

Company name: Nippon Aqua Co., Ltd.
 (Securities code: 1429; Tokyo Stock Exchange, Prime Market)
 Address: 2-16-2 Konan, Minato-ku, Tokyo
 Name of representative: Fumitaka Nakamura, President and Representative Director
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Matters Concerning Controlling Shareholder, Etc.

Nippon Aqua Co., Ltd. (the “Company”) hereby announces that, with regard to YAMADA HOLDINGS CO., LTD. and Hinokiya Group Co., Ltd. which are parent companies, the matters concerning controlling shareholders, etc. are as described below.

1. Trade name, etc. of parent company, controlling shareholder (excluding parent company), other affiliated company or parent company of other affiliated company

(As of December 31, 2023)

Name	Attribute	Ratio of voting rights held (%)			Financial instruments exchange, etc. on which the issued shares, etc. are listed
		Voting rights directly held	Voting rights subject to aggregation	Total	
YAMADA HOLDINGS CO., LTD.	Parent company	0.00	55.51	55.51 Indirectly	Tokyo Stock Exchange, Prime Market
Hinokiya Group Co., Ltd.	Parent company	55.51	0.00	55.51 Directly	--

2. Name of the company within the category of parent company, etc. that is recognized as having the greatest influence on the Company and reason for having such recognition

Name: Hinokiya Group Co., Ltd.

Reason: Hinokiya Group Co., Ltd. has held the Company's shares directly since February 2009.
 YAMADA HOLDINGS CO., LTD. has held the Company's shares since October 2020.

3. Positioning of the Company in the corporate group centering on the parent company, etc. and the relationships between other listed companies and the parent company, etc.

i. Regarding the capital relationship

The Company is a subsidiary of Hinokiya Group Co., Ltd., which is a wholly-owned subsidiary of YAMADA HOLDINGS CO., LTD. As of the end of December 2023, Hinokiya Group Co., Ltd. holds 55.51% of the voting rights of the Company's shares. The YAMADA HOLDINGS Group is engaged in the housing sales business centered on single-family homes and related businesses as a housing construction business.

ii. Regarding the human relationship

None of the 11 directors of the Company are from YAMADA HOLDINGS CO., LTD., Hinokiya Group Co., Ltd., or their subsidiaries, nor are there any seconded personnel.

iii. Regarding the independence of management

As mentioned above, the Company is a subsidiary of YAMADA HOLDINGS CO., LTD. and Hinokiya Group Co., Ltd., and it is expected that both companies will continue to own the Company's shares. Therefore, there is a risk that changes in the business strategies and group management policies of both companies may affect

our management. However, as a company with an Audit and Supervisory Committee, the Company ensures transparency and fairness of management by appointing a majority of independent outside directors, and further, we have established a Nomination Committee as an advisory body to the Board of Directors, which is composed of a majority of independent outside directors. This ensures the independence of the management team from the parent company in their appointment. In addition, both companies appreciate our proactive efforts in appointing independent outside directors and other aspects of building and operating our governance structure, and they are committed to avoiding inappropriate intervention that could harm the interests of our minority shareholders.

4. Matters concerning transactions with controlling shareholder, etc.

The Company has transactions with YAMADA HOMES CO., LTD., a subsidiary of YAMADA HOLDINGS CO., LTD., and Hinokiya Group Co., Ltd. in the sale of insulation work, etc., although we do not have a business relationship with YAMADA HOLDINGS CO., LTD. However, the transaction amount remains a few percent of net sales.

5. Status of implementation of measures to protect minority shareholders in transactions, etc. with controlling shareholders

The above-mentioned 4. transactions are carried out with the approval of the Board of Directors in advance in accordance with the Company's related party transaction management regulations. Also, the actual transaction price is determined each time after considering the Company's estimated price and market price, just like the general transaction price, and we are conducting transactions that do not harm the interests of the Company and our minority shareholders.

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