

Note: This document is an abridged translation of 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.

December 14, 2023

To Whom It May Concern:

Company Name	Asahi Kasei Corp.
Representative	Koshiro Kudo President & Representative Director
Code Number	3407 TSE Prime Market
Contact Person	Yoshihiro Sakamoto Senior General Manager Corporate Communications Phone +81-3-6699-3008
Company Name	Asahi Kasei Homes Corp.
Representative	Fumitoshi Kawabata President & Representative Director

**Notice Regarding Commencement of Tender Offer for Shares of Chuo Build Industry Co., Ltd. (Securities Code 1971) by Asahi Kasei Homes Corp., a Subsidiary of Asahi Kasei Corp.**

Asahi Kasei's wholly owned subsidiary Asahi Kasei Homes ("the Offeror") has resolved at a Board of Directors Meeting held on December 14, 2023, to acquire ordinary shares of Chuo Build Industry (securities code 1971, Standard Market of the Tokyo Stock Exchange, Inc.) through a tender offer.

For more information, please refer to the attachment: "Notice Regarding Commencement of Tender Offer for Shares of Chuo Build Industry Co., Ltd. (Securities Code 1971)" issued by the Offeror.

Overview of Asahi Kasei Homes Corp.

Headquarters: 1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo, Japan

Representative: Fumitoshi Kawabata, President & Representative Director

Business description: Construction (building work) and sale of residential buildings

Paid-in capital: ¥3,250 million (as of December 14, 2023)

In addition to being issued by Asahi Kasei Corp. (the Offeror's parent company) based on securities market listing regulations, this notice also serves as notice given under Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act of Japan based on a request made by the Offeror to Asahi Kasei Corp.

December 14, 2023

To Whom It May Concern:

Company Name	Asahi Kasei Homes Corp.
Representative	Fumitoshi Kawabata President & Representative Director
Contact Person	Tadahisa Kawada General Manager Communications Phone +81-3-6899-3010

**Notice Regarding Commencement of Tender Offer for Shares of Chuo Build Industry Co., Ltd. (Securities Code 1971)**

Asahi Kasei Homes ("the Offeror") has resolved at a Board of Directors Meeting held on December 14, 2023, to acquire ordinary shares ("Target Company Shares") of Chuo Build Industry ("Target Company," securities code 1971, Standard Market of the Tokyo Stock Exchange, Inc. ("TSE")) through a tender offer (the "Tender Offer").

The Offeror's business group mainly comprises order-built homes, real-estate, remodeling, and overseas business. In recent years, as part of its effort for carbon neutrality, the Offeror has participated in the "RE100" initiative to achieve 100% use of renewable energy, for which its target of fiscal 2038 was brought forward in August 2021, and has promoted net-zero energy homes compliant with Japan's "ZEH" standards for both its unit homes and apartment buildings. In its overseas business, in November 2022 it acquired a supplier of residential plumbing, framing, electric, and concrete work in the U.S., and in February 2023 it acquired a home builder in Australia to further expand its geographical presence in the country.

In April 2022, the Offeror formulated its Vision for 2030: "Being an Essential Company for customers and society, being a Life Design Company that creates more than new residences, being a Happiness Company where workers can shine." The Offeror has renewed its strategic configuration for proactively making investments and working to resolve issues in society through strategies to advance the accumulation of high-quality used homes, to take challenges for expansion, and to further heighten customer satisfaction. In February 2023, the Offeror renovated its head office for "Being a Happiness Company where workers can shine," allowing employees to choose optimal workspaces for working either in teams or individually, raising productivity and providing a workplace atmosphere conducive to communication.

The Target Company was established in March 1951 as Chuo Shoji Co., Ltd., for the purpose of selling steel tubes for construction work. In consideration of enhancing the safety of construction sites and conserving lumber resources, it focused on steel scaffolding to supplant wooden scaffolding which was common in Japan at the time. In April 1953, it began manufacturing and selling Japan's first steel scaffolding components, and changed

its company name to Chuo Scaffolding Co., Ltd. In July 1954, it entered the field of construction with the start of design and assembly of steel tube structures. As it subsequently had an increasing proportion of sales from the design and assembly of buildings such as factory structures and warehouses, the company name no longer accorded with the actual business, and the current name was adopted in September 1969. Regarding the Target Company Shares, in May 1961 the Target Company registered its shares for over-the-counter trading with the Tokyo District Office of the Japan Securities Dealers Association, and in October 1961 it listed its shares on the Second Section of the TSE, and this transitioned to a listing on the Standard Market of the TSE due to market reclassification in April 2022. On December 17, 2021, the Target Company issued a Plan for Conformance with Standards to Maintain Listing in the New Market Category. However, on December 14, 2023, the Board of Directors of the Target Company adopted a resolution indicating approval of the Tender Offer premised on delisting, and also to rescind the aforementioned plan on condition of the Tender Offer being accomplished.

Based on its corporate philosophy of Reform and Coexistence—Toward the Future, the Target Company promulgates its own 5Cs as Customers First, Changes, Collaborations, Communications, and Compliances as it performs corporate activity aiming for sustainable growth and long-term corporate value increase, contributing to a sustainable society together with stakeholders broadly.

When the Offeror launched its FREX-series of homes in October 1987, in order to enhance the supply of materials, the parent company of the Offeror (then Asahi Chemical Industry Co., Ltd.; changed to current name in January 2001) began an alliance with the Target Company, and the Target Company set up a dedicated production line at its Chiba Plant, and its residential steel-frame components were supplied through Asahi Kasei to the Offeror (this arrangement continued until October 1, 2003, when the homes business of Asahi Kasei was transferred to the Offeror as part of an internal reorganization, and said supply became direct from the Target Company to the Offeror; currently said supply is made to Asahi Kasei Jyuko Co., Ltd., a wholly owned subsidiary of the Offeror). Since 2010, the Offeror's sales strategy has increased the number of FREX-series units, leading to a greater necessity for business continuity planning, while it also became necessary to develop the production framework for the subsequently launched Hebel Builds in the main market of the Kanto area. In order to further strengthen the accumulated relationship of mutual trust and cooperation, rather than simply maintaining and continuing the supply relationship related to residential steel-frame components, it became opportune for the Offeror and the Target Company to implement a capital alliance and strengthen the cooperative relationship between the two companies.

On February 14, 2017, the Offeror and the Target Company executed an agreement for a Business and Capital Alliance for the purpose of effectively leveraging the companies' mutual business platforms, strengthening competitiveness for future growth, enhancing the production framework for residential steel-frame components in the Kanto area, and sharing know-how for achieving cost reductions. On March 3, 2017, the Offeror acquired 4,600,000 Target Company Shares directly from Alinco Inc., and the Target Company allocated 3,100,000 shares (a 13.17% stake at the time) to the Offeror through a private placement, which the Offeror acquired for ¥150 per share, resulting a total holding of

7,700,000 Target Company Shares (a 32.72% stake at the time), making the Offeror the largest shareholder in the Target Company, which became an equity-method affiliate of the Offeror. On October 1, 2017, the Target Company performed a 1-for-10 stock consolidation, and the Offeror's holding of Target Company Shares became 770,000 (32.75%), which remains unchanged.

Since forming the Business and Capital Alliance, the Offeror and the Target Company have enhanced competitiveness through the exchange of management information and the interchange of personnel, leveraged their mutual business platforms, and shared know-how, which deepened their mutual alliance. Nevertheless, in the recent domestic Japanese housing market for the Offeror and the Target Company, although there is expectation for the operating environment to improve with increased social and economic activity with the lifting of pandemic restrictions, the future outlook continues to be obscure and the operating environment is changing dramatically with rising raw material prices, the Ukraine situation, and rising prices due to the weak exchange value of the yen. Furthermore, according to estimates and forecasts by Nomura Research Institute, demand for new homes in Japan will be tempered by weak consumer sentiment due to increasing construction costs and rising mortgage interest rates. New housing starts in Japan are expected to decline from 860,000 units in fiscal 2022 to 740,000 units in fiscal 2030 and furthermore to 550,000 units in fiscal 2040.

While the Offeror is, through its subsidiary Asahi Kasei Jyuko, currently supplied by the Target Company with steel-frame components for approximately half of the homes, measured by sales value, of its domestic order-built homes business, given the challenging operating environment, the Offeror considers it essential to further expand business by leveraging the Target Company's strengths of supply capability and stable quality for residential steel-frame components. For this purpose, it is necessary for the Offeror and the Target Company to dynamically exchange information and quickly make decisions, but given the current rate of investment, and since the Target Company is market listed and must consider the benefit of minority shareholders, there are limitations to the sharing of information, including trade secrets. In the middle of March 2023, the Offeror came to the realization that further advancing enhanced competitiveness for future growth, as envisioned in the Business and Capital Alliance, would be problematic. Meanwhile, the Target Company is bearing increased costs to meet various requirements as a listed company, including raising the proportion of Independent Outside Directors in accordance with the Corporate Governance Code, in addition to costs such as preparation of securities reports, etc., information disclosure, audits, operation of annual general meetings of shareholders, and establishment of a shareholder registry administrator. The Offeror believes that this situation restricts the management resources which the Target Company can apply toward business expansion.

Based on this understanding the Offeror came to the conclusion in late March 2023 that it was necessary to further strengthen the capital relationship with the Target Company in order to greater business expansion going forward, by performing more unified management to allow increased cooperation and maximization of management resources and know-how, with swifter and simpler decision-making, to concentrate resources on business growth, and gain the benefits of increased earnings and growth of the Target

Company. And yet, while measures to achieve the below-listed synergy effects would be necessary to raise the corporate value of the Target Company from a medium-to-long term perspective, from a short-term perspective an adequate evaluation by the capital markets may not be forthcoming, and there is a possibility that the interests of minority shareholders of the Target Company may be impeded. The Offeror thus came to the conclusion in late July 2023 that the ideal situation would be to make the Target Company a wholly owned subsidiary.

The Offeror expects that the following synergy effects can be generated by making the Target Company a wholly owned subsidiary.

- 1) Enhanced supply chain through seamless cooperative framework
- 2) Maximization of management resources and know-how
- 3) Swifter and simpler decision-making based on Offeror's group management strategy

In the resolution adopted at the Offeror's Board of Directors Meeting on December 14, 2023, the Tender Offer is to be performed as one part of making the Target Company a wholly owned subsidiary.

#### Outline of the Tender Offer

##### 1. Outline of the Target Company

Name	Chuo Build Industry Co., Ltd.	
Headquarters	11-12 Tomizawa-cho, Nihonbashi, Chuo-ku, Tokyo, Japan	
Representative	Ken Saito, President & Representative Director	
Business Outline	Manufacture, sale, and rental of steel scaffolding components and formwork materials for construction, and outsourced manufacturing of residential steel-frame components	
Capital	¥100 million (as of September 30, 2023)	
Date of establishment	March 7, 1951	
Major shareholders and shareholding ratios (as of September 30, 2023)	Asahi Kasei Homes	32.8%
	Alinco Inc.	9.4%
	Nippon Steel Metal Products Co., Ltd.	4.1%
	Yoshitsugu Takanashi	3.0%
	Masahisa Endo	2.7%
	SBI Securities Co., Ltd.	2.0%
	Minoru Isogai	1.6%
	Sumitomo Mitsui Trust Bank, Limited	1.5%
	Rakuten Securities, Inc.	1.0%
	Shinichi Nakadaira	0.9%
Relationship between the Offeror and the Target Company		
Capital relationship	The Offeror currently holds 770,000 Target Company Shares (32.75% holding) and has the Target Company as an equity-method affiliate.	

Personnel relationship	Among the Target Company's seven Directors, one is a former employee of the Offeror, and one currently doubles as an employee of the Offeror. Additionally, as of September 30, 2023, two employees of the Offeror and 6 employees of Asahi Kasei Jyuko, a wholly owned subsidiary of the Offeror, are seconded to the Target Company.
Business relationship	The Offeror and the Target Company have lease transactions for real estate and manufacturing equipment. Additionally, Asahi Kasei Jyuko sells materials to the Target Company and purchases products from the Target Company.
Status as related party	The Target Company is an equity-method affiliate of the Offeror, and thus a related party of the Offeror.

2. Type of Shares to be Purchased  
Ordinary shares

3. Schedule, etc.

i. Schedule

Board of Directors resolution	Thursday, December 14, 2023
Date of public notice of commencement of Tender Offer	Friday, December 15, 2023 Electronic public notice (Japanese language) will be performed, and a statement to that effect will be published in the <i>Nikkei</i> newspaper. (address of electronic public notice <a href="https://disclosure2.edinet-fsa.go.jp/">https://disclosure2.edinet-fsa.go.jp/</a> )
Date of filing of Tender Offer registration statement	Friday, December 15, 2023

ii. Tender Offer period at time of filing of registration statement

Note: In accordance with Article 8, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act of Japan, and Article 1, Paragraph 1, Item 3 of the Law Concerning Public Holidays of Administrative Organs, December 29, 2023, is considered a holiday, and therefore not counted in the period of the Tender Offer; nevertheless, the Tender Offer Agent will accept tenders from shareholders on December 29, 2023, although not counted in the period of the Tender Offer.

iii. Possibility of extension of Tender Offer period based on request from Target Company  
Not applicable.

iv. Contact for confirmation of period of extension  
Not applicable.

#### 4. Purchase Price

¥750 per ordinary share

#### 5. Number of Shares to Purchase

Number of shares planned to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
1,581,093	797,400	—

Note 1: If the number of tendered shares is lower than the minimum number of shares to be purchase (797,400 shares), the Offeror will not purchase any of the tendered shares. If the number of tendered shares equals or exceeds the minimum number of shares to be purchase (797,400 shares), the Offeror will purchase all of the tendered shares.

Note 2: The Offeror does not plan to purchase treasury shares from the Target Company through the Tender Offer.

Note 3: No maximum number of shares to be purchased is specified in this Tender Offer.

The number of shares planned to be purchased is specified as the maximum number of shares, 1,581,093 shares. This is calculated by subtracting the Target Company's treasury shares (27,647 shares) as of September 30, 2023, and the Target Company Shares held by the Offeror (770,000 shares) as of the same date, from the total number of Target Company Shares outstanding (2,378,740 shares) as of the same date, to obtain the figure (1,581,093 shares).

Note 4: Shares of less than one unit are also subject to the Tender Offer. If shareholders exercise their right to request the purchase of shares of less than one unit in accordance with the Companies Act, the Target Company may purchase such shares during the Tender Offer period in accordance with the relevant procedures under the applicable laws and regulations.

### **Disclaimers with respect to this translation**

#### Restriction on Solicitation:

This notice is a translation of a public statement announcing the Tender Offer, and was not prepared for the purpose of soliciting a tender for a sale. If you intend to tender an offer to sell the shares in the Tender Offer, please make sure that you refer to the Tender Offer Explanatory Document regarding the Tender Offer in advance, and tender it at your own discretion. This notice is not a tender for, or a solicitation for a tender for, a sale or purchase of securities, and does not constitute a part of the foregoing. In addition, this notice (or any part of it) and any distribution thereof will not be the basis for any agreement concerning the Tender Offer, nor will it be relied upon when executing any such agreement.

#### Prediction of the Future:

The Offeror does not warrant that the projections expressed or implied as “forward-looking statements” will ultimately be accurate. The “forward-looking statements” in this notice have been prepared based on information available to the Offeror as of December 14, 2023, and unless otherwise required by law or regulation, the Offeror will not be responsible for updating or otherwise revising such forward-looking statements in order to reflect any future event or circumstances.

#### Regulations of the United States:

Unless the Tender Offer can be implemented in compliance with applicable laws and various regulations in the United States, the Offeror will not conduct the Tender Offer for the United States or to a United States person (within the meaning of “United States person” provided in Regulation S of the Securities Act of 1933; hereinafter the same in this section). In this case, applications for shares of the Target Company related to the Tender Offer by any means, usage or method, or through any facility, cannot be conducted from the United States, within the United States, or by those existing or residing in the United States, or by any person acting by calculation of a United States person or for the profit of a United States person.

#### Other Countries:

In certain countries or regions, the announcement, issue or distribution of this notice may be restricted by laws or regulations. In such cases, you are required to be aware of such restrictions and comply with them. This notice does not constitute any solicitation of an offer to sell or offer to purchase shares in relation to the Tender Offer, and shall be considered as a mere distribution of informative materials.