiya Suzuki	Koji Kaneko	Haruyasu Yamashita	Taizo Muroya	
Gender	Male	Male	Female	Male		Male	Male	Male	Male	Male	
Insights into sustainability, SDGs, human capital and investment in intellectual property of corporations, and TCFD, etc.	○	○	○		○	○		○			○
Knowledge related to DX strategies, AI, etc.		○			○				○		○
Knowledge related to marketing strategies including digital marketing strategies			○		○				○	○	○
Track record, experience and insights related to the real estate business	○			○	○	○	○	○	○	○	○
Track record, experience and insights related to the wealth business			○		○	○	○	○		○	○
Track record, experience and insights related to other businesses	○	○	○	○	○	○		○			○
Track record, experience and insights related to organizational management	○	○	○	○	○	○	○	○	○	○	○
Global business network	○		○		○			○	○		○

Functions required of the Board of Directors as a whole of the Company are summarized as the “Functions Matrix of the Board of Directors.”

“Function category 1 (Requirements to be elected as Outside Director): Competence to fulfill the supervisory function (skills, experience, etc.)”

“Function category 2 (Requirements to be elected as Outside Director): Functions contributing to increasing corporate value (skills, experience, etc.)”

“Function category 3 (Requirements to be elected as Director, including Executive Director): Functions contributing to increasing corporate value (skills, experience, etc.)”

“Function category 1” and “Function category 2” are necessary requirements for appointment as Outside Director, and “Function category 3” lists requirements for appointment as Internal Executive Director. The capabilities, experience, etc. of individual Directors are evaluated according to this Matrix and a system in which all of these functions are satisfied by the Board of Directors as a whole is sought after. To enhance the diversity and supervisory functions of the Board of Directors, Outside Directors must supplement the skills, experience, etc. of the Internal Executive Directors. To that end, this Matrix is used as an important material for considering the selection of new candidates for Directors, to ensure an even balance of knowledge and experience among the Outside Directors so as to establish a structure in which the overall functions of the Board of Directors of the Company are well-balanced.