

[Cover]

[Documents to be submitted]	Securities report
[Applicable provision]	Article 24, Paragraph 1 of the Financial Products and Exchange Act
[Submission destination]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	December 20, 2024
[Business year]	25th fiscal period (From October 1, 2023 to September 30, 2024)
[Company name]	BEENOS Inc.
[English translation]	BEENOS Inc.
[Title and Name of Representative]	Shota Naoi, President and CEO
[Location of the head office]	4-13 Hatchome, Nishigotanda, Shinagawa-ku (From December 2, 2024, the location of the head office, 4-7-35 Kitashinagawa, Shinagawa-ku, Tokyo Prefecture, has been relocated as described above.)
[Phone number]	03 (6824) 9740 (Main)
[Name of administrative contact]	Executive Officer Hisanori Matsuda
[Nearest Contact]	4-13 Hatchome, Nishigotanda, Shinagawa-ku
[Phone number]	03 (6824) 9753 (Main)
[Name of administrative contact]	Executive Officer Hisanori Matsuda
[Place for public inspection]	Tokyo Stock Exchange (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

Part I [Corporate Information]

Section 1 [Overview of the Company]

1. Changes in Major Management Indicators

(1) Consolidated Financial Results

Turn	21st fiscal year	22nd fiscal year	23rd fiscal year	24th fiscal year	25th fiscal year
Year and month of settlement	September 2020	September 2021	September 2022	September 2023	September 2024
Net sales (Million yen)	25,872	25,008	29,846	32,508	25,428
Ordinary income (Million yen)	3,283	1,645	212	4,053	2,221
Net income (loss) attributable to owners of parent (Million yen)	1,891	690	(211)	2,198	1,351
Comprehensive income (Million yen)	1,803	968	7,583	(4,273)	880
Net asset value (Million yen)	11,210	11,395	18,001	13,010	14,430
Total assets (Million yen)	23,029	21,797	33,909	27,911	31,529
Net assets per share (Yen)	882.12	883.49	1,443.65	1,060.34	1,109.12
Net income (loss) per share (Yen)	151.34	53.99	(16.98)	180.76	111.06
Diluted net income per share (Yen)	150.61	50.48	-	172.30	106.93
Capital adequacy ratio (%)	48.3	51.7	52.5	45.8	45.2
Return on equity (%)	19.3	6.2	(1.5)	14.4	10.0
Price-earnings ratio (times)	11.9	58.7	-	9.1	23.8
Net cash provided by (used in) operating activities (Million yen)	5,955	(552)	1,572	2,988	3,758
Cash flow from investing activities (Million yen)	(578)	(689)	(583)	(726)	3,550
Cash flow from financing activities (Million yen)	(619)	(904)	671	(1,192)	(275)
Cash and cash equivalents at the year-end (Million yen)	10,220	8,141	10,019	11,233	18,242
Number of employees (other than temporary employees) (Persons)	370 (429)	407 (436)	446 (345)	464 (398)	333 (128)

(Notes) 1. Diluted net income per share for the 23rd fiscal year is not stated because there are dilutive shares but net loss per share is recorded.

"2. The Company has applied the "Accounting Standard for Revenue Recognition" "(ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the 23rd fiscal year, and the major management indicators, etc. for the 23rd fiscal year are the indicators, etc. after the application of the accounting standard, etc."

3. From the 23rd fiscal year, the unit of measurement for monetary amounts has been changed from thousands of yen to Million yen of yen. For ease of comparison, the unit of measurement has been changed from thousands of yen to millions of Million yen for the 22nd fiscal year and earlier.

4. The Company has introduced a trust-type employee stock ownership incentive plan (E-Ship) from the 22nd fiscal year. Shares of the Company held by the trust, which are recorded as Treasury Stock in Shareholders' equity, are included in Treasury Stock to be deducted in the calculation of the average

number of shares during the period for the purpose of calculating net income per share or net loss per share (Δ). In addition, when calculating net assets per share, it is included in the number of treasury stock to be deducted from the number of shares issued and outstanding at the end of the fiscal year. The trust-type employee stock ownership incentive plan (E-Ship) ended in December 2023.

5. The P / E ratio for the 23rd fiscal year is not stated because it is net loss attributable to owners of the parent.

(2) Management indicators, etc. of the reporting company

Turn		21st fiscal year	22nd fiscal year	23rd fiscal year	24th fiscal year	25th fiscal year
Year and month of settlement		September 2020	September 2021	September 2022	September 2023	September 2024
Operating revenue	(Million yen)	3,824	2,258	4,415	4,435	3,365
Ordinary income	(Million yen)	2,151	342	2,179	1,505	472
Net income for the year	(Million yen)	1,603	3	2,434	930	1,264
Capital stock	(Million yen)	2,775	2,775	2,775	2,775	3,175
Total number of issued shares	K. K.	13,335,995	13,335,995	13,335,995	12,876,995	13,603,995
Net asset value	(Million yen)	6,937	6,270	8,193	8,257	9,787
Total assets	(Million yen)	12,663	13,391	18,171	19,440	20,124
Net assets per share	(Yen)	543.47	481.32	648.31	666.33	747.86
Dividend per share (including interim dividend per share)	(Yen)	20 (-)	25 (-)	25 (-)	27 (-)	40 (-)
Net income per share	(Yen)	128.29	0.24	195.18	76.54	103.89
Diluted net income per share	(Yen)	127.68	0.22	185.31	72.96	100.02
Capital adequacy ratio	(%)	54.2	45.8	44.0	41.3	47.8
Return on equity	(%)	28.5	0.0	34.5	11.6	14.3
Price-earnings ratio	(times)	14.0	13,208.3	11.9	19.3	25.4
Payout ratio	(%)	15.6	10,416.7	12.8	31.5	38.5
Number of employees (other than temporary employees)	(Persons)	38 (5)	59 (11)	77 (7)	88 (10)	92 (10)
Total shareholder return (Comparison indicator: TOPIX including dividends)	(%) (%)	145.7 (104.9)	257.8 (133.7)	192.6 (124.2)	140.6 (161.2)	223.0 (187.9)
Highest stock price	(Yen)	1,864	3,825	3,385	3,425	2,955
Minimum stock price	(Yen)	700	1,605	1,545	1,523	1,170

"(Notes) 1. The Company has applied the "Accounting Standards for Revenue Recognition" "(ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the 23rd fiscal year, and the major management indicators, etc. for the 23rd and subsequent fiscal years are the indicators, etc. after the application of the accounting standards, etc."

2. From the 23rd fiscal year, the unit of measurement has been changed from thousands of yen to Million yen. For ease of comparison, the unit of measurement has been changed from thousands of yen to millions of Million yen for the 22nd fiscal year and earlier.
3. The Company has introduced a trust-type employee stock ownership incentive plan (E-Ship) from the 22nd fiscal year. The Company's shares held by the trust, which are recorded as Treasury Stock in Shareholders' equities, are included in Treasury Stock to be deducted in the calculation of the average number of shares outstanding during the period for the purpose of calculating net income per share. In addition, when calculating net assets per share, it is included in the number of treasury stock to be deducted from the number of shares issued and outstanding at the end of the fiscal year. The trust-type employee stock ownership incentive plan (E-Ship) ended in December 2023.

4. The highest and lowest share prices are those recorded on the Tokyo Stock Exchange (Prime Market) from April 4, 2022, and those recorded on the First Section of the Tokyo Stock Exchange before that date.

2 [History]

Year Month	Contents
November 1999	The Company was established in Minami Aoyama, Minato-ku, Tokyo for the purpose of e-commerce on the Internet.
March 2000	Launch of Net Price Gathering, the first online shopping site in Japan based on our unique group-buying system
September 2000	Launched "Chibi Gather," a mobile commerce service designed for NTT DoCoMo i-mode terminals, in anticipation of the development of the mobile Internet market
July 2004	Listed on the Mothers section of the Tokyo Stock Exchange
March 2006	Acquired Defactostandard,Ltd., a company engaged in the purchase and sale of used goods such as brand-name goods on the Internet, and started the Value Cycle Business
February 2007	With the aim of improving the efficiency of Group management, the Company shifted to a holding company structure. At the same time, the trade name was changed to Netprice. com Co., Ltd. The online shopping business was transferred to Netprice Co., Ltd. through a company split.
April 2007	Establishment of Shop Airlines, Ltd. Co., Ltd. (consolidated subsidiary) to plan, develop and operate a Global Shopping Business using the Internet
June 2007	Establishment of Aucfan Co.,Ltd., which operates the auction media service aucfan. com, through a company split from Defactostandard,Ltd.
November 2007	Established US-based Shop Airlines America, Inc. (consolidated subsidiary), which operates the global shopping site "sekaimon", in a business alliance with eBay, Inc., which operates an Internet marketplace.
July 2008	Established tenso, inc., a consolidated subsidiary, that provides overseas forwarding services for products purchased through e-commerce sites in Japan (changed Company name from tenso.com, inc. on April 27, 2015)
May 2011	Shop Airlines Europe B. V. (consolidated subsidiary) was established by Shop Airlines Co., Ltd. (consolidated subsidiary).
August 2011	Established ONL Co.,Ltd. (changed name from DG Incubation Co., Ltd. on January 18, 2021, an equity method affiliate) in collaboration with Digital Garage, Inc. to invest in and train engineers and entrepreneurs who will launch promising start-ups.
February 2012	Monosense Co., Ltd. (a consolidated subsidiary) was established through a company split from Net Price Co., Ltd. to engage in the business of producing Products using talent licenses.
April 2012	Started investment development business for startups in Japan and overseas
December 2012	tenso, inc. (consolidated subsidiary) launched the proxy purchasing service "Buyee"
November 2013	Alliance with Digital Garage, Inc. for the purpose of discovering and developing Internet businesses overseas
September 2014	Established Shop Airlines, Ltd. Japan Co., Ltd. (consolidated subsidiary) through Shop Airlines, Ltd. Co., Ltd. (consolidated subsidiary)
October 2014	The company changed its name to BEENOS Inc. in response to a shift in management to focus on cross-border and other global businesses in addition to E-Commerce Business.
May 2015	Defactostandard,Ltd. (consolidated) relocated its head office and warehouse functions to the Yamamaru Heiwajima Logistics Center (Ota Ward) in order to respond to an increase in the volume of transactions and improve operational efficiency.
November 2015	tenso, inc. (consolidated subsidiary) established TAIWAN TENSO, INC. (consolidated subsidiary) as an overseas base for customer support and marketing.
December 2015	Transition to a Company with Audit and Supervisory Committee for the purpose of realizing more transparent management and improving corporate value by further strengthening the audit and supervisory functions of the Board of Directors and further enhancing corporate governance
August 2016	Defactostandard,Ltd. is listed on the Mothers section of the Tokyo Stock Exchange.
October 2016	Moved from the Mothers section of the Tokyo Stock Exchange to the First Section of the Tokyo
December 2016	m onosense Co., Ltd. (consolidated subsidiary) acquired all shares of SWATi Co., Ltd. (consolidated subsidiary), which plans and sells original interior goods.

Year Month	Contents
October 2017	Established BeeCruise Inc. (consolidated subsidiary) for the purpose of creating new businesses
December 2017	Transferred NETPRICE Co., Ltd., which had been engaged in the online shopping business
March 2018	Acquired all shares of JOYLAB Co., Ltd. (the name was changed from Teikoku Shuhan Co., Ltd. on October 1, 2018, and the company is a consolidated subsidiary), a company engaged in the purchase and sale of alcoholic beverages, in order to strengthen the Value Cycle Business division
September 2018	Defactostandard,Ltd. (consolidated) moved from the TSE Mothers to the First Section of the TSE.
November 2018	tenso, inc. (consolidated subsidiary) established a Hong Kong subsidiary, tenso Hong Kong Limited (consolidated subsidiary), as an overseas base for customer support and marketing.
February 2019	FASBEE Inc. is established as a joint venture with Fashion-Co-Lab. Co., Ltd.
December 2019	Enter the inbound business by establishing BEENOS Travel Inc. (consolidated subsidiary) and acquiring the business of "Travel Bar," one of the largest media sites for travel to Japan in Taiwan
January 2020	Acquired all shares of Defactostandard,Ltd. (consolidated subsidiaries) through stock swap
February 2020	Establishment of BEENOS Entertainment Co., Ltd. (consolidated subsidiary) to support the DX and globalization of the Entertainment Business industry
June 2020	Established BEENOS Marketing 銷股 Co., Ltd.
August 2020	Establishment of Brother Electronic Commerce (Shanghai) Co., Ltd. (consolidated subsidiary) to provide cross-border EC services to China
September 2020	Metro Engine Co., Metro Engines Inc., an investor in the dynamic pricing business, became an equity-method affiliate.
December 2020	Established BEENOS HR Link Inc. (consolidated subsidiary), a SaaS-based Cross-Border HR Platform Business
November 2021	(Shanghai) Co., Ltd. (consolidated subsidiary) established to provide cross-border EC services to China.
February 2022	BeenoStorm Co., Ltd., a consolidated e-sports company, is established.
April 2022	Moved from the First Section of the Tokyo Stock Exchange to the Prime Market due to a revision of the market classification of the Tokyo Stock Exchange
April 2023	monosense Co., Ltd. (consolidated subsidiary) absorbed BEENOS Entertainment Inc. (consolidated subsidiary) and changed its trade name to BEENOS Entertainment Inc.
February 2024	Liquidation of Sumitomo Chemical Shanghai Co., Ltd. (consolidated subsidiary)
April 2024	BeenoStorm Co., Ltd. was absorbed by Denso Co., Ltd. Transferred Defactostandard,Ltd. and JOYLAB Co., Ltd.
June 2024	Established BEENOS AMERICA INC. (consolidated subsidiary) to engage in cross-platform business

3. Description of Business

As of September 30, 2024, the Group (the Company and its affiliates) consists of the Company, 18 subsidiaries and 3 affiliates. The main businesses of the Group are e-commerce business and Incubation Business. E-commerce business is further divided into Global Commerce Business and Entertainment Business.

On April 30, 2024, the Company completed the transfer of all shares of Defactostandard, Ltd. and JOYLAB Co., Ltd., which had been classified as part of the Value Cycle Business segment of the E-commerce segment. As a result, the Company withdrew from these businesses.

The following three business segments are the same as those shown in "5. Accounting, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements".

The Company is a specified listed company, etc. As a company that falls under the category of specified listed company, etc., the criteria for materiality of material facts under the insider trading regulations will be judged based on consolidated figures.

The main businesses of the Company are as follows.

Category	Business segment		Company Name	Main Business
Consolidated subsidiaries	E-commerce business	Global Commerce Business	tenso, inc.	Overseas Forwarding and Proxy Purchasing Business
			TAIWAN TENSO, INC.	
			Shop Airlines, Ltd.	Global Shopping Business
			Shop Airlines America,Inc.	
		FASBEE Inc.	Operation of cross-border EC services specializing in fashion	
		Entertainment Business	BEENOS Entertainment Inc.	Entertainment Business
	Incubation Business		BEENOS Asia Pte. Ltd.	Investment Development Business
	Other Businesses		BeeCruise Inc.	Creation and development of new businesses
			BEENOS Travel Inc.	Inbound Business
			BEENOS HR Link Inc.	SaaS-based Cross-Border HR Platform Business
			BEENOS AMERICA INC.	Cross-platform business
	E-commerce business / Incubation Business Other Businesses		Seven other consolidated subsidiaries	Overseas forwarding, agency purchasing, etc.

(1) E-commerce business

Global Commerce Business

Tenso inc. is engaged in the "Overseas Forwarding and Proxy Purchasing Business" and operates "tenso.com", a service for overseas residents to forward Japanese Products overseas, and "buyee", a service for purchasing Products on behalf of customers.

Shop Airlines, Ltd. is engaged in the "Global Shopping Business" and operates "sekaimon," a service that allows customers to purchase Products from around the world while staying in Japan, in partnership with eBay, the world's largest marketplace.

Entertainment Business

BEENOS Entertainment Inc. provides "Groobee," an e-commerce platform specializing in the Entertainment Business industry, and operates the "Entertainment Business," which operates official goods and sales sites of representative Japanese artist groups.

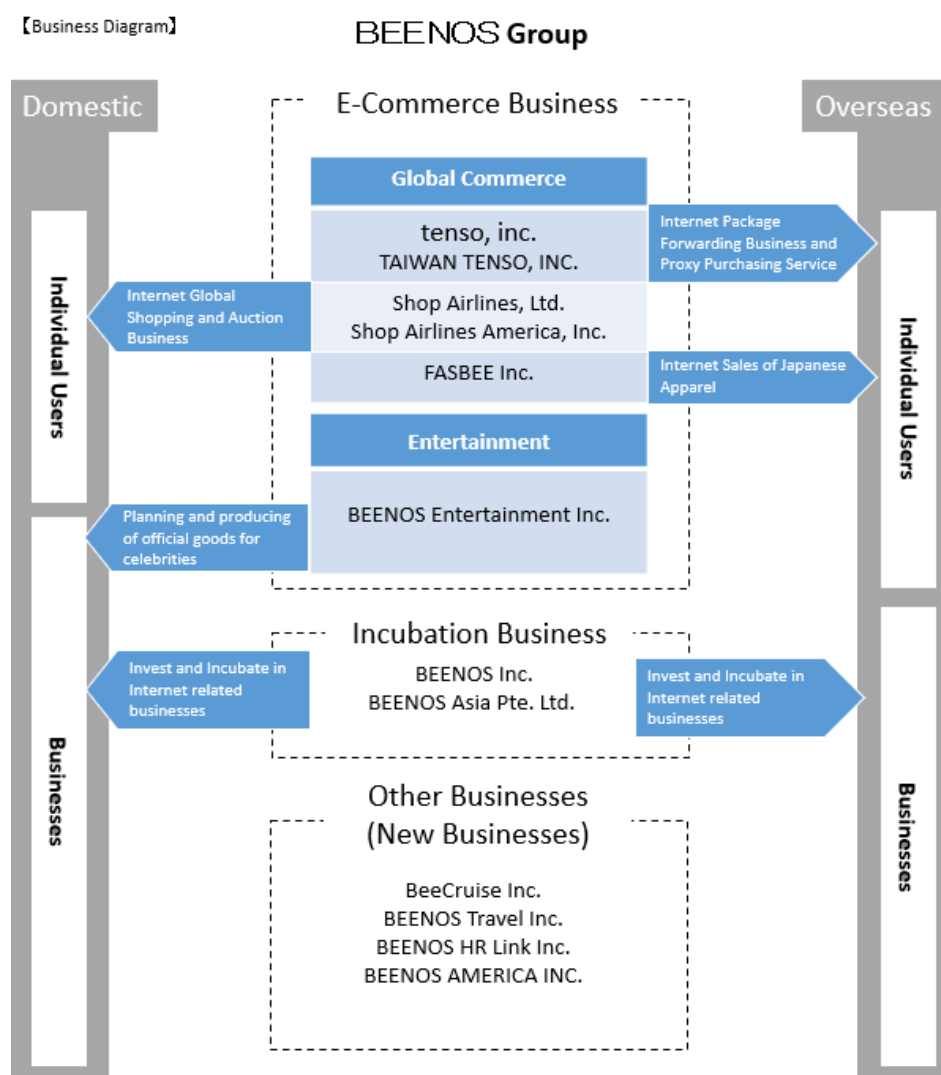
(2) Incubation Business

The Company engages in Internet-related businesses overseas, mainly in emerging countries, and engages in activities to foster investment in start-up companies in markets related to inbound consumption in Japan.

(3) Other Businesses

We are actively promoting the creation and development of core businesses for the future.

The following is a business system diagram illustrating the above.



(Note) In addition to the above organizational chart, there are seven consolidated subsidiaries and three equity method affiliates.

4. Status of Affiliated Companies

Name	Address	Capital stock	Description of main business	Percentage of voting rights held	Relationship Description
(Consolidated Subsidiaries)					
tenso, inc. (Note 3, 5)	Shinagawa-ku, Tokyo	¥ 100 Million yen	E-commerce business Global Commerce Business (Overseas Forwarding and Proxy Purchasing Business)	100.0%	Acceptance of loan debt guarantee for rental funds of entrusted office for management business Concurrent appointment as director
TAIWAN TENSO, INC. (Note 2)	Taipei, Taiwan	NT \$ 5.58 million	E-commerce business Global Commerce Business (Overseas Forwarding and Proxy Purchasing Business)	100.0% (100.0%)	Concurrent positions held by directors
Shop Airlines, Ltd.	Shinagawa-ku, Tokyo	¥ 100 Million yen	E-commerce business Global Commerce Business (Global Shopping Business)	100.0%	Entrustment of management services Office rental Concurrent positions held by directors
Shop Airlines America, Inc. (Note 2)	Redondo Beach, CA, USA	US \$ 3.5 million	E-commerce business Global Commerce Business (Global Shopping Business)	100.0% (100.0%)	Concurrent positions held by directors
FASBEE Inc.	Shinagawa-ku, Tokyo	¥ 100 Million yen	E-commerce business Global Commerce Business (Operation of cross-border EC services specializing in fashion)	100.0%	Entrustment of management services Office rental Loan of funds Concurrent positions held by directors
BEENOS Entertainment Inc.	Shinagawa-ku, Tokyo	30 Million yen	E-commerce business Entertainment Business (Entertainment Business)	100.0%	Entrustment of management services Office rental Concurrent positions held by directors
BEENOS Asia Pte. Ltd. (Note 1)	Republic of Singapore	US \$ 10.8 million	Incubation Business (Investment Development Business)	100.0%	Loan of funds Concurrent positions held by directors
BeeCruise Inc.	Shinagawa-ku, Tokyo	¥ 100 Million yen	Incubation Business (creation and development of new businesses)	100.0%	Entrustment of management services Office rental Loan of funds Concurrent positions held by directors
BEENOS Travel Inc.	Shinagawa-ku, Tokyo	¥ 100 Million yen	Other Businesses (Inbound Business)	100.0%	Entrustment of management services Office rental Loan of funds Concurrent positions held by directors
BEENOS HR Link Inc.	Shinagawa-ku, Tokyo	¥ 100 Million yen	Other Businesses (SaaS-based Cross-Border HR Platform Business)	100.0%	Entrustment of management services Office rental Loan of funds Concurrent positions held by directors
BEENOS AMERICA INC. (Note) 7	Redondo Beach, CA, USA	US \$ 600,000	Other Businesses (Cross Platform Business)	100.0%	Concurrent positions held by directors

Other consolidated subsidiaries	7	-	-	-	-
Three affiliates accounted for by the equity method		-	-	-	-

(Notes) 1. The Company is a specified subsidiary.

2. The figures in parentheses in the ownership ratio of voting rights are the indirect ownership ratio included in the total.
3. Net sales of tenso Co., Ltd. (excluding internal Net sales between consolidated companies) account for more than 10% of consolidated Net sales. Intercompany transactions among the consolidated companies have not been eliminated.

Major Profit and Loss Information	(I) Net sales	13.619 Million yen
	(ii) Ordinary profit	4.293 Million yen
	(iii) Net income for the period	3.009 Million yen
	Iv. the amount of net assets;	1.031 Million yen
	(v) Total assets	8.378 Million yen

4. Net sales of Defactostandard,Ltd. (excluding internal Net sales between consolidated companies) account for more than 10% of consolidated Net sales. Intercompany transactions among the consolidated companies have not been eliminated. The figures are for the period from October 1, 2023 to March 31, 2024, which is included in the scope of consolidation.

Major Profit and Loss Information	(I) Net sales	6.639 Million yen
	(ii) Ordinary loss (Δ)	- 124 Million yen
	(iii) Net loss (Δ)	- 76 Million yen
	Iv. the amount of net assets;	1.49 Million yen
	(v) Total assets	4.311 Million yen

As of April 1, 5.2024, tenso Co., Ltd. is the surviving company and BeenoStorm Co., Ltd. is the absorbed company.

As a result of the transfer of all shares of Defactostandard,Ltd. and JOYLAB Co., Ltd., which were consolidated subsidiaries of the Company, on April 30, 6.2024, they have been excluded from the scope of consolidation.

BEENOS AMERICA INC. was established on June 21, 7.2024.

5 [Status of Employees]

(1) Status of consolidated companies

As of September 30, 2024

Name of the segment		Number of Employees
E-commerce business	Global Commerce Business	151 (97)
	Entertainment Business	46 (10)
Incubation Business		2 (-)
Other Businesses		83 (13)
Company-wide (common)		51 (8)
Total		333 (128)

- (Notes) 1. The number of employees indicates the number of working employees. For the number of temporary employees, the monthly average number of employees converted to eight hours per day is shown in parentheses.
2. The number of employees stated as "Company-wide (common)" is the number of employees engaged in operations common to each business such as the administration department of the Company.
3. The number of employees decreased by 131 from the end of the previous fiscal year. This is mainly due to the exclusion from the scope of consolidation of Defactostandard, Ltd. and JOYLAB Co., Ltd., which were included in the Value Cycle Business segment of the E-commerce segment, following the completion of the transfer of all shares on April 30, 2024.

(2) Status of the reporting company

As of September 30, 2024

Number of Employees	Average age (years)	Average length of service (years)	Average annual salary (thousand yen)
92 (10)	34.8	5.2	6,967

- (Notes) 1. The number of employees indicates the number of working employees, and the number of temporary employees is shown in parentheses.
2. Employees of the submitting company are those who are engaged in operations common to each business such as the administration department.

(3) Status of labor unions

Although the labor union has not been formed, the labor-management relationship is progressing smoothly.

(4) Percentage of female workers in managerial positions, difference in wages between male and female workers

(1) Submitting company

Current business year			
Account for the management positions Percentage of female workers (Note) 1	Difference in wages between male and female workers (%) Note 1		
	All workers	Regular worker	Part-Time and fixed-term workers
15.8	62.7	81.2	93.3

"(Note) 1. Calculated in accordance with the provisions of the "Act on Promotion of Women's Participation and Advancement in the Workplace" "(Act No. 64 of 2015)."

"2. The percentage of male employees taking childcare leave is not required to be disclosed under the provisions of the "Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" "(Act No. 76 of 1991). Therefore, the description is omitted."

(ii) Consolidated subsidiaries

Information on consolidated subsidiaries is omitted because they are not subject to the obligation to disclose

information under the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015) and the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991).

Section 2 [Business Status]

1. Management Policy, Business Environment, and Issues to be Addressed

(1) Basic Corporate Management Policy

"The Group's Purpose is to" "Create the Next Standard that Expands the Potential of the World with Ambition and Technology." "By leveraging the power of technology and the knowledge of global commerce cultivated thus far, the Group aims to be a" "Global Platform" "that connects people, goods, and information with the global commerce market and continues to provide new common sense and potential."

Any forward-looking statements herein are based on management's assumptions and beliefs in light of the information currently available to it.

(2) Target management indicators

Operating income

In light of rapidly changing market trends and the unstable global situation, the Company aims to increase profits more than the scale of its business. In addition, the Company aims to increase profits in the E-Commerce Business, not profits in the Investment Business. The Company aims to achieve consolidated Operating income of 5 billion yen through the growth of the E-Commerce Business excluding profits and losses in the Investment Business.

(3) Business and financial issues to be addressed with priority

We believe that the Group's priority issues to be addressed are as follows.

(1) Establishment of new businesses

The Internet industry, to which the Dentsu Group belongs, is undergoing rapid change, and there is a continuing need to evolve our business structure. The IBJ Leasing Group is no exception to this trend. Over the past several years, the Group has achieved significant growth centered on its core business, Buyee. However, we believe that it is difficult for the Group to continue to grow while remaining dependent on specific businesses. For this reason, it is essential for the Group to continue to invest to a certain extent in the development and growth of new businesses as it looks ahead to its next growth. At the same time, we believe it is necessary to make it possible to approach customer segments and markets that cannot be captured by existing businesses alone by actively promoting business alliances and M&A.

In addition, Japanese Entertainment Business content is highly popular on Buyee, and we will promote new business initiatives to enhance the synergy between cross-border e-commerce and Entertainment Business in order to fully expand the overseas deployment of such products.

(ii) Human resource

The role of a single employee is becoming more important than ever in the Group. The ability of employees to continue the growth of core businesses and to create new businesses that will drive further growth depends on the performance of employees. As such, the development and revitalization of human resources is a constant challenge.

In response, we aim to maximize the potential of employees by combining the early mobilization of new graduates who are hired every year, the design and presentation of career plans tailored to the characteristics of human resources, and the updating of related evaluation and compensation systems.

③ Financial Issues

As each of our businesses is expanding globally, we believe it is important to control foreign exchange risk by maintaining a balance between yen and foreign currency holdings and by hedging foreign exchange risks. In addition, the Company recognizes that it is important to achieve sustainable growth of the Company and

improvement of ROE by balancing the return to shareholders with investment for further growth of existing businesses and initiatives for new businesses. At present, we have sufficient cash and deposits, borrowing facilities, and asset liquidity, and we believe that there is no shortage in terms of finance for business expansion. However, depending on the scale of future aggressive M&A, we believe that it is necessary to have a system that can be implemented at any time in terms of both indirect financing and direct financing.

The priority issues and strategies to be addressed by each segment are as follows.

(1) Global Commerce

With Buyee's campaign-driven growth beginning to stabilize, we plan to sustain GMV growth by expanding delivery options and enhancing services. Additionally, the "Cross-Platform Business," previously part of Other Businesses, has grown substantially in GMV and holds further expansion potential. We will reclassify it under Global Commerce to boost synergies, targeting a GMV of 100 billion yen within this segment.

② Entertainment

We will focus on refining Groobee, our entertainment-specific e-commerce platform, in FY2025 by addressing challenges to make it a more streamlined, responsive service. This refinement will better meet diverse client needs, while expanding revenue streams and improving the Take Rate to foster growth in operating profit.

2 [Views and initiatives on sustainability]

Since its establishment, the Group has grown its business by connecting people, goods, and information around the world like the "honeybee" contained in the trade name of BEENOS, creating a circulation of logistics and information in Japan and overseas, striving to contribute to the expansion of global distribution and markets, and aiming to realize a society that can Kibo for tomorrow through growth.

Even today, there are many social issues to be solved in the world, including environmental problems, human rights, and poverty. We believe that it is important to take measures to reduce the environmental impact caused by the expansion of distribution. The solution of these problems and the realization of a sustainable society are often discussed as being opposed to corporate activities based on capitalism. However, in the process of expanding our business, we have experience of continuing to grow through cooperation and mutual trust with partner companies around the world that have unique expertise and areas of strength. Based on this experience, I am convinced that in order to realize a sustainable society, it is important for each company to enhance its expertise in its own specialized field, strengthen partnerships and networks that mutually utilize such expertise, and aim for growth and solutions to issues through relationships of trust with all stakeholders, rather than confrontation of values. The Group believes that a sustainable society is one in which people can have Kibo for tomorrow, and that Kibo is created by expectations of the potential for change and growth.

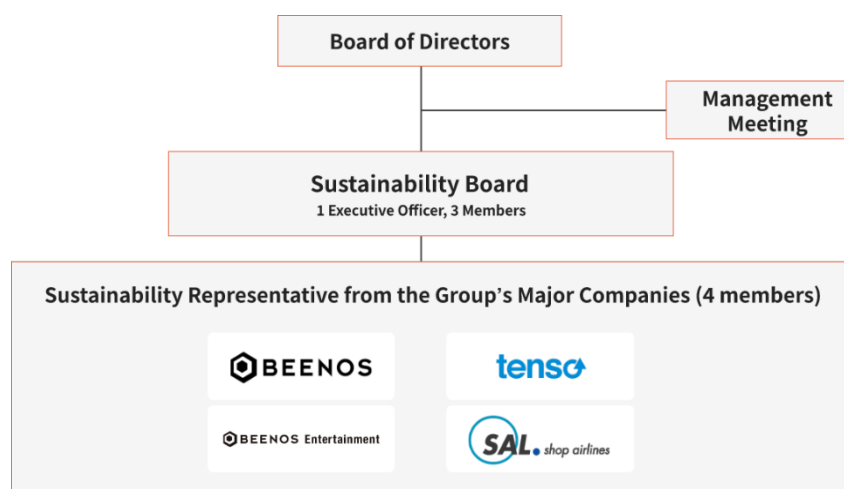
I believe that a sustainable society is one in which everyone has both the expectation of economic growth potential and the expectation that the world's problems will change for the better.

As a listed company, the Group is committed to fulfilling its responsibilities as a member of society and to meeting the challenges that arise from its business activities. Rather than regarding these factors as opposites, the Group is committed to achieving a sustainable society by cooperating with all of its stakeholders.

Any forward-looking statements herein are based on management's assumptions and beliefs in light of the information currently available to it.

(1) Governance

In the Group, the Sustainability Promotion Committee is responsible for identifying issues and formulating and implementing measures. The activities of the Committee are supervised by the Board of Director and the Management Committee, and are approved by each committee according to the degree of importance.



(2) Strategy

The Group has established eight priority themes. In the fiscal year ended September 2024, in particular, the Group focused on initiatives to effectively utilize human capital, believing that employees have a significant impact on the sustainable growth of business. Going forward, the Group will continue to prioritize and strategically address issues related to the themes it has established in accordance with changes in the circumstances and environment in which it operates.

Policies and strategies for the development of human resources and internal environment

The Group hires new graduates and mid-career employees, respectively. Employees who join the Group as a new graduate receive intensive training for two months after joining the Group with the aim of "being able to stand on their own as an early player." This training includes business etiquette classes, learning business models for individual businesses, using business tools, learning frameworks such as logical thinking, analyzing companies using case studies, and planning new businesses.

The basic training policy for mid-career employees is on-the-job training at the place of assignment. However, for the purpose of "quickly understanding the culture and policies of the Group," we require employees to participate in "culture workshops" held in-house, separate from on-the-job training. In addition, in response to the needs for training by job type and rank, we invite external instructors to conduct training for each theme. We also introduce an external online training system and provide it to employees free of charge.

(3) Risk management

(a) Measures against climate change

We calculate and monitor the annual greenhouse gas emissions of the entire Group. In addition, since the fiscal year ended September 2022, we have switched all electricity consumption that falls under scope2 of the GHG Protocol to renewable energy by purchasing non-fossil certificates. In addition, we continue to monitor indirect emissions that fall under scope3 because they are largely dependent on the state of transition to clean energy by each airline and delivery company.

(b) Efficient use of resources

In the Value Cycle Business, which was one of the Group's business segments, the Group was engaged in the reuse business of used brand products and alcoholic beverages, but the business was transferred in the current fiscal year. On the other hand, since many of the Products we handle in Global Commerce Business are used products, we believe that we continue to make a certain contribution to the efficient use of resources.

(4) Indicators and targets

(a) Measures against climate change

The Group's greenhouse gas emissions that fall under scope2 were 480tCO₂e in the fiscal year ended September 2023 and 101tCO₂e in the fiscal year ended September 2024. In the fiscal year ended September 2023, the reduction was achieved through the purchase of non-fossil fuel certificates and the recycling of electric power used in the buildings in which we lived. In the fiscal year ended September 2023, we transferred our Value Cycle Business Division, one of our core businesses. As a result, we further reduced the amount of electricity used, resulting in a reduction in greenhouse gas emissions. The amount of greenhouse gases that fall under scope3 was 65,316tCO₂e in the fiscal year ended September 2023 and 65,382tCO₂e in the fiscal year ended September 2024.

Note: SCOPE3 includes all BEENOS Group companies. FY2024 figures exclude Defactostandard,Ltd. and JOYLAB Co., Ltd., whose businesses were transferred during the period.

(b) Efficient use of resources

In the previous fiscal year ended September 2023, we calculated that 12,365tCO₂e was reduced through the distribution of used products by calculating the amount of greenhouse gas emissions from the manufacturing of new products. In the current fiscal year, we are reconsidering our priority theme of "efficient use of resources" due to the transfer of the Value Cycle Business, which distributed most used products.

Contents of indicators concerning the policy on human resource development and internal environment improvement, and targets and results, indicators and targets using such indicators

(1) Strategy

"Among the eight key themes for sustainability, the themes related to human capital are" "Creating a Rewarding Organization" "and" "Ensuring Diversity in Organizations." ""

We believe that it is necessary to maintain or improve both employee motivation and performance above a certain level in order to realize the "creation of an organization where work is rewarding." In order to achieve this, we continue the cycle of grasping the current situation, recognizing issues, planning and implementing measures, and reviewing them. We grasp the current situation through employee surveys, interviews (1on1), and reports from individuals or third parties, and identify issues and respond to them through personnel and labor affairs. We believe that the continuation of this cycle will lead to the long-term "creation of a meaningful organization."

As for "ensuring diversity in the organization," the Company's policy is to allow employees to be as diverse as possible within the scope of the Company's mission and values. In the current fiscal year, we believe that there is an issue regarding "gender differences." As part of our analysis of the gender pay gap, we identified the absence of female managers in engineering organizations as a major factor contributing to the gender pay gap. At present, the number of excellent female engineers in the junior class is increasing year by year through the recruitment of new graduates. Through this training and career support, we plan to raise the percentage of female managers in engineering organizations from 0% to 15% by 2028.

(b) Indicators and targets

We have established "employee survey engagement score" as an indicator related to "creating a rewarding organization" and "substantial gender pay gap" as an indicator related to "ensuring diversity in the organization".

Indicator	Goal	Results (as of the end of September 2024)
Engagement Score	80 (until 2030)	73
Substantial difference in wages between men and women	5% or less (by 2030)	6.3%
In an engineering organization Percentage of women in managerial positions	15% or more (by 2028)	0%

* As of the end of September 2024, the gender pay gap for regular employees was 19.0%. However, the figures are calculated by excluding the figures for engineers and designers who have no female managers and who meet certain conditions such as job type and responsibilities. In particular, for the engineering department, which has a large number of employees and has a large impact on the wage gap, from FY2024, we have added a separate target to train female managers from within the company or promote them from outside.

3 [Business Risks]

Of the matters related to the status of business and accounting stated in the Securities report, the following matters may have a significant impact on investors' decisions.

Any forward-looking statements herein are based on management's assumptions and beliefs in light of the information currently available to it.

(1) Performance of Major Subsidiaries and Affiliates

The Group has a group management structure with a holding company. As a strategic organization for the optimization of management of the entire Group, the Company has support functions such as group management strategy, accounting, finance, legal affairs, business management, human resources, internal audit, public relations, IR, etc., and functions necessary as a listed company. Each business is operated by 18 consolidated subsidiaries and 3 companies accounted for by the equity method.

In November 2020, the Group introduced an Executive Officer system with the aim of clearly separating management supervision and execution. By having each Executive Officer in charge of a division for each business domain, the Group aims to speed up management decision-making.

"Although the business conditions of the Group's subsidiaries and affiliates differ from each other, each of these companies operates in an industry characterized by intense competition and technological change. Any deterioration in the performance of these companies could have a material impact on the Group's business development, operating results and financial position."

(2) Investment and financing

"In order to create new markets in the global market based on IT and the Internet, the Group aims to become a "global platformer" "that continues to create platforms. The Group's policy is to continue to create new business formats and markets in the future. To achieve this, the Group is fostering investment in Internet-related companies in Japan and overseas, establishing subsidiaries, and developing joint ventures." We understand that it is essential to avoid risks as much as possible by conducting detailed due diligence on the risks and returns of the target company or business when making an investment. However, there is a possibility that the initially expected profit cannot be recorded and the investment amount cannot be recovered. In addition, the Group's operating results may be affected by the emergence of contingent liabilities or unrecognized liabilities that could not be detected in advance, or by the application of impairment losses to securities held by the Group, depending on the future performance of the investee.

(3) Business alliance

The Group considers alliances with external companies such as logistics companies for business expansion to be an important management strategy. The Group is developing its business in such a way that it does not become increasingly dependent on a particular partner. However, if it becomes difficult to maintain the partnership due to changes in the business strategy of the partner, it may have a serious impact on the Group's business results.

(4) Mobilization of human resources and securing of human resources

The speed of technological innovation in the Internet industry is extremely rapid, and new services based on new technologies are entering the market one after another. For this reason, the Group plans to continue to actively recruit and train excellent human resources as its business expands. However, the Group's business performance may be affected if it is unable to recruit and train personnel in accordance with the Group's plan.

In addition, although the Group strives to secure human resources by enhancing welfare programs and providing incentives to officers and employees, there is a possibility that the Group's officers and employees may become more mobile, or that personnel expenses may increase in order to secure human resources, which could have a significant impact on the Group's business results.

(5) Competition

As the e-commerce market in which the Group operates continues to grow and it is relatively easy to enter, competition is expected to intensify in the future as more new entrants enter the market. The Group's strength is cross-border e-commerce, and we are working to strengthen our competitiveness by pursuing more thorough low-cost operations and differentiating our products and services. However, there is a possibility that measures to improve service levels due to intensified competition will result in an increase in costs, a surge in product purchase prices, and a surge in logistics costs. In such cases, the Group's business performance may be affected.

(6) Protection of personal information

In the course of business operations, the Group stores personal information such as names, addresses, telephone numbers, and e-mail addresses of customers who use its services in its database server. The Group is obligated to take security control measures for such information. The Group strives to prevent leakage of information obtained by the Group by limiting the number of people who can access the data, registering IDs, and adopting a system to prevent external intrusion. In addition, the Company has created internal regulations and established methods for handling personal information acquired and held as well as restrictions on access to the personal information database. In addition, the Company has implemented measures to prevent leaks, such as auditing the operation status and conducting education. However, despite the personal information protection measures implemented by the Group, there is no guarantee that the leakage of personal information can be completely prevented. In the event that personal information is leaked outside the Company in the future, there is a possibility that the Company's financial position and operating results may be adversely affected due to claims for damages, deterioration of credibility, etc.

(7) Lawsuits, etc.

The Group strives to promote safe operations and avoid lawsuits, claims, etc. by developing and operating a compliance system. However, in the course of carrying out the business activities of the Group, customers, etc. may file lawsuits or other legal proceedings related to deficiencies in the services provided by the Group, leakage of personal information, infringement of intellectual property, etc., or the Group may be subject to investigations or dispositions by the authorities. There is a possibility that a large amount of expenses will be incurred in relation to these legal proceedings and that business activities will be hindered. Such legal proceedings may take a long time and cost a large amount of money, and it may be difficult to predict the outcome. If a decision is made that is unfavorable to the Group, it may have a negative impact on the Group's business results.

(8) Intellectual Property

The Group has not been sued by any third party for serious infringement of intellectual property rights. However, as the scope of our business activities continues to diversify, we cannot rule out the possibility of serious disputes over intellectual property rights in the future.

The Group has established an internal management system for intellectual property rights. However, in the event that the Group is sued by a third party for infringement of intellectual property rights, there is a possibility that the Group's business performance will be affected due to factors such as the large amount of time and expense required to resolve the case.

(9) Legal restrictions

Each business of the Group is subject to the following legal restrictions. In response to these regulations, the Group actively collects information and takes measures through regular exchanges of information with corporate lawyers and membership in industry organizations. However, in the event that there is any change

in the current interpretation of laws by ministries and agencies, or in the event that a new law regulating the Company's business or business methods is enacted or enforced, the Company's business may be restricted or the Company may be forced to take new measures, depending on the content of the law. In such cases, the Group's operating results or future business development may be affected.

(1) Regulations on e-mail distribution

In addition to the obligations imposed by the "Act on Regulation of Transmission of Specified Electronic Mail" and the "Act on Specified Commercial Transactions," etc., it is necessary to comply with the general relevant laws and regulations such as the "Consumer Contract Act" and the "Act against Unjustifiable Premiums and Misleading Representations," etc. when distributing e-mail magazines to registered members.

(ii) Regulations on the receipt of Products

Within the forwarding service and purchase support business, the receiving service of postal items, etc. is regulated by the "Act on Prevention of Transfer of Criminal Proceeds" and related laws and regulations. In order to comply with the law, the Company takes thorough procedures to confirm the identity of the applicant when registering as a member.

(iii) Regulations on sales of Products

The Group is mainly regulated by the Act on Specified Commercial Transactions, the Act against Unjustifiable Premiums and Misleading Representations, and the Unfair Competition Prevention Act. The Group is also regulated by the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals and Medical Devices, the Health Promotion Act, the Act on Standardization and Proper Quality Labeling of Agricultural and Forestry Products, and the Food Sanitation Act, depending on the products it handles. Specifically, when the Group manufactures and sells products or provides information on such products on its website, the Group is subject to the above-mentioned "Act against Unjustifiable Premiums and Misleading Representations" with regard to price labeling and descriptions of functions and effects of products, the "Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics" with regard to manufacturing and sales of cosmetics such as perfumes and health foods and descriptions of their effects and efficacy, and the "Health Promotion Act", the "Act on Standardization and Proper Quality Labeling of Agricultural and Forestry Products", and the "Food Sanitation Act" with regard to sales of all food products including health foods. BeeCruise Co., Ltd. obtained a marketing business license for cosmetics on September 19, 2019 and a manufacturing business license for cosmetics (packaging, labeling, and storage classification) on October 9 of the same year. The marketing business has been suspended since October 1, 2021 due to the absence of a general marketing compliance officer and a responsible engineer. In order to comply with these laws, the Group holds regular in-house study sessions and takes the best possible measures to post Product information on its website, such as receiving guidance from external experts.

(10) System risk

The business of the Group relies on communication networks that connect computer systems, and uses cloud systems to distribute the locations of systems. In addition, by automatically changing IT resources according to peaks, we control excessive facility costs and maintain optimal IT resource costs. In addition, we have taken effective measures against attacks that exploit vulnerabilities by introducing and appropriately operating WAF, IPS, IDS, etc. However, if communications networks are disrupted due to natural disasters, accidents, or other causes, the Group's operations may face difficulties. In addition, there is a possibility that the servers and network equipment of the Group or its hosting companies may become inoperable due to a temporary overload such as an increase in access, or that normal transactions may not be conducted or the system may stop due to a defect in the hardware or Software of the Group, business partners, purchasers, or Other users of the system. In addition, the websites of the Group and its business partners may be altered, or important data may be deleted or improperly obtained, as a result of crimes such as intrusion into computers

by unauthorized means from outside the Group, or as a result of errors made by officers or employees. In the event of such a failure, in addition to direct damage, the suspension of transactions due to the inoperability or defect of the Group's servers could lead to a decline in the reliability of the system itself and have a serious impact on the Group's business.

(11) Unpredictable circumstances such as natural disasters

The Group builds and maintains communications networks, information systems, and infrastructure systems necessary for various services such as the Internet, communications, and logistics. In the event that a natural disaster such as an earthquake, typhoon, flood, tsunami, tornado, heavy rain, heavy snow, or volcanic activity, a fire, power outage, power shortage, terrorist act, or the spread of an infectious disease such as the novel coronavirus results in the normal operation of communication networks, information systems, transportation, logistics, or other infrastructure systems, the Group's provision of various services may be disrupted, and as a result, the Group's business and operating results may be affected.

(12) Risks related to overseas business development and foreign exchange fluctuations

The Group is actively developing its business activities not only in Japan but also in the United States, Europe, Southeast Asia and other regions. Consolidated financial statements of foreign subsidiaries denominated in local currencies are prepared by translating U.S. dollars, British pounds, European euros and other currencies into Japanese yen for income, expenses, assets, liabilities and shareholders' equity. The Group takes measures to mitigate the risk of exchange rate fluctuations, such as limiting the amount of foreign currency held by its Japanese and overseas subsidiaries to the minimum necessary and making exchange reservations, as necessary. However, such measures do not prevent the entire risk of exchange rate fluctuations, and the Group's performance, assets, liabilities, and net assets may be affected by exchange rate trends. In addition, the Group's business performance may be affected in the event of economic recession, changes in the political situation, changes in laws and regulations, changes in the tax system, the occurrence of terrorism and conflicts, and the outbreak of infectious diseases and disasters in such overseas regions.

(13) Internal management system

The Group considers strengthening corporate governance to be an important management issue in order to maximize corporate value. In order to ensure the appropriateness of business operations and the reliability of financial reporting, the Group has built, developed and operates a system in which internal controls function effectively. However, due to the rapid expansion of business, the Group may not be able to build an adequate internal control system in time, making it difficult to conduct appropriate business operations, which may affect the Group's business results.

4. Management's Analysis of Financial Position, Operating Results and Cash Flow

(Summary of Business Results)

(1) Business Performance Report

The BEENOS Group is committed to becoming a leader on the "Global Platform Frontier," setting new standards and unlocking possibilities by fusing people, products, and information with the global commerce market. This ambition is fueled by leveraging technological advancements and our comprehensive expertise in global commerce.

For this fiscal year, we are concentrating on tailored strategies for each of our business segments to attain our objectives. Our goal in Global Commerce is to broaden our distribution channels by enhancing the Buyee service with AI technology, reducing operational costs, and engaging in vigorous promotional efforts. Our focus in Entertainment is on boosting profit margins through the systematization and automation of operations.

In the E-Commerce Business, the Global Commerce segment experienced a notable rise in GMV and operating profit through proactive campaigns, enhanced campaign efficiency, and personalized promotions. In the Entertainment segment, merchandise sales grew steadily, driven by major events featuring both company-managed artists and those on the Groobee platform, contributing to an increase in GMV. We completed the transfer of shares for the Value Cycle segment as announced in "(Progress of Disclosed Matters) Notice of Completion of Change in Consolidated Subsidiaries (Shares Transfer) and Forecast of Extraordinary Income" on 30 April 2024. The Value Cycle segment has been deconsolidated from the BEENOS Group as of FY2024 Q2. The share transfer led to an extraordinary profit of approximately 900 million yen.

In the Incubation Business, we recorded provisions and impairments concerning the valuation of operational investment securities and moved forward with the sale of select investment securities.

As a result, the consolidated GMV was 115,948 mil JPY (up 15.1% year on year), net sales were 25,428 mil JPY (down 21.8% year on year), operating income was 2,401 mil JPY (down 46.7% year on year), ordinary income was 2,221 mil JPY (down 45.2% year on year), and net income attributable to owners of parent was 1,351 mil JPY (down 38.5% year on year).

The achievements of each business segment are as follows.

(1) E-Commerce Business

i) Global Commerce Business

In the Overseas Forwarding and Proxy Purchasing Business (FROM JAPAN), we have continued to implement aggressive campaigns in collaboration with domestic partners through Buyee, significantly contributing to GMV growth. Moreover, we shifted from distributing large-scale coupons targeting a broad user base last year to distributing coupons based on users' purchase frequency and product categories. Through targeted coupon distribution based on product categories and user purchasing patterns, we achieved a notable year-over-year increase in operating profit.

We also expanded Buyee's exclusive "ECMS Express" plan to Australia and Malaysia and reduced shipping costs to the United States, providing more affordable options for users in these regions. Additionally, we introduced "FedEx International Economy" for an even broader range of delivery choices.

Service improvements continued with AI-driven enhancements, such as a redesigned Buyee site and automated messaging, which further streamlined operations. A new domestic warehouse in Osaka was established to accommodate increased distribution, strengthening our logistics capabilities.

In the cross-border support service "Buyee Connect," which facilitates abroad sales with simple integration, we collaborated with platforms like "BUYMA" by Enigmo Inc. and BuySell Technologies Co., Ltd.'s "Reuse Select Shop BuySell Online Store" and "BuySell brandchée." These efforts have raised BEENOs Group's cumulative cross-border e-commerce support cases to over 6,000.

In our Global Shopping Business (TO JAPAN), we aimed to expand distribution by enhancing marketing efforts, including campaigns for repeat customers and SEO strategies. However, the continued trend of a weaker yen affected our operations, leading to a decrease in GMV.

As a result, GMV was 90,090 mil JPY (up 27.4% year on year), net sales were 14,593 mil JPY (up 20.7% year on year) and operating income was 4,426 mil JPY (up 20.8% year on year).

ii) Entertainment Business

In the Entertainment Business, merchandise sales linked to large-scale concerts by our represented artists and annual summer live events have driven steady GMV growth.

On the entertainment-focused E-Commerce platform "Groobee," sales also rose significantly, fueled by major live events featuring partnered artists. This period saw Groobee's reach expand further, with new implementations such as supporting the launch and management of GENCO inc.'s official E-Commerce site, "GENCO SHOP," which contributed to a consistent increase in partnered artists on the platform.

As a result, GMV was 16,641 mil JPY (up 15.3% year on year), net sales were 1,603 mil JPY (up 10.1% year on year) and operating profit was 32 mil JPY (operating losses in FY2023 were 104 mil JPY).

iii) Value Cycle Business

The share transfer of the Apparel Reuse Business and Liquor Mediation Business has been completed; thus, this segment has been deconsolidated as of FY2024 Q2.

As a result, GMV was 8,267 mil JPY (down 44.5% year on year), net sales were 8,387 mil JPY (down 44.2% year on year) and operating losses were 63 mil JPY (operating losses in FY2023 were 53 mil JPY). (FY2024 Q2 comparisons are made to FY2023)

For the E-Commerce Business as a whole, GMV was 114,927 mil JPY (up 15.0% year on year), net sales were 24,585 mil JPY (down 14.0% year on year) and operating income was 4,395 mil JPY (up 25.4% year on year).

(2) Incubation Business

In the Incubation Business, we recorded provisions and impairments for operational investment securities and initiated their sale to minimize operating losses.

As a result, net sales were 543 mil JPY (down 85.4% year on year) and operating losses were 102 mil JPY (operating income in FY2023 was 2,972 mil JPY).

(3) Other Businesses

In the Other Business segment, alongside the development and research of multiple new ventures, we exited businesses with uncertain growth prospects and achieved profitability in select areas.

As a result, GMV was 1,108 mil JPY (down 0.5% year on year), net sales were 883 mil JPY (up 21.4% year on year) and operating losses were 857 mil JPY (operating losses in FY2023 were 1,018 mil JPY).

Net sales by business segment are as follows.

Category		24th fiscal period (ended September 2023)	25th fiscal period (current fiscal period) (fiscal period ended September 2024)	Compared to the	
		Amount (Million yen)	Amount (Million yen)	Amount (Million yen)	Change (%)
E-Commerce	Undertaking	28,575	24,585	(3,990)	(14.0)
Global Commerce Business	Department	12,087	14,593	2,506	20.7
Value Cycle Business	Department	15,031	8,387	(6,643)	(44.2)
Entertainment Business	Department	1,456	1,603	147	10.1
Incubation	Undertaking	3,709	543	(3,165)	(85.4)
Other	Undertaking	727	883	155	21.4
Elimination or corporate		(503)	(582)	(79)	15.8
Total		32,508	25,428	(7,080)	(21.8)

(Note) For the Value Cycle Business Division, the results are up to the second quarter consolidated cumulative period.

(2) Cash Flows

Cash and cash equivalents (hereinafter referred to as "Cash") for the fiscal year under review increased by 7,008 Million yen from the previous fiscal year to 18,242 Million yen.

The status of each cash flow in the current consolidated fiscal year and the factors thereof are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities was 3,758 Million yen, up 2,988 Million yen from the previous fiscal year. The main factors for the increase were an increase of 1,067 Million yen in Deposits received, an increase of 3,167 Million yen due to the recording of Income before income taxes, and the main factor for the decrease was Income taxes paid 1,013 Million yen.

(Cash flow from investing activities)

Net cash provided by investing activities was 3,550 Million yen, down 726 Million yen from the previous fiscal year. The main factors for the decrease were 194 Million yen for acquisition of Intangible assets and 121 Million yen for payments of lease and guarantee deposits. The main factor for the increase was 3,774 Million yen for proceeds from sales of shares of subsidiaries accompanying changes in the scope of consolidation.

(Cash flow from financing activities)

Net cash used in financing activities was 275 Million yen, down 1,192 Million yen from the previous fiscal year. The main reasons for the decrease were a decrease of 900 Million yen in Short-term loans, repayment of 547 Million yen in Long-term loans payable, and Cash dividends paid 325 Million yen in dividends. The main reasons for the increase were 785 Million yen in proceeds from the exercise of stock options and 700 Million yen in proceeds from long-term borrowings.

(Status of Production, Receipt of Orders, and Sales)

(1) Production results

Not Applicable.

(2) Orders received

The Group engages in sales by order in the Entertainment Division of the Entertainment Businesscommerce Business. However, this business purchases and sells a wide variety of Products every time an order is received from a user. Since the period from the receipt of an order to the recording of sales is extremely short, the description is omitted.

(3) Products Purchase Results

Actual purchases of products by business segment for the current consolidated fiscal year are as follows.

Name of the segment		The current consolidated accounting year (From October 1, 2023 To September 30, 2024)	YoY (%)
E-Commerce	Business (Million yen)	6,378	(46.6)
	Global Commerce Business Segment (Million yen)	-	-
	Value Cycle Business Segment (Million yen)	5,962	(48.9)
	Entertainment Business Segment (Million yen)	416	47.6
Incubation	Business (Million yen)	16	(33.2)
Total		6,394	(46.6)

(Note) For the Value Cycle Business Division, the results are up to the second quarter consolidated cumulative period.

(4) Sales performance

Sales results for the current consolidated fiscal year by business segment are as follows.

Name of the segment		The current consolidated accounting year (From October 1, 2023 To September 30, 2024)	YoY (%)
E-Commerce	Business (Million yen)	24,488	(13.8)
	Global Commerce Business Segment (Million yen)	14,565	20.9
	Value Cycle Business Segment (Million yen)	8,323	(44.2)
	Entertainment Business Segment (Million yen)	1,598	9.9
Incubation	Business (Million yen)	543	(85.3)
Other	(Million yen)	371	(2.0)
Adjustment	(Million yen)	25	-
Total		25,428	(21.7)

Notes: 1. Sales results do not include intersegment Net sales.

2. Results for the Value Cycle Business Division are up to the second quarter of the current fiscal year.

(Analysis and Examination of the Status of Operating Results, etc. from the Perspective of Management)

The following is an analysis and examination of the Group's business performance from the management's perspective.

The forward-looking statements herein are based on management's assumptions and beliefs in light of the information currently available to it.

1. significant accounting estimates and assumptions used for the estimates:

The consolidated financial statements of the Group are prepared in accordance with accounting principles generally accepted in Japan. In preparing the consolidated financial statements, the Company makes important judgments and estimates based on rational judgments in light of past results and circumstances. These judgments and estimates are subject to inherent uncertainties that may cause actual results to differ materially from those presented in the consolidated financial statements. "For important accounting policies, please refer to" "Part I. Company Information, Section 5. Accounting, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements, Significant Accounting Policies for the Preparation of Consolidated Financial Statements, 4. Accounting Policies." ""

(1) Impairment loss on securities

The Group owns shares of subsidiaries and affiliates and adopts the cost method based on the moving average method as the valuation method. If the actual value declines significantly due to a deterioration in market conditions or poor performance of the investee, an appropriate reduction is made and the valuation difference is recorded. The Group is also exposed to the risk of fluctuations in the value of its Investment securities depending on the financial position and business performance of the investee. A loss is recognized when the financial position or business performance of the investee declines.

(ii) Recoverability of Deferred tax assets

The Group records the amount of Deferred tax assets that can be recovered in the future based on the tax planning and other factors. The assessment of recoverability involves judgments and estimates that may affect the consolidated financial statements if they differ from the actual results due to future market trends and Other factors.

(2) Analysis of Operating Results for the Current Consolidated Fiscal Year

(1) Net sales and Operating income

In the Global Commerce Business, sales were strong due to an increase in the total value of transactions as a result of the implementation of aggressive campaigns. In addition, operating income increased due to an improvement in campaign efficiency as a result of efforts to personalize campaigns by, for example, subdividing them by user.

In addition, in the Entertainment Business, the Groobee Business, which we have been working on as a new business, recorded steady growth in gross GMV and Net sales, and achieved profitability for the full year.

The Value Cycle Business was excluded from the scope of consolidation of the Group in the second half of the fiscal year due to the transfer of the business. As a result, consolidated GMV and Net sales decreased year on year. On the other hand, Operating income increased year on year due to the recording of a loss in the Value Cycle Business.

As a result, Net sales were ¥ 25.428 Million yen and Operating income was ¥ 2.401 Million yen.

Income before income taxes and minority interests

A Extraordinary income of ¥ 914 Million yen on the sale of shares of subsidiaries and associates was recorded in connection with the transfer of two companies comprising the Value Cycle Business Division. On the other hand, income taxes increased due to the impact of foreign income taxes paid in relation to the sale

of a large investment in overseas Operational investment securities in the previous fiscal year. As a result, net income before income taxes was ¥ 1.351 Million yen.

(3) Analysis of Financial Position

(1) Assets

Total assets at the end of the fiscal year under review were 31,529 Million yen, an increase of 3,617 Million yen from the end of the previous fiscal year.

Current assets totaled 27,462 Million yen, an increase of 4,729 Million yen from the end of the previous fiscal year. This was mainly due to an increase of 7,299 Million yen in Cash and deposits, a decrease of 2,186 Million yen in Products.

On the other hand, Total fixed assets were 4,067 Million yen, a decrease of 1,111 Million yen from the end of the previous fiscal year. This was mainly due to an increase of 1.2 million yen in Allowance for doubtful account, a decrease of 333 Million yen in Investment securities and a decrease of 322 Million yen in Buildings and structures.

(ii) Liabilities

Total liabilities at the end of the fiscal year under review were 17,098 Million yen, an increase of 2,197 Million yen from the end of the previous fiscal year.

Current liabilities totaled 15,919 Million yen, an increase of 1,859 Million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,023 Million yen in Deposits received, 923 Million yen in Income taxes payable, 901 Million yen in Accounts payable-other, and a decrease of 900 Million yen in Short-term loans.

On the other hand, Total fixed liabilities were 1,179 Million yen, an increase of 338 Million yen from the end of the previous fiscal year. This was mainly due to a 323 Million yen increase in Deferred tax liabilities, a 260 Million yen increase in Long-term loans payables, and a 223 Million yen decrease in Asset retirement obligations.

(iii) Net assets

Total net assets at the end of the current consolidated fiscal year increased by 1,420 Million yen from the end of the previous consolidated fiscal year to 14,430 Million yen. This was mainly due to increases of 1,025 Million yen in Retained earnings, 400 Million yen in capital stock and 376 Million yen in Capital surplus and decreases of 261 Million yen in Valuation difference on securities and 209 Million yen in Foreign currency translation adjustment.

(4) Factors that have a significant impact on business results

For details, please refer to "3. Business and Other Risks."

(5) Sources of capital and liquidity of funds

The primary demand for working capital of the Group is in the Global Commerce Business, where it is necessary to secure funds on a scale equivalent to the total amount of monthly GMVS in order to arrange Products from domestic e-commerce sites. The demand for funds is increasing as the business grows. In addition, although cash and deposits at the end of the fiscal year increased due to the transfer of the Value Cycle Business, the Company is considering active M&A for medium-term growth and expects to use cash and deposits for the purpose.

These operating funds are mainly covered by cash on hand. In the event that there is a shortage of cash on hand, the Company raises funds from external sources according to the use of funds, such as bank loans.

Trends in the Group's cash flow indicators are as follows.

Turn	21st fiscal year	22nd fiscal year	23rd fiscal year	24th fiscal year	25th fiscal year (current fiscal year)
Year and month of settlement	FY2020	FY2021	FY2022	FY2023	FY2024
Equity ratio (%)	48.3	51.7	52.5	45.8	45.2
Equity ratio on a market value basis (%)	98.5	185.4	84.8	71.6	107.8
Debt redemption period (years)	0.6	-	3.5	1.7	1.2
Interest coverage ratio (times)	554.9	-	92.9	168.7	209.9

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Debt redemption period: interest-bearing debt / operating cash flow

Interest coverage ratio: Cash flows from operating activities / Interest payments

Notes: 1. All figures are calculated based on consolidated financial figures.

2. Market capitalization is calculated based on the number of shares outstanding excluding Treasury Stock.

3. Interest-bearing debt refers to all debts on the consolidated balance sheet for which interest is paid.

4. The number of years for debt redemption and interest coverage ratio for the 22nd fiscal period are not stated because operating cash flow was negative.

The status of cash flow for the current consolidated accounting year is as described in "Section 2. Business, 4. Analysis of Financial Position, Operating Results and Conditions of Cash Flow by Management, (2) Cash Flow."

(6) Management's future policy

Based on IT and the Internet, the Group aims to be a "Global Platformer" that continues to create platforms to create new markets in the global domain.

In order to globally distribute wonderful Products and contents from around the world and deliver them to consumers around the world, in addition to connecting marketplaces in Japan and overseas, we will promote the construction of a global platform to distribute wonderful Japanese Products and contents to Asian countries and the rest of the world to increase corporate value.

5 [Important Management Contracts]

At a Director meeting held on February 14, 2024, the Company resolved to transfer all shares of Defactostandard, Ltd. and JOYLAB Co., Ltd., consolidated subsidiaries of the Company, to AUCNET INC.. Based on this resolution, a share transfer agreement was concluded on the same day, and the transfer was completed on April 30, 2024.

6 [Research and Development Activities]

Not Applicable.

No. 3 [Status of Facilities]

1. Overview of Capital Investment

Capital expenditures by the Group during the fiscal year under review totaled 255 Million yen, mainly for system investments in the Entertainment Business.

2. Status of Major Facilities

The major facilities of the Group are as follows.

(1) Reporting Company

As of September 30, 2024

Location	Name of the segment	Description of the equipment	Book value (unit: Million yen)						Number of Employees
			Buildings and structures	Mechanical equipment	Tools, materials and supplies	Software	Other	Total	
Head Office (Shinagawa-ku, Tokyo)	Company-wide Incubation Business	System equipment and business facilities, etc.	7	1	29	-	-	38	92(10)
Total			7	1	29	-	-	38	92(10)

(Notes) 1. The building consists of facilities attached to the building such as partitions.

2. No facilities are currently idle.

3. The number of employees indicates the number of working employees, and the number of temporary employees is indicated in parentheses as the average number of employees per month converted to 8 hours per day.

4. The Company leases the building of the head office, and the annual rent is 132 Million yen.

(2) Domestic subsidiaries

As of September 30, 2024

Company Name (Location)	Name of the segment	Description of the equipment	Book value (unit: Million yen)						Number of Employees
			Buildings and structures	Mechanical equipment	Tools, materials and supplies	Software	Other	Total	
Denso Co., Ltd. (Shinagawa Ward, Tokyo)	E-Global Commerce Business	System equipment and business facilities, etc.	6	20	7	24	11	70	74(69)
Total			6	20	7	24	11	70	74(69)

(Notes) 1. "Other" in the book value is Software suspense account.

2. No facilities are currently idle.

3. The number of employees indicates the number of working employees, and the number of temporary employees is indicated in parentheses as the average number of employees per month converted to 8 hours per day.

(3) Overseas subsidiaries

There are no items to report.

3 [Plan for new construction, retirement, etc. of facilities]

(1) New construction of important facilities, etc.

At the Director meeting held on December 21, 2023, the Company resolved to relocate its head office. Based on

this resolution, the Company entered into a lease agreement for the office building in the new location and moved its head office to Nishigotanda, Shinagawa-ku, Tokyo, on December 2, 2024.

(2) Removal, etc. of important facilities

Not Applicable.

IV. [Status of Reporting Company]

1. Status of Shares, etc.

(1) [Total Number of Shares]

(1) [Total number of shares]

Type	Total number of authorized shares (shares)
Common stock	45,000,000
Total	45,000,000

(ii) [Issued shares]

Type	Number of shares issued at the end of the fiscal year (September 30, 2024)	Number of shares issued as of the filing date (December 20, 2024)	Name of Listed Financial Products Exchange or Registered Authorized Financial Products Firms Association	Contents
Common stock	13,603,995	13,608,995	Tokyo Stock Exchange (Prime Market)	The number of shares per unit is 100 shares.
Total	13,603,995	13,608,995	-	-

"(Notes) 1. The "Number of issued shares as of the submission date" column does not include the number of shares issued through the exercise of Share subscription rights from December 1, 2024 to the submission date of this Securities report."

(2) [Status of Share subscription rights, etc.]

(1) [Details of the stock option plan]

Date of resolution	March 15, 2018 Board of Director (11th Share subscription rights)
Category and number of grantees (persons)	Employees of the Company 26 Employees of subsidiaries 104
Number of Share subscription rights (units) *	305 [283]
Type, content and number of shares to be issued upon exercise of Share subscription rights *	Ordinary shares 30,500 [28,300] (Note) 1
Amount to be paid in upon exercise of Share subscription right acquisition rights (yen) *	1,737 (Note) 2
Exercise period of Share subscription rights *	From April 1, 2020 to March 14, 2028
Issue price of shares and amount to be incorporated into capital when shares are issued through exercise of Share subscription rights (yen) *	Issue price 1,737 Capitalization 869
Conditions for the exercise of Share subscription rights *	(Note) 3
Matters related to transfer of Share subscription rights *	Any transfer of Share subscription rights shall require approval by a resolution of the Board of Director of the Company.
Matters related to the issuance of Share subscription rights in connection with organizational restructuring *	(Note) 4

* The content as of the last day of the current business year (September 30, 2024) is stated. Changes made between the end of the fiscal year under review and the end of the month prior to the submission date (November 30, 2024) are shown in parentheses as of the end of the month prior to the submission date. Other changes have not been made from the end of the fiscal year under review.

"(Notes) 1. The number of shares to be issued upon exercise of each Share subscription rights (the "Number of

Granted Shares" ") is 100 ordinary shares of the Company."

If the Company conducts a stock split (including gratis allotment of the Company's common shares; the same shall apply hereinafter) or a reverse stock split after the allotment date of the Share subscription rights, the Number of Granted Shares shall be adjusted according to the following formula: Provided, however, that such adjustment shall be made only to the number of shares subject to the Share subscription rights that have not been exercised at the time of such adjustment, and any fraction of less than one share resulting from such adjustment shall be rounded down.

$$\begin{array}{lcl} \text{Number of shares} & & \text{Number of shares} \\ \text{granted after} & = & \text{granted before} \\ \text{adjustment} & & \text{adjustment} \end{array} \quad \text{No.} \quad \frac{\text{Ratio of split or}}{\text{consolidation}}$$

After the date of allotment of the Share subscription rights, in the event that the Company merges, splits or reduces the amount of Capital stock, or in any Other case similar thereto where an adjustment of the Number of Granted Shares is required, the Number of Granted Shares shall be appropriately adjusted to a reasonable extent.

2. If the Company conducts a stock split or reverse stock split after the date of allotment of the Share subscription rights Acquisition Rights, the Exercise Price shall be adjusted by the following formula and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\begin{array}{lcl} \text{Exercise price} & & \text{Exercise price} \\ \text{after} & = & \text{before} \\ \text{adjustment} & & \text{adjustment} \end{array} \quad \text{No.} \quad \frac{1}{\text{Ratio of split or}} \cdot \frac{\text{consolidation}}{\text{consolidation}}$$

In addition, if the Company issues new shares or disposes of Treasury Stock at a price lower than the market price with respect to the Company's common shares after the date of allotment of the Share subscription rights (excluding the cases of the issuance of new shares and the disposal of Treasury Stock based on the exercise of the Share subscription rights, and the transfer of Treasury Stock by share exchange), the exercise price shall be adjusted by the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\begin{array}{lcl} \text{Exercise price} & & \text{Exercise price} \\ \text{after} & = & \text{before} \\ \text{adjustment} & & \text{adjustment} \end{array} \quad \text{No.} \quad \frac{\begin{array}{l} \text{Number of} \\ \text{outstanding} \end{array} + \frac{\begin{array}{l} \text{Number of newly issued shares} \times \text{amount to} \\ \text{be paid in per share} \end{array}}{\begin{array}{l} \text{Market value per share before new issuance} \end{array}}}{\begin{array}{l} \text{Number of shares already issued} + \text{number of shares newly} \\ \text{issued (disposed of)} \end{array}}$$

- "In the above formula, the "number of shares already issued" shall be the number obtained by deducting the number of Treasury Stock shares relating to the Company's common shares from the total number of issued shares relating to the Company's common shares, and in the case of disposal of Treasury Stocks relating to the Company's common shares, "number of shares newly issued" shall be read as "number of Treasury Stock shares to be disposed of." "" In addition to the above, in the event that the Company merges with another company, conducts a company split, or is required to adjust the Exercise Price in a manner similar to the above, the Company may adjust the Exercise Price appropriately to a reasonable extent.

3. Conditions for the exercise of the Share subscription rights are as follows:

- (I) The holders of Share subscription right must be Directors or employees of the Company or its affiliates at the time of exercise of Share subscription rights. However, this shall not apply to resignation due to expiration of the term of office, mandatory retirement, or Other cases where the Board of Director deems that there are justifiable reasons.
- (ii) The exercise of the Share Acquisition Share subscription rights by the heirs of the holders of the Share subscription rights shall not be permitted
- (iii) If, as a result of the exercise of the Share subscription rights, the total number of issued shares of the Company exceeds the total number of authorized shares at that time, the Share subscription rights may not be exercised.
- (iv) Less than one Share subscription rights may not be exercised.

4. Handling of Share subscription rights in the event of organizational restructuring "In the event that the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (hereinafter collectively referred to as the "Act of Structural Reorganization"), the

Company shall deliver the stock acquisition rights of the stock companies listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "Restructured Company" ") to the holders of stock acquisition rights on the effective date of the Act of Structural Reorganization under the following conditions." Provided, however, that this shall be limited to cases where it is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan that stock Share subscription rights of the Restructured Company will be delivered in accordance with the following conditions:

- (1) Number of Share subscription rights of the Restructured Company to be delivered The same number of stock acquisition rights as the number of stock Share subscription rights held by each Share subscription right holder shall be delivered.
- (2) Type of shares of the Restructured Company to be issued upon exercise of Share subscription rights Ordinary shares of the Restructured Company
- (3) Number of shares of the Restructured Company to be issued upon exercise of Share subscription rights To be determined in accordance with 1. above, taking into account the conditions of the Organizational Restructuring.
- (4) Value of property to be contributed upon exercise of Share subscription rights The amount of assets to be contributed upon the exercise of each Share subscription right to be delivered shall be the amount obtained by multiplying the number of shares of the Reorganized Company to be issued upon the exercise of the Share subscription right, which is determined in accordance with 4. (3) above, by the Exercise Price after the reorganization, which is obtained by adjusting the Exercise Price set forth in 2 above, taking into account the conditions, etc. of the Organizational Restructuring.
- (5) Period during which Share subscription rights may be exercised The exercise period shall be from the last day of either the first day of the exercise period set forth in the outline of issuance of the Share subscription rights or the effective date of the Organizational Restructuring, whichever is later, to the last day of the exercise period set forth in the outline of issuance of the Share subscription rights.
- (6) Matters concerning Capital stock and capital reserves to be increased in the event of issuance of shares upon exercise of Share subscription rights
To be determined in accordance with the matters concerning the increase in Capital stock and capital reserves set forth in the terms and conditions of the issuance of the Share subscription rights.
- (7) Restriction on acquisition of Share subscription rights by transfer Restrictions on acquisition by transfer shall require approval by a resolution of the board of Directors of the restructured company.
- (8) Other conditions for exercise of Share subscription rights To be determined in accordance with 3. above.
- (9) Reasons and conditions for the acquisition of Share subscription right To be determined in accordance with the matters concerning the acquisition of Share subscription rights set forth in the Terms and Conditions of Issuance of Share subscription rights.
- (10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

Date of resolution	Director' meeting held on February 6, 2020 (12th Share subscription rights)
Category and number of grantees (persons)	Director of the Company 4 Executive Officer of the Company Employees of the Company 1 Directors 8 Executive Officers 5
Number of Share subscription rights (units) *	2,438 [2,388]
Type, content and number of shares to be issued upon exercise of Share subscription rights *	Ordinary shares 243,800 [238,800] (Note) 1
Amount to be paid in upon exercise of Share subscription right acquisition rights (yen) *	1,071 (Note) 2
Exercise period of Share subscription rights *	From February 25, 2020 To February 24, 2030
Issue price of shares and amount to be incorporated into capital when shares are issued through exercise	Issue price 1,071 Capitalization 535.5

of Share subscription rights (yen) *	
Conditions for the exercise of Share subscription rights *	(Note) 3
Matters related to transfer of Share subscription rights *	Any transfer of Share subscription rights shall require approval by a resolution of the Board of Director of the Company.
Matters related to the issuance of Share subscription rights in connection with organizational restructuring *	(Note) 4

* The content as of the last day of the current business year (September 30, 2024) is stated. Changes made between the end of the fiscal year under review and the end of the month prior to the submission date (November 30, 2024) are shown in parentheses as of the end of the month prior to the submission date. Other changes have not been made from the end of the fiscal year under review.

"(Notes) 1. The number of shares to be issued upon exercise of each Share subscription rights (the "Number of Granted Shares") is 100 ordinary shares of the Company."

If the Company conducts a stock split (including gratis allotment of the Company's common shares; the same shall apply hereinafter) or a reverse stock split after the allotment date of the Share subscription rights, the Number of Granted Shares shall be adjusted according to the following formula: Provided, however, that such adjustment shall be made only to the number of shares subject to the Share subscription rights that have not been exercised at the time of such adjustment, and any fraction of less than one share resulting from such adjustment shall be rounded down.

Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of split (or consolidation)

After the date of allotment of the Share subscription rights, in the event that the Company merges, splits or reduces the amount of Capital stock, or in any Other case similar thereto where an adjustment of the Number of Granted Shares is required, the Number of Granted Shares shall be appropriately adjusted to a reasonable extent.

2. If the Company conducts a stock split or reverse stock split after the date of allotment of the Share subscription rights Acquisition Rights, the Exercise Price shall be adjusted by the following formula and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \times 1}{\text{Ratio of split (or consolidation)}}$$

In addition, if the Company issues new shares or disposes of Treasury Stock at a price lower than the market price with respect to the Company's common shares after the date of allotment of the Share subscription rights (excluding the cases of the issuance of new shares and the disposal of Treasury Stock based on the exercise of the Share subscription rights, and the transfer of Treasury Stock by share exchange), the exercise price shall be adjusted by the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \times \left(\frac{\text{Existing issue Number of shares} + \frac{\text{New issue Number of shares} \times \text{Per share Amount to be paid}}{\text{Market value per share before new issuance}}}{\text{Number of outstanding shares} + \text{Number of newly issued shares}} \right)}{1}$$

"In the above formula, the "number of shares already issued" shall be the number obtained by deducting the number of Treasury Stock shares relating to the Company's common shares from the total number of issued shares relating to the Company's common shares, and in the case of disposal of Treasury Stocks relating to the Company's common shares, "number of shares newly issued" shall be read as "number of Treasury Stock shares to be disposed of." ""

In addition to the above, in the event that the Company merges with another company, conducts a company split, or is required to adjust the Exercise Price in a manner similar to the above, the Company may adjust the Exercise Price appropriately to a reasonable extent.

3. Conditions for the exercise of the Share subscription rights are as follows:

(I) If the closing price of the Company's Ordinary Shares at the Financial Products Exchange falls below the price calculated by multiplying the Exercise Price by 30% at least once during the period from the Allotment Date of the Share Acquisition Rights to the end of the Exercise Period, the Holders of the Share subscription rights must exercise all the remaining Share subscription rights

at the Exercise Price by the maturity date of the Exercise Period. Provided, however, that this shall not apply to the following cases:

- (a) If it is found that the information disclosed by the Company contains material misstatements;
 - (b) It is found that the Company has not properly disclosed a material fact that should have been disclosed in accordance with laws and regulations or the rules of a financial Products exchange;
 - (c) In the event that the Company is delisted, goes bankrupt, or there is a significant change in the circumstances assumed at the date of issuance of the Share Acquisition Rights.
 - (d) If the Company engages in any Other act that is objectively deemed to seriously damage the confidence of the holders of the Share subscription rights Options.
 - (ii) The exercise of the Share Acquisition Share subscription rights by the heirs of the holders of the Share subscription rights shall not be permitted
 - (iii) If, as a result of the exercise of the Share subscription rights, the total number of issued shares of the Company exceeds the total number of authorized shares at that time, the Share subscription rights may not be exercised.
 - (iv) Less than one Share subscription rights may not be exercised.
4. Handling of Share subscription rights in the event of organizational restructuring

"In the event that the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (hereinafter collectively referred to as the "Act of Structural Reorganization"), the Company shall deliver the stock acquisition rights of the stock companies listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "Restructured Company") to the holders of stock acquisition rights on the effective date of the Act of Structural Reorganization under the following conditions." Provided, however, that this shall be limited to cases where it is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan that stock Share subscription rights of the Restructured Company will be delivered in accordance with the following conditions:

- (1) Number of Share subscription rights of the Restructured Company to be delivered
The same number of stock acquisition rights as the number of stock Share subscription rights held by each Share subscription right holder shall be delivered.
- (2) Type of shares of the Restructured Company to be issued upon exercise of Share subscription rights
Ordinary shares of the Restructured Company
- (3) Number of shares of the Restructured Company to be issued upon exercise of Share subscription rights
To be determined in accordance with 1. above, taking into account the conditions of the Organizational Restructuring.
- (4) Value of property to be contributed upon exercise of Share subscription rights
The amount of assets to be contributed upon the exercise of each Share subscription right to be delivered shall be the amount obtained by multiplying the number of shares of the Reorganized Company to be issued upon the exercise of the Share subscription right, which is determined in accordance with 4. (3) above, by the Exercise Price after the reorganization, which is obtained by adjusting the Exercise Price set forth in 2 above, taking into account the conditions, etc. of the Organizational Restructuring.
- (5) Period during which Share subscription rights may be exercised
The exercise period shall be from the last day of either the first day of the exercise period set forth in the outline of issuance of the Share subscription rights or the effective date of the Organizational Restructuring, whichever is later, to the last day of the exercise period set forth in the outline of issuance of the Share subscription rights.
- (6) Matters concerning Capital stock and capital reserves to be increased in the event of issuance of shares upon exercise of Share subscription rights
To be determined in accordance with the matters concerning the increase in Capital stock and

capital reserves set forth in the terms and conditions of the issuance of the Share subscription rights.

(7) Restriction on acquisition of Share subscription rights by transfer

Restrictions on acquisition by transfer shall require approval by a resolution of the board of Directors of the restructured company.

(8) Other conditions for the exercise of Share subscription rights

To be determined in accordance with 3. above.

(9) Reasons and conditions for the acquisition of Share subscription right

To be determined in accordance with the matters concerning the acquisition of Share subscription rights set forth in the Terms and Conditions of Issuance of Share subscription rights.

(10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

5. The Share subscription rights are issued for consideration at 100 yen per Share subscription rights.

Date of resolution	Board of Director meeting held on February 6, 2020 (13th Share subscription rights)
Category and number of grantees (persons)	Employees of the Company 32 Employees of subsidiaries 235
Number of Share subscription rights (units) *	1,387 [1,198]
Type, content and number of shares to be issued upon exercise of Share subscription rights *	Ordinary shares 138,700 [119,800] (Note) 1
Amount to be paid in upon exercise of Share subscription right acquisition rights (yen) *	1,071 (Note) 2
Exercise period of Share subscription rights *	From February 7, 2022 To February 6, 2030
Issue price of shares and amount to be incorporated into capital when shares are issued through exercise of Share subscription rights (yen) *	Issue price 1,071 Capitalization 535.5
Conditions for the exercise of Share subscription rights *	(Note) 3
Matters related to transfer of Share subscription rights *	Any transfer of Share subscription rights shall require approval by a resolution of the Board of Director of the Company.
Matters related to the issuance of Share subscription rights in connection with organizational restructuring *	(Note) 4

* The content as of the last day of the current business year (September 30, 2024) is stated. Changes made between the end of the fiscal year under review and the end of the month prior to the submission date (November 30, 2024) are shown in parentheses as of the end of the month prior to the submission date. Other changes have not been made from the end of the fiscal year under review.

"(Notes) 1. The number of shares to be issued upon exercise of each Share subscription rights (the "Number of Granted Shares" ") is 100 ordinary shares of the Company."

If the Company conducts a stock split (including gratis allotment of the Company's common shares; the same shall apply hereinafter) or a reverse stock split after the allotment date of the Share subscription rights, the Number of Granted Shares shall be adjusted according to the following formula: Provided, however, that such adjustment shall be made only to the number of shares subject to the Share subscription rights that have not been exercised at the time of such adjustment, and any fraction of less than one share resulting from such adjustment shall be rounded down.

Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of split (or consolidation)

After the date of allotment of the Share subscription rights, in the event that the Company merges, splits or reduces the amount of Capital stock, or in any Other case similar thereto where an adjustment of the Number of Granted Shares is required, the Number of Granted Shares shall be appropriately adjusted to a reasonable extent.

2. If the Company conducts a stock split or reverse stock split after the date of allotment of the Share subscription rights Acquisition Rights, the Exercise Price shall be adjusted by the following formula and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \times \text{Ratio of split (or consolidation)}}{1}$$

In addition, if the Company issues new shares or disposes of Treasury Stock at a price lower than the market price with respect to the Company's common shares after the date of allotment of the Share subscription rights (excluding the cases of the issuance of new shares and the disposal of Treasury Stock based on the exercise of the Share subscription rights, and the transfer of Treasury Stock by share exchange), the exercise price shall be adjusted by the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \times \left(\frac{\text{Existing issue Number of shares} + \frac{\text{New issue Number of shares}}{\text{Per share Amount to be paid}}}{\text{Number of outstanding shares} + \text{Number of newly issued shares}} \right)}{1}$$

"In the above formula, the "number of shares already issued" shall be the number obtained by

deducting the number of Treasury Stock shares relating to the Company's common shares from the total number of issued shares relating to the Company's common shares, and in the case of disposal of Treasury Stocks relating to the Company's common shares," "number of shares newly issued" "shall be read as" "number of Treasury Stock shares to be disposed of." ""

In addition to the above, in the event that the Company merges with another company, conducts a company split, or is required to adjust the Exercise Price in a manner similar to the above, the Company may adjust the Exercise Price appropriately to a reasonable extent.

3. Conditions for the exercise of the Share subscription rights are as follows:

- (i) The holders of Share subscription right must be Directors or employees of the Company or its affiliates at the time of exercise of Share subscription rights. However, this shall not apply to resignation due to expiration of the term of office, mandatory retirement, or Other cases where the Board of Director deems that there are justifiable reasons.
- (ii) The exercise of the Share Acquisition Share subscription rights by the heirs of the holders of the Share subscription rights shall not be permitted
- (iii) If, as a result of the exercise of the Share subscription rights, the total number of issued shares of the Company exceeds the total number of authorized shares at that time, the Share subscription rights may not be exercised.
- (iv) Less than one Share subscription rights may not be exercised.

4. Handling of Share subscription rights in the event of organizational restructuring

"In the event that the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (hereinafter collectively referred to as the "Act of Structural Reorganization"), the Company shall deliver the stock acquisition rights of the stock companies listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "Restructured Company") to the holders of stock acquisition rights on the effective date of the Act of Structural Reorganization under the following conditions." Provided, however, that this shall be limited to cases where it is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan that stock Share subscription rights of the Restructured Company will be delivered in accordance with the following conditions:

(1) Number of Share subscription rights of the Restructured Company to be delivered

The same number of stock acquisition rights as the number of stock Share subscription rights held by each Share subscription right holder shall be delivered.

(2) Type of shares of the Restructured Company to be issued upon exercise of Share subscription rights

Ordinary shares of the Restructured Company

(3) Number of shares of the Restructured Company to be issued upon exercise of Share subscription rights

To be determined in accordance with 1. above, taking into account the conditions of the Organizational Restructuring.

(4) Value of property to be contributed upon exercise of Share subscription rights

The amount of assets to be contributed upon the exercise of each Share subscription right to be delivered shall be the amount obtained by multiplying the number of shares of the Reorganized Company to be issued upon the exercise of the Share subscription right, which is determined in accordance with 4. (3) above, by the Exercise Price after the reorganization, which is obtained by adjusting the Exercise Price set forth in 2 above, taking into account the conditions, etc. of the Organizational Restructuring.

(5) Period during which Share subscription rights may be exercised

The exercise period shall be from the last day of either the first day of the exercise period set forth in the outline of issuance of the Share subscription rights or the effective date of the Organizational Restructuring, whichever is later, to the last day of the exercise period set forth in the outline of issuance of the Share subscription rights.

(6) Matters concerning Capital stock and capital reserves to be increased in the event of issuance of

shares upon exercise of Share subscription rights

To be determined in accordance with the matters concerning the increase in Capital stock and capital reserves set forth in the terms and conditions of the issuance of the Share subscription rights.

(7) Restriction on acquisition of Share subscription rights by transfer

Restrictions on acquisition by transfer shall require approval by a resolution of the board of Directors of the restructured company.

(8) Other conditions for the exercise of Share subscription rights

To be determined in accordance with 3. above.

(9) Reasons and conditions for the acquisition of Share subscription right

To be determined in accordance with the matters concerning the acquisition of Share subscription rights set forth in the Terms and Conditions of Issuance of Share subscription rights.

(10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

Date of resolution	May 27, 2021 Board of Director (The 14th Share subscription rights)
Category and number of grantees (persons)	Employees of the Company 11 Employees of subsidiaries 85
Number of Share subscription rights (units) *	267 [259]
Type, content and number of shares to be issued upon exercise of Share subscription rights *	Ordinary shares 26,700 [25,900] (Note) 1
Amount to be paid in upon exercise of Share subscription right acquisition rights (yen) *	3,730 (Note) 2
Exercise period of Share subscription rights *	From May 28, 2023 To May 27, 2031
Issue price of shares and amount to be incorporated into capital when shares are issued through exercise of Share subscription rights (yen) *	Issue price 3,730 Capitalization 1,865
Conditions for the exercise of Share subscription rights *	(Note) 3
Matters related to transfer of Share subscription rights *	Any transfer of Share subscription rights shall require approval by a resolution of the Board of Director of the Company.
Matters related to the issuance of Share subscription rights in connection with organizational restructuring *	(Note) 4

* The content as of the last day of the current business year (September 30, 2024) is stated. Changes made between the end of the fiscal year under review and the end of the month prior to the submission date (November 30, 2024) are shown in parentheses as of the end of the month prior to the submission date. Other changes have not been made from the end of the fiscal year under review.

"(Notes) 1. The number of shares to be issued upon exercise of each Share subscription rights (the "Number of Granted Shares" ") is 100 ordinary shares of the Company."

If the Company conducts a stock split (including gratis allotment of the Company's common shares; the same shall apply hereinafter) or a reverse stock split after the allotment date of the Share subscription rights, the Number of Granted Shares shall be adjusted according to the following formula: Provided, however, that such adjustment shall be made only to the number of shares subject to the Share subscription rights that have not been exercised at the time of such adjustment, and any fraction of less than one share resulting from such adjustment shall be rounded down.
Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of split (or consolidation)

After the date of allotment of the Share subscription rights, in the event that the Company merges, splits or reduces the amount of Capital stock, or in any Other case similar thereto where an adjustment of the Number of Granted Shares is required, the Number of Granted Shares shall be appropriately adjusted to a reasonable extent.

2. If the Company conducts a stock split or reverse stock split after the date of allotment of the Share subscription rights Acquisition Rights, the Exercise Price shall be adjusted by the following formula and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \cdot \text{No} \cdot \frac{1}{\text{Ratio of split (or consolidation)}}}{\text{No}}$$

In addition, if the Company issues new shares or disposes of Treasury Stock at a price lower than the market price with respect to the Company's common shares after the date of allotment of the Share subscription rights (excluding the cases of the issuance of new shares and the disposal of Treasury Stock based on the exercise of the Share subscription rights, and the transfer of Treasury Stock by share exchange), the exercise price shall be adjusted by the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \cdot \text{No} \cdot \frac{\text{Existing issue Number of shares} + \frac{\text{New issue Number of shares} \cdot \text{Per share Amount to be paid}}{\text{Market value per share before new issuance}}}{\text{Number of outstanding shares} + \text{Number of newly issued shares}}$$

"In the above formula, the "number of shares already issued" "shall be the number obtained by deducting the number of Treasury Stock shares relating to the Company's common shares from the total number of issued shares relating to the Company's common shares, and in the case of disposal of Treasury Stocks relating to the Company's common shares," "number of shares newly issued" "shall be read as" "number of Treasury Stock shares to be disposed of." ""

In addition to the above, in the event that the Company merges with another company, conducts a company split, or is required to adjust the Exercise Price in a manner similar to the above, the Company may adjust the Exercise Price appropriately to a reasonable extent.

3. Conditions for the exercise of the Share subscription rights are as follows:

- (I) The holders of Share subscription right must be Directors or employees of the Company or its affiliates at the time of exercise of Share subscription rights. However, this shall not apply to resignation due to expiration of the term of office, mandatory retirement, or Other cases where the Board of Director deems that there are justifiable reasons.
- (ii) The exercise of the Share Acquisition Share subscription rights by the heirs of the holders of the Share subscription rights shall not be permitted
- (iii) If, as a result of the exercise of the Share subscription rights, the total number of issued shares of the Company exceeds the total number of authorized shares at that time, the Share subscription rights may not be exercised.
- (iv) Less than one Share subscription rights may not be exercised.

4. Handling of Share subscription rights in the event of organizational restructuring

"In the event that the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (hereinafter collectively referred to as the "Act of Structural Reorganization"), the Company shall deliver the stock acquisition rights of the stock companies listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "Restructured Company") to the holders of stock acquisition rights on the effective date of the Act of Structural Reorganization under the following conditions." Provided, however, that this shall be limited to cases where it is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan that stock Share subscription rights of the Restructured Company will be delivered in accordance with the following conditions:

(1) Number of Share subscription rights of the Restructured Company to be delivered

The same number of stock acquisition rights as the number of stock Share subscription rights held by each Share subscription right holder shall be delivered.

(2) Type of shares of the Restructured Company to be issued upon exercise of Share subscription rights

Ordinary shares of the Restructured Company

(3) Number of shares of the Restructured Company to be issued upon exercise of Share subscription rights

To be determined in accordance with 1. above, taking into account the conditions of the Organizational Restructuring.

(4) Value of property to be contributed upon exercise of Share subscription rights

The amount of assets to be contributed upon the exercise of each Share subscription right to be delivered shall be the amount obtained by multiplying the number of shares of the Reorganized Company to be issued upon the exercise of the Share subscription right, which is determined in accordance with 4. (3) above, by the Exercise Price after the reorganization, which is obtained by adjusting the Exercise Price set forth in 2 above, taking into account the conditions, etc. of the Organizational Restructuring.

(5) Period during which Share subscription rights may be exercised

The exercise period shall be from the last day of either the first day of the exercise period set forth in the outline of issuance of the Share subscription rights or the effective date of the Organizational Restructuring, whichever is later, to the last day of the exercise period set forth in the outline of issuance of the Share subscription rights.

(6) Matters concerning Capital stock and capital reserves to be increased in the event of issuance of shares upon exercise of Share subscription rights

To be determined in accordance with the matters concerning the increase in Capital stock and capital reserves set forth in the terms and conditions of the issuance of the Share subscription rights.

(7) Restriction on acquisition of Share subscription rights by transfer

Restrictions on acquisition by transfer shall require approval by a resolution of the board of Directors of the restructured company.

(8) Other conditions for the exercise of Share subscription rights

To be determined in accordance with 3. above.

(9) Reasons and conditions for the acquisition of Share subscription right

To be determined in accordance with the matters concerning the acquisition of Share subscription rights set forth in the Terms and Conditions of Issuance of Share subscription rights.

(10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

Date of resolution	Director' meeting held on August 4, 2022 (15th Share subscription rights)
Category and number of grantees (persons)	Employees of the Company 68 Employees of subsidiaries 252
Number of Share subscription rights (units) *	2,409 [1,886]
Type, content and number of shares to be issued upon exercise of Share subscription rights *	Ordinary shares 24,090 [18,860] (Note) 1
Amount to be paid in upon exercise of Share subscription right acquisition rights (yen) *	2,526 (Note) 2
Exercise period of Share subscription rights *	From August 5, 2024 To August 4, 2032
Issue price of shares and amount to be incorporated into capital when shares are issued through exercise of Share subscription rights (yen) *	Issue price 2,526 Capitalization 1,263
Conditions for the exercise of Share subscription rights *	(Note) 3
Matters related to transfer of Share subscription rights *	Any transfer of Share subscription rights shall require approval by a resolution of the Board of Director of the Company.
Matters related to the issuance of Share subscription rights in connection with organizational restructuring *	(Note) 4

* The content as of the last day of the current business year (September 30, 2024) is stated. Changes made between the end of the fiscal year under review and the end of the month prior to the submission date (November 30, 2024) are shown in parentheses as of the end of the month prior to the submission date. Other changes have not been made from the end of the fiscal year under review.

"(Notes) 1. The number of shares to be issued upon exercise of each Share subscription rights (the "Number of Granted Shares" ") is 10 ordinary shares of the Company."

If the Company conducts a stock split (including gratis allotment of the Company's common shares; the same shall apply hereinafter) or a reverse stock split after the allotment date of the Share subscription rights, the Number of Granted Shares shall be adjusted according to the following formula: Provided, however, that such adjustment shall be made only to the number of shares subject to the Share subscription rights that have not been exercised at the time of such adjustment, and any fraction of less than one share resulting from such adjustment shall be rounded down.

Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of split (or consolidation)

After the date of allotment of the Share subscription rights, in the event that the Company merges, splits or reduces the amount of Capital stock, or in any Other case similar thereto where an adjustment of the Number of Granted Shares is required, the Number of Granted Shares shall be appropriately adjusted to a reasonable extent.

2. If the Company conducts a stock split or reverse stock split after the date of allotment of the Share subscription rights Acquisition Rights, the Exercise Price shall be adjusted by the following formula and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \times 1}{\text{Ratio of split (or consolidation)}}$$

In addition, if the Company issues new shares or disposes of Treasury Stock at a price lower than the market price with respect to the Company's common shares after the date of allotment of the Share subscription rights (excluding the cases of the issuance of new shares and the disposal of Treasury Stock based on the exercise of the Share subscription rights, and the transfer of Treasury Stock by share exchange), the exercise price shall be adjusted by the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \times \left(\frac{\text{Existing issue Number of shares}}{\text{Number of outstanding shares}} + \frac{\text{New issue Number of shares} \times \text{Per share Amount to be paid}}{\text{Market value per share before new issuance}} \right)}{\text{Number of outstanding shares} + \text{Number of newly issued shares}}$$

"In the above formula, the "number of shares already issued" shall be the number obtained by deducting the number of Treasury Stock shares relating to the Company's common shares from the total number of issued shares relating to the Company's common shares, and in the case of disposal of Treasury Stocks relating to the Company's common shares, "number of shares newly issued" shall be read as "number of Treasury Stock shares to be disposed of." ""

In addition to the above, in the event that the Company merges with another company, conducts a company split, or is required to adjust the Exercise Price in a manner similar to the above, the Company may adjust the Exercise Price appropriately to a reasonable extent.

3. Conditions for the exercise of the Share subscription rights are as follows:
- (i) The holders of Share subscription right must be Directors or employees of the Company or its affiliates at the time of exercise of Share subscription rights. However, this shall not apply to resignation due to expiration of the term of office, mandatory retirement, or Other cases where the Board of Director deems that there are justifiable reasons.
 - (ii) The exercise of the Share Acquisition Share subscription rights by the heirs of the holders of the Share subscription rights shall not be permitted
 - (iii) If, as a result of the exercise of the Share subscription rights, the total number of issued shares of the Company exceeds the total number of authorized shares at that time, the Share subscription rights may not be exercised.
 - (iv) Less than one Share subscription rights may not be exercised.
4. Handling of Share subscription rights in the event of organizational restructuring

"In the event that the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (hereinafter collectively referred to as the "Act of Structural Reorganization"), the Company shall deliver the stock acquisition rights of the stock

companies listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "Restructured Company" ") to the holders of stock acquisition rights on the effective date of the Act of Structural Reorganization under the following conditions." Provided, however, that this shall be limited to cases where it is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan that stock Share subscription rights of the Restructured Company will be delivered in accordance with the following conditions:

- (1) Number of Share subscription rights of the Restructured Company to be delivered
The same number of stock acquisition rights as the number of stock Share subscription rights held by each Share subscription right holder shall be delivered.
- (2) Type of shares of the Restructured Company to be issued upon exercise of Share subscription rights
Ordinary shares of the Restructured Company
- (3) Number of shares of the Restructured Company to be issued upon exercise of Share subscription rights
To be determined in accordance with 1. above, taking into account the conditions of the Organizational Restructuring.
- (4) Value of property to be contributed upon exercise of Share subscription rights
The amount of assets to be contributed upon the exercise of each Share subscription right to be delivered shall be the amount obtained by multiplying the number of shares of the Reorganized Company to be issued upon the exercise of the Share subscription right, which is determined in accordance with 4. (3) above, by the Exercise Price after the reorganization, which is obtained by adjusting the Exercise Price set forth in 2 above, taking into account the conditions, etc. of the Organizational Restructuring.
- (5) Period during which Share subscription rights may be exercised
The exercise period shall be from the last day of either the first day of the exercise period set forth in the outline of issuance of the Share subscription rights or the effective date of the Organizational Restructuring, whichever is later, to the last day of the exercise period set forth in the outline of issuance of the Share subscription rights.
- (6) Matters concerning Capital stock and capital reserves to be increased in the event of issuance of shares upon exercise of Share subscription rights
To be determined in accordance with the matters concerning the increase in Capital stock and capital reserves set forth in the terms and conditions of the issuance of the Share subscription rights.
- (7) Restriction on acquisition of Share subscription rights by transfer
Restrictions on acquisition by transfer shall require approval by a resolution of the board of Directors of the restructured company.
- (8) Other conditions for the exercise of Share subscription rights
To be determined in accordance with 3. above.
- (9) Reasons and conditions for the acquisition of Share subscription right
To be determined in accordance with the matters concerning the acquisition of Share subscription rights set forth in the Terms and Conditions of Issuance of Share subscription rights.
- (10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

Date of resolution	June 20, 2024 Board of Director (The 16th Share subscription rights)
Category and number of grantees (persons)	Director of the Company 1 Executive Officer 1 Directors 2 Subsidiary Executive Officer 2
Number of Share subscription rights (units) *	1,360 [1,360]
Type, content and number of shares to be issued upon exercise of Share subscription rights *	Ordinary shares 136,000 [136,000] (Note) 1
Amount to be paid in upon exercise of Share subscription right acquisition rights (yen) *	2,339 (Note) 2
Exercise period of Share subscription rights *	From July 8, 2024 To July 7, 2034
Issue price of shares and amount to be incorporated into capital when shares are issued through exercise of Share subscription rights (yen) *	Issue price 2,339 Capitalization 1,169.5
Conditions for the exercise of Share subscription rights *	(Note) 3
Matters related to transfer of Share subscription rights *	Any transfer of Share subscription rights shall require approval by a resolution of the Board of Director of the Company.
Matters related to the issuance of Share subscription rights in connection with organizational restructuring *	(Note) 4

* The content as of the last day of the current business year (September 30, 2024) is stated. Changes made between the end of the fiscal year under review and the end of the month prior to the submission date (November 30, 2024) are shown in parentheses as of the end of the month prior to the submission date. Other changes have not been made from the end of the fiscal year under review.

"(Notes) 1. The number of shares to be issued upon exercise of each Share subscription rights (the "Number of Granted Shares" ") is 100 ordinary shares of the Company."

If the Company conducts a stock split (including gratis allotment of the Company's common shares; the same shall apply hereinafter) or a reverse stock split after the allotment date of the Share subscription rights, the Number of Granted Shares shall be adjusted according to the following formula: Provided, however, that such adjustment shall be made only to the number of shares subject to the Share subscription rights that have not been exercised at the time of such adjustment, and any fraction of less than one share resulting from such adjustment shall be rounded down.

Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of split (or consolidation)

After the date of allotment of the Share subscription rights, in the event that the Company merges, splits or reduces the amount of Capital stock, or in any Other case similar thereto where an adjustment of the Number of Granted Shares is required, the Number of Granted Shares shall be appropriately adjusted to a reasonable extent.

2. If the Company conducts a stock split or reverse stock split after the date of allotment of the Share subscription rights Acquisition Rights, the Exercise Price shall be adjusted by the following formula and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \times 1}{\text{Ratio of split (or consolidation)}}$$

In addition, if the Company issues new shares or disposes of Treasury Stock at a price lower than the market price with respect to the Company's common shares after the date of allotment of the Share subscription rights (excluding the cases of the issuance of new shares and the disposal of Treasury Stock based on the exercise of the Share subscription rights, and the transfer of Treasury Stock by share exchange), the exercise price shall be adjusted by the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.

$$\text{After adjustment Exercise price} = \frac{\text{Before adjustment Exercise price} \cdot \text{No. Existing issue Number of shares} + \frac{\text{New issue Number of shares} \cdot \text{Per share No. Amount to be paid}}{\text{Market value per share before new issuance}}}{\text{Number of outstanding shares} + \text{Number of newly issued shares}}$$

"In the above formula, the "number of shares already issued" shall be the number obtained by deducting the number of Treasury Stock shares relating to the Company's common shares from the total number of issued shares relating to the Company's common shares, and in the case of disposal of Treasury Stocks relating to the Company's common shares, "number of shares newly issued" shall be read as "number of Treasury Stock shares to be disposed of." ""

In addition to the above, in the event that the Company merges with another company, conducts a company split, or is required to adjust the Exercise Price in a manner similar to the above, the Company may adjust the Exercise Price appropriately to a reasonable extent.

3. Conditions for the exercise of the Share subscription rights are as follows:

- (I) If the closing price of the Company's Ordinary Shares at the Financial Products Exchange falls below the price calculated by multiplying the Exercise Price by 30% at least once during the period from the Allotment Date of the Share Acquisition Rights to the end of the Exercise Period, the Holders of the Share subscription rights must exercise all the remaining Share subscription rights at the Exercise Price by the maturity date of the Exercise Period. Provided, however, that this shall not apply to the following cases:
 - (a) If it is found that the information disclosed by the Company contains material misstatements;
 - (b) It is found that the Company has not properly disclosed a material fact that should have been disclosed in accordance with laws and regulations or the rules of a financial Products exchange;
 - (c) In the event that the Company is delisted, goes bankrupt, or there is a significant change in the circumstances assumed at the date of issuance of the Share Acquisition Rights.
 - (d) If the Company engages in any Other act that is objectively deemed to seriously damage the confidence of the holders of the Share subscription rights Options.
- (ii) The exercise of the Share Acquisition Share subscription rights by the heirs of the holders of the Share subscription rights shall not be permitted
- (iii) If, as a result of the exercise of the Share subscription rights, the total number of issued shares of the Company exceeds the total number of authorized shares at that time, the Share subscription rights may not be exercised.
- (iv) Less than one Share subscription rights may not be exercised.

4. Handling of Share subscription rights in the event of organizational restructuring

"In the event that the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (hereinafter collectively referred to as the "Act of Structural Reorganization"), the Company shall deliver the stock acquisition rights of the stock companies listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "Restructured Company") to the holders of stock acquisition rights on the effective date of the Act of Structural Reorganization under the following conditions." Provided, however, that this shall be limited to cases where it is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan that stock Share subscription rights of the Restructured Company will be delivered in accordance with the following conditions:

- (1) Number of Share subscription rights of the Restructured Company to be delivered

The same number of stock acquisition rights as the number of stock Share subscription rights held by each Share subscription right holder shall be delivered.
- (2) Type of shares of the Restructured Company to be issued upon exercise of Share subscription rights

Ordinary shares of the Restructured Company
- (3) Number of shares of the Restructured Company to be issued upon exercise of Share subscription rights

To be determined in accordance with 1. above, taking into account the conditions of the Organizational Restructuring.
- (4) Value of property to be contributed upon exercise of Share subscription rights

The amount of assets to be contributed upon the exercise of each Share subscription right to be delivered shall be the amount obtained by multiplying the number of shares of the Reorganized

Company to be issued upon the exercise of the Share subscription right, which is determined in accordance with 4. (3) above, by the Exercise Price after the reorganization, which is obtained by adjusting the Exercise Price set forth in 2 above, taking into account the conditions, etc. of the Organizational Restructuring.

(5) Period during which Share subscription rights may be exercised

The exercise period shall be from the last day of either the first day of the exercise period set forth in the outline of issuance of the Share subscription rights or the effective date of the Organizational Restructuring, whichever is later, to the last day of the exercise period set forth in the outline of issuance of the Share subscription rights.

(6) Matters concerning Capital stock and capital reserves to be increased in the event of issuance of shares upon exercise of Share subscription rights

To be determined in accordance with the matters concerning the increase in Capital stock and capital reserves set forth in the terms and conditions of the issuance of the Share subscription rights.

(7) Restriction on acquisition of Share subscription rights by transfer

Restrictions on acquisition by transfer shall require approval by a resolution of the board of Directors of the restructured company.

(8) Other conditions for the exercise of Share subscription rights

To be determined in accordance with 3. above.

(9) Reasons and conditions for the acquisition of Share subscription right

To be determined in accordance with the matters concerning the acquisition of Share subscription rights set forth in the Terms and Conditions of Issuance of Share subscription rights.

(10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

5. The Share subscription rights are issued for consideration at 100 yen per Share subscription rights.

(ii) Details of the Rights Plan

Not Applicable.

(iii) Status of Other Share subscription rights

Not Applicable.

(3) [Status of Exercise of Corporate Bonds with Share subscription rights Subject to Exercise Value Change, etc.]

Not Applicable.

(4) Changes in Total Number of Issued Shares and Capital stock

Date	Increase (decrease) in number of shares issued	Total number of shares outstanding	Increase (decrease) in Capital stock (Million yen)	Capital stock (Million yen)	Increase (decrease) in capital surplus (Million yen)	Capital surplus (Million yen)
January 14, 2020 (Note) 1	1,003,395	13,335,995	-	2,775	1,300	1,814
July 31, 2023 (Note) 2	(159,000)	13,176,995	-	2,775	-	1,814
September 29, 2023 (Note) 2	(300,000)	12,876,995	-	2,775	-	1,814
January 15, 2024 (Note) 3	54,300	12,931,295	36	2,812	36	1,851
October 1, 2023 - September 30, 2024 (Note) 4	672,700	13,603,995	363	3,175	363	2,214

(Notes) 1. The increase is due to a stock swap in which the Company becomes a wholly-owning parent company and Defactostandard,Ltd. becomes a wholly-owned subsidiary (exchange ratio: 1:0.29).

2. The decrease in the total number of issued shares is due to the retirement of Treasury Stock by Other Capital surplus.

3. This is due to the issuance of new shares as restricted stock compensation.

Issue price: 1360 yen

Capitalization of ¥ 680

Allottee: 3 Directors of the Company (*)

Seven Executive Officers

One employee of the Company

Directors: 8

Five Executive Officers of the Company's subsidiaries

* Excluding Directors who are members of the Auditor and Supervisory Committee and outside Directors

4. Increase due to the exercise of Share subscription rights (stock options)

As a result of the exercise of Share subscription rights (stock options) during the period from October 1, 5.2024 to November 30, 2024, the total number of issued shares increased by 5,000 shares and common Capital stock and additional paid-in capital each increased by ¥ 2 Million yen.

(5) [Status by Owner]

As of September 30, 2024

As of September 30,									
Category	Status of shares (Number of shares per unit: 100 shares)								Shares less than one unit (shares)
	National and local governments	Financial institution	Financial Products Business Operators	Other corporations	Foreign corporations, etc.		Individuals and Others	Total	
					Non-Individuals	Individuals			
Number of Shareholders	-	8	23	32	102	19	3,065	3,249	-
Number of shares held (unit)	-	15,466	2,126	1,042	73,967	805	42,368	135,774	26,595
Percentage of shares owned	-	11.4	1.6	0.8	54.5	0.6	31.2	100.00	-

(Note) 750,862 shares of Treasury Stock are included in 7,508 units in "Individuals and Others" and 62 shares in "Status of shares less than one unit."

(6) Status of Major Shareholders

As of September 30,
2024

The name of the applicant;	Address	Number of shares held	Outstanding shares (Treasury Stocks Excluded.). Number of shares held against total number of shares (%)
BNYM AS AGT/CLTS NON TREATY JASDEC (Standing proxy: MUFG Bank, Ltd.)	240 GREENWICH STREET, NEWYORK, NEWYORK 10286 U.S.A. (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	1,364,032	10.61
The Master Trust Bank of Japan, Ltd. (Trust Account)	AKASAKA INTERCITY AIR, 1-8-1 Akasaka, Minato-ku	1,175,800	9.15
AVI JAPAN OPPORTUNITY TRUST PLC (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank)	BEAUFORT HOUSE EXETER EX4 4EP UNITED KINGDOM (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	1,109,000	8.63
GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Japan Co., Ltd.)	PLUMTREE COURT, 25 SHOE LANE, LONDONEC4A 4AU, U.K. (Toranomon Hills Station Tower, 2-6-1 Toranomon, Minato-ku, Tokyo)	838,114	6.52
GOLDMAN,SACHS & CO.REG (Standing proxy: Goldman Sachs Japan Co., Ltd.)	200 WEST STREET NEW YORK,NY,USA (Toranomon Hills Station Tower, 2-6-1 Toranomon, Minato-ku, Tokyo)	647,501	5.04
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	25 CABOT SQUARE, CANARY WHARF, LONDON E14 4QA, U.K. (Otemachi Financial City South Tower, 1-9-7 Otemachi, Chiyoda-ku, Tokyo)	570,153	4.44
Shota Naoi	Meguro-ku, Tokyo	296,200	2.30
Teruhide Sato	Singapore	281,800	2.19
Japan Custody Bank, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	273,500	2.13
STICHTING DEPOSITARY ASCENDER GLOBAL VALUE FUND (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank)	SMALLEPAD 30F, 3811 MG AMERSFOORT, THE NETHERLANDS (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	273,100	2.12
Total	-	6,829,200	53.13

Notes: 1. In addition to the above, the Company holds 750,862 shares of Treasury Stock.

As announced in the Extraordinary Report (Changes in Major Shareholders) dated April 10, 2.2024, Varecs Partners Limited. became a major shareholder during the fiscal year under review. However, as announced in the Extraordinary Report (Changes in Major Shareholders) dated October 8, 2024, Varecs Partners Limited. is no longer a major shareholder as of the date of submission of this report.

As announced in the Extraordinary Report (Changes in Major Shareholders) dated July 31, 3.2024, Asset Value Investors Limited became a major shareholder during the fiscal year under review.

In the Change Report of the Report of Possession of Large Volume made available for public inspection as of April 8, 4.2024, it is stated that Varecs Partners Limited. owns the following shares as of April 1, 2024. However, since the Company cannot confirm the actual number of shares owned as of September 30, 2024, they are not included in the above Status of Major Shareholders.

The name of the applicant;	Address	Number of share certificates, etc. held (total number) (shares, units)	Percentage of shares held (%)
----------------------------	---------	--	-------------------------------

Varecs Partners Limited	1-6-17 Nihonbashikayabacho, Chuo-ku	1,268,400	9.81
-------------------------	---	-----------	------

In the Change Report of the Report of Possession of Large Volume made available for public inspection on July 30, 5.2024, it is stated that Asset Value Investors Limited owned the following shares as of July 23, 2024. However, since the Company cannot confirm the actual number of shares owned as of September 30, 2024, they are not included in the above Status of Major Shareholders.

The name of the applicant;	Address	Number of share certificates, etc. held (total number) (shares, units)	Percentage of shares held (%)
Asset Value Investors Limited	2 Cavendish Square, London, UK	1,290,816	9.98

In the Change Report of the Report of Possession of Large Volume made available for public inspection on August 15, 6.2024, it is stated that Miri Capital Management LLC owned the following shares as of August 7, 2024. However, since the Company is unable to confirm the actual number of shares owned as of September 30, 2024, it is not included in the above Status of Major Shareholders.

The name of the applicant;	Address	Number of share certificates, etc. held (total number) (shares, units)	Percentage of shares held (%)
Miri Capital Management LLC	Suite 301, 745 Boylton Street, Boston, Massachusetts 02116, United States of America	1,209,000	9.35

In the Change Report of the Report of Possession of Large Volume made available for public inspection on August 15, 7.2024, it is stated that Ascender Capital Limited owned the following shares as of August 13, 2024. However, since the Company cannot confirm the actual number of shares owned as of September 30, 2024, they are not included in the above Status of Major Shareholders.

The name of the applicant;	Address	Number of share certificates, etc. held (total number) (shares, units)	Percentage of shares held (%)
Ascender Capital Limited	Hong Kong, Huangzhu Tunnel 50, Suite 3001, W50	647,000	5.00

(7) Status of voting rights

(1) [Issued Shares]

As of September 30,
2024

Category	Number of shares	Number of voting rights (shares)	Contents
Non-voting stock	-	-	-
Shares with restricted voting rights (Treasury Stock, etc.)	-	-	-
Shares with restricted voting rights (Other)	-	-	-
Shares with full voting rights (Treasury Stocks, etc.)	(Treasury Shares) Common stock 750,800	-	-
Shares with full voting rights (Other)	Common stock 12,826,600	128,266	-
Fractional unit of shares	Common stock 26,595	-	-
Total number of issued shares	13,603,995	-	-
Voting rights of all shareholders	-	128,266	-

(ii) Treasury Stock, etc.

As of September 30,
2024

The name of the owner;	Owner Address	Number of shares held in own name (shares)	Number of shares held in other person's name (shares)	Total number of shares held	Ratio of the number of shares held to the total number of shares issued (%)
(Treasury Shares) BEENOS Inc.	Kitashinagawa, Shinagawa-ku 4-7-35	750,800	-	750,800	5.5
Total	-	750,800	-	750,800	5.5

(Note) The Company moved its head office to 4-13 Hatchome, Nishigotanda, Shinagawa-ku, Tokyo Prefecture on December 2, 2024.

(8) [Details of the stock ownership system for officers and employees]

(Employee Stock Ownership Plan)

The Company's trust-type employee stock ownership incentive plan was terminated in December 2023 because the Company's shares held by the trust were all sold.

B. Outline of the employee stock ownership plan (trust-type employee stock ownership incentive plan)

"The Company has introduced the" "Trust-type Employee Stock Ownership Incentive Plan" "(hereinafter referred to as the" "Plan" ") based on a resolution of the Board of Director held on February 18, 2021 for the purpose of providing employees with incentives to improve corporate value over the medium to long term."

"The Plan is an incentive plan for all employees who participate in the" "BEENOS Employee Stock Ownership Plan" "(the" "Stock Ownership Plan" ")." "Under the Plan, the Company establishes the" "BEENOS Employee Stock Ownership Plan Exclusive Trust" "(hereinafter referred to as the" "Employee Stock Ownership Plan Exclusive Trust" ") in a trust bank, and the Employee Stock Ownership Plan Exclusive Trust acquires in advance the number of the Company's shares expected to be acquired by the Employee Stock Ownership Plan over five years after the establishment of the Employee Stock Ownership Plan Exclusive Trust." After that, the Company's shares will continue to be sold from the Employee Shareholders Association to the Employee

Shareholders Association, and if the amount equivalent to the gain on the sale of shares has accumulated in the Employee Shareholders Association at the time of termination of the trust, the amount equivalent to the gain on the sale of shares will be distributed as residual assets to those who satisfy the beneficiary eligibility requirements. Since the Company guarantees the loan for the acquisition of the Company's shares by the Employee Shareholders Association, if the amount equivalent to the loss on the sale of shares accumulates in the Employee Shareholders Association due to the decline in the Company's share price and there is a loan remaining debt equivalent to the loss on the sale of shares in the Employee Shareholders Association at the time of termination of the Employee Shareholders Association, the Company will repay the remaining debt in accordance with the guarantee contract.

B. Total number of shares to be acquired by the Shareholding Association

109,900 shares

C. Scope of persons entitled to beneficiary rights and Other rights under the employee stock ownership plan

Members or former members of the Shareholding Association who meet the beneficiary eligibility requirements

2. Status of acquisition of Treasury Stocks

[Type of shares] Acquisition of ordinary shares that fall under Article 155, Item 7 of the Companies Act

(1) Status of acquisition by resolution of the General Meeting of Shareholders

Not Applicable.

(2) [Status of acquisition by resolution of the Board of Director]

Not Applicable.

(3) [Details not based on the resolution of the General Meeting of Shareholders or the Board of Director]

Category	Number of shares	Total value (yen)
Treasury Stocks acquired during the current business year	96	161,747
Treasury Stock acquired during the period	50	152,707

(Note) The number of Treasury Stocks acquired during the current period does not include the number of shares acquired through the purchase of shares less than one unit from December 1, 2024 to the submission date of the Securities report.

(4) [Status of Disposal and Holding of Treasury Stocks]

Category	Current business year		Current period	
	Number of shares	Total disposal value (yen)	Number of shares	Total disposal value (yen)
Acquired Treasury Stock for which subscribers have been solicited	-	-	-	-
Treasury Stock acquired and retired	-	-	-	-
Acquired Treasury Stocks transferred in connection with a merger, share exchange, share delivery, or company split	-	-	-	-
Other (Exercise of stock options)	55,900	106,601,046	22,650	43,194,518
Number of Treasury Stock held	750,862	-	728,262	-

(Note) The number of Treasury Stocks held during the period does not include the number of shares acquired through the purchase of shares less than one unit from December 1, 2024 to the submission date of the Securities report.

3 [Dividend Policy]

The Company considers the return of profits to shareholders through dividends to be an important management issue. The Company's basic policy is to promote the expansion of the business base and the enhancement of the financial base, not to be significantly affected by fluctuations in business performance, not to reduce dividends in principle, and to continue to pay stable dividends over the long term.

Regarding dividends for the fiscal year under review, in addition to the above policy, the Company has formulated a business plan that balances business growth and returns with the aim of achieving consolidated operating income of 5 billion yen and ROE of 20%, which are set as medium-term targets, and has newly set a return policy of a dividend payout ratio of 30% or more. Accordingly, the dividend will be ¥ 40 per share, an increase of ¥ 13 per share from the previous fiscal year. As a result, the dividend payout ratio (consolidated) for the fiscal year under review was 36%, and the total return ratio including Treasury Stock repurchases was 38%.

"The Company has stipulated in its Articles of Incorporation that" "Pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act, the Company may distribute dividends of surplus, etc. by resolution of the Board of Director." ""

The Company is a company subject to consolidated dividend regulations.

"As announced in the" "Notice of Dividend of Surplus (Non-Dividend)" "on December 19, 2024, LINE Yahoo Japan Corporation is scheduled to conduct a tender offer for the Company's common shares and stock acquisition rights, which was announced in the" "Notice of Expression of Approval for Scheduled Commencement of Tender Offer for the Company's Share Certificates, etc. by LINE Yahoo Japan Corporation and Recommendation of Subscription" "on the same day. In light of this, the Company has resolved not to pay a year-end dividend for the fiscal year ending September 30, 2025."

(Note) Dividends of surplus for which the record date belongs to the current business year are as follows.

Date of resolution	Total amount of dividends (Million yen)	Dividend per share (yen)
November 21, 2024 Resolution of the Director	514	40

4 [Status of Corporate Governance]

(1) Overview of Corporate Governance

(1) Basic Views on Corporate Governance

In order to achieve continuous growth and increase corporate value, the Group recognizes that it is important to enhance corporate governance, such as expediting management decision-making, ensuring management transparency through timely information disclosure, and strengthening management supervision functions, and strives to strengthen the system. In addition, the Company has established the Risk Management Office and the Compliance Committee to conduct business activities in accordance with laws, regulations and social norms based on a high sense of ethics.

(2) Corporate Governance System

Based on the resolution of the 16th Ordinary General Meeting of Shareholders held on December 10, 2015, the Company made the transition from a company with a Board of Corporate Auditors to a company with an Auditor.

• Board of Director

The Board of Directors consists of four Directors (excluding Directors who are Audit and Supervisory Committee Members) (one of whom is an Outside Director) and four Directors who are Audit and Supervisory Committee Members (four of whom are Outside Directors). The Board of Directors holds regular meetings once a month and extraordinary meetings as needed to make decisions on matters stipulated by laws and regulations and the Articles of Incorporation as well as matters stipulated in the Board of Directors Regulations, such as important matters related to corporate management and Group management. The Board of Directors also supervises the execution of duties by Directors and Executive Officers by receiving regular reports on the execution of duties from Directors and Executive Officers. The President and Representative Director is the chairperson of the Board of Directors and supervises the Board of Directors, executes resolutions of the Board of Directors, and supervises the overall operations of the Company.

"The members of the Board of Director are as described in" "(2) Officers." ""

In addition, the Board of Director analyzes and evaluates the effectiveness of the Board of Director every year using the self-evaluation method, and discloses a summary of the results.

The status of attendance of each Director during the fiscal year under review is as follows:

Name	Number of meetings held	Number of attendance
Shota Naoi	26 times.	26 times.
Koji Nakamura	4 times	4 times
Taisuke Miura	22 times	22 times
Kenichi Sento	26 times.	26 times.
Naofumi Nishi	26 times.	26 times.
Yasukazu Joho	26 times.	26 times.
Kibo Kondo	26 times.	26 times.
Yoshindo Takahashi	26 times.	26 times.
Haruka Osawa	26 times.	26 times.

(Notes) 1. Mr. Koji Nakamura retired at the 24th Ordinary General Meeting of Shareholders held on December 15, 2023. His attendance at the Director meetings held during his term of office is shown.

2. Mr. Taisuke Miura was appointed at the 24th Ordinary General Meeting of Shareholders held on December 15, 2023. His attendance at meetings of the Director held during his term of office is shown.

In addition to matters stipulated in laws and regulations and the Articles of Incorporation, specific matters to be examined by the Board of Director include basic policies on management, matters related to financial results and business performance, the status of internal controls and internal audits, and matters related to business investment.

- Auditor Committee

The Audit and Supervisory Committee consists of four Audit and Supervisory Committee Members (of which one is a full-time Audit and Supervisory Committee Member), all of whom are Outside Directors. The Audit and Supervisory Committee meets once a month to grasp the state of the business environment and monitor the management of the decision-making process, etc., and strives to enhance the effectiveness of corporate governance.

"The members of the Auditor are as described in" "(2) Officers." ""

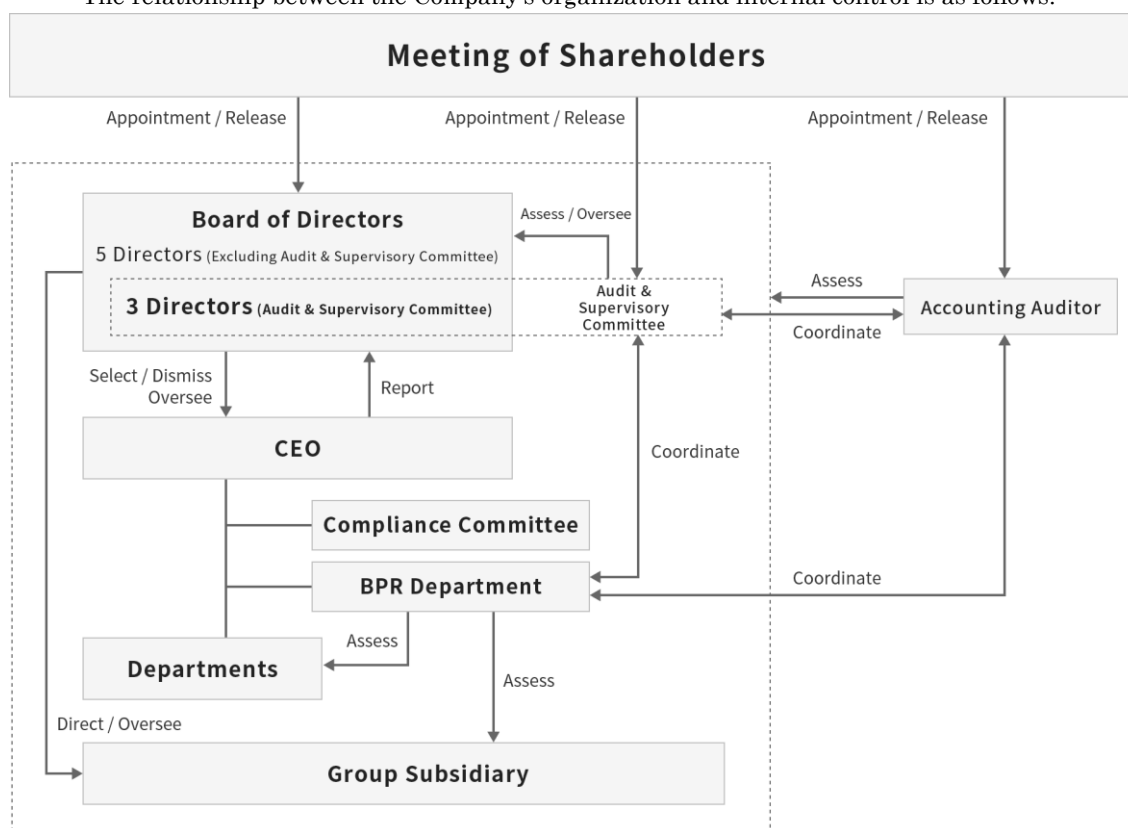
- Board member meeting (Management Committee)

The Company holds a Board of Directors Meeting (Management Meeting) with Executive Director and Executive Managing Officer every week. As a result, we aim to improve corporate value by confirming daily business execution and speeding up decision-making.

- Accounting Auditor

The Company has concluded an audit contract with Taiyo LLC and is audited in accordance with the Financial Products and Exchange Act and the Companies Act. Appropriate audits are conducted as necessary.

The relationship between the Company's organization and internal control is as follows.



③ Reasons for adopting a corporate governance system

The Company is a company with an Auditor, and by having Audit and Supervisory Auditors, all of whom are Outside Directors, as members of the Board of Director, which has the decision-making function for management, the Company has strengthened the monitoring function for management.

In addition, the Auditor who is an Outside Director is designated as an External Director, and he / she maintains a position that allows him / her to audit whether the Company's business execution is conducted appropriately without being biased toward the interests of management and specific interested parties.

The Company has adopted the above system based on the judgment that this will enable the Company to secure sufficient management audit and supervisory functions and realize appropriate corporate governance in an effective manner.

(iv) Other matters related to corporate governance

- Status of internal control system development

The Company recognizes that it is an important responsibility of management to develop and appropriately operate a system necessary to ensure that the execution of business by the Directors of the Company and its Directors complies with laws and regulations and the Articles of Incorporation, and will work to develop an internal control system.

The basic policy and the status of development are as follows.

(I) System to ensure that the execution of duties by Directors and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation

"Directors and employees of the Company and its subsidiaries shall execute their duties with a high sense of ethics and conscience based on the "Compliance Rules," "comply with laws and regulations, the Articles of Incorporation, and internal rules, and act responsibly in accordance with social norms." In addition, the Company shall establish a Compliance Committee and develop an internal reporting system that can directly provide information on violations of laws and regulations, the Articles of Incorporation, and acts that are questionable under various internal rules.

(ii) System for eliminating anti-social forces

The Company and its subsidiaries have established a system in which the Legal Affairs Office comprehensively manages responses in the event that the Company and its subsidiaries are attacked by antisocial forces, such as obstruction of business activities, damage, or slander, and the Company and its subsidiaries, in cooperation with the police and other relevant organizations, take a firm, organization-wide response. In addition, the Company and its subsidiaries have completely blocked all business relationships and support relationships with antisocial forces and will not yield to unreasonable demands from antisocial forces.

(iii) Matters related to the storage and management of information related to the execution of duties by Directors

"With regard to the storage and management of information related to the execution of duties by the Company's Director, the Director in charge of the administrative department shall be the officer in charge, and the information related to the execution of duties shall be appropriately recorded in writing or electromagnetic information, and shall be stored and managed for the period specified in the "Document Handling Rules." "" The Directors of the Company may access these documents at any time, and the officer in charge shall promptly respond to such requests.

(iv) Regulations and Other systems for the management of risk of loss of the Company and its subsidiaries

"With regard to the crisis management system of the Company and its subsidiaries, based on the "Risk Management Rules," "the Director in charge of the Company's administration department shall be the officer in charge of overall risk management, and the Risk Management Office of the Company shall be the responsible department." In addition, the Risk Management Office shall assume and classify specific risks, promptly and appropriately communicate information in the event of an emergency and develop an emergency

system, and periodically report matters related to risk management to the Board of Director.

In the event of an unforeseen event, the Company shall establish a task force headed by the President and Representative Director to take measures for early resolution and formulate measures to prevent recurrence.

In addition, the Company's subsidiaries have established regulations and rules, etc. that are similar to the Company's internal rules and Other systems based on their scale and characteristics, etc., and have developed systems related to the management of risk of loss, etc.

(v) Systems to ensure the efficient execution of duties by Directors and employees of the Company and its subsidiaries

The Board of Director shall establish a business plan to be shared throughout the Company, and each Director in charge shall establish specific numerical targets and action plans to be implemented by each department toward the achievement of the plan. In addition to monthly budget management for the achievement of the plan, progress management for major indicators shall be conducted as needed. The regular meeting of the Board of Director shall be held once a month, where the monthly settlement of accounts and business reports are made, the execution of duties by Director is supervised, and decisions are made on important business execution. In addition, the Company has delegated authority to flexibly make decisions on matters to be approved as stipulated in the "Rules for Administrative Authority." In addition, as a system to ensure the efficiency of the execution of duties by Directors, etc. of subsidiaries, the Company shall dispatch Directors and corporate auditors to each subsidiary, and shall manage the progress on a monthly basis toward the achievement of the medium-term profit plan, annual budget, etc. approved by the Board of Director of the Company and each subsidiary. Other important information is also reported to the Director of each subsidiary.

(vi) System to ensure the appropriateness of operations in the corporate group consisting of the Company and its subsidiaries

The Company shall dispatch Directors and Audit & Supervisory Board Members to each subsidiary company to supervise the execution of duties by the subsidiary Directors. The management of subsidiaries is concentrated in the department in charge of affiliated company management of the Company. Based on the "Affiliated Company Management Rules," certain important matters are required to be reported to the Board of Director of the Company in advance, and certain matters are submitted to the Board of Director for deliberation. "The Risk Management Office shall conduct internal audits based on the" "Internal Audit Rules" "in order to establish a risk management and legal compliance system for subsidiaries."

(vii) System for ensuring the reliability of financial reporting

The Company shall establish an internal control system to ensure the reliability of financial reporting and the effective and appropriate submission of internal control reports as stipulated in the Financial Products and Exchange Act. In addition, the Risk Management Office continuously evaluates the internal control system and makes necessary corrections in order to ensure its compatibility with the Financial Products and Exchange Act and Other relevant laws and regulations.

(viii) Matters related to employees who assist the duties of Auditors (hereinafter referred to as "Assistant Employees"), matters related to the independence of Assistant Employees from the Company's Director other than Audit and Supervisory Auditor, and matters related to ensuring the effectiveness of instructions to Assistant Employees

Auditor Auditors may designate a specific assistant employee to assist them in the execution of their duties, if necessary, and the Company shall select and assign such employee in consultation with the Auditor. Employees designated as assistant employees shall not be subject to the instructions of Directors or other employees other than members of the Auditor. In addition, when making personnel changes and personnel evaluations of the assistant employee, the Company shall listen to the opinions of the Auditors and conduct them with due respect for their opinions.

(ix) System for Directors and employees of the Company and its subsidiaries to report to the Auditor members of the Company

Executive Auditors shall attend meetings of the Board of Director and Other important meetings, and inspect important approval documents and related materials. In addition, Directors and employees of the Company and its subsidiaries shall report without delay to the Audit and Supervisory Auditors when they learn of a serious violation of laws and regulations or a fact that may cause significant damage to the Company and its subsidiaries, and the Auditors may request reports from Directors and employees of the Company and its subsidiaries at any time as necessary. The Company and its subsidiaries prohibit disadvantageous treatment of persons who have made such reports on the grounds that they have made such reports, and thoroughly inform Directors and employees of the Company and its subsidiaries of this prohibition.

(x) Other systems to ensure that audits by Audit and Supervisory Auditor Members are conducted effectively

In order to enable the auditor to efficiently and effectively understand the process of making important decisions and the status of business execution, the meeting of directors shall allow the auditor to request reports from directors and employees at any time, and shall not refuse the auditor's attendance at important internal meetings. In addition, the Auditors shall cooperate closely with the Accounting Auditor and the Risk Management Office, exchange information on a regular basis, and may exchange opinions with the legal counsel as necessary.

(x i) Matters concerning the policy on the procedures for advance payment or reimbursement of expenses arising from the execution of duties of Auditor and on the processing of other expenses or debts arising from the execution of such duties

When Auditors receive a request for advance payment, etc. of expenses arising from the execution of duties, the Company shall promptly process such expenses or debts unless the department in charge discusses and proves that the expenses or debts pertaining to such request are not necessary for the execution of duties of such Auditors.

- Status of development of a system to ensure the appropriateness of operations of subsidiaries of the reporting company

As a holding company, the Company manages each Group company in accordance with various regulations and rules, such as the Affiliated Company Management Rules and the Internal Audit Rules. At the same time, the Company's Directors and Executive Officers serve concurrently as Directors and Audit & Supervisory Board Members of each Group company. Through these and other means, the Company has established a system that enables the Company to regularly and continuously grasp important matters, reports on business execution, monthly financial statements, and other management details of each Group company.

- Status of development of risk management system

With regard to business execution, the Group has established a system in which business performance and the status of disasters, etc. are reported to the management in an appropriate and timely manner through the Board of Director, etc., in order to identify risks that may affect the Company's business performance at an early stage and minimize their impact. In particular, with regard to compliance-related risks, based on the Compliance Rules, the Company grasps compliance-related issues of the Company and its subsidiaries and plans and implements countermeasures for them.

As specific initiatives, in addition to compliance training for officers and employees of the Company and its subsidiaries upon joining the Company, the Company holds training sessions for officers of the Company and its subsidiaries. In addition, internal audits and audits by the Audit and Auditor Committee also strive to

detect operational risks at the time of audits, and minimize risks by improving matters pointed out in audits, leading to the prevention of risks from materializing.

- Number of Directors

The Company's Articles of Incorporation stipulate that the number of Directors shall be 14 or less, of which the number of Directors who are Auditors shall be 4 or less.

- Requirements for Election and Dismissal of Director

The Company's Articles of Incorporation stipulate that a resolution to elect a Director shall be adopted by a majority of the voting rights of shareholders present at the meeting where shareholders holding one third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present. It is stipulated in the Articles of Director that the election of Directors shall not be made by cumulative voting.

- Liability limitation agreement

In addition, based on the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each Outside Director to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the said agreement is the minimum liability amount stipulated by laws and regulations.

- Decision-making body for Treasury Stocks

Pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, the Articles of Incorporation of the Director stipulate that the Company may acquire its own shares through market transactions, etc. by resolution of the Board of Directors. The purpose of this is to acquire own shares through market transactions, etc. in order to enable the execution of flexible capital policy in response to changes in the management environment.

- Decision-making body for dividends of surplus, etc.

The Company's Articles of Incorporation stipulate that matters stipulated in Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, shall be determined by a resolution of the Board of Director, unless otherwise stipulated by laws and regulations. This is to enable the Company to flexibly implement capital and dividend policies, etc.

- Requirements for special resolutions of the General Meeting of

The Company's Articles of Incorporation stipulate that special resolution requirements of the General Meeting of Shareholders set forth in Article 309, Paragraph 2 of the Companies Act shall be met by at least two-thirds (2 / 3) of the voting rights of shareholders present at the meeting where shareholders holding at least one third (1 / 3) of the voting rights of shareholders entitled to exercise voting rights are present.

(2) [Status of Officers]

7 men and 1 woman (12.5% of directors are women)

Job Title	Name	Date of birth	Career summary	Term of office	Number of shares owned K. K.
President and Group CEO, in charge of Global Commerce Division	Shota Naoi	December 25, 1980	<p>April 2005 Joined Venture Link Co., Ltd.</p> <p>September 2008 Joined the Company</p> <p>October 2009 Executive Officer, Denso Corporation</p> <p>May 2012 Representative Director of the company (to present)</p> <p>October 2012 Director, TENSO UK LTD (to present)</p> <p>December 2013 Director of the Company</p> <p>December 2014 Representative Director, President and Group CEO</p> <p>February 2015 Director, BEENOS Asia Pte. Ltd. (to present)</p> <p>April 2015 Director of Shop Airlines, Ltd.</p> <p>May 2015 Director, Monosense Corporation</p> <p>November 2015 Chairman of TAIWAN TENSO, INC. (to present)</p> <p>October 2017 Representative Director, BeeCruise Inc. (to present)</p> <p>August 2018 Director of Metro Engines Inc.</p> <p>November 2018 Director, Denso Hong Kong Limited (to present)</p> <p>March 2019 Director, FASBEE Inc.</p> <p>December 2019 Chairman of the Board, Shop Airline Co., Ltd. (to present)</p> <p>Chairman of the Board, Monosense Co., Ltd. (currently BEENOS Entertainment Inc.) (to present)</p> <p>Director of BEENOS Travel Inc.</p> <p>Director and Chairman of Defactostandard, Ltd.</p> <p>January 2020 Chairman of the Board, BEENOS Travel Corporation (to present)</p> <p>February 2020 Director of BEENOS Entertainment Inc.</p> <p>March 2020 Chairman of the Board, BEENOS Entertainment Inc.</p> <p>June 2020 Director of BEENOS Marketing Asia Inc. (to present)</p> <p>August 2020 Director, BEENOS E-Commerce (Shanghai) Co., Ltd. (to present)</p> <p>October 2020 President (Representative Director) and Group CEO (current position)</p> <p>December 2020 Director and Chairman, JOYLAB Co., Ltd.</p> <p>Chairman of the Board, BEENOS HR Link Co., Ltd. (to present)</p> <p>Chairman, FASBEE Co., Ltd. (current position)</p> <p>February 2022 Director and Chairman, BeenoStorm Co., Ltd.</p>	(Note) 3	296,200
Executive Managing Officer (Director)	Kenichi Sento	July 4, 1979	<p>April 2002 Joined Fujitsu Support & Service Co., Ltd. (currently Fujitsu Fusas Corporation)</p> <p>March 2006 Joined the Company</p> <p>February 2012 Representative Director, Monosense Inc. (currently BEENOS Entertainment Inc.)</p> <p>December 2014 Director of the Company (to present)</p> <p>October 2017 Director of BeeCruise Inc.</p> <p>December 2019 Representative Director, Defactostandard, Ltd.</p> <p>October 2020 Executive Managing Officer (current position)</p> <p>December 2020 Director, JOYLAB Co., Ltd.</p> <p>February 2022 Director, BeenoStorm Co., Ltd.</p> <p>April 2024 Director of BeeCruise Inc. (current position)</p>	(Note) 3	129,300

Job Title	Name	Date of birth	Career summary	Term of office	Number of shares owned K. K.
Executive Managing Officer (Director) Corporate, Strategy	Taisuke Miura	August 22, 1982	<p>April 2007 Joined Bain & Company Japan, Inc.</p> <p>November Joined Accenture Japan Ltd.</p> <p>2009</p> <p>November Joined KOKUYO CO.,LTD.</p> <p>2010</p> <p>April 2015 Joined Japan Hilty Co., Ltd.</p> <p>August 2017 Joined ASATSU-DK INC. (currently ADK Holdings Co., Ltd.)</p> <p>August 2021 Joined the Company, General Manager of Business Strategy Promotion Office</p> <p>December Executive Officer and CSO</p> <p>2022</p> <p>Director, Defactostandard,Ltd.</p> <p>December Director, Denso Corporation (current position)</p> <p>2023</p> <p>Director of Shop Airlines, Ltd. (current position)</p> <p>Director of BEENOS Entertainment Inc. (current position)</p> <p>Director of BeeCruise Inc. (current position)</p> <p>Representative DirectorBEENOS Partners, Inc. Co., Ltd. (to present)</p> <p>Director, Shop Airlines America, Inc. (current)</p> <p>Director, BEENOS Asia Pte. Ltd. (to present)</p> <p>Director, BEENOS Plaza Pte. Ltd. (to present)</p> <p>Director of the Company (to present)</p> <p>Executive Managing Officer (current position)</p> <p>July 2024 CEO, BEENOS AMERICA INC. (to present)</p>	(Note) 3	17,950

Job Title	Name	Date of birth	Career summary	Term of office	Number of shares owned K. K.
Director	Naofumi Nishi	December 18, 1979	<p>April 2004 Joined McKinsey & Company</p> <p>May 2007 Joined Bain Capital Private Equity Japan, LLC</p> <p>July 2014 Executive Officer, MACROMILL, INC.</p> <p>September 2017 Director of the Audit Committee, MACROMILL, INC.</p> <p>March 2018 External Director (Audit and Auditor), ASATSU-DK INC. (currently ADK Holdings, Inc.) (to present)</p> <p>August 2019 Outside Director, Works Human Intelligence Co., Ltd. (to present)</p> <p>September 2019 Appointed Member of the MACROMILL, INC.</p> <p>September 2020 Outside Director, Ember Point Corporation</p> <p>September 2020 Member of Compensation Committee, MACROMILL, INC.</p> <p>November 2020 Outside Director of Hay Co., Ltd. (currently STORES Co., Ltd.)</p> <p>December 2020 Outside Director of the Company (to present)</p> <p>January 2021 Appointed Managing Director of Bain Capital Private Equity Japan LLC</p> <p>March 2021 Outside Director (Audit and Auditor), WHI Holdings Co., Ltd. (to present)</p> <p>June 2021 Outside Director of With Co., Ltd. (currently ENIT Group Co., Ltd.) (current position)</p> <p>July 2021 Director, IGNIS LTD.</p> <p>December 2021 Outside Director, Nippon Safety Co., Ltd. (current position)</p> <p>February 2022 Outside Director, Linkwell, Inc.</p> <p>August 2022 Audit and Supervisory Auditor of With Co., Ltd. (currently ENIT Group Co.</p> <p>October 2022 Director, Tri-Stage Inc.</p> <p>November 2022 Director (Audit and Auditor), Net Marketing Co.Ltd.</p> <p>December 2022 Director of MASH Holdings Co., Ltd. (current position)</p> <p>December 2022 Director of W Co., Ltd. (currently with Co., Ltd.)</p> <p>January 2023 Partner, Bain Capital Private Equity Japan LLC (to present)</p> <p>April 2023 Director of Omiai Co., Ltd.</p> <p>April 2023 Outside Director, IDAJ Co., Ltd. (to present)</p> <p>May 2023 Outside Director (Member of Nominating Committee and Compensation Committee), Street Holdings Co., Ltd. (current position)</p> <p>July 2023 Outside Director, IMPACT HOLDINGS, INC. (current position)</p> <p>December 2023 Director, NS Group Corporation (to present)</p> <p>January 2024 External Director (Audit and Auditor), SYSTEM INFORMATION CO.,LTD (currently SI & C Co., Ltd.)</p> <p>March 2024 Director, SYSTEM INFORMATION CO.,LTD (currently SI & C Co., Ltd.) (current position)</p> <p>June 2024 External Director (Audit and Auditor), OUTSOURCING Inc. (to present)</p> <p>July 2024 Director, Snow Peak, Inc. (to present)</p>	(Note) 3	-

Job Title	Name	Date of birth	Career summary	Term of office	Number of shares owned K. K.
Director (Auditors)	Yasukazu Joho	December 18, 1956	<p>April 1979 Joined Daiei, Inc.</p> <p>May 2005 General Manager of Finance Division and General Manager of IR & Auditor of the Company</p> <p>December 2006 Auditor of Shop Airlines, Ltd.</p> <p>April 2007 Audit & Supervisory Board Member Defactostandard, Ltd.</p> <p>July 2007</p> <p>July 2008 Auditor, Denso Co., Ltd.</p> <p>February 2012 Auditor of Monosense Inc. (currently BEENOS Entertainment Inc.)</p> <p>November 2015 Appointed Auditor of TAIWAN TENSO, INC.</p> <p>December 2015 Director (Audit and Auditor) (to present)</p> <p>October 2017 Auditor, BeeCruise Inc.</p> <p>March 2018 Audit & Supervisory Board Member of JOYLAB</p> <p>December 2019 Auditor of BEENOS Travel Inc.</p> <p>February 2020 Auditor of BEENOS Entertainment Inc.</p> <p>June 2020 Audit & Supervisory Board Member of 銷股 Co., Ltd.</p> <p>August 2020 Audit & Supervisory Board Member, Electronic Commerce (Shanghai) Co., Ltd.</p>	(Note) 4	4,000
Director (Auditors)	Kibo Kondo	October 12, 1974	<p>August 1995 Joined TAC Co.</p> <p>September 1996 Established Kondo CPA Office (currently Kondo Certified Public Accountant Office)</p> <p>March 1999 Director, Kudo Construction Co., Ltd.</p> <p>March 1999 Registered as a certified public</p> <p>August 1999 Joined Business Trust Co., Ltd.</p> <p>December 2000 Representative Director, ZEON Consulting Co., Ltd. (to present)</p> <p>December 2000 Auditor of the Company</p> <p>December 2015 Director (Audit and Auditor) (to present)</p> <p>June 2019 Audit & Supervisory Board Member, SOPHIA HOLDINGS CO.,LTD. (to present)</p>	(Note) 4	10,300
Director (Auditors)	Yoshindo Takahashi	March 9, 1940	<p>April 1962 Joined Nomura Securities Co., Ltd.</p> <p>December 1985 Director, Nomura Research Institute, Ltd.</p> <p>June 1989 Director</p> <p>June 1991 Senior Director</p> <p>June 1994 Director and Vice President</p> <p>June 1996 Advisor, Nomura Research Institute, Ltd. President of Nomura Management School</p> <p>July 2000 Advisor, Executive Partners Co., Ltd. (current position)</p> <p>July 2000 Director, Institute for Pharmaceutical Industry Policy, Japan Pharmaceutical Manufacturers Association</p> <p>October 2000 Auditor of the Company</p> <p>August 2007 Audit & Supervisory Board Member CERES INC.</p> <p>December 2015 Director (Audit and Auditor) (to present)</p> <p>October 2018 Auditor, Tokyo Tsushin Co.</p> <p>March 2021 External Director (Audit and Auditor), CERES INC. (to present)</p> <p>March 2022 Outside Director (Audit and Auditor), Tokyo Tsushin Co., Ltd. (currently Tokyo Tsushin Group Co., Ltd.)</p>	(Note) 4	6,100

Job Title	Name	Date of birth	Career summary	Term of office	Number of shares owned K. K.
Director (Auditors)	Haruka Osawa	October 14, 1979	October 2005 Registered as an attorney October 2005 Joined Mori Hamada & Matsumoto February 2010 Joined ITOCHU Corporation June 2016 General Manager of Legal Division, Renesas Electronics Corporation January 2019 Partner, Miura Law Office (to present) March 2019 Outside Audit & Supervisory Board Member, ALBERT Inc. December 2022 Director (Audit and Auditor) (to present) June 2023 Outside Director (Audit and Auditor), Via Mechanics, Inc. (to present) June 2023 Outside Audit & Supervisory Board Member, Caddy Corporation (to present) June 2024 Outside Director (Audit and Auditor), CMC Corporation (to present)	(Note) 5	-
Total					463,850

Notes: 1. Director Naofumi Nishi is an outside Director.

2. Directors Yasukazu Kaminoho, Nozomi Kondo, Yoshito Takahashi and Gen Osawa are Outside Directors.
3. The terms of office of Director other than Audit and Supervisory Auditor Members will expire at the conclusion of the Ordinary General Meeting of Shareholders in September 2025.
4. The terms of office of Directors Kowa Kaminoho, Nozomi Kondo and Yoshito Takahashi, who are Audit and Supervisory Committee Members, will expire at the conclusion of the Ordinary General Meeting of Shareholders in September 2025.
5. The term of office of Director Haruka Osawa, who is an Auditor and Supervisory Committee Member, will expire at the conclusion of the Ordinary General Meeting of Shareholders in September 2026.
6. The Company is a company with an Auditor.
7. The Company has introduced an Executive Officer system in order to promptly respond to changes in the business environment and revitalize the organization.

The Executive Officers are as follows.

Title and Position	Name
Managing Executive Managing Officer in charge of Entertainment Business Division	Yoshikazu Tamaya
Executive Managing Officer, Deputy Head of Global Commerce Business Division	Sei Sato
Executive Managing Officer, CBO, Executive Officer in charge of Sustainability Promotion	Taiyo Kasamatsu
Executive Officer; General Manager, Human Resources Strategy Office	Eizo Miyasaka
Executive Officer, CFO, General Manager of	Hisanori Matsuda
Executive Officer, CRMO, General Manager of Risk Management Office	Takashi Otsuki
Executive Officer, CLAO, Head of Legal Office	Hayato Kamei
Executive Officer, CTO, General Manager of	Akihisa Urushibara
Executive Officer, CCO, General Manager of Corporate Communication Office	Eri Horitomo

(Matters concerning Outside Directors)

A) Number of Outside Directors and personal, capital, business or Other interests in the reporting company

Mr. Yasukazu Joho, Mr. Kibo Kondo, Mr. Yoshindo Takahashi and Ms. Haruka Osawa (4), who are Outside Directors of the Company, are Audit and Supervisory Committee Members.

Outside Directors appointed by the Company have no personal, capital, business or Other interests with the Company, and their independence is ensured. Therefore, the Company has determined that there is no risk of conflict of interest with general shareholders.

Mr. Naofumi Nishi, an Outside Director, concurrently serves as Partner of Bain Capital Private Equity Japan LLC. Mr. Kibo Kondo, an Outside Director, concurrently serves as Representative Director of ZEON Consulting

Co., Ltd. and Audit & Supervisory Board Member of Sophia Holdings Corporation. Mr. Yoshindo Takahashi, an Outside Director, concurrently serves as Advisor of Executive Partners Co., Ltd., Outside Director (Audit & Supervisory Committee Member) of SERRES Co., Ltd. and Outside Director (Audit & Supervisory Committee Member) of Tokyo Tsushin Group Co., Ltd. Mr. Gen Osawa, an Outside Director, concurrently serves as Outside Director (Audit & Supervisory Committee Member) of CC Co., Ltd. None of these positions has a business relationship with the Company. Ms. Haruka Osawa concurrently serves as a Partner at Miura Law Office, and a subsidiary of the Company has entered into an advisory contract with Miura & Partners US, a partner office of Miura Law Office. However, the average annual transaction amount over the past three years is less than 10 million yen. Therefore, the Company has determined that this does not affect the independence of Outside Directors.

B) Functions and roles of Outside Directors in corporate governance of the submitting company

Outside Directors are responsible for providing objective and neutral advice, supervising the execution of business, and auditing the overall execution of duties by Directors, based on their broad insights and high-level expertise, etc., cultivated through their respective business experiences, including abundant management experience.

C) Independence standards or policies for the appointment of outside Directors

In the appointment of Outside Directors, the Company has determined that they are sufficiently independent from management and have the knowledge, experience, and insight to perform the duties of an Outside Director, by comprehensively taking into account their backgrounds, relationships with the Company, and qualifications, while taking into account the standards or policies on independence stipulated by the Company and the independence standards stipulated by the Tokyo Stock Exchange, Inc. The Company has designated five (5) Outside Directors as Independent External Director in accordance with the provisions of the Tokyo Stock Exchange and has notified the Exchange thereof.

(3) Status of audits

(1) Audits by Auditor Members

(Organization and Personnel, Experience and Ability of Each Audit and Auditor)

The Auditor consists of four Directors who are Auditor Members, all of whom are Outside Directors. In addition, one of the four Auditor Members is an Executive Auditor. Mr. Yasukazu Joho audits the execution of duties by Directors based on his experience and knowledge mainly in finance. Mr. Kibo Kondo is a certified public accountant and has a specialized position in finance and accounting. Mr. Yoshindo Takahashi is a certified public accountant and has experience and knowledge mainly in corporate management. Ms. Haruka Osawa is a licensed attorney and has a specialized position in corporate legal affairs. Each of them is responsible for the oversight of management.

(Status of the current business year)

The Auditor met 13 times during the fiscal year under review. The attendance of each Auditor is as follows:

Family name	Number of meetings held	Number of attendance
Yasukazu Joho	13 times	13 times
Kibo Kondo	13 times	13 times
Yoshindo Takahashi	13 times	13 times
Haruka Osawa	13 times	13 times

(Major Activities of Auditors)

He attends meetings of the Board of Director, audits the conduct of business and the content of resolutions, and expresses opinions as necessary.

The Company holds individual meetings with Executive Director and Executive Officer to exchange opinions on business risks and issues to be addressed in order to facilitate communication and exchange of information.

Executive Auditors attend Other important meetings. In addition, the Company reviews important approval documents and confirms approval procedures based on internal resolutions. With regard to subsidiaries, the Company strives to communicate and exchange information with Directors, Audit & Supervisory Board members, etc. of subsidiaries by attending meetings of the Board of Director of subsidiaries.

(Activities of Auditor Committee)

During the fiscal year under review, we conducted audits of the status of controls over appropriate and accurate financial reporting and disclosure as a key audit item. The number of sessions was as stated above, and the time required for each session was approximately one hour. Highlights include:

Matters to be resolved: Audit implementation plan of the Auditor, consent to audit fees of the Accounting Auditor, audit report of the Auditor, reappointment of the Accounting Auditor, consent to proposals for election of Auditors, etc.

Matters to be Reported: Report on Audit Activities by Full-Executive Auditor Audit and Supervisory Committee Members

Matters to be deliberated and discussed: Annual audit plan, appropriateness of the remuneration of the Accounting Auditor, audit report by the Auditor and Supervisory Committee, evaluation of the Accounting Auditor and reappointment / non-reappointment, etc.

(Details of Cooperation between Auditor and Accounting Auditor)

"In addition to receiving audit plans, audit methods, and results reports and explanations from the Accounting Auditor, the Audit & Supervisory Board Members and the Audit & Supervisory Board Members exchange mutually useful information obtained through such means as discussing the inclusion of "Major Matters for Consideration in Audits (KAM)" "in accounting audit reports, and exchange opinions on a regular

basis with the aim of conducting effective and efficient accounting audits and internal control audits."

Key areas of collaboration include:

Contents of cooperation	Number of meetings held	Overview
Explanation of audit plan	Once	Explanation of audit plan and time / remuneration plan
Audit report (Year-end and Quarterly Review Results)	Five.	Explanation of the status of audits and responses to major audit issues
Opinion Exchange Meeting	Five.	Sharing of audit activities and exchange of opinions, etc.

(ii) Status of internal audits

"The Risk Management Office (3 members) is responsible for the establishment and maintenance of the compliance system under the direct control of the Representative Director. As the department in charge of internal audits, the Risk Management Office audits the status of operations, the effectiveness and accuracy of business execution, the status of compliance, etc. regarding the business activities of each department, including Group companies, based on the "Internal Audit Rules," and reports to the Representative Director." In addition, the Company regularly reports its activities to the Board of Director and reports the results of internal audits and the status of corrective actions to Directors who are Auditor, and exchanges opinions with them.

In particular, full-Executive Auditor Members attend weekly meetings held by the Risk Management Office to closely exchange opinions on specific risk information and mutual recognition of issues related to group governance.

(iii) Status of accounting audits

A. Name of Accounting Auditor

Taiyo LLC

B. Continuing audit period

7 years

C. Certified public accountant who executed the business

Satoshi Saito, Designated Limited Liability Partner, Engagement Partner
Designated Limited Liability Partner, Engagement Partner, Takanori Ishikura

D. Composition of assistants involved in audit engagements

15 certified public accountants Others

E. Policy and reasons for selection of audit corporation

The Auditor of the Company will dismiss the Accounting Auditor with the consent of all Audit and Supervisory Committee Auditors if it is deemed that the Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act. In this case, the Auditor Auditor Supervisory Committee shall report the dismissal and the reason for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

In addition, the Auditor of the Company will comprehensively consider the status of execution of duties by the Accounting Auditor, and if it is deemed necessary to change the Accounting Auditor, the Committee will decide the content of a proposal for dismissal or refusal of reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

The Company has no special interest relationship with Taiyo LLC and its engagement partners engaged in the audit of the Company, and Taiyo LLC has taken measures to prevent engagement partners from being involved in the accounting audit of the Company for more than a certain period of time. In addition, the Company maintains an environment in which audits are conducted from a fair and unbiased standpoint, and strives to constantly exchange information, such as consulting on accounting methods and disclosure methods to provide useful accounting information for shareholders and investors.

F. Matters related to the business suspension of the Accounting Auditor

Outline of the business suspension order announced by the Financial Services Agency on December 26, 2023

(1) Subject of disposal

Taiyo LLC

(2) Details of Disposal

- Three months of suspension of business related to the conclusion of a new contract (from January 1, 2024 to March 31, 2019; excluding the conclusion of a new contract due to the renewal of the audit contract period or listing of an audited company with which an audit contract has already been concluded)
- Business improvement order (improvement of business management system)

Three months (from January 1, 2024 to March 31, 2019): Prohibition of a partner who has significant responsibility for falling under any of the reasons for the disposition from being involved in a part of the services of the audit corporation (examination of audit services)

(3) Reason for the Disposition

In an audit of an amended report, etc. of another company, two certified public accountants who were partners of the same audit corporation, in negligence of due care, attested financial documents containing material misstatements as those containing no material misstatements.

The Auditor of the Company received an explanation from Taiyo LLC regarding the details of the above disposition, the business improvement plan, and the status of implementation thereof, and confirmed that the business improvement report regarding the above disposition to the Financial Services Agency had been completed. As a result, it was confirmed that efforts are being made based on the business improvement plan. Therefore, the Company has judged that this does not affect the qualification of Taiyo LLC as the Company's Accounting Auditor and does not affect the Company's audit operations.

G. Evaluation of the Accounting Auditor by the Auditor Committee

"Based on the "Evaluation and Selection Criteria for Accounting Auditors" established by the Audit and Supervisory Committee, the Audit and Supervisory Committee of the Company evaluated the evaluation items of (I) the quality control of the audit corporation (governance, management, quality control, etc.), (ii) the auditing team (independency, maintenance and exercise of professional skepticism, etc.), (iii) audit fees, etc., (iv) communication with the Audit and Supervisory Committee Members, (v) communication with management and the internal auditing department, and (vi) responses to fraud risks." In addition, the status of compliance with the Governance Code by the audit corporation has been fully complied with, and there have been no events that fall under dismissal or refusal of reappointment of the Accounting Auditor, and the Company has judged that reappointment as the Accounting Auditor of the Company is appropriate.

(iv) Details of audit fees

A. Details of compensation paid to certified public accountants, etc. for audits

Category	Previous fiscal year		The current consolidated accounting year	
	Compensation based on audit and attestation services (Million yen)	Fees based on non-audit services (Million yen)	Compensation based on audit and attestation services (Million yen)	Fees based on non-audit services (Million yen)
Submitting company	40	-	38	-
Consolidated subsidiaries	-	-	-	-
Total	40	-	38	-

B. Remuneration for the same network as the audit certified public accountant, etc. (excluding a.)

Category	Previous fiscal year	The current consolidated accounting year
----------	----------------------	--

	Compensation based on audit and attestation services (Million yen)	Fees based on non-audit services (Million yen)	Compensation based on audit and attestation services (Million yen)	Fees based on non-audit services (Million yen)
Submitting company	-	-	-	10
Consolidated subsidiaries	-	-	-	-
Total	-	-	-	10

(Note) Non-audit services include financial and tax due diligence services provided by Taiyo Grant Thornton Advisors Co., Ltd.

C. Details of compensation based on Other significant audit and attestation services

Not Applicable.

D. Policy for determining audit fees

Audit fees for the Company's audit certified public accountants, etc. are determined through discussions between the Company and the audit firm, considering the scale and characteristics of the Company and its consolidated subsidiaries, the number of audit days, etc.

E. Reasons why the Auditor agreed to the remuneration, etc. of the Accounting Auditor

The Audit and Supervisory Committee of the Company has obtained necessary materials and received reports from the Directors, relevant internal departments, and the Accounting Auditor regarding the remuneration, etc. of the Accounting Auditor, conducted the necessary verification of the appropriateness of the Accounting Auditor's activity plan for the current business year and the basis for the calculation of the remuneration estimate, etc., and deliberated on these matters. As a result, the Audit and Supervisory Committee of the Company has determined that these matters are appropriate, and has agreed to the amount of remuneration, etc. of the Accounting Auditor pursuant to Article 399, Paragraph 1 of the Companies Act.

(4) [Remuneration, etc. of Directors]

(1) Policy for determining remuneration, etc. of officers

• Basic concept of the remuneration system for directors

Based on the Basic Policy on Corporate Governance, the Company has established a policy for determining the amount of remuneration, etc. for officers of the Company in accordance with the functions and roles to be assumed by officers of the Company, the level of performance of the Company, etc., in accordance with the functions of business execution and management supervision, in order to lead to continuous improvement of corporate value.

• Compensation structure for directors

Remuneration for directors (excluding external directors and Audit and Supervisory Committee members) will be distributed through a mixture of cash and Company stock to incentivize long-term growth of the Company. Annual cash remuneration is based on the rank, responsibilities and contribution of each director on a consolidated basis and bonuses are results based. Restricted stocks are issued in accordance with the rise of share prices as stock-based compensation. The following table shows the purposes and outline of each type of remuneration.

Type of remuneration		Objective and Overview
Fixed	Fixed remuneration	<p>Fixed remuneration to promote sound execution of duties</p> <p>The remuneration level shall be determined based on the amount of operating income in the previous year and in accordance with the position, role, responsibility, etc.</p> <ul style="list-style-type: none"> • Remuneration is distributed monthly.
Variable	Incentivized remuneration (Annual incentive remuneration)	<p>Performance-linked remuneration to steadily accumulate results for each fiscal year</p> <p>The specific amount to be paid shall be determined based on the amount of consolidated operating income for each fiscal year and in accordance with position, role, responsibility, etc.</p> <ul style="list-style-type: none"> • Payment shall be made in a sum after the end of each fiscal year.
	Restricted stock remuneration (Medium-to long-term incentive remuneration)	<p>Performance-linked remuneration to promote management with an emphasis on medium to long-term enhancement of corporate and shareholder value</p> <p>The "Base Value" shall be set according to responsibilities, etc.</p> <ul style="list-style-type: none"> - Grant the "Base Value" by the number of Shares divided by the closing price of our Shares on the Tokyo Stock Exchange on the day before the issue resolution date. The shares to be granted shall be specified restricted shares that cannot be disposed of, such as via transfers, for the period until retirement. - The number of shares to be granted shall not exceed 100,000 shares per year. - Remuneration to be issued within 1 month of the Board Meeting held after the AGM. • The Company will obtain any restricted shares

		that have not been released at the end of the restricted period for reasons, such as the director not fulfilling their full term, free of charge.
--	--	---

Note: The remuneration of Outside Directors and Directors who are Audit and Supervisory Committee

Members is fixed monthly remuneration only, and there is no remuneration that fluctuates depending on business performance, as it is necessary to ensure independence in order to appropriately fulfill their roles.

- Maximum amount of director's remuneration

The maximum amount of remuneration for Directors (excluding Directors who are Auditors) is 300 Million yen or less per year (excluding the employee portion of the Directors who concurrently serve as employees), and 200 Million yen or less per year as restricted stock remuneration in a separate framework. In addition, the limit was resolved at the 20th Ordinary General Meeting of Shareholders held on December 20, 2019, and the number of directors as of the resolution date is four.

The maximum amount of remuneration for Directors who are Auditors is 50 Million yen or less per year. The upper limit was resolved at the 16th Ordinary General Meeting of Shareholders held on December 10, 2015, and the number of directors as of the resolution date is three.

The number of Directors stipulated in the Articles of Incorporation is 14 or less, of which the number of Directors who are Auditors is 4 or less.

- Process of Deliberation and Determination of Compensation for Directors

"The Company's" "Rules for Directors" "stipulate the decision-making body and procedures for director remuneration as follows:"

- The remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be proposed by the President and Representative Director and determined by the Board of Directors within the remuneration limit resolved at the General Meeting of Shareholders, taking into consideration the business performance, roles and responsibilities, results, etc.
- The remuneration of Directors who are Audit and Auditors shall be determined through discussions among Directors who are Auditors within the remuneration limit resolved at the General Meeting of Shareholders.

- Roles and activities of the Board of Director

The Board of Director, as a body that supervises directors from an independent and objective standpoint, deliberates and makes decisions on the details of director remuneration and the establishment and revision of systems. These details are systematized as the "Rules for Directors."

Remuneration for directors and corporate auditors for the fiscal year under review was deliberated and decided as follows.

- December 15, 2023: Remuneration for Directors in Fiscal 2024
- December 15, 2023: Decision to Pay Remuneration Equivalent to the Amount to Be Paid in for Restricted Shares to Director and Executive Officer
- October 24, 2024: Bonuses for Directors and Audit & Supervisory Board Members for FY 2024 (performance-linked remuneration)

(ii) Total Amount of Remuneration, etc. by Officer Category, Total Amount of Remuneration, etc. by Type, and Number of Eligible Officers

Classification of Officers	Total amount of remuneration (Million yen)	Total amount of remuneration, etc. by type (Million yen)			Number of Eligible Directors (person)
		Fixed fee	Performance-linked compensation	Non-monetary remuneration, etc.	
Directors (excluding Auditors) (Excluding outside Directors)	189	83	62	43	4
Directors (Auditors) (excluding Outside Directors)	-	-	-	-	-
Outside Director	30	30	-	-	5
Total	219	113	62	43	9

Notes: 1. The content of non-monetary remuneration, etc. is restricted stock remuneration delivered by the Company to Director.

2. The number of Directors as of the end of the fiscal year is eight. The number of Directors differs from the above number because one Director retired due to the expiration of his term of office at the conclusion of the 24th Annual General Meeting of Shareholders held on December 15, 2023.

(iii) Total amount of consolidated remuneration, etc. for each officer

Not stated because there are no persons for whom the total amount of consolidated remuneration, etc. is 100 million yen or more.

(iv) Important employee salaries of directors who concurrently serve as employees

Not Applicable.

(5) [Status of shareholdings]

(1) Basis and concept of classification of investment shares

The Company classifies investment shares held for the purpose of receiving profits from changes in the value of shares or dividends related to shares into shares held for pure investment purposes and shares held for purposes other than pure investment purposes.

(ii) Shareholdings in BEENOS Asia Pte. Ltd.

Of the Company and its consolidated subsidiaries, BEENOS Asia Pte. Ltd., which has the largest amount of investment shares recorded in the balance sheet (amount recorded in investment shares) (largest holding company), is as follows.

A. Investment shares held for purposes other than pure investment

Not Applicable.

B. Investment shares held for pure investment purposes

Category	Current business year		Previous business year	
	Number of issues (issues)	Total amount recorded in the balance sheet (Million yen)	Number of issues (issues)	Total amount recorded in the balance sheet (Million yen)
Unlisted stock	17	2,411	18	2,727
Shares other than unlisted shares	-	-	-	-

Category	Current business year		
	Total amount of dividends received (Million yen)	Total gain (loss) on sale (Million yen)	Total unrealized gains (losses) (Million yen)
Unlisted stock	60	445	22
Shares other than unlisted shares	-	-	-

C. The purpose of holding investment shares was changed from net investment purpose to other purpose during the current business year.

Not Applicable.

D. The purpose of holding investment shares was changed from other than pure investment purpose to pure investment purpose during the current business year.

Not Applicable.

(iii) Status of shares held by the reporting company

The submitting company is as follows.

A. Investment shares held for purposes other than pure investment

Not Applicable.

B. Investment shares held for pure investment purposes

Category	Current business year		Previous business year	
	Number of issues (issues)	Total amount recorded in the balance sheet (Million yen)	Number of issues (issues)	Total amount recorded in the balance sheet (Million yen)
Unlisted stock	27	735	27	1,130
Shares other than unlisted shares	2	231	2	158

Category	Current business year		
	Total amount of dividends received (Million yen)	Total gain (loss) on sale (Million yen)	Total unrealized gains (losses) (Million yen)
Unlisted stock	20	-	(418)
Shares other than unlisted shares	-	-	-

C. The purpose of holding investment shares was changed from net investment purpose to other purpose during the current business year.

Not Applicable.

D. The purpose of holding investment shares was changed from other than pure investment purpose to pure investment purpose during the current business year.

Not Applicable.

Article 5 [Status of Accounting]

1. Consolidated Financial Statements and Method of Preparation of Financial Statements

"(1) The Company's consolidated financial statements are prepared in accordance with the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter referred to as the "Ordinance on Consolidated Financial Statements")."

"(2) The Company's financial statements are prepared in accordance with the "Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc." (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter referred to as the "Ordinance on Financial Statements, etc.")."

The Company is a special company submitting financial statements and prepares financial statements pursuant to the provisions of Article 127 of the Ordinance on Financial Statements, etc.

2. Audit Certification

The Company's consolidated financial statements for the fiscal year ended September 30, 2024 (October 1, 2023) and for the fiscal year ended September 30, 2024 (October 1, 2023) were audited by Taiyo LLC in accordance with Article 193, Paragraph 2, Paragraph 1 of the Financial Products Transaction Act.

3. Special efforts to ensure the appropriateness of the consolidated financial statements

The Company takes special measures to ensure the appropriateness of the consolidated financial statements as follows. The Company is a member of the Organization for Financial and Accounting Standards in order to develop a system to appropriately understand the contents of accounting standards, etc.

1. Consolidated Financial Statements

(1) Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Unit: Million yen)	
	Previous fiscal year (September 30, 2023)	The current consolidated accounting year (September 30, 2024)
Assets		
Current assets		
Cash and deposits	10,648	17,948
Notes and accounts receivable	1,367	1,149
Operational investment securities	* 1 3,998	* 1 3,318
Products	2,650	464
Accounts receivable	1,211	2,053
Other	2,929	2,528
Allowance for doubtful accounts	(73)	△ 1
Total current assets	22,733	27,462
Fixed assets		
Tangible Assets		
Buildings and structures	783	237
Accumulated depreciation	(439)	(216)
Buildings and structures, net	344	21
Tools, materials and supplies	271	208
Accumulated depreciation	(196)	(166)
Tools, materials and supplies, net	75	41
Other	42	40
Accumulated depreciation	(19)	△ 18
Other, net	22	22
Total tangible assets	442	85
Intangible assets		
Software	297	258
Other	0	-
Total intangible assets	297	258
Investments etc.		
Investment securities	* 2 2983	* 2 2,649
Deferred tax assets	910	811
Other	544	382
Allowance for doubtful accounts	-	(120)
Total investments etc.	4,438	3,723
Total fixed assets	5,178	4,067
Total assets	27,911	31,529

(Unit: Million yen)

	Previous fiscal year (September 30, 2023)	The current consolidated accounting year (September 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	54	118
Short-term loan	* 3 4,250	* 3 3,350
Current portion of long-term loans payable	647	540
Accounts payable-other	6,822	7,723
Deposits received	996	2,020
Income taxes payable	254	1,178
Asset retirement obligations	-	67
Other	1,034	922
Total current liabilities	14,060	15,919
Fixed liabilities		
Long-term loans payable	300	560
Deferred tax liabilities	295	619
Asset retirement obligations	223	-
Other	22	-
Total fixed liabilities	841	1,179
Total liabilities	14,901	17,098
Net assets		
Shareholders' equity		
Capital stock	2,775	3,175
Capital surplus	2,954	3,331
Retained earnings	7,256	8,282
Treasury Stock	(1,566)	(1,431)
Total shareholders' equity	11,421	13,357
Other accumulated comprehensive income		
Valuation difference on securities	(215)	(477)
Foreign currency translation adjustments	1,584	1,375
Total other accumulated comprehensive income	1,368	897
Share subscription rights	220	174
Total net assets	13,010	14,430
Total liabilities and net assets	27,911	31,529

(ii) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Unit: Million yen)

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Net sales	32,508	25,428
Cost of sales	* 1 16,536	* 1 13,492
Gross profit	15,972	11,936
Selling, general and administrative expenses	* 2 11,470	* 2 9,534
Operating income	4,501	2,401
Non-operating income		
Interest income	5	22
Equity in earnings of affiliated companies	-	8
Gain on investments in partnerships	-	81
Subsidy income	1	0
Guarantee income	18	3
Other	33	42
Total non-operating income	58	158
Non-operating expenses		
Interest expenses	17	17
Equity in loss of affiliates	236	-
Foreign exchange losses	219	165
Commissions paid	3	-
Loss on investments in partnerships	14	-
Allowance for doubtful accounts	-	121
Other	14	33
Total non-operating expenses	506	337
Ordinary income	4,053	2,221
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	914
Gain on reversal of subscription rights to shares	11	30
Total extraordinary income	11	945
Extraordinary losses		
Impairment loss	* 4 139	-
Loss on retirement of noncurrent assets	* 3 10	-
Provision for loss on guarantees	132	-
Total extraordinary loss	282	-
Income before income taxes	3,782	3,167
Income taxes	1,887	1,456
Income taxes-deferred	(303)	359
Total income taxes	1,583	1,815
Net income for the year	2,198	1,351
Net income attributable to owners of the parent	2,198	1,351

Consolidated Statement of Comprehensive Income

(Unit: Million yen)

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Net income for the year	2,198	1,351
Other comprehensive income		
Valuation difference on securities	(6,836)	(261)
Foreign currency translation adjustments	361	(206)
Share of other comprehensive (loss) income in associates	3	△ 2
Total other comprehensive income	* 1 (6,472)	* 1 (470)
Comprehensive income	(4,273)	880
(Breakdown)		
Comprehensive income attributable to owners of the parent	(4,273)	880
Comprehensive income attributable to non-controlling interests	-	-

(iii) Consolidated Statement of Changes in Shareholders' equities

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury Stock	Total shareholders' equity
Balance at beginning of year	2,775	3,925	5,367	(2,107)	9,962
Changes during the year					
Dividend of surplus			(309)		(309)
Net income attributable to owners of the parent			2,198		2,198
Acquisition of Treasury Stock				(794)	(794)
Disposal of Treasury Stock		(80)		444	364
Retirement of Treasury Stock		(890)		890	-
Net changes in items other than Shareholders' equities					-
Total changes during the period	-	(971)	1,888	540	1,458
Balance at the end of the current	2,775	2,954	7,256	(1,566)	11,421

	Other accumulated comprehensive income			Share subscription rights	Total net assets
	Other securities Net unrealized gain	Foreign currency translation adjustments	Other comprehensive income Total accumulated amount		
Balance at beginning of year	6,620	1,220	7,841	198	18,001
Changes during the year					
Dividend of surplus					(309)
Net income attributable to owners of the parent					2,198
Acquisition of Treasury Stock					(794)
Disposal of Treasury Stock					364
Retirement of Treasury Stock					-
Net changes in items other than Shareholders' equities	(6,836)	364	(6,472)	22	(6,450)
Total changes during the period	(6,836)	364	(6,472)	22	(4,991)
Balance at the end of the current	(215)	1,584	1,368	220	13,010

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury Stock	Total shareholders' equity
Balance at beginning of year	2,775	2,954	7,256	(1,566)	11,421
Changes during the year					
Issuance of new shares	400	400			800
Dividend of surplus			(325)		(325)
Net income attributable to owners of the parent			1,351		1,351
Acquisition of Treasury Stock				△ 0	△ 0
Disposal of Treasury Stock		△ 23		134	110
Net changes in items other than Shareholders' equities					-
Total changes during the period	400	376	1,025	134	1,936
Balance at the end of the current	3,175	3,331	8,282	(1,431)	13,357

	Other accumulated comprehensive income			Share subscription rights	Total net assets
	Other securities Net unrealized gain	Foreign currency translation adjustments	Other comprehensive income Total accumulated amount		
Balance at beginning of year	(215)	1,584	1,368	220	13,010
Changes during the year					
Issuance of new shares					800
Dividend of surplus					(325)
Net income attributable to owners of the parent					1,351
Acquisition of Treasury Stock					△ 0
Disposal of Treasury Stock					110
Net changes in items other than Shareholders' equities	(261)	(209)	(470)	△ 45	(516)
Total changes during the period	(261)	(209)	(470)	△ 45	1,420
Balance at the end of the current	(477)	1,375	897	174	14,430

(iv) Consolidated Statements of Cash Flows

(Unit: Million yen)

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Net cash provided by (used in) operating activities		
Income before income taxes	3,782	3,167
Depreciation and amortization	206	158
Impairment loss	139	-
Amortization of goodwill	60	-
Stock-based Compensation Expense	116	87
Increase in allowance for doubtful accounts (Decrease:Δ)	56	120
Increase in allowance loss on guarantees (Decrease:Δ)	132	(132)
Interest and dividends income	Δ 5	(22)
Interest expenses	17	17
Foreign exchange losses (Gains:Δ)	(83)	4
Equity in losses of affiliates (Gains:Δ)	236	Δ 8
Loss (gain) on sales of shares of subsidiaries and associates	-	(914)
Loss on investments in partnership (Gains:Δ)	14	Δ 81
Gain on reversal of subscription rights to shares	Δ 11	(30)
(Gain) loss on sale of Fixed assets	-	Δ 4
Loss on retirement of noncurrent assets	10	-
Decrease in notes and accounts receivable-trade (Increase:Δ)	(494)	79
Increase in operational investment securities (Increase: Δ)	332	545
Decrease in inventory (Increase:Δ)	(425)	283
Increase (decrease) in accounts receivable-other (increased by Δ)	53	(867)
Increase in notes and accounts payable-trade (Decrease:Δ)	(319)	65
Increase in accounts payable-other (Decrease:Δ)	1,354	905
Increase in deposits received (Decrease:Δ)	(272)	1,067
Increase in consumption taxes payable (Decrease:Δ)	Δ 13	23
Other	17	138
Subtotal	4,907	4,602
Interest and dividend received	65	84
Interest expenses paid	Δ 17	Δ 18
Income taxes refunded	754	101
Income taxes paid	(2,720)	(1,013)
Net cash provided by (used in) operating activities	2,988	3,758
Cash flow from investing activities		
Purchase of property, plant and equipment	Δ 91	(59)
Proceeds from sales of Tangible Assets	-	6
Purchase of intangible assets	Δ 99	(194)
Purchase of investment securities	(501)	(76)
Payments for lease and guarantee deposits	(39)	(121)
Proceeds from collection of lease and guarantee deposits	15	3
Lending of loans receivable	(60)	Δ 0
Proceeds from collection of loans receivable	-	60
Proceeds from distributions from investment partnerships	50	158
Proceeds from sales of shares of subsidiaries	-	* 2 3,774

(Unit: Million yen)		
	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
resulting in change in scope of consolidation		
Cash flow from investing activities	(726)	3,550

(Unit: Million yen)		
	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Cash flow from financing activities		
Increase in short-term loans payable (Decrease:△)	700	(900)
Proceeds from long-term debt	-	700
Repayment of long-term loans payable	(1,000)	(547)
Proceeds from exercise of stock options	109	785
Purchase of treasury stock	(794)	△ 0
Sales of treasury stock	101	11
Proceeds from issuance of Share subscription rights	-	0
Cash dividends paid	(309)	(325)
Cash flow from financing activities	(1,192)	(275)
Effect of exchange rate change on cash and cash equivalents	145	(25)
Net increase in cash and cash equivalents(Decrease:△)	1,214	7,008
Cash and cash equivalents at the beginning of the year	10,019	11,233
Cash and cash equivalents at the year-end	* 11,233	* 118,242

[Notes]

(Significant Basic Matters for Preparation of Consolidated Financial Statements)

1. Matters concerning the scope of consolidation

Number of consolidated subsidiaries: 18

Major consolidated subsidiaries

tenso, inc.

TAIWAN TENSO, INC.

Shop Airlines, Ltd.

Shop Airlines America, Inc.

BeeCruise Inc.

FASBEE Inc.

BEENOS Travel Inc.

BEENOS Entertainment Inc.

BEENOS Asia Pte. Ltd.

BEENOS HR Link Inc.

BEENOS AMERICA INC. and 7 other companies

Consolidated subsidiaries Defactostandard, Ltd. and JOYLAB Co., Ltd. were excluded from the scope of consolidation due to the transfer of all shares, and BeenoStorm Co., Ltd. was excluded from the scope of consolidation due to an absorption-type merger in which Tenso Co., Ltd., a consolidated subsidiary of the Company, was the surviving company. BEENOS AMERICA INC. was newly established and included in the scope of consolidation in the fiscal year under review.

2. Application of the equity method

(1) Number of companies to which the equity method is applied: 3

Major Company Names

BEENOS Plaza Pte. Ltd.

ONL Co., Ltd.

Metro Engines Inc.

(2) Of the companies to which the equity method is applied, for companies whose closing date differs from the consolidated closing date, the financial statements prepared based on the provisional closing of accounts based on the latest quarterly closing of the company are used.

3. Business Year of Consolidated Subsidiaries

Although the fiscal year end of one consolidated subsidiary is December 31, the consolidated financial statements have been prepared based on the provisional financial statements prepared as of the consolidated fiscal year end. The last day of the business year of Other consolidated subsidiaries coincides with the consolidated closing date.

4. Matters concerning accounting policies

(1) Valuation standards and methods for significant assets

(a) securities;

Available-for-sale securities (including trading securities)

Shares other than those with no market price

Stated at fair value. (The valuation difference is directly included in net assets, and the cost of securities sold is calculated using the moving-average method.)

Shares, etc. without market price

Stated at cost determined by the moving-average method.

However, investments in investment limited partnerships are accounted for by recording the amount equivalent to the equity in the assets of the partnership, etc. as securities and recording the amount

equivalent to the equity in the profits and losses acquired through the operation of the partnership, etc. as profits and losses.

(b) Derivative Transactions

Stated at fair value.

(c) inventory assets:

Product and supplies

The cost method based on the specific identification method (book value devaluation method based on the decline in profitability for the balance sheet value) is adopted.

(2) Depreciation method for significant depreciable assets

(a) Tangible Assets (excluding leased assets);

The declining-balance method is used.

However, buildings (facilities attached to buildings) and structures acquired on or after April 1, 2016 are depreciated by the straight-line method.

The principal useful lives are as follows:

Buildings and structures 3 to 15 years

Tools, materials and supplies 3 to 15 years

(b) Intangible assets (excluding leased assets);

Software (for internal use)

The straight-line method is used based on the estimated useful life (within five years) within the Company.

(c) leased assets;

Leased assets under finance leases that do not transfer ownership are depreciated using the straight-line method over the lease term.

Finance leases entered into prior to September 30, 2008 that do not transfer ownership of the leased property to the lessee are accounted for in the same manner as operating leases.

(3) Accounting standards for significant allowances

(a) Allowance for doubtful account

The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on collection. The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on collection. The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on collection.

B. Provision for loss on investment

In order to prepare for losses on investments, the Company reports the estimated amount of losses in consideration of the circumstances of the investee company.

(4) Standards for translation of significant foreign currency-denominated assets and liabilities into Japanese currency

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate as of the consolidated closing date, and exchange differences are recognized as profit or loss. Assets and liabilities of overseas consolidated subsidiaries are translated into Japanese yen at the spot exchange rate prevailing at the balance sheet date. Income and expenses of overseas consolidated subsidiaries are translated into Japanese yen at the average exchange rate prevailing during the year. Differences arising from such translation are included in Foreign currency translation adjustments in Net assets.

(5) Standards for recognition of significant revenues and expenses

The major performance obligations of the Company and its consolidated subsidiaries in relation to revenue arising from contracts with customers and the normal point in time when such performance obligations are satisfied are as follows.

B. E-Commerce Business (Global Commerce Business Division)

The performance obligation is mainly to purchase Products on behalf of customers and to ship them

(domestic to overseas, overseas to domestic). Generally, revenue is recognized at the time of shipment (when the provision of services is completed) as a performance obligation to be satisfied at one point in time based on the contract with customers. Revenue is recognized for transactions in which another party is involved in the provision of a good or service to a customer, and the Company and its consolidated subsidiaries are acting as an agent when a promise to the customer is deemed to be a performance obligation to arrange for the good or service to be provided by the other party, on the basis of consideration less the amount payable to the other party.

B. E-Commerce Business (Value Cycle Business Division)

Since the performance obligation is mainly to supply Products to customers and the period from the time of shipment to the time when control of the Product is transferred is a normal period, the Company applies the alternative treatment set forth in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" and recognizes revenue at the time of shipment as a performance obligation to be satisfied at one time.

C. E-Commerce Business (Entertainment Business Division)

Since the performance obligation is mainly to supply Products to customers and the period from the time of shipment to the time when control of the Product is transferred is a normal period, the Company applies the alternative treatment set forth in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" and recognizes revenue at the time of shipment as a performance obligation to be satisfied at one time.

2. Incubation Business

The Incubation Business is an investment development business for the purpose of obtaining investment returns. Revenue from the investment and consultation business is recognized mainly in accordance with the "Accounting Standard for Financial Products" (ASBJ Statement No. 10 July 4, 2019).

(6) Amortization of goodwill

Goodwill is amortized regularly over a reasonable number of years, not exceeding 20 years, based on an estimate of the effective period of each goodwill.

(7) Scope of Funds in the Consolidated Statements of Cash Flows

Cash and cash equivalents consist of cash on hand, bank deposits that can be withdrawn at any time, and short-term investments that are readily convertible to known amounts of cash and are exposed to insignificant risk of changes in value and that mature or become due within three months of the date of acquisition.

(8) Other significant matters that serve as the basis for preparation of consolidated financial statements

Application of the group totalization system

"The Company and certain consolidated subsidiaries have adopted the "Treatment of Accounting and Disclosures in Cases of Applying the Group Aggregation Method" "(ASBJ PITF No. 42, August 12, 2021), which provides for the treatment of accounting for and disclosures of income taxes and Local Corporate Tax and tax effect accounting in cases of applying the group aggregation method."

(Significant Accounting Estimates)

(Valuation of Operational investment securities)

(1) Amount reported on the consolidated financial statements for the current consolidated accounting year

(Unit: Million yen)

	Previous fiscal year	The current consolidated accounting year
Operational investment securities	3,998	3,318

(2) Calculation method of the amount reported on the consolidated financial statements for the current consolidated accounting year

With respect to Operational investment securities with no market price, the net asset value per share reflecting excess earning power is deemed to be the actual value. If the actual value has declined by 50% or more from the acquisition cost, an appropriate reduction is made and the valuation difference is recorded as

a loss on valuation of trading Operational investment securities unless sufficient evidence of recoverability is provided.

(3) Major assumptions used in the calculation of the amount reported on the consolidated financial statements for the current consolidated accounting year

Whether or not there is a loss of excess profitability is judged based on the finance price provided by a third party to the investee company, the achievement status of the business plan anticipated at the time of execution of the investment, and the latest business plan considering changes in the management environment. Key assumptions include information about the latest competition and technology in the markets in which investee companies operate, the impact of uncertainties in the achievement of management strategies contained in business plans, and estimates of significant costs to maintain and improve service levels in participating markets.

(4) Impact on Consolidated Financial Statements for the Following Fiscal Year

The valuation of operational investment securities is reviewed each fiscal year and recorded in the financial statements at an amount considered to be reasonable. However, if it becomes necessary to review these amounts due to the effects of competition in participating markets and changes in technology, changes in the business environment, and uncertainty in estimates for business plans, it may have a significant impact on the consolidated financial statements for the following fiscal year.

(Accounting Standards Not Yet Applied)

- "Accounting Standards for Income taxes, etc." "(ASBJ Statement No. 27, October 28, 2022)"
- "Accounting Standard for Presentation of Comprehensive Income" "(ASBJ Statement No. 25, issued by the Accounting Standards Board of Japan on October 28, 2022)"
- "Implementation Guidance on Accounting Standard for Tax Effect Accounting" "(ASBJ Guidance No. 28, issued by the Accounting Standards Board of Japan on October 28, 2022)"

(1) Overview

"In February 2018, ASBJ Statement No. 28," "Partial Amendments to Accounting Standard for Tax Effect Accounting," "etc. (hereinafter referred to as" "ASBJ Statement No. 28, etc." ") was published, and the transfer of the Practical Guidelines on Tax Effect Accounting of the Japanese Institute of Certified Public Accountants to the Corporate Accounting Standards Board was completed. In the process of deliberation, the following two points, which were to be discussed again after the publication of ASBJ Statement No. 28, etc., were deliberated and published."

- Recording category of tax expenses (taxation on Other comprehensive income)
- Tax effect on sales of shares of subsidiaries (shares of subsidiaries or affiliated companies) when the Group's corporate tax system is applied

(2) Scheduled date of application

It is scheduled to be applied from the beginning of the fiscal year ending September 2025.

3. the effects of the application of the relevant Accounting Standards, etc.;

The impact of the adoption of this accounting standard on the consolidated financial statements is currently being evaluated.

- "Accounting Standard for Leases" "(ASBJ Statement No. 34, September 13, 2024)"
- "Implementation Guidance on Accounting Standards for Leases" "(ASBJ Guidance No. 33, September 13, 2024)"

In addition, amendments to relevant corporate accounting standards, guidelines for application of corporate accounting standards, business correspondence reports, and transfer guidelines

(1) Overview

Similar to international accounting standards, it provides for the treatment of assets and liabilities for all leases by lessees.

(2) Scheduled date of application

It is scheduled to be applied from the beginning of the fiscal year ending September 2028.

3. the effects of the application of the relevant Accounting Standards, etc.;

The impact of the adoption of this accounting standard on the consolidated financial statements is currently being evaluated.

(Consolidated Balance Sheets)

- * 1. Allowance for loss on investment in Operational investment securities directly deducted from assets is as follows.

	Previous fiscal year (September 30, 2023)	The current consolidated accounting year (September 30, 2024)
Operational investment securities	272Million yen	464Million yen

- * 2. Investments in unconsolidated subsidiaries and affiliates are as follows:

	Previous fiscal year (September 30, 2023)	The current consolidated accounting year (September 30, 2024)
Investment securities (stocks)	170Million yen	153Million yen

- * 3. The Company and its consolidated subsidiaries have entered into overdraft agreements with six banks in order to raise working capital efficiently. The balance of unexecuted borrowings at the end of the fiscal year under review under this contract is as follows:

	Previous fiscal year (September 30, 2023)	The current consolidated accounting year (September 30, 2024)
Total amount of overdraft credit line	9.11 Million yen	9.123 Million yen
Outstanding Borrowings	4,250	3,350
Net amount	4,860	5,773

(Consolidated Statements of Income)

- * 1. The ending inventory is the amount after book value devaluation due to a decline in profitability, and the following inventory valuation losses are included in the Cost of sales.

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Loss on write-down	98Million yen	99Million yen

- * 2. Major items and amounts of Selling, general and administrative expenses are as follows:

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Advertising expense	789Million yen	456Million yen
Salary allowance	2,107	2,001
Distribution cost	432	236
Miscellaneous wages	907	642
Outsourcing expenses	1,665	1,607

- * 3. The major components of loss on retirement of Fixed assetted are as follows.

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Tools, materials and supplies	0Million yen	-Million yen
Software	10	-
Total	10Million yen	-Million yen

- * 4. Impairment loss

The Group recorded Impairment losses on the following asset groups.

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

Location	Uses	Type	Amount
BEENOS Travel Inc. Shinagawa-ku, Tokyo	Business assets Other	Software Goodwill	139 Million yen

The Group's assets are mainly grouped according to the classification of management accounting on the basis of investees and business units.

The book value of BEENOS Travel Inc., a consolidated subsidiary, was reduced to its recoverable

amount and an Impairment loss was recorded as it is no longer expected to generate revenues as initially projected in the business plan. The breakdown is 39 Million yen for Software and 100 Million yen for goodwill.

The recoverable amount of the asset group is measured by the value in use, and for BEENOS Travel Inc., the future cash flow is assumed to be zero.

Fiscal year ended September 30, 2023 (From October 1, 2022 to September 30, 2023)

Not Applicable.

(Consolidated Statement of Comprehensive Income)

* 1. Reclassification Adjustment and tax effect on Other comprehensive income

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Unrealized gain Valuation difference on securities:		
Amount arising during the period	- 4.735 Million yen	149 Million yen
Reclassification Adjustments	(3,303)	(463)
Before tax effect adjustment	(8,039)	(314)
Amount of tax effect	1,202	53
Unrealized gain Valuation difference on securities	(6,836)	(261)
Foreign currency translation adjustments:		
Amount arising during the period	361	(206)
Before tax effect adjustment	361	(206)
Foreign currency translation adjustments	361	(206)
Share of other comprehensive (loss) income in associates:		
Amount arising during the period	3	△ 2
Total other comprehensive income	(6,472)	(470)

(Consolidated Statement of Changes in Shareholders' equities)

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

1. Type and total number of Treasury Stocks issued and treasury stock

	Number of shares at the beginning of the fiscal year	Increase in number of shares during the current fiscal year	Decrease in number of shares during the current fiscal year	Number of shares at the end of the fiscal year
Outstanding shares				
Ordinary shares (Note) 1	13,335,995	-	459,000	12,876,995
Total	13,335,995	-	459,000	12,876,995
Treasury Stock				
Ordinary shares (Note) 2, 3	1,003,874	459,192	648,100	814,966
Total	1,003,874	459,192	648,100	814,966

(Notes) 1. The decrease of 459,000 shares in issued shares of common shares is the decrease of 159,000 shares due to the cancellation of Treasury Stocks based on the resolution of the Board of Directors held on May 9, 2023, and the decrease of 300,000 shares due to the cancellation of Treasury Stocks based on the resolution of the Board of Directors held on August 10, 2023.

2. The number of Treasury Stock at the beginning of the current consolidated fiscal year and the number of treasury stock at the end of the current consolidated fiscal year

58800 shares and 8300 shares of the Company's own stock held as plan (E-Ship) are included, respectively.

3. The breakdown of changes in Treasury Stock is as follows:

Acquisition of 159,000 shares by resolution of the Board of Director held on May 9, 2023

Acquisition of 300,000 shares by resolution of the Board of Director held on August 10, 2023

Increase due to the Exercise of Appraisal Rights on Shares Less than One Unit 192

Cancellation of 159,000 shares by resolution of the Board of Director held on May 9, 2023

Cancellation of 300,000 shares by resolution of the Board of Director held on August 10, 2023

Decrease due to disposal of treasury stock as restricted Treasury Stock compensation 36,400 shares
Decrease due to disposal of treasury stock associated with exercise of Treasury Stocks 102,200
shares
Trust-type Employee Stock Ownership Incentive Plan (E-Ship)
50,500 shares sold to the Company's employee stock ownership plan by

2. Matters concerning Share subscription rights and own Share subscription rights

Category	Breakdown of Share subscription rights	Type of shares to be issued upon exercise of Share subscription rights	Number of shares subject to Share subscription rights (shares)				Balance at the end of the fiscal year (Million yen)
			Beginning of the current consolidated fiscal year	Increase during the current fiscal year	Decrease during the current fiscal year	End of the current consolidated fiscal year	
Submitting company	The 11th Share Acquisition Share subscription right options	-	-	-	-	-	34
	The 12th Share subscription rights as Paid Stock Options	-	-	-	-	-	0
	13th Share subscription rights as Stock Options	-	-	-	-	-	95
	The 14th Share Acquisition Share subscription right options	-	-	-	-	-	69
	The 15th Share Acquisition Share subscription rights as Stock Options	-	-	-	-	-	19
Total		-	-	-	-	-	220

(Note) The first day of the exercise period for the 15th Share subscription rights as stock options has not yet arrived.

3. Matters related to dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Million yen)	Cash dividends per share (Yen)	Base date	Effective date
Director' meeting held on November 24, 2022	Common stock	309	25	September 30, 2022	December 2, 2022

(Note) The total amount of dividends paid by the Board of Director on November 24, 2022 includes the dividend of 1 Million yen for the Company's shares held by the trust.

(2) Dividends whose record date is in the current consolidated accounting year and whose effective date is in the following consolidated accounting year

Resolution	Type of shares	Total amount of dividends (Million yen)	Source of dividends	Per share Amount of dividend (Yen)	Base date	Effective date
Director' meeting held on November 22, 2023	Common stock	325	Retained earnings	27	September 30, 2023	December 1, 2023

(Note) The total amount of dividends paid by the Board of Director on November 22, 2023 includes dividends of 0 Million yen for the Company's shares held by the trust.

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

1. Type and total number of Treasury Stocks issued and treasury stock

	Number of shares at the beginning of the fiscal year	Increase in number of shares during the current fiscal year	Decrease in number of shares during the current fiscal year	Number of shares at the end of the fiscal year
Outstanding shares				
Common stock	12,876,995	727,000	-	13,603,995
Total	12,876,995	727,000	-	13,603,995
Treasury Stock				
Ordinary shares (Note) 1, 2	814,966	96	64,200	750,862
Total	814,966	96	64,200	750,862

Notes: 1. The number of Treasury Stocks at the beginning of the fiscal year under review includes 8300 shares of the Company held by the Trust as part of the trust-type employee stock ownership incentive plan (E-Ship).

2. The breakdown of the increase in issued shares is as follows:

Increase due to issuance of new shares in connection with granting of restricted stock compensation: 54,300 shares

Increase due to exercise of stock options 672,700 shares

3. The breakdown of changes in Treasury Stock is as follows:

Increase due to demand for purchase of shares less than one unit: 96 shares

Decrease due to disposal of treasury stock associated with exercise of Treasury Stocks 55,900 shares
Trust-type Employee Stock Ownership Incentive Plan (E-Ship)

8,300 shares sold to the Company's employee stock ownership plan by

2. Matters concerning Share subscription rights and own Share subscription rights

Category	Breakdown of Share subscription rights	Type of shares to be issued upon exercise of Share subscription rights	Number of shares subject to Share subscription rights (shares)				Balance at the end of the fiscal year (Million yen)
			Beginning of the current consolidated fiscal year	Increase during the current fiscal year	Decrease during the current fiscal year	End of the current consolidated fiscal year	
Submitting company	The 11th Share Acquisition Share subscription right options	-	-	-	-	-	30
	The 12th Share subscription rights as Paid Stock Options	-	-	-	-	-	0
	13th Share subscription rights as Stock Options	-	-	-	-	-	68
	The 14th Share Acquisition Share subscription right options	-	-	-	-	-	47
	The 15th Share Acquisition Share subscription rights as Stock Options	-	-	-	-	-	27
	The 16th Share subscription rights as Paid Stock Options	-	-	-	-	-	0
Total		-	-	-	-	-	174

3. Matters related to dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Million yen)	Cash dividends per share (Yen)	Base date	Effective date
Director' meeting held on November 22, 2023	Common stock	325	27	September 30, 2023	December 1, 2023

(Note) The total amount of dividends paid by the Board of Director on November 22, 2023 includes dividends of 0 Million yen for the Company's shares held by the trust.

(2) Dividends whose record date is in the current consolidated accounting year and whose effective date is in the following consolidated accounting year

Resolution	Type of shares	Total amount of dividends (Million yen)	Source of dividends	Per share Amount of dividend (Yen)	Base date	Effective date
Director' meeting held on November 21, 2024	Common stock	514	Retained earnings	40	September 30, 2024	December 20, 2024

(Consolidated Statements of Cash Flows)

* 1. Relationship between Cash and cash equivalents at the year-end of the period and the amount of items presented in the consolidated balance sheet

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Cash and deposit account	10.648 Million yen	17.948 Million yen
Deposit	584	293
Cash and cash equivalents	11,233	18,242

Note: Deposits received are included in Other Current assets.

* 2. Major breakdown of assets and liabilities of companies that are no longer consolidated subsidiaries due to sale of shares

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)
Not Applicable.

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

Assets and liabilities at the time of the sale of Defactostandard,Ltd. and JOYLAB Co., Ltd., which ceased to be consolidated subsidiaries as a result of the sale of shares, and the sale price of shares and proceeds from sale (net) are as follows

Current assets	4.492 Million yen
Fixed assets	853 Million yen
Current liabilities	- 3.242 Million yen
Fixed liabilities	- 228 Million yen
Gain on sale of stock	914 Million yen
Proceeds from sale of shares	Million yen
Accounts payable-other	Million yen
Cash and cash equivalents	816 Million yen

Net proceeds from sales

3.774 Million yen

(Lease Transactions)

(Lessee)

Finance leases

Finance leases that do not transfer ownership

Since the content is not material and the amount per contract is small, the description is omitted pursuant to the provisions of Article 8-6 of the Ordinance on Financial Statements, etc. applied mutatis mutandis in Article 15-3 of the Ordinance on Consolidated Financial Statements.

(Financial Products)

1. Status of Financial Products

(1) Policy for dealing with financial Products

The Group does not actively invest in funds. The Company has overdraft agreements with several financial institutions and borrows funds from banks.

(2) the details and risks of the financial Products:

Trade receivables, such as Notes and accounts receivables - trade and accounts receivable - other, are exposed to the credit risk of counterparties. Operational investment securities and Investment securities mainly consist of stocks and investments in investment limited partnerships, and are held for the purpose of acquiring investment income through business tie-ups, collection of information, and sale. These are exposed to the credit risk and market price fluctuation risk of the investee, respectively. Trade payables, such as notes and accounts payable, are due within one year.

(3) Risk management system for financial Products

B. Risk management

The Group manages the credit risk of business partners with respect to Notes and accounts receivable by managing due dates and receivables for each business partner, and monitors the credit status of business partners as necessary, in an effort to identify and mitigate early the risk of collection due to deterioration in financial conditions. With regard to Investment securities, the Company periodically obtains information on the financial conditions of the investees and monitors them to ascertain the credit information and market value of the investees and reduce fluctuation risks.

B. Management of liquidity risk related to fund procurement

The Group manages liquidity risk by increasing liquidity on hand by preparing and updating funding plans in a timely manner and by expanding and updating overdraft facilities from financial institutions.

(4) Supplementary Explanation of Matters Related to Fair Value of Financial Products

Since certain assumptions are used in calculating the market value of financial Products, the value may fluctuate if different assumptions are used.

2. Matters related to the fair value of financial Products

The consolidated balance sheet amount, fair value and the difference between them are as follows.

Fiscal year ended September 30, 2023

The carrying amount, fair value and the difference between them as of September 30, 2023 are as follows: Stocks, etc. without market prices are not included in the following table (See Note 1). The notes on cash are omitted. The notes on deposits, accounts receivable, accounts receivable - other, accounts payable - trade, short-term loans payable, accounts payable - other, deposits received, and income taxes payable are omitted because their fair values are almost equal to their book values because they are settled in a short period of time.

	Consolidated balance sheet amount (Million yen)	Market value (Million yen)	Difference (Million yen)
Operational investment securities			
Other securities	-	-	-
Investment securities			
Other securities	171	171	-
Total assets	171	171	-
Long-term loans payable (including current portion of Long-term loans payable)	947	947	0
Total liabilities	947	947	0

(Notes) 1. Shares, etc. without market price

(Unit: Million yen)

Category	Fiscal year ended September 30, 2023
Other securities	
Securities belonging to Operational investment securities	
Unlisted stocks, etc.	3,998
Investment securities	
Unlisted stocks, etc.	763
Share subscription rights	40
Investment in investment limited partnerships and similar partnerships (*)	1,838
Shares of subsidiaries and associates	170
Total	6,811

These are not included in "Other securities" in the market value information of financial Products.

(*) In accordance with Paragraphs 24-16 of the "Guidance on Accounting Standards for Calculation of Fair Value" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Guidance on Accounting Standards for Calculation of Fair Value"), investments in investment limited partnerships and similar partnerships are not subject to fair value disclosure.

As of September 30, 2024

The carrying amount, fair value and the difference between them as of September 30, 2024 are as follows: Stocks, etc. without market prices are not included in the following table (See Note 1). The notes on cash are omitted. The notes on deposits, accounts receivable, accounts receivable - other, accounts payable - trade, short-term loans payable, accounts payable - other, deposits received, and income taxes payable are omitted because their fair values are almost equal to their book values because they are settled in a short period of time.

	Consolidated balance sheet amount (Million yen)	Market value (Million yen)	Difference (Million yen)
Operational investment securities			
Other securities	-	-	-
Investment securities			
Other securities	261	261	-
Total assets	261	261	-
Long-term loans payable (including current portion of Long-term loans payable)	1,100	1,099	△ 0
Total liabilities	1,100	1,099	△ 0

(Notes) 1. Shares, etc. without market price

(Unit: Million yen)

Category	As of September 30, 2024
Other securities	
Securities belonging to Operational investment securities	
Unlisted stocks, etc.	3,318
Investment securities	
Unlisted stocks, etc.	747
Investment in investment limited partnerships and similar partnerships (*)	1,487
Shares of subsidiaries and associates	153
Total	5,707

These are not included in "Other securities" in the market value information of financial Products.

(*) In accordance with Paragraphs 24-16 of the "Guidance on Accounting Standards for Calculation of Fair Value" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Guidance on Accounting Standards for Calculation of Fair Value"), investments in investment limited partnerships and similar partnerships are not subject to fair value disclosure.

3. Redemption schedule of monetary claims and securities with maturity after the consolidated closing date
Fiscal year ended September 30, 2023

	Due within one year (Million yen)	Due after one year but within five years (Million yen)	Due after five to ten years (Million yen)	Due after 10 years (Million yen)
Cash and deposits	10,648	-	-	-
Notes and accounts receivable	1,367	-	-	-
Accounts receivable	1,211	-	-	-
Total	13,227	-	-	-

As of September 30, 2024

	Due within one year (Million yen)	Due after one year but within five years (Million yen)	Due after five to ten years (Million yen)	Due after 10 years (Million yen)
Cash and deposits	17,948	-	-	-
Notes and accounts receivable	1,149	-	-	-
Accounts receivable	2,053	-	-	-
Total	21,151	-	-	-

4. Repayment schedule of bonds, Long-term loans payables, lease obligations and Other interest-bearing debts after the consolidated closing date

Fiscal year ended September 30, 2023

	Due within one year (Million yen)	Due after one year but within two years (Million yen)	Due after two to three years (Million yen)	Over 3 years but within 4 years (Million yen)	Over 4 years but within 5 years (Million yen)	Over 5 years (Million yen)
Short-term loan	4,250	-	-	-	-	-
Long-term loans payable	647	300	-	-	-	-
Total	4,897	300	-	-	-	-

As of September 30, 2024

	Due within one year (Million yen)	Due after one year but within two years (Million yen)	Due after two to three years (Million yen)	Over 3 years but within 4 years (Million yen)	Over 4 years but within 5 years (Million yen)	Over 5 years (Million yen)
Short-term loan	3,350	-	-	-	-	-
Long-term loans payable	540	140	140	140	140	-
Total	3,890	140	140	140	140	-

5. Breakdown of Fair Value of Financial Products by Level

The market value of financial Products is classified into the following three levels according to the observability and importance of the inputs used to calculate the market value.

Level 1 Market Value: Market value determined by the (unadjusted) quoted market price of the same asset or liability in an active market

Level 2 Market Value: Market value determined using directly or indirectly observable inputs other than Level 1 inputs

Level 3 Market Value: Market value determined using significant unobservable inputs

If multiple inputs that have a significant impact on the calculation of market value are used, the market value is classified into the level with the lowest priority in the calculation of market value among the levels to which each of those inputs belongs.

(1) Financial Products recorded on the consolidated balance sheet at fair value

Fiscal year ended September 30, 2023

(Unit: Million yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Investment securities	171	-	-	171
Total	171	-	-	171

As of September 30, 2024

(Unit: Million yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Investment securities	261	-	-	261
Total	261	-	-	261

(2) Financial products other than financial products reported on the consolidated balance sheet at fair value

Fiscal year ended September 30, 2023

(Unit: Million yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Long-term loans payable	-	947	-	947
Total	-	947	-	947

As of September 30, 2024

(Unit: Million yen)

Category	Market value			
	Level 1	Level 2	Level 3	Total
Long-term loans payable	-	1,099	-	1,099
Total	-	1,099	-	1,099

(Note) Explanation of valuation techniques and inputs used for calculation of market value

Investment securities

Listed stocks are valued using market prices. Since listed stocks are mainly traded in active markets, their market values are classified as Level 1 market values.

Long-term loans payable

It is calculated based on the present value obtained by discounting the total amount of principal and interest by the interest rate assumed if similar new borrowing is made, and it is classified as Level 2 market value.

(Securities)

1. Other securities

Fiscal year ended September 30, 2023

	Type	Consolidated Balance Sheets Amount recorded (Million yen)	Acquisition cost (Million yen)	Difference (Million yen)
Securities whose carrying amount exceeds acquisition cost	Stock	158	76	81
	Subtotal	158	76	81
Securities whose carrying amount does not exceed their acquisition cost	Stock	13	41	(28)
	Subtotal	13	41	(28)
Total		171	117	53

(Note) Unlisted stocks (consolidated balance sheet value: 4.202 Million yen), unlisted bonds (consolidated balance sheet value: 559 Million yen), and investments in investment limited partnerships (consolidated balance sheet value: 1.838 Million yen) are omitted.

As of September 30, 2024

	Type	Consolidated Balance Sheets Amount recorded (Million yen)	Acquisition cost (Million yen)	Difference (Million yen)
Securities whose carrying amount exceeds acquisition cost	Stock	231	76	155
	Subtotal	231	76	155
Securities whose carrying amount does not exceed their acquisition cost	Stock	29	41	△ 11
	Subtotal	29	41	△ 11
Total		261	117	143

(Note) Unlisted stocks (consolidated balance sheet value: 3.239 Million yen), unlisted bonds (consolidated balance sheet value: 826 Million yen), and investments in investment limited partnerships (consolidated balance sheet value: 1.487 Million yen) are omitted.

2. Other securities sold

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

Type	Sale price (Million yen)	Total gain on sale (Million yen)	Total loss on sale (Million yen)
(1) Shares	3,629	3,468	-
Total	3,629	3,468	-

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

Type	Sale price (Million yen)	Total gain on sale (Million yen)	Total loss on sale (Million yen)
(1) Shares	458	446	-
Total	458	446	-

3. Securities subject to impairment accounting

In the previous fiscal year, the Company recognized an impairment loss of 276 Million yen on securities (shares of Other securities).

In the fiscal year under review, the Company recognized an impairment loss of ¥ 396 Million yen on marketable securities (shares of Other securities).

If the market value at the end of the fiscal year falls by 50% or more from the acquisition cost, impairment is applied uniformly as if the market value is not recoverable. If the decline is 30% or more and less than 50%, the necessity of impairment is determined by assessing the recoverability of the market value.

In addition, in the case of impairment of stocks without market prices, if the real value declines significantly due to the deterioration of the financial position, the possibility of recovery is judged on an individual basis, and the necessity of impairment is finally decided.

(Derivative Transactions)

Fiscal year ended September 30, 2023

Not Applicable.

As of September 30, 2024

Not Applicable.

(Retirement Benefits)

1. Outline of the retirement benefit plan adopted

The Company and certain consolidated subsidiaries participate in defined contribution pension plans and multi-employer pension plans.

Corporate pension funds established under multi-employer plans are accounted for in the same manner as defined contribution plans because it is not possible to reasonably calculate the amount of plan assets corresponding to the company's contributions.

2. Multi-employer plan

The amount required to be contributed to the multi-employer welfare pension fund plan, which is accounted for in the same manner as a defined contribution plan, is 165 Million yen for the current fiscal year and 51 Million yen for the previous fiscal year.

(1) Latest funding status of the multi-employer plan

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Amount of plan assets	93.049 Million yen	111.073 Million yen
The sum of the amount of actuarial liabilities for pension finance calculation and the amount of minimum policy reserve	90,531	107,875
Net amount	2,517	3,197

(2) The Company's percentage of premiums for the multi-employer plan

0.23% (from October 1, 2022 to September 30, 2023)

0.66% (from October 1, 2023 to September 30, 2024)

(3) Supplementary Explanation

The main factors for the balance in (1) above are separate reserves (2.008 Million yen for the previous fiscal year and 2.517 Million yen for the current fiscal year) and surplus for the current fiscal year (509 Million yen for the previous fiscal year and 679 Million yen for the current fiscal year).

The percentage in (2) above does not correspond to the actual percentage borne by the Group.

3. Defined Contribution Plan

The amount required to be contributed to the Company's defined contribution plan is 24 Million yen for the previous fiscal year and 21 Million yen for the current fiscal year.

(Stock options, etc.)

1. Amount recorded as expenses related to stock options and account title

(Unit: Million yen)

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Stock-based Compensation Expenses in Selling, general and administrative expenses	44	8

2. Amount recorded as profit due to expiration due to non-exercise of rights

(Unit: Million yen)

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Gain on reversal of subscription rights to shares	11	30

3. Details, Scale and Changes of Stock Options

(1) Details of stock options

(1) BEENOS Inc.

	11th Share subscription rights	The 12th Share subscription rights	13th Share subscription rights
Category and Number of Persons Subject to Grant	Employees of the Company 26 Employees of Nago companies 104	Directors, Executive Officer and 10 employees of the Company Directors and Executive Officer of 13 subsidiaries	Employees of the Company 32 Employees of Nago companies 235
Number of stock options (Note)	Ordinary shares 30,500 shares	Ordinary shares 243,800 shares	Ordinary shares 138,700 shares
Date of grant	March 30, 2018	February 25, 2020	February 25, 2020
Vesting condition	A person to whom Share subscription rights are allotted must be a Director, auditor, or employee of the Company and its subsidiaries at the time of exercise of the rights. Other details shall be prescribed in the "Share subscription rights Allotment Agreement."	There are no vesting conditions.	A person to whom Share subscription rights are allotted must be a Director, auditor, or employee of the Company and its subsidiaries at the time of exercise of the rights. Other details shall be prescribed in the "Share subscription rights Allotment Agreement."
Applicable service period	From April 1, 2018 to March 31, 2020	-	From February 25, 2020 To February 6, 2022
Exercise period	From April 1, 2020 to March 14, 2028	From February 25, 2020 To February 24, 2030	From February 7, 2022 To February 6, 2030

	14th Share subscription rights	The 15th Share subscription rights	16th Share subscription rights
Category and Number of Persons Subject to Grant	Employees of the Company 11 employees of Nago companies 85	68 employees of the Company and 252 employees of Nago companies	Directors and Executive Officer of the Company 2 Director and Executive Officer of Nago companies 4
Number of stock options (Note)	Ordinary shares 26,700 shares	Ordinary shares 24,090 shares	Ordinary shares 136,000 shares
Date of grant	June 14, 2021	August 22, 2022	July 8, 2024
Vesting condition	A person to whom Share subscription rights are allotted must be a Director, auditor, or employee of the Company and its subsidiaries at the time of exercise of the rights. Other details shall be prescribed in the "Share subscription rights Allotment Agreement."	A person to whom Share subscription rights are allotted must be a Director, auditor, or employee of the Company and its subsidiaries at the time of exercise of the rights. Other details shall be prescribed in the "Share subscription rights Allotment Agreement."	There are no vesting conditions.
Applicable service period	From June 4, 2021 To May 27, 2023	From August 22, 2022 To August 4, 2024	-

Exercise period	From May 28, 2023 To May 27, 2031	From August 5, 2024 To August 4, 2032	From July 8, 2024 To July 7, 2034

(Note) Converted to the number of shares

(2) Size of stock options and details of changes

The number of stock options that existed in the current consolidated fiscal year (the fiscal year ended September 2024) is converted into the number of shares.

(1) BEENOS Inc.

A. Number of stock options

	11th Share subscription rights	The 12th Share subscription rights	13th Share subscription rights
Before vesting (shares)			
End of the previous fiscal year	-	-	-
Grant	-	-	-
Expired	-	-	-
Vesting	-	-	-
Uncommitted balance	-	-	-
After vesting (shares)			
End of the previous fiscal year	34,000	922,500	193,700
Vesting	-	-	-
Exercise of rights	500	678,700	45,400
Expired	3,000	-	9,600
Unexercised balance	30,500	243,800	138,700

	14th Share subscription rights	The 15th Share subscription rights	16th Share subscription rights
Before vesting (shares)			
End of the previous fiscal year	-	32,600	-
Grant	-	-	140,000
Expired	-	8,310	-
Vesting	-	24,290	140,000
Uncommitted balance	-	-	-
After vesting (shares)			
End of the previous fiscal year	39,300	-	-
Vesting	-	24,290	140,000
Exercise of rights	-	-	4,000
Expired	12,600	200	-
Unexercised balance	26,700	24,090	136,000

B. Unit Price Information

	11th Share subscription rights	The 12th Share subscription rights	13th Share subscription rights
Exercise Price (yen)	1,737	1,071	1,071
Average stock price at exercise (JPY)	2,373	2,594	2,355
Fair evaluation unit price (grant date) (yen)	1,016	1	495

	14th Share subscription rights	The 15th Share subscription rights	16th Share subscription rights
Exercise Price (yen)	3,730	2,526	2,339
Average stock price at exercise (JPY)	-	-	2,441
Fair evaluation unit price (grant date) (yen)	1,778	1,136	1

4. Method of estimating the fair unit value of stock options granted during the fiscal year under review

(1) Evaluation technique used: Monte Carlo simulation formula

(2) Major basic figures and their estimation method

Stock price volatility (Note) 1	59.42%
Expected remaining life	10 years
Expected dividend (Note) 2	27 yen / share
Risk-free interest rate (Note) 3	0.962%

(Notes) 1. The calculation is based on the actual share price during the most recent period corresponding to the period until maturity.

Based on actual dividends for the fiscal year ended September 2, 2023.

3. The rate of long-term government bonds of the redemption date on the valuation base date is adopted.

5. Method of estimating the number of vested stock options

As it is difficult to reasonably estimate the number of forfeitures in the future, the Company adopts a method that reflects only the actual number of forfeitures.

(Tax effect accounting)

1. Breakdown of major causes of Deferred tax assets and Deferred tax liabilities

	Fiscal year ended September 30, 2023	As of September 30, 2024
Deferred tax assets		
Accrued enterprise taxes	61 Million yen	39 Million yen
Loss on write-down	19	11
Allowance for doubtful accounts	25	36
Closing bonus	58	51
Allowance for investment loss	77	74
Loss on write-down of Operational investment securities	282	410
Unrealized gain Valuation difference on securities	21	68
Excess of depreciation	80	79
Loss on valuation of Investment securities	28	26
Asset retirement obligations	74	20
Stock-based Compensation Expenses	101	97
Loss carryforwards (Note) 2	1,499	1,426
Other	67	24
Subtotal of Deferred tax assets	2,396	2,368
Valuation allowance for tax loss carryforwards (Note 2)	(538)	(636)
Valuation allowance for total deductible temporary differences	(539)	(739)
Valuation allowance (Note) 1	(1,077)	(1,375)
Total Deferred tax assets	1,319	992
Deferred tax liabilities		
Combined taxation on foreign subsidiaries	485	666
Unrealized gain Valuation difference on securities	190	134
Asset retirement obligations	28	-
Total Deferred tax liabilities	704	800
Deferred tax assets	614	191

(Notes) 1. Valuation allowance increased by 298 Million yen. This was due to the recognition of a valuation allowance for tax loss carryforwards by a consolidated subsidiary after careful consideration of the recoverability of Deferred tax assets.

2. Amount of tax loss carryforwards and Deferred tax assets period

Fiscal year ended September 30, 2023

	Within one year (Million yen)	More than one year Within 2 years (Million yen)	Over 2 years Within 3 years (Million yen)	Over 3 years Within 4 years (Million yen)	Over 4 years Within 5 years (Million yen)	Over 5 years (Million yen)	Total (Million yen)
Tax loss carryforwards (* 1)	-	-	-	11	46	1,441	1,499
Valuation allowance	-	-	-	11	46	481	538
Deferred tax assets	-	-	-	-	-	960	(* 2) 960

(* 1) Tax loss carried forward is the amount multiplied by the statutory effective tax rate.

(* 2) Deferred tax assets of 960 million yen are recorded for tax loss carryforwards of 1.499 billion yen (the amount multiplied by the statutory effective tax rate). This is because the Company has determined that it can be recovered based on the expected future taxable income.

As of September 30, 2024

	Within one year (Million yen)	More than one year Within 2 years (Million yen)	Over 2 years Within 3 years (Million yen)	Over 3 years Within 4 years (Million yen)	Over 4 years Within 5 years (Million yen)	Over 5 years (Million yen)	Total (Million yen)
Tax loss carryforwards (* 1)	-	-	11	46	101	1,267	1,426
Valuation allowance	-	-	11	46	101	477	636
Deferred tax assets	-	-	-	-	-	790	(* 2) 790

(* 1) Tax loss carried forward is the amount multiplied by the statutory effective tax rate.

(* 2) Deferred tax assets of 790 million yen are recorded for tax loss carryforwards of 1.426 billion yen (the amount multiplied by the statutory effective tax rate). This is because the Company has determined that it can be recovered based on the expected future taxable income.

2. Breakdown of major items that caused significant differences between the statutory effective tax rate and the effective tax rate after the application of tax effect accounting

	Fiscal year ended September 30, 2023	As of September 30, 2024
Statutory effective tax rate	30.62%	30.62%
(Adjustment)		
Changes in valuation allowance	4.58	2.09
Combined income of specified foreign subsidiaries, etc.	13.06	24.67
Bonuses to directors	0.29	0.63
Stock-based Compensation Expenses	0.36	0.08
Amortization of goodwill	0.30	-
Difference in tax rates of consolidated subsidiaries	(8.49)	(2.62)
Change in the carrying value of investments in subsidiaries	-	(7.22)
Consolidation adjustment of gain on sale of shares of subsidiaries and associates	-	11.22
Equity in earnings of affiliated companies	1.91	(0.08)
Tax deduction under the wage increase promotion tax system	-	(2.12)
Other	(0.77)	0.05
Effective tax rate after application of tax effect accounting	41.86	57.33

3. Accounting for income taxes and Local Corporate Tax or related tax effect accounting

The Company and certain consolidated subsidiaries have adopted the group aggregation method and have accounted for and disclosed income taxes and Local Corporate Tax or their related tax effects in accordance with the "Treatment of Accounting and Disclosures for the Application of the Group Aggregation Method" (ASBJ Practical Issues Task Force No. 42, August 12, 2021).

(Business Combinations, etc.)

(Common Control Transactions, etc.)

(Absorption-type Merger between Consolidated Subsidiary Companies)

On April 1, 2024, Tenso inc., a consolidated subsidiary of the Company, absorbed BeenoStorm Inc.

1. Overview of the Transaction

(1) Names of the companies involved in the business combination and details of their businesses

Name of combined entity: tenso inc..

Business description Overseas Forwarding and Proxy Purchasing Business

Name of combined entity: BeenoStorm Inc.

Content of business: e-sports business

(2) Date of business combination

April 1, 2024

(3) the legal form of the business combination:

An absorption-type merger with tenso, inc. as the surviving company and BeenoStorm Inc. as the absorbed company

(4) Name of the combined company

tenso, inc.

(5) Other matters related to the outline of transactions

The purpose of the Merger is to consolidate management resources within the Group and improve operational efficiency.

2. Outline of the accounting treatment to be implemented

The transaction is accounted for as a transaction under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

(Asset retirement obligations)

Asset retirement obligations recorded in the consolidated balance sheet

(a) an outline of the relevant Asset retirement obligations;

It is an obligation to restore the headquarters office to its original state in accordance with the real estate lease contract of the Company.

(b) the method of calculation of the amount of the relevant Asset retirement obligations;

The amount of Asset retirement obligations is calculated using an estimated useful life of 3 to 15 years from acquisition and a discount rate of 0.2% to 1.4%.

(c) an increase or decrease in the total amount of the relevant Asset retirement obligations;

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Beginning Balance	212 Million yen	223 Million yen
Increase due to acquisition of Tangible Assets	9	10
Decrease due to fulfillment of Asset retirement obligations	△ 0	-
Adjustment due to the passage of time	1	7
Decrease due to exclusion from consolidation	-	(174)

Balance at the end of	223	67
-----------------------	-----	----

(Revenue Recognition)

(1) Information on the breakdown of revenues arising from contracts with customers

A breakdown of revenue from contracts with customers is provided in "Notes (Segment Information)."

(2) information that serves as the basis for understanding the revenues arising from contracts with customers:

As described in "(Significant matters that serve as the basis for preparation of consolidated financial statements) 4. Matters concerning accounting policies (5) Standards for recognition of significant revenues and expenses".

(3) Information for understanding the amount of revenue for the current consolidated accounting year and the following consolidated accounting year and thereafter

(1) Balance of contract assets and contract liabilities

The Group has no outstanding contract assets, and information on contract liabilities is omitted because the outstanding balance is not material and there have been no significant changes. In addition, revenue recognized in the previous fiscal year and the current fiscal year from performance obligations satisfied (or partially satisfied) in previous periods is not material.

(ii) Transaction price allocated to remaining performance obligations

The Company and its consolidated subsidiaries do not have any material transactions with an expected contract period of more than one year.

(Segment Information.)

[Segment Information]

1. Overview of reporting segments

(1) Method of determining reporting segments

The Group's reporting segments are constituent units of the Group for which separate financial information is available and which are subject to periodic review by the Director in order to determine the allocation of management resources and evaluate performance.

The Group has three reporting segment: the E-commerce Business, the Incubation Business, and the Other Businesses.

The services provided by each segment are as follows.

Name of the segment		Main Business
E-commerce business	Global Commerce Business	Overseas Forwarding and Proxy Purchasing Businesses "tenso. com" and "Buyee" Global Shopping Business "sekaimon"
	Value Cycle Business	Brandear Apparel Reuse Business Alcoholic beverage purchasing and sales operations JOYLAB
	Entertainment Business	Entertainment Business Global product business
Incubation Business		Investment Development Business
Other Businesses		New businesses before monetization Other businesses

(2) Information on changes in reporting segments

As of April 30, 2024, the Company completed the transfer of the Purchase and Sale of Apparel Reuse Business and the Purchase and Liquor Mediation Business, which were previously included in the Value Cycle Business segment of the E-Commerce Business. Accordingly, the Company has excluded these businesses from the scope of consolidation and has withdrawn from the Purchase Apparel Reuse Business and the Purchase and Liquor Mediation Business. As a result, the performance of "Value Cycle" is included only up to the consolidated cumulative period for the second quarter.

2. Method of calculating Net sales, profit or loss, assets, liabilities Other items by reporting segment

The method of accounting for reported business segments is generally the same as that described in "Significant Accounting Policies and Practices in the Preparation of Consolidated Financial Statements."

Profit by reporting segment is based on Operating income.

Intersegment revenues and transfers are based on quoted market prices.

3. Information on the amounts of Net sales, profit or loss, assets, liabilities Other items, and the breakdown of revenues by reporting segment

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

(Unit: Million yen)

	reporting segments							Adjustments (Note) 2, 4	Amount recorded in consolidated financial statements (Note) 3
	E-commerce business				Incubation Project	Other Businesses	Total		
	Global Commerce Business	Value Cycle Business	Entertainment Business	Subtotal					
Net sales									
Revenue from contracts with customers	12,044	14,921	1,454	28,420	-	379	28,799	-	28,799
Other income (Note) 1	-	-	-	-	3,709	-	3,709	-	3,709
Net sales to external customers	12,044	14,921	1,454	28,420	3,709	379	32,508	-	32,508
Intersegment Net sales or transfers	43	109	1	154	-	348	503	(503)	-
Total	12,087	15,031	1,456	28,575	3,709	727	33,012	(503)	32,508
Segment profit (loss) (Δ)	3,663	(53)	(104)	3,505	2,972	(1,018)	5,460	(958)	4,501
Segment assets	10,948	5,441	1,808	18,198	6,728	681	25,607	2,303	27,911
Segment liabilities	9,241	3,512	2,162	14,916	1,087	2,868	18,872	(3,970)	14,901
Other items									
Depreciation and amortization	39	55	78	174	-	23	197	8	206
Amortization of goodwill	-	36	-	36	-	23	60	-	60
Investments in equity method affiliates	-	-	-	-	148	-	148	21	170
Increase in Tangible Assets and Intangible assets	19	53	63	136	-	18	154	35	189

(Notes) 1. Other income includes income related to operational investment securities in accordance with "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10).

2. The negative 958 Million yen Adjustment to segment profit includes negative 3.564 Million yen in elimination of inter-segment transactions, 3.868 Million yen in corporate income not allocated to any reporting segment, and negative 1.262 Million yen in corporate expenses. Company-wide revenues are mainly the Company's received commission from each subsidiary. Company-wide costs are mainly the Company's administrative costs toward the subsidiaries.

3. Segment profits are adjusted in the operating income of the Consolidated Profit & Loss Statement.

4. The 2.303 Million yen Adjustment to segment assets includes 17.813 Million yen in corporate assets not classified into reporting segments and a 15.509 Million yen decrease in elimination of intersegment transactions. The main portion of corporate-wide assets include cash held by the holding company and long-term investment funds (investment securities).

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

(Unit: Million yen)

	reporting segments							(Unit: million yen)	Amount recorded in consolidated financial statements (Note) 3
	E-commerce business				Incubation Project	Other Businesses	Total	Adjustments (Note) 2, 4	
	Global Commerce Business	Value Cycle Business	Entertainment Business	Subtotal					
Net sales									
Revenue from contracts with customers	14,565	8,323	1,598	24,488	-	371	24,859	25	24,885
Other income (Note) 1	-	-	-	-	543	-	543	-	543
Net sales to external customers	14,565	8,323	1,598	24,488	543	371	25,402	25	25,428
Intersegment Net sales or transfers	27	64	4	97	-	511	608	(608)	-
Total	14,593	8,387	1,603	24,585	543	883	26,011	(582)	25,428
Segment profit (loss) (△)	4,426	(63)	32	4,395	(102)	(857)	3,434	(1,033)	2,401
Segment assets	10,072	-	3,579	13,651	5,537	926	20,115	11,413	31,529
Segment liabilities	7,807	-	3,852	11,659	181	3,736	15,577	1,521	17,098
Other items									
Depreciation and amortization	35	28	72	136	-	14	151	7	158
Amortization of goodwill	-	-	-	-	-	-	-	-	-
Investments in equity method affiliates	-	-	-	-	142	-	142	11	153
Increase in Tangible Assets and Intangible assets	11	62	165	239	-	-	239	15	255

(Notes) 1. Other income includes income related to operational investment securities in accordance with "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10).

2. The negative 1.033 billion yen adjustment to segment profit (loss) includes negative 2.555 billion yen in elimination of inter-segment transactions, 2.858 billion yen in corporate income not allocated to any reportable segment, and negative 1.337 billion yen in corporate expenses. Company-wide revenues are mainly the Company's received commission from each subsidiary. Company-wide costs are mainly the Company's administrative costs toward the subsidiaries.

3. Segment profits are adjusted in the operating income of the Consolidated Profit & Loss Statement.

4. The 11.413 Million yen Adjustment to segment assets includes 20.521 Million yen in corporate assets not classified into reporting segments and a 9.108 Million yen decrease in elimination of intersegment transactions. The main portion of corporate-wide assets include cash held by the holding company and long-term investment funds (investment securities).

[Related Information]

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

1. Information by product and service

Since the same information is disclosed in segment information, the description is omitted.

2. Information by Region

(1) Net sales

(Unit: Million yen)

Japan	United States	Indonesia	East Asia	Europe	Other	Total
15,869	4,983	3,403	4,555	1,826	1,870	32,508

Note: Net sales are classified by country or region based on the location of customers.

(2) Tangible Assets

This information is omitted because the amount of Tangible Assets located in Japan exceeds 90% of the amount of Tangible Assets on the consolidated balance sheet.

3. Information by major customer

This information is omitted because none of the net sales to external customers account for 10% or more of net sales in the consolidated statement of income.

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

1. Information by product and service

Since the same information is disclosed in segment information, the description is omitted.

2. Information by Region

(1) Net sales

(Unit: Million yen)

Japan	United States	Indonesia	East Asia	Europe	Other	Total
12,223	4,982	40	4,413	1,943	1,825	25,428

Note: Net sales are classified by country or region based on the location of customers.

(2) Tangible Assets

(Unit: Million yen)

Japan	Taiwan	Total
73	12	85

3. Information by major customer

This information is omitted because none of the net sales to external customers account for 10% or more of net sales in the consolidated statement of income.

[Information on Impairment loss on Fixed assets by reporting segment]

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

(Unit: Million yen)

	reporting segments							Adjustments	Total
	E-commerce business				Incubation Project	Other Businesses	Total		
	Global Commerce Business	Value Cycle Business	Entertainment Business	Subtotal					
Impairment loss	-	-	-	-	-	139	139	-	139

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

Not Applicable.

[Information on amortization of goodwill and unamortized balance by reporting segment]

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

(Unit: Million yen)

(Unit: Million yen)									
	reporting segments							Adjustments	Total
	E-commerce business				Incubation Project	Other Businesses	Total		
	Global Commerce Business	Value Cycle Business	Entertainment Business	Subtotal					
Amortization during the year	-	36	-	36	-	23	60	-	60
Balance at the end of the current	-	-	-	-	-	-	-	-	-

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

Not Applicable.

[Information on gain on negative goodwill by reporting segment]

Not Applicable.

[Related Party Information]

1. Transactions with related parties

(1) Transactions between the company submitting consolidated financial statements and related parties

(a) Parent company and major shareholders (limited to companies, etc.), etc. of the company submitting consolidated financial statements

Not Applicable.

(a) Non-consolidated subsidiaries and affiliated companies, etc. of the company submitting consolidated financial statements

Not Applicable.

(c) Companies, etc. that have the same parent company as the company submitting consolidated financial statements and subsidiaries, etc. of Other affiliated companies of the company submitting consolidated financial statements

Not Applicable.

(d) Officers and major shareholders (limited to individuals) of the company submitting consolidated financial statements

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

Not Applicable.

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

Species	The name of the Company, etc.;	Percentage of voting rights held (owned)	Relationship with related parties	The details of the transaction;	Transaction amount (Million yen)	Subjects	Balance at end of period (Million yen)
Director	Seita Naoi	(Owned) Direct 2.31	Representative Director of the Executive Officer President	Exercise of stock options (Note 2)	189	-	-
Director	Sento Kenichi	(Owned) Direct 1.01	Director of the Company Executive Managing Officer	Exercise of stock options (Note 2)	86	-	-
Persons Equivalent to Officers	Kōji Nakamura	(Owned) Direct 1.73	Advisor of the Company	Exercise of stock options (Note 2)	149	-	-

(Note) Transaction terms and policy for determining transaction terms

* 1 The transaction amount is the amount obtained by multiplying the number of shares granted through the exercise of stock options in the current business year by the amount to be paid in per share.

* 2 The exercise of stock options issued based on the resolution of the Board of Director meeting held on February 6, 2020 in the current business year is stated.

(2) Transactions between the consolidated subsidiaries of the company submitting consolidated financial statements and related parties

Not Applicable.

2. Notes to Parent Company or Significant Affiliated Company

(1) Parent Company Information

Not Applicable.

(Per Share Information)

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Net assets per share	1,060.34 yen	1,109.12 yen
Net income per share	180.76 yen	111.06 yen
Diluted net income per share	172.30 yen	106.93 yen

(Note) The basis for the calculation of net assets per 1.1 shares is as follows.

Item	Fiscal year ended September 30, 2023	As of September 30, 2024
Total net assets (million yen)	13,010	14,430
Amount to be deducted from Net assets (Million yen)	220	174
(Share subscription rights (in Million yen))	(220)	(174)
Net assets related to ordinary shares at the end of the period (Million yen)	12,789	14,255
Number of common shares outstanding	12,876,995	13,603,995
Number of Treasury Stocks of common stock	814,966	750,862
Number of ordinary shares used for the calculation of net assets per share (shares)	12,062,029	12,853,133

2.1 The basis for calculating net income per share and the basis for calculating diluted net income per share are as follows.

	Previous fiscal year (From October 1, 2022 To September 30, 2023)	The current consolidated accounting year (From October 1, 2023 To September 30, 2024)
Net income per share		
Net income attributable to owners of parent (Million yen)	2,198	1,351
Amount not attributable to ordinary shareholders (Million yen)	-	-
Net income attributable to owners of parent related to ordinary shares (Million yen)	2,198	1,351
Average number of common shares during the period (shares)	12,163,375	12,168,548
Diluted net income per share		
Adjustment of net income attributable to owners of the parent	-	-
Increase in common shares (shares)	597,642	470,934
(Share subscription rights (shares))	(597,642)	(470,934)
Outline of potential shares not included in the calculation of diluted net income per share because they do not have a dilutive effect	14th Free Stock Options (Share subscription rights) 393 units The 15th Free Stock Options (Share subscription rights)	14th Free Stock Options (Share subscription rights) 267 units The 15th Free Stock Options (Share subscription rights)

	3,260 units	2,409 units The 16th Paid Stock Options (Share subscription rights) 1,360 units
--	-------------	---

3. The Company's shares held by the Trust as a trust-type employee stock ownership incentive plan (E-Ship), which are recorded as Treasury Stocks in Shareholders' equities, are included in the number of Treasury Stocks to be deducted in the calculation of the average number of shares during the period in the calculation of net income per share. In addition, when calculating net assets per share, it is included in Treasury Stock that is deducted from the total number of shares issued and outstanding at the end of the fiscal year.

Average number of shares of treasury stock during the period deducted in the calculation of net income per Treasury Stock

37894 shares in the previous fiscal year and 669 shares in the current fiscal year

Number of shares of Treasury Stock at end of period deducted in calculation of net assets per share

8300 shares in the previous fiscal year, - shares in the current fiscal year

(Significant Subsequent Events)

Tender Offer for Share Certificates, etc. of the Company by LINE Yahoo Japan Corporation

"At the meeting of the Director held on December 19, 2024, the Company resolved that LINE Yahoo Japan Corporation (hereinafter referred to as the "Tender Offeror") would acquire the Company's ordinary shares (hereinafter referred to as the "Company Shares") and the Share subscription rights (as defined in "(2) Purchase Price, 2) Share subscription rights" of "2. Outline of the Tender Offer" below) as follows:"
The same shall apply hereinafter. (hereinafter referred to as the "Tender Offer"), resolved to support the Tender Offer and recommend that the shareholders of the Company and the holders of the Share subscription rights tender their shares in the Tender Offer if the Tender Offer is commenced."

The above resolution of the board of Directors was made on the assumption that the Offeror intends to make the Company a wholly-owned subsidiary of the Offeror through the Tender Offer and a series of subsequent procedures, and that the Shares of the Company are scheduled to be delisted.

1. Overview of the Tender Offeror

(1) Name	LINE Yahoo Japan Corporation	
(2) Location	1-3 Kioi-cho, Chiyoda-ku, Tokyo	
(3) Title and name of representative	Takeshi Idezawa, President and CEO	
(4) Description of business	Development of Internet advertising business, e-commerce business, membership service business, etc., and business management of group companies, etc.	
(5) Capital stock	248.773 Million yen (as of September 30, 2024)	
(6) Date of establishment	January 31, 1996	
(7) Major shareholders and shareholding ratio (as of September 30, 2024)	A Holdings Co., Ltd.	62.5%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.1%
	STATE STREET BANK AND TRUST COMPANY 505325 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank)	3.3%
	Japan Custody Bank, Ltd. (Trust Account)	2.3%
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank)	1.2%
	STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank)	0.7%
	STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank)	0.6%
	JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank)	0.6%
	JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank)	0.5%
	J.P.Morgan Securities plc (Standing proxy: JP Morgan Securities Co., Ltd.)	0.5%
(8) Relationship between the Company and the Tender Offeror		
	Capital relationship	Not Applicable.
	Personal relationship	Not Applicable.
	Business relationship	We have a business relationship with the Tender Offeror through the provision of cross-border e-commerce intermediary services.
	Applicability to related parties	Not Applicable.

"(Note)" "Major Shareholders and Shareholding Ratio" "is quoted from" "Status of Major Shareholders" "in

the 30th Semiannual Securities Report submitted by the Tender Offeror on November 8, 2024."

2. Overview of the Tender Offer

(1) Period of Purchase, etc.

The Tender Offer is expected to commence around the end of February 2025.

(2) Price of the Tender Offer

1) 4,000 yen per ordinary share

2) Share subscription rights

B. The 11th Share subscription rights (exercise period is from April 1, 2020 to March 14, 2028) issued pursuant to the resolution of the Board of Director of the Company held on March 15, 2018:226,300 yen per stock acquisition right

(b) The 12th Share Acquisition Rights issued pursuant to the resolution of the Board of Directors of the Company held on February 6, 2020 (the exercise period is from February 25, 2020 to February 24, 2030): 292,900 yen per share

C. The 13th Share Acquisition Rights issued pursuant to the resolution of the Board of Directors of the Company held on February 6, 2020 (the exercise period is from February 7, 2022 to February 6, 2030): 292,900 yen per unit

(ii) The 14th Share Acquisition Rights (exercise period is from May 28, 2023 to May 27, 2031) issued based on the resolution of the Board of Directors of the Company held on May 27, 2021:27,000 yen per unit

(e) The 15th Share subscription rights (the exercise period is from August 5, 2022 to August 4, 2024) issued pursuant to the resolution of the Board of Director of the Company held on August 4, 2022:14,740 yen per share

(f) The 16th Share subscription rights (exercise period is from July 8, 2024 to July 7, 2024) issued pursuant to the resolution of the Board of Director of the Company held on June 20, 2024:166,100 yen per stock acquisition right

(3) Number of shares to be purchased

Number of shares to be purchased: 13,452,923 shares

Minimum number of shares to be purchased: 8,882,500 shares

Maximum number of shares to be purchased - shares

(v) Consolidated Supplementary Schedules

[Schedule of corporate bonds]

Not Applicable.

[Schedule of Loans, etc.]

Category	Balance at the beginning of the fiscal year (Million yen)	Balance at the end of the period (Million yen)	Average interest rate (%)	Maturity
Short-term loan	4,250	3,350	0.36	-
Current portion of Long-term loans payable	647	540	0.51	-
Current portion of lease obligations	-	-	-	-
Long-term loans payable (excluding the current portion)	300	560	0.51	October 1, 2025 - September 30, 2029
Other interest-bearing liabilities	-	-	-	-
Total	5,197	4,450	-	-

"(Note) 1." "Average interest rate" "is the weighted average interest rate on the average loan balance during the period."

2. Total amount of Long-term loans payable (excluding the current portion) to be repaid within five years from the consolidated closing date

Category	Due after one year but within two years (Million yen)	Due after two to three years (Million yen)	Over 3 years but within 4 years (Million yen)	Over 4 years but within 5 years (Million yen)
Long-term loans payable	140	140	140	140

[Schedule of Asset retirement obligations]

Since matters to be stated in this schedule are stated as notes prescribed in Article 15-23 of the Ordinance on Consolidated Financial Statements, statements in the schedule of Asset retirement obligations are omitted.

(2) [Others]

Quarterly Information for the Current Consolidated Fiscal Year

(Year to Date)	Q1	Q2	Q3	The current consolidated accounting year
Net sales (Million yen)	7,927	16,077	20,367	25,428
Income (loss) before income taxes (loss) before income taxes (Million yen)	(31)	659	2,516	3,167
Net income attributable to owners of the parent (Million yen)	25	229	1,685	1,351
Net income per share (Yen)	2.13	18.94	139.10	111.06

(Accounting Period)	Q1	Q2	Q3	Q4
Net Income or Loss (Δ) per share (Yen)	2.13	16.78	119.86	(27.08)

(Note) The Company has not submitted a quarterly report for the third quarter. However, the figures for the third quarter are quarterly information prepared in accordance with the rules set by financial Products exchanges and have not been reviewed during the period.

2. Financial Statements

(1) Financial Statements

(1) Balance Sheet

(Unit: Million yen)

	Previous business year (September 30, 2023)	Current business year (September 30, 2024)
Assets		
Current assets		
Cash and deposits	1,127	9,697
Operational investment securities	* 1 1130	* 1 735
Prepaid expenses	189	258
Advances to subsidiaries and associates	187	64
Accounts receivable from affiliated companies	9,151	4,143
Short-term loans receivable from affiliates	4,002	3,700
Income taxes receivable	9	-
Other	298	254
Allowance for doubtful accounts	(2,260)	(2,765)
Total current assets	13,835	16,088
Fixed assets		
Tangible Assets		
Building	210	210
Accumulated depreciation	(202)	(203)
Buildings, net	8	7
Tools, materials and supplies	121	129
Accumulated depreciation	△ 82	△ 99
Tools, materials and supplies, net	39	29
Other	4	4
Accumulated depreciation	△ 2	△ 2
Other, net	2	1
Total tangible assets	50	38
Investments etc.		
Investment securities	2,455	2,126
Shares of subsidiaries and associates	2,845	1,651
Lease and guarantee deposits	132	338
Other	122	1
Allowance for doubtful accounts	-	(120)
Total investments etc.	5,555	3,997
Total fixed assets	5,605	4,036
Total assets	19,440	20,124

(Unit: Million yen)

	Previous business year (September 30, 2023)	Current business year (September 30, 2024)
Liabilities		
Current liabilities		
Short-term loan	* 2 5,250	* 2 3,350
Current portion of long-term loans payable	647	540
Accounts payable-other	3,917	4,432
Accounts payable-other to affiliated companies	185	134
Income taxes payable	15	369
Deposits received	65	22
Provision for directors' bonuses	107	62
Provision for loss on guarantees	132	-
Asset retirement obligations	-	67
Other	46	75
Total current liabilities	10,367	9,053
Fixed liabilities		
Long-term loans payable	300	560
Asset retirement obligations	59	-
Deferred tax liabilities	455	723
Total fixed liabilities	815	1,283
Total liabilities	11,183	10,337
Net assets		
Shareholders' equity		
Capital stock	2,775	3,175
Capital surplus		
Additional paid-in capital	1,814	2,214
Other Capital surplus	326	302
Total Capital surplus	2,140	2,517
Retained earnings		
Profit reserve	21	21
Other Retained earnings		
Retained earnings brought forward	4,323	5,261
Total Retained earnings	4,344	5,282
Treasury Stock	(1,566)	(1,431)
Total shareholders' equity	7,695	9,544
Valuation and translation adjustments		
Valuation difference on securities	342	68
Total valuation and translation adjustments	342	68
Share subscription rights	220	174
Total net assets	8,257	9,787
Total liabilities and net assets	19,440	20,124

(ii) Statement of Income

(Unit: Million yen)

	Previous business year (From October 1, 2022 To September 30, 2023)	Current business year (From October 1, 2023 To September 30, 2024)
Operating revenue	* 1 4,435	* 1 3,365
Operating expenses	* 1, * 2 2,237	* 2 242.0
Gross operating profit	2,198	944
Non-operating income		
Interest income	94	94
Dividend income	27	-
Exchange gain	0	-
Commission received	3	3
Guarantee income	18	3
Gain on investments in partnerships	-	81
Miscellaneous income	3	7
Total non-operating income	* 1 148	* 1 190
Non-operating expenses		
Interest expenses	22	17
Commissions paid	3	-
Foreign exchange losses	-	0
Loss on investments in partnerships	14	-
Allowance for doubtful accounts	790	624
Miscellaneous loss	10	19
Total non-operating expenses	* 1 841	* 1 663
Ordinary income	1,505	472
Extraordinary income		
Gain on reversal of subscription rights to shares	11	30
Gain on sales of shares of subsidiaries and associates	-	2,075
Total extraordinary income	11	2,106
Extraordinary losses		
Loss on write-down of investments in subsidiaries	* 3 291	* 3 611
Provision for loss on guarantees	132	-
Total extraordinary loss	424	611
Income before income taxes	1,091	1,966
Income taxes	(151)	381
Income taxes-deferred	312	321
Total income taxes	160	702
Net income for the year	930	1,264

(iii) Statement of Changes in Shareholders' equities

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

(Unit: Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Additional paid-in capital	Other Capital surplus	Capital surplus Total	Profit reserve	Other Retained earnings Retained earnings brought forward	Total Retained earnings
Balance at beginning of year	2,775	1,814	1,297	3,111	21	3,701	3,723
Changes during the year							
Dividend of surplus						(309)	(309)
Net income for the year						930	930
Acquisition of Treasury Stock							
Disposal of Treasury Stock			(80)	(80)			
Retirement of Treasury Stock			(890)	(890)			
Net changes in items other than Shareholders' equities							
Total changes during the period	-	-	(971)	(971)	-	621	621
Balance at the end of the current	2,775	1,814	326	2,140	21	4,323	4,344

	Shareholders' equity		Valuation and translation adjustments		Share subscription rights	Total net assets
	Treasury Stock	Total shareholders' equity	Other Marketable securities Net unrealized gain	Valuation and conversion Total amount of difference		
Balance at beginning of year	(2,107)	7,503	491	491	198	8,193
Changes during the year						
Dividend of surplus		(309)				(309)
Net income for the year		930				930
Acquisition of Treasury Stock	(794)	(794)				(794)
Disposal of Treasury Stock	444	364				364
Retirement of Treasury Stock	890	-				-
Net changes in items other than Shareholders' equities			(148)	(148)	22	(126)
Total changes during the period	540	191	(148)	(148)	22	64
Balance at the end of the current	(1,566)	7,695	342	342	220	8,257

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

(Unit: Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Additional paid-in capital	Other Capital surplus	Capital surplus Total	Profit reserve	Other Retained earnings Retained earnings brought forward	Total Retained earnings
Balance at beginning of year	2,775	1,814	326	2,140	21	4,323	4,344
Changes during the year							
Issuance of new shares	400	400		400			
Dividend of surplus						(325)	(325)
Net income for the year						1,264	1,264
Acquisition of Treasury Stock							
Disposal of Treasury Stock			△ 23	△ 23			
Net changes in items other than Shareholders' equities							
Total changes during the period	400	400	△ 23	376	-	938	938
Balance at the end of the current	3,175	2,214	302	2,517	21	5,261	5,282

	Shareholders' equity		Valuation and translation adjustments		Share subscription rights	Total net assets
	Treasury Stock	Total shareholders' equity	Other Marketable securities Net unrealized gain	Valuation and conversion Total amount of difference		
Balance at beginning of year	(1,566)	7,695	342	342	220	8,257
Changes during the year						
Issuance of new shares		800				800
Dividend of surplus		(325)				(325)
Net income for the year		1,264				1,264
Acquisition of Treasury Stock	△ 0	△ 0				△ 0
Disposal of Treasury Stock	134	110				110
Net changes in items other than Shareholders' equities			(274)	(274)	△ 45	(319)
Total changes during the period	134	1,849	(274)	(274)	△ 45	1,529
Balance at the end of the current	(1,431)	9,544	68	68	174	9,787

[Notes]

(Significant Accounting Policies)

1. Valuation standards and methods for securities

(1) Shares in subsidiaries and affiliates

Stated at cost determined by the moving average method.

(2) Available-for-sale securities (including operational investment securities)

Shares other than those with no market price

Stated at fair value. (The valuation difference is directly included in net assets, and the cost of securities sold is calculated using the moving-average method.)

Shares, etc. without market price

Stated at cost determined by the moving average method.

However, investments in investment limited partnerships are accounted for by recording the amount equivalent to the equity in the assets of the partnership, etc. as securities and recording the amount equivalent to the equity in the profits and losses acquired through the operation of the partnership, etc. as profits and losses.

2. Derivative transactions

Stated at fair value.

3. Method of depreciation of Fixed assets

(1) Tangible Assets (excluding leased assets)

The declining-balance method is used.

However, buildings (facilities attached to buildings) acquired on or after April 1, 2016 are depreciated by the straight-line method.

The principal useful lives are as follows:

Buildings 3-15 years

Tools, materials and supplies 3 to 15 years

(2) Intangible assets (excluding leased assets)

Software for internal use is amortized by the straight-line method over the estimated useful life (within five years).

4. Accounting standards for provisions

B. Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on collection.
The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on collection.
The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on collection.

B. Provision for loss on investment

In order to prepare for losses on investments, the Company reports the estimated amount of losses in consideration of the circumstances of the investee company.

C. Provision for directors' bonuses

In order to prepare for the payment of bonuses to directors, the amount to be borne in the current business year out of the estimated amount to be paid is recorded.

5. Standards for translation of significant foreign currency-denominated assets and liabilities into Japanese yen

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing at the balance sheet date, and the resulting translation gain or loss is recognized in income.

6. Basis for recognition of significant revenues and expenses

As the Company is a holding company, revenue of the Company consists of business consignment fees and dividends received from subsidiaries. Revenues and expenses related to outsourcing fees are recognized at the

time when the performance obligations of the Company are satisfied when the outsourcing services corresponding to the content of the contract are performed. Revenue from dividends received is recognized on the effective date of the dividends.

The normal deadline for payment of service fees is generally within one month after fulfillment of performance obligations.

7. Other significant matters that serve as the basis for preparation of financial statements

Application of the group totalization system

"The Company has adopted the "Treatment of Accounting and Disclosures in Cases of Applying the Group Aggregation Method" (ASBJ PITF No. 42, August 12, 2021), which stipulates the treatment of accounting for and disclosures of income taxes, Local Corporate Tax, and tax effect accounting in cases of applying the group aggregation method."

(Significant Accounting Estimates)

(Valuation of Operational investment securities)

1. the amount reported on the financial statements for the current business year;

(Unit: Million yen)

	Previous business year	Current business year
Operational investment securities	1,130	735

(2) Information on the content of significant accounting estimates pertaining to the identified items

The notes are omitted because the same contents are described in "Notes (Significant Accounting Estimates)" of the consolidated financial statements.

(Valuation of Shares of Affiliated Companies)

1. the amount reported on the financial statements for the current business year;

(Unit: Million yen)

	Previous business year	Current business year
Shares of subsidiaries and associates	2,845	1,651

(2) the method of calculation of the amount reported on the financial statements for the current business year;

With respect to shares of subsidiaries and associates for which market prices are not available, the net asset value per share or the net asset value per share reflecting the excess earning power based on the financial statements of each subsidiary and associate is deemed to be the actual value. If the actual value has declined by 50% or more from the acquisition cost, an appropriate reduction is made and the valuation difference is recorded as a loss for the period unless the recoverability is supported by sufficient evidence.

(3) Major assumptions used in the calculation of the amounts reported on the financial statements for the current business year

Whether or not there is a loss of excess profitability is determined based on the achievement status of the business plan at the time of acquisition of the affiliated company and the latest business plan considering changes in the management environment. Key assumptions include net sales and estimates of strategically important expenses in each business, such as R & D expenses and advertising expenses, based on information about the latest competition and technologies in the markets in which affiliates operate.

(4) the impact on the financial statements for the following business year;

The valuation of shares of subsidiaries and associates is reviewed each fiscal year and recorded in the financial statements in amounts considered to be reasonable. However, if it becomes necessary to review these amounts due to the effects of changes in competition and technology in participating markets, changes in the business environment, and uncertainty in estimates for business plans, it may have a significant impact on the financial statements for the following fiscal year.

(Balance Sheet)

* 1. Allowance for loss on investment in Operational investment securities directly deducted from assets is as follows.

	Previous business year (September 30, 2023)	Current business year (September 30, 2024)
Operational investment securities	252 Million yen	242 Million yen

* 2. The Company has concluded overdraft agreements with six banks in order to raise working capital efficiently. The unexecuted balance of borrowings based on this contract is as follows.

	Previous Fiscal Year (September 30, 2023)	Fiscal year ended September 30, 2024
Total amount of overdraft credit line	9.11 Million yen	9.123 Million yen
Outstanding Borrowings	4,250	3,350
Net amount	4,860	5,773

3. Guarantee obligations

(1) The Company guarantees payment obligations from financial institutions for the following affiliated companies.

	Previous Fiscal Year (September 30, 2023)	Fiscal year ended September 30, 2024
tenso, inc.	248 Million yen	291 Million yen
Shop Airlines America, Inc.	23	32
Total	271	323

(ii) The Company guarantees payment obligations for business transactions of the following affiliated companies.

	Previous Fiscal Year (September 30, 2023)	Fiscal year ended September 30, 2024
Defactostandard,Ltd.	7 Million yen	- Million yen

4. Assets and liabilities to subsidiaries and associates

Items included in each item other than those listed separately are as follows.

	Previous Fiscal Year (September 30, 2023)	Fiscal year ended September 30, 2024
Short-term monetary claims	72 Million yen	88 Million yen
Short-term monetary liabilities	1,000	-
Long-term receivables	160	120

(Profit and Loss Statement)

* 1. Transactions with affiliated companies

	Previous business year (From October 1, 2022 To September 30, 2023)	Current business year (From October 1, 2023 To September 30, 2024)
Business transaction		
Operating revenue	4,259 Million yen	3,314 Million yen
Operating expenses	1	-
Non-operating transaction		
Other Non-operating income	93	91
Other Non-operating expenses	5	0

* 2. The major items and amounts of operating expenses are as follows:

	Previous business year (From October 1, 2022 To September 30, 2023)	Current business year (From October 1, 2023 To September 30, 2024)
Executive Compensation	96Million yen	87Million yen
Salary allowance	483	559
Outsourcing expenses	424	466
Provision for directors' bonuses	107	62
Provision for reserve for shareholder benefits	△ 3	-
Depreciation and amortization	14	25

Since most of the expenses are general management expenses, the ratio of selling expenses and general management expenses is not stated.

* 3. Loss on valuation of shares of subsidiaries and associates

Previous Fiscal Year (From October 1, 2022 to September 30, 2023)

Loss on valuation of shares of subsidiaries and associates is loss on valuation related to BEENOS Travel Inc. and BeenoStorm Inc..

Fiscal year ended September 30, 2023 (From October 1, 2024 to September 30, 2019)

Loss on valuation of shares of subsidiaries and associates is a loss on valuation of shares of BEENOS Entertainment Inc. and Metro Engines Inc. Co., Ltd.

(Securities)

The fair value of shares of subsidiaries and affiliates is not stated because shares of subsidiaries and affiliates have no market price.

The carrying amounts of shares of subsidiaries and affiliates with no quoted market prices are as follows:

(Unit: Million yen)

Category	Previous Fiscal Year (September 30, 2023)	Fiscal year ended September 30, 2024
Shares of subsidiaries	2,403	1,651
Shares in affiliated companies	441	0

(Tax effect accounting)

1. Breakdown of major causes of Deferred tax assets and Deferred tax liabilities

	Previous Fiscal Year (September 30, 2023)	Fiscal year ended September 30, 2024
Deferred tax assets		
Accrued enterprise taxes	3 Million yen	22 Million yen
Business Income Tax payable	1	1
Accounts payable-other	7	5
Free rent	-	10
Closing bonus	27	15
Allowance for doubtful accounts	692	883
Provision for loss on guarantees	40	-
Allowance for investment loss	77	74
Loss on write-down of Operational investment securities	282	410
Unrealized gain Valuation difference on securities	21	68
Excess of depreciation	13	11
Excess amount of lump-sum depreciable assets	0	0
Value of Investment securities	0	0
Loss on write-down of investments in subsidiaries	554	522
Stock-based Compensation Expenses	71	70
Asset retirement obligations	18	20
Net operating loss carried forward	91	27
Subtotal of Deferred tax assets	1,902	2,145
Valuation allowance for total deductible temporary differences	(1,690)	(2,073)
Subtotal of valuation allowance	(1,690)	(2,073)
Total Deferred tax assets	211	71
Deferred tax liabilities		
Combined taxation on foreign subsidiaries	485	666
Unrealized gain Valuation difference on securities	181	128
Total Deferred tax liabilities	667	794
Deferred tax liabilities	455	723

2. Breakdown of major items that caused significant differences between the statutory effective tax rate and the effective tax rate after the application of tax effect accounting

	Previous Fiscal Year (September 30, 2023)	Fiscal year ended September 30, 2024
Statutory effective tax rate	30.62%	30.62%
(Adjustment)		
Non-deductible items such as entertainment expenses	0.14	0.03
Dividend income and other permanently non-taxable items	(116.18)	(39.56)
Bonuses to directors	-	0.97
Stock-based Compensation Expenses	1.25	0.13
Change in the carrying value of investments in subsidiaries	-	(11.63)
Inhabitant tax per capita basis	0.31	0.17
Changes in valuation allowance	54.74	17.12

Combined income of specified foreign subsidiaries, etc.	44.60	39.40
Tax deduction under the wage increase promotion tax system	-	(1.42)
Other	(0.79)	(0.11)
Effective tax rate after application of tax effect accounting	14.69	35.72

3. Accounting for income taxes and Local Corporate Tax or related tax effect accounting

"The Company has adopted the" "Treatment of Accounting and Disclosures in Cases of Applying the Group Aggregation Method" "(ASBJ Practical Issues Task Force No. 42, August 12, 2021). The Company accounts for and discloses income taxes and Local Corporate Tax or related tax effect accounting in accordance with the Treatment of Accounting and Disclosures in Cases of Applying Group Aggregation Method."

(Revenue Recognition)

"The information that serves as the basis for understanding revenues arising from contracts with customers is as described in" "(Significant accounting policies) 6. Standards for recognition of significant revenues and expenses." ""

(Significant Subsequent Events)

"Notes are omitted because the same content is described in" "Notes (Significant Subsequent Events)" "of the consolidated financial statements."

(iv) Supplementary Schedules
[Schedule of Tangible Assets]

Type of asset	Balance at the beginning of the fiscal year (Million yen)	Increase during the year (Million yen)	Decrease during the year (Million yen)	Balance at the end of the period (Million yen)	Accumulated depreciation or amortization at the end of the period (Million yen)	Amortization amount (Million yen)	Balance at end of year (Million yen)
Tangible Assets							
Building	210	-	-	210	203	1	7
Mechanical equipment	4	-	-	4	2	0	1
Tools, materials and supplies	121	15	8	129	99	23	29
Tangible Assets	336	15	8	344	306	25	38
Intangible assets							
Software	39	-	-	39	39	-	-
Other	6	-	-	6	6	-	-
Total Intangible assets	45	-	-	45	45	-	-

[Schedule of reserves]

Category	Balance at beginning of year (Million yen)	Increase during the year (Million yen)	Decrease during the year (Million yen)	Balance at the end of the current (Million yen)
Allowance for doubtful accounts (current)	2,260	559	54	2,765
Allowance for doubtful accounts (fixed)	-	120	-	120
Provision for directors' bonuses	107	62	107	62
Allowance for investment loss	252	-	9	242
Provision for loss on guarantees	132	-	132	-

(2) [Details of main assets and liabilities]

This information is omitted because consolidated financial statements are prepared.

(3) [Others]

Not Applicable.

Article 6 [Overview of Share Administration of the Submitting Company]

Business year	From October 1 to September 30
Ordinary general meeting of shareholders	During December
Base date	September 30
Record date for dividend of surplus	March 31 September 30
Number of shares per unit	100 shares
Purchase of shares less than one unit	(Special account) Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo (Special account) Sumitomo Mitsui Trust Bank, Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo - Free
Handling place	
Shareholder Register Administrator	
Agency	
Purchase commission	
Method of publication of public notice	The method of public notice of the Company shall be electronic public notice. However, if it is not possible to make an electronic public notice due to an unavoidable reason, the public notice shall be made by means of publication in the Nihon Keizai Shimbun. Public notice URL https://beenos.com
Benefits to shareholders	None

(Note) It is stipulated in the Articles of Incorporation that shareholders of the Company holding shares less than one unit may not exercise any rights other than those listed below with respect to the shares less than one unit they hold. (1) The rights set forth in each item of Article 189, Paragraph 2 of the Companies Act (2) The right to demand the acquisition of shares with put option (3) The right to receive the allotment of offered shares or offered Share subscription rights to shares

Article 7 [Reference Information of the Submitting Company]

1. Information on the parent company, etc. of the reporting company

The Company does not have a parent company, etc. as prescribed in Article 24-7, Paragraph 1 of the Financial Products and Exchange Act.

2 [Other Reference Information]

The following documents have been submitted between the start date of the current business year and the submission date of the Securities report.

(1) Securities report and its Attachments, and Confirmation Letter

Business year (24th fiscal period) (from October 1, 2022 to September 30, 2023) Filed to Director-General of the Kanto Local Finance Bureau on December 15, 2023

2. the internal control report and the documents attached thereto;

Filed to Director-General of the Kanto Local Finance Bureau on December 15, 2023

(3) Quarterly Securities Report and Confirmation Letter

(First quarter of the 25th fiscal year) (from October 1, 2023 to December 31, 2023) Filed to Director-General of the Kanto Local Finance Bureau on February 14, 2024

(Second quarter of the 25th fiscal year) (From January 1, 2024 to March 31, 2024) Filed to Director-General of the Kanto Local Finance Bureau on May 14, 2024

(4) Extraordinary Report

- Extraordinary report pursuant to the provisions of Article 19, Paragraph 2, Item 4 (Changes in Major Shareholders) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.
Filed to Director-General of the Kanto Local Finance Bureau on April 10, 2024
- Extraordinary Report pursuant to the provisions of Article 19, paragraph (2), item (ii) - 2 (Issuance of Share Options Associated with Share subscription rights Plan) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.
Filed to Director-General of the Kanto Local Finance Bureau on June 20, 2024
- Extraordinary report pursuant to the provisions of Article 19, Paragraph 2, Item 4 (Changes in Major Shareholders) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.
Filed to Director-General of the Kanto Local Finance Bureau on July 31, 2024
- Extraordinary report pursuant to the provisions of Article 19, Paragraph 2, Item 4 (Changes in Major Shareholders) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.
Filed to Director-General of the Kanto Local Finance Bureau on October 8, 2024

(5) an amendment report to the Extraordinary Report;

- Amendment Report to the Extraordinary Report (Issuance of Stock Acquisition Share subscription rights in Connection with the Stock Option Plan) submitted on June 20, 2024
Filed to Director-General of the Kanto Local Finance Bureau on July 9, 2024

Part II [Information on guarantor companies, etc. of the submitting company]

Not Applicable.

Independent Auditor's Report and Internal Control Audit Report

December 20,
2024

BEENOS Inc.

To the Board of
Director

Taiyo LLC

Tokyo Office

Designated
Limited Liability
Partner,
Managing Partner

Certified
public
accountant

Satoshi Saito

Seal

Designated
Limited Liability
Partner,
Managing Partner

Certified
public
accountant

Kiten Ishikura

Seal

<Audit of Consolidated Financial Statements>

Audit opinion

Pursuant to Article 193, Paragraph 2, Item 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of BEENOS Inc. for the fiscal year from October 1, 2023 to September 30, 2024, that is, the consolidated balance sheets, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in net assets, the consolidated statements of cash flows, the significant matters that serve as the basis of preparation of the consolidated financial statements, other notes, and the consolidated supplementary schedules.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BEENOS Inc. and its consolidated subsidiaries as of September 30, 2024, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the audit opinion

We conducted our audits in accordance with auditing standards generally accepted in Japan. The responsibilities of the Company under the Standards for Auditing are described in "Responsibilities of the Auditor in the Audit of Consolidated Financial Statements." In accordance with the Code of Professional Ethics in Japan, we are independent of the Company and its consolidated subsidiaries and perform Other ethical responsibilities as an auditor. We believe that we have obtained sufficient appropriate audit evidence to provide a basis for our opinion.

Emphasis

As described in "Significant Post-Balance Sheet Events," the Company resolved at the Board of Directors meeting held on December 19, 2024, with respect to the tender offer for the Company's common shares and stock acquisition rights by LINE Yahoo Japan Corporation, to support the Tender Offer and recommend that the Company's shareholders and holders of stock acquisition rights tender their shares in the Tender Offer if the Tender Offer commences.

This matter does not affect our opinion.

Major Audit Considerations

Major audit considerations are those that the auditor considers to be of particular professional importance in the audit of the consolidated financial statements for the current consolidated accounting year. We do not express an opinion on any of the major issues that arose during the course of the audit of the consolidated financial statements as a whole or in the course of the preparation of our audit opinion.

Reasonableness of valuation of Operational investment securities	
Contents of Major Matters to be Examined in Audit and Reasons for Determination	Audit Response
<p>Based on IT and the Internet, the Group aims to be a "global platformer" that continues to create platforms in order to create new markets in the global market. As one of the strategies to realize this, the Company and some of its subsidiaries (hereinafter referred to as the "Company, etc.") are developing Internet-related businesses overseas, mainly in emerging countries, and incubation businesses, which are activities to foster investment in start-up companies in the inbound consumption-related market in Japan. As of September 30, 2024, the Company, etc. recorded operational investment securities of 3.318 billion yen in the consolidated balance sheet. Many of these are without market prices.</p> <p>As described in Notes (Significant Accounting Estimates) "Valuation of Operational investment securities," companies determine whether or not to recognize impairment losses by taking the amount of net assets per share reflecting excess earning power as the real value and comparing the real value with the acquisition cost. In cases where the actual value of the assets has decreased by 50% or more compared with the acquisition cost, the Companies account for the valuation difference as a loss in the current period with an appropriate reduction unless sufficient evidence of recoverability is provided. The existence of impairment of excess earning power reflected in the real value is judged based on the finance price provided by a third party within a certain period from the time of valuation, the achievement status of the business plan expected at the time of execution of the investment, and the latest business plan taking into account changes in the business environment.</p> <p>As described above, the business plan of the investee is used in the valuation of the operating investment securities. However, because the industry to which the investee belongs is subject to intense competition and technological change, the estimates of sales, operating expenses, etc. included in the business plan of the investee are subject to uncertainty due to changes in the business environment, and an important judgment by the management is required for the valuation. Therefore, the audit corporation selected the valuation of the operating investment securities as a major consideration for the audit.</p>	<p>In examining the reasonableness of the valuation of Operational investment securities, we have performed the following major audit procedures.</p> <ul style="list-style-type: none"> Assessed the development and operation of internal controls related to the valuation of Operational investment securities. It was examined whether the comparison between the actual value reflecting the excess profitability of the investee and the acquisition cost was appropriate. In order to examine whether there was any impairment of excess profitability that would affect the real value, the Company identified the finance price provided by a third party within a certain period of time from the time of valuation, and examined whether there were any material discrepancies between the business plan and actual results. With respect to the financing results from third parties, the date of underwriting, the underwriters, and the amount to be paid in per share were compared with the contract concerning the capital increase. By comparing actual results with the business plans of investees used for the valuation of Operational investment securities in previous years, the degree of uncertainty in the estimates in the business plans was evaluated, and the effect of the uncertainty in the estimates on the latest business plans was examined. As necessary, we discussed the following content included in the business plan of the investee with the management, etc. of the company and examined the reasonableness of the estimate. <ul style="list-style-type: none"> Net sales estimates that assume information about the latest competitive and technological changes Estimate costs that are strategically important to the business Where necessary, we conducted trend analysis of Net sales and major expense items for the business plan of the investee.

Other Information

"Other information" refers to information contained in Securities reports other than consolidated financial statements, financial statements and audit reports thereof. Management is responsible for the preparation and disclosure of Other statements. In addition, the responsibility of the Auditor is to monitor the execution of duties by Directors in the development and operation of the reporting process for Other matters.

The scope of our audit opinion on the consolidated financial statements does not include Other matters. We do not express an opinion on Other matters.

Our responsibility in auditing the consolidated financial statements is to read through the other statements and to examine whether, in the course of doing so, there are material differences between the other statements and the consolidated financial statements or knowledge we have gained in the course of our audit, and to pay attention to whether, in addition to such material differences, there are any other indications of material error in the other statements.

If, based on the work performed, we believe that there are material errors in Other statements, we are required to report such facts.

There are no Other matters to be reported by the audit corporation.

Responsibilities of Management and the Audit and Auditor for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes designing and operating such internal controls as management determines are necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements based on the going concern assumption, and for disclosing matters related to going concern when such matters need to be disclosed in accordance with business accounting standards generally accepted in Japan.

The responsibility of the Auditor is to oversee the execution of duties by Directors in the development and operation of the financial reporting process.

Auditor's Responsibilities in the Audit of Consolidated Financial Statements

The auditor is responsible for obtaining reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, based on an audit conducted by the auditor, and for independently expressing an opinion on the consolidated financial statements in the auditor's report. A misstatement is material if it can be reasonably expected to affect the decision-making of the users of the consolidated financial statements, either individually or in aggregate, because of fraud or error.

In accordance with auditing standards generally accepted in Japan, the auditors exercise professional judgment and maintain professional skepticism throughout the audit process in order to:

- Identify and assess the risks of material misstatement due to fraud or error. The engagement team also plans and implements audit procedures that address the risks of material misstatement. The selection and application of audit procedures is at the auditor's discretion. In addition, it obtains sufficient appropriate audit evidence to form the basis for its opinion.

The purpose of an audit of consolidated financial statements is not to express an opinion on the effectiveness of internal controls, but in making risk assessments, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of the accounting policies used and the application thereof by management, as well as the reasonableness of accounting estimates made by management and the reasonableness of related notes.

Conclude whether it is appropriate for management to prepare consolidated financial statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that could cause material doubt about the going concern assumption. It is required to draw attention to the notes to the consolidated financial statements in the audit report if there is material uncertainty regarding the going concern assumption, or to express an opinion with an exception to the consolidated financial statements if the notes to the consolidated financial statements regarding the material uncertainty are not appropriate. The auditor's conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events and circumstances may prevent the company from continuing as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and the notes thereto comply with accounting principles generally accepted in Japan, and whether the presentation, composition and content of the consolidated financial statements, including the related notes thereto, and the consolidated financial statements present the underlying transactions and accounting events in an appropriate manner.
- obtain sufficient appropriate audit evidence of the financial information of the Company and its consolidated subsidiaries to enable it to express an opinion on the consolidated financial statements; The auditor is responsible for the direction, supervision and implementation of the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor reports to the Auditor on the scope and timing of the planned audit, significant audit findings,

including material weaknesses in internal controls, identified in the course of the audit, and Other matters required by the audit standards.

An auditor shall report to the Audit and Supervisory Committee that he / she has complied with the provisions concerning professional ethics in Japan with regard to independence, matters that are reasonably considered to have an impact on the auditor's independence, and the details of measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level, if any.

Of the matters discussed with the Auditor, the auditor shall determine the matters that he / she judged to be particularly important in the audit of the consolidated financial statements for the current consolidated accounting year as major matters to be examined in the audit and describe them in the audit report. However, if the disclosure of such matters is prohibited by laws and regulations, etc., or if the auditor judges that such matters should not be reported because it is reasonably expected that the disadvantages arising from reporting in the audit report will exceed the public interest, although extremely limited, such matters shall not be stated.

<Internal Control Audit>

Audit opinion

Pursuant to Article 193, Paragraph 2 of the Financial Products and Exchange Act, we have audited the internal control report of BEENOS Inc. as of September 30, 2024.

In our opinion, the report presented by BEENOS Inc. as effective as of September 30, 2024 presents fairly, in all material respects, the results of the evaluation of internal controls over financial reporting in accordance with the standards for evaluation of internal controls over financial reporting generally accepted in Japan.

Basis for the audit opinion

We conducted our audit of internal controls in accordance with auditing standards for internal controls over financial reporting generally accepted in Japan. Our responsibilities under the Standards for Auditing of Internal Controls over Financial Reporting are described in "Auditor's Responsibilities for Auditing of Internal Controls." In accordance with the Code of Professional Ethics in Japan, we are independent of the Company and its consolidated subsidiaries and perform Other ethical responsibilities as an auditor. We believe that we have obtained sufficient appropriate audit evidence to provide a basis for our opinion.

Responsibilities of Management and the Audit and Auditor for Internal Control Reports

Management is responsible for the development and operation of internal controls over financial reporting, and for the preparation and fair presentation of internal control reports in accordance with standards for the evaluation of internal controls over financial reporting that are generally accepted as fair and appropriate in Japan.

The responsibility of the Auditor is to monitor and verify the development and operation of internal controls over financial reporting.

It is possible that internal controls over financial reporting may not completely prevent or detect misstatements in financial reports.

Auditor's Responsibilities in Internal Control Audits

The auditor's responsibility is to obtain reasonable assurance about whether the internal control report is free of material misstatement based on the internal control audit conducted by the auditor and to express an opinion on the internal control report from an independent standpoint in the internal control audit report.

In accordance with auditing standards for internal controls over financial reporting that are generally accepted in Japan, the auditors exercise professional judgment and maintain professional skepticism throughout the audit process in order to:

- Perform audit procedures to obtain audit evidence on the results of evaluation of internal controls over financial reporting in internal control reports. Audit procedures for internal control audits are selected and applied based on the significance of the impact on the reliability of financial reporting, at the auditor's discretion.

- Examine the overall presentation of the internal control report, including the management's description of the scope, procedures and results of the assessment of internal control over financial reporting.

Obtain sufficient appropriate audit evidence on the results of the evaluation of internal controls over financial reporting in the internal control report. Auditors are responsible for the direction, supervision and conduct of audits of internal control reports. The auditor is solely responsible for the audit opinion.

The auditor shall report to the Auditor on the scope and timing of the planned internal control audit, the results of the internal control audit, any significant internal control deficiencies identified that should be disclosed, the results of the correction, and Other matters required by the internal control audit standards.

An auditor shall report to the Audit and Supervisory Committee that he / she has complied with the provisions concerning professional ethics in Japan with regard to independence, matters that are reasonably considered to have an impact on the auditor's independence, and the details of measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level, if any.

<Compensation Information>

The amounts of remuneration for audit and attestation services and remuneration for non-audit services provided by the Company and its subsidiaries to the audit corporation and persons belonging to the same network as the audit corporation are included in "Corporate governance, etc." (3) [Status of audits] in "Status of reporting companies."

Interest

Our firm and engagement partners have no interest in the Company or its consolidated subsidiaries that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

-END-

(Notes) 1. The above is an electronic version of the matters stated in the original copy of the audit report, and the original copy is kept separately by the Company (the company submitting the Securities report).
2. XBRL data is not subject to audit.

Independent auditor's report

December 20,
2024

BEENOS Inc.

To the Board of
Director

Taiyo LLC

Tokyo Office

Designated
Limited Liability
Partner,
Managing Partner

Certified
public
accountant

Satoshi Saito

Seal

Designated
Limited Liability
Partner,
Managing Partner

Certified
public
accountant

Kiten Ishikura

Seal

<Audit of Financial Statements>

Audit opinion

We have audited the financial statements, namely, the balance sheets, the profit and loss statements, the statements of changes in net assets, significant accounting policies, other notes and supplementary schedules of BEENOS Inc. for the twenty fifth business year from October 1, 2023 to September 30, 2024, which are presented in "Overview of Accounting" in order to prepare an audit report in accordance with Article 193, Paragraph 2, Item 1 of the Financial Instruments and Exchange Act.

In our opinion, the financial statements referred to above present fairly, in all material respects, BEENOS Inc.'s financial position as of September 30, 2024 and its results of operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the audit opinion

We conducted our audits in accordance with auditing standards generally accepted in Japan. The responsibilities of the Company under the Standards for Auditing are described in "Responsibilities of Auditors in Auditing of Financial Statements." In accordance with the Code of Professional Ethics in Japan, we are independent of the Company and fulfill Other ethical responsibilities as an auditor. We believe that we have obtained sufficient appropriate audit evidence to provide a basis for our opinion.

Emphasis

As described in "Significant Post-Balance Sheet Events," the Company resolved at the Board of Directors meeting held on December 19, 2024, with respect to the tender offer for the Company's common shares and stock acquisition rights by LINE Yahoo Japan Corporation, to support the Tender Offer and recommend that the Company's shareholders and holders of stock acquisition rights tender their shares in the Tender Offer if the Tender Offer commences.

This matter does not affect our opinion.

Major Audit Considerations

Major audit considerations are those that the auditor, as a professional professional, finds to be of particular

importance in the audit of the financial statements for the year. We do not express an opinion on any of the major issues that we have addressed in the course of performing audits of the financial statements as a whole or in the formation of our audit opinion.

Reasonableness of valuation of Operational investment securities
--

At September 30, 2024, the Company recorded Operational investment securities of ¥ 735 Million yen on its balance sheet.
--

This information is omitted because it is the same as the major audit consideration (the appropriateness of valuation of Operational investment securities) stated in the audit report of the consolidated financial statements.
--

Other Information

"Other information" refers to information contained in Securities reports other than consolidated financial statements, financial statements and audit reports thereof. Management is responsible for the preparation and disclosure of Other statements. In addition, the responsibility of the Auditor is to monitor the execution of duties by Directors in the development and operation of the reporting process for Other matters.

The scope of our audit opinion on the financial statements does not include Other matters, and we do not express an opinion on Other matters.

Our responsibility in conducting an audit of the financial statements is to read through the Other statements and to examine whether, in the course of doing so, there are material differences between the Other statements and the financial statements or knowledge we have gained in the course of our audit, and to pay attention to whether, in addition to such material differences, there are any other indications of material error in the Other statements.

If, based on the work performed, we believe that there are material errors in Other statements, we are required to report such facts.

There are no Other matters to be reported by the audit corporation.

Responsibilities of Management and the Audit and Auditor for Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in Japan. This includes designing and operating such internal controls as management determines are necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management has a responsibility to evaluate whether it is appropriate to prepare the financial statements based on the going concern assumption and to disclose matters related to going concern when it is necessary to do so in accordance with accounting principles generally accepted in Japan.

The responsibility of the Auditor is to oversee the execution of duties by Directors in the development and operation of the financial reporting process.

Auditor's responsibility in auditing financial statements

The auditor is responsible for obtaining reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, based on an audit conducted by the auditor, and for independently expressing an opinion on the financial statements in the auditor's report. A misstatement is material if it can be caused by fraud or error and is reasonably expected to affect the decisions of the users of the financial statements, either individually or in aggregate.

In accordance with auditing standards generally accepted in Japan, the auditors exercise professional judgment and maintain professional skepticism throughout the audit process in order to:

- Identify and assess the risks of material misstatement due to fraud or error. The engagement team also plans and implements audit procedures that address the risks of material misstatement. The selection and application of audit procedures is at the auditor's discretion. In addition, it obtains sufficient appropriate audit evidence to form the basis for its opinion.

The purpose of an audit of financial statements is not to express an opinion on the effectiveness of internal controls, but in making risk assessments, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of the accounting policies used and the application thereof by management, as well as the reasonableness of accounting estimates made by management and the reasonableness of related notes.

Conclude whether it is appropriate for management to prepare its financial statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties about events or conditions that could cause material doubt about the going concern assumption. Where material uncertainty regarding the going concern assumption is identified, the auditor is required to draw attention to the notes to the financial statements in the audit report, or to express an opinion with an exception to the financial statements if the notes to the financial statements regarding the material uncertainty are not appropriate. The auditor's conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events and circumstances may prevent the company from continuing as a going concern.

- Evaluate whether the presentation of the financial statements and the notes thereto comply with accounting principles generally accepted in Japan, and whether the presentation, composition and content of the financial statements, including the related notes thereto, and the financial statements present the underlying transactions and accounting events in an appropriate manner.

The auditor reports to the Auditor on the scope and timing of the planned audit, significant audit findings, including material weaknesses in internal controls, identified in the course of the audit, and Other matters required by the audit standards.

An auditor shall report to the Audit and Supervisory Committee that he / she has complied with the provisions concerning professional ethics in Japan with regard to independence, matters that are reasonably considered to have an impact on the auditor's independence, and the details of measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level, if any.

Of the matters discussed with the Auditor, the auditor shall determine the matters judged to be particularly important in the audit of the financial statements for the current business year as major matters to be examined in the audit and describe them in the audit report. However, if the disclosure of such matters is prohibited by laws and regulations, etc., or if the auditor judges that such matters should not be reported because it is reasonably expected that the disadvantages arising from reporting in the audit report will exceed the public interest, although extremely limited, such matters shall not be stated.

<Compensation Information>

Reward-related information is provided in the audit report on the consolidated financial statements.

Interest

We have no interest in the Company that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

-END-

-
- (Notes) 1. The above is an electronic version of the matters stated in the original copy of the audit report, and the original copy is kept separately by the Company (the company submitting the Securities report).
2. XBRL data is not subject to audit.