



July 2, 2025

Company Hamee Corp.  
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## **Notice Regarding Dividend in Kind of Subsidiary Shares (Share Distribution Spin-off) and Change in Specified Subsidiary**

Hamee Corp. (the “Company”) hereby announces that it has decided, at a meeting of the Board of Directors held on June 13, 2025, to submit to the 27th Annual General Meeting of Shareholders to be held on July 28, 2025 (the “General Meeting of Shareholders”) a proposal to distribute all of the shares of the Company’s subsidiary NE Inc. (“NE”) held by the Company to shareholders through dividends in kind (dividends of property other than cash) (the “Spin-off”).

The Spin-off is structured as a share-distribution-type spin-off using tax exemption measures for the gain or loss on transfer with respect to the corporation distributing the shares, tax exemption measures with respect to the dividends to the shareholders receiving the distribution, and tax deferral measures for the gain or loss on transfer with respect to shareholders that were created in the 2017 tax reforms. Common shares of the Company’s consolidated subsidiary NE will be delivered to the Company’s shareholders as of October 31, 2025, which is the record date, as dividends in kind. The Spin-off will issue dividends in kind that provide no right to demand distribution of monies (a right to demand delivery of monies in lieu of dividends of the said property from a stock company) in order to satisfy the requirements for qualification of the reorganization taxation system. For the Spin-off, therefore, the Company plans to acquire the approval by a special resolution at the General Meeting of Shareholders. In addition, from the standpoint of ensuring that shareholders have opportunities to purchase and sell the shares, the Company will conduct the Spin-off under the assumption that the shares of NE Inc. (“NE shares”) will be listed on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”). For that purpose, NE will submit a preliminary listing application and a final listing application with the Tokyo Stock Exchange prior to the implementation of the Spin-off, and the Spin-off will be subject to the approval of the Tokyo Stock Exchange for listing and the failure of such approval to be revoked, among other conditions. On the other hand, the Company’s shares will remain listed on the Tokyo Stock Exchange after the Spin-off. Accordingly, shareholders of the Company as of the record date will hold listed shares of two stocks, which are the Company’s shares and NE shares, as a result of the Spin-off. NE will no longer be a consolidated subsidiary of the Company as a result of the Spin-off.

### **1. Reasons and purpose of the Spin-off**

The reasons and purpose of the Spin-off, in light of the current conditions of drastic changes in the business environment and society, is to maximize long-term shareholder value by executing an agile business strategy and further promoting growth in each business field by making NE, which operates the EC support, SaaS business, etc., separate and independent and adopting independent management and capital.

While our Group has solidified its management base and expanded its business to date, at the same time, various issues have emerged due to the excessive expansion of its business scope. Given the current fast-paced business environment and social changes, we believe that organizational restructuring, including the listing of NE through a spin-off, is essential to resolve these issues and maximize shareholder value over the long term. We believe that for NE, becoming an independent listed company through this Spin-off and listing on the Tokyo Stock Exchange will not only enable it to execute its business strategy and accelerate its growth in the future, but will also motivate our Group’s employees to promote value creation.

The following is the background of the organizational restructuring at the Company.

Background of the organizational restructuring: 3 key points

(1) Inefficiency due to adapting to total optimization across businesses

In order to maximize the growth of the two businesses of different characteristics, it is necessary to simplify the decision-making process and tailor the labor environment, salary levels, etc. to each business. However, since overall optimization across the businesses has been prioritized under the current organizational structure, it is difficult to fundamentally resolve these difficulties, which leads to inefficiency

(2) Securing a proper valuation for the Platform Business

We recognize that in our current market valuation, the commerce company aspect has been emphasized because of the high sales ratio of EC and wholesales.

Due to the above we believe that our Platform Business is not properly evaluated by the market as a SaaS operating company and that we are not able to maximize shareholder value.

(3) Impact on flexibility of growth strategies

While there are no specific problems at present, if overall optimization across the businesses became overly emphasized when drawing up our growth strategy, without guaranteeing freedom to choose, there is a possibility of impact on realization of growth strategy.

For the Spin-off, the Company has received advice on general matters including the listing of NE from Mizuho Securities Co., Ltd.

2. Overview of dividends in kind (dividends of property other than cash)

(1) Record date	Friday, October 31, 2025
(2) Type of dividend property	NE Inc.'s common shares
(3) Total book value of dividend property and value per share	¥1,000,000 (¥0.25 per share)
(4) Total market value of dividend property and value per share	¥— (¥— per share)(Note)1
(5) Effective date	Saturday, November 1, 2025
(6) Reduction in capital, etc. due to dividends in kind	Retained earnings ¥1,000,000 The source of dividends is retained earnings, which will be reduced by the book value of NE shares as of the timing of the Spin-off.

Note: 1. In the accounting of the dividends of all subsidiary shares in proportion to the number of shares, the value of subsidiary shares is calculated based on the proper book value in accordance with the provision of Paragraph 10 of the “Guidance on Accounting Standard for Treasury Shares and Appropriation of Legal Reserve” (ASBJ Guidance No. 2). The same shall apply to the calculation of the distributable amount of the Company. Accordingly, the market value of NE shares, which are the dividend property, has not been calculated.

3. Overview of the Spin-off

(1) Listing of NE shares

For NE shares to be distributed in kind, among other conditions from the standpoint of ensuring that shareholders have opportunities to purchase and sell the shares, NE will submit a preliminary listing application and a final listing application with the Tokyo Stock Exchange prior to the implementation of the Spin-off, and the Spin-off will be subject to the approval of the Tokyo Stock Exchange for listing and the failure of such approval to be revoked. The listing of NE shares and the timing thereof have not been assured at this moment, since they are on condition that the listing is approved by the Tokyo Stock Exchange as a result of future listing examinations by Japan Exchange Regulation and such approval will not be revoked, etc. The Spin-off is subject to the condition that the issuance of new shares of NE upon the initial public offering (the “New Share Issuance”) is scheduled to be implemented (and that the necessary decisions for such implementation have been made and have not been cancelled). This issuance of new shares will be conducted at a price to be determined by the book building method (a method in which provisional terms and conditions regarding the issue price are presented to investors at the time of solicitation of subscriptions to acquire shares, and the issue price, etc. is determined after ascertaining investor demand for the shares) as stipulated in Article 246 of the “Enforcement Rules for Securities Listing Regulations” established by the Tokyo Stock Exchange. On the ex-rights date of the Company's shares, as described in the “Q&A-format Explanation Regarding Dividends in Kind of Subsidiary Shares (Share-Distribution-Type Spin-off) and Change of Specified Subsidiary” [page 6] dated today, the base price of the Company is expected to be calculated using the public offering price of NE shares, and trading of NE shares on the Tokyo

Stock Exchange will be conducted. It is expected that the value of the NE shares will be determined transparently by the book building method, which is expected to have the effect of facilitating trading of the Company's shares after ex-rights. The timing of this issuance of new shares has not been determined.

(2) Schedule for dividends in kind

Schedule	Details
Monday, July 28, 2025	The General Meeting of Shareholders (scheduled)
Friday, October 17, 2025	Date of public notice of the record date (Note) 1
Thursday, October 30, 2025	Ex-rights date of the Company's shares
Friday, October 31, 2025	Distribution record date
Saturday, November 1, 2025	Effective date of dividends in kind
Tuesday, November 4, 2025	Date of execution of distribution Date from which the distributed shares of NE can be sold and purchased on the Tokyo Stock Exchange (scheduled date of listing on the Tokyo Stock Exchange)

Notes:1. In order to identify the shareholders eligible to receive the dividends in kind in the Spin-off, the Company plans to adopt a resolution at the Board of Directors Meeting to be held on September 19, 2025, to establish a distribution record date as follows, after the proposal for the Spin-off is approved at the General Meeting of Shareholders.

- (1) Date of public notice                      October 17, 2025
- (2) Distribution record date                  October 31, 2025
- (3) Method of public notice                  The public notice will be posted electronically on the Company's website.  
<https://hamee.co.jp/ir>

2. The above is the schedule for the dividends in kind and the planned listing of distributed shares of NE on the Tokyo Stock Exchange. The schedule for the New Share Issuance has not been determined.

(3) Method for dividends in kind

The Company plans to pay dividends in kind, with Friday, October 31, 2025, as the record date, at a ratio of one common share of NE per common share of the Company held by shareholders who are recorded on the last shareholder list as of the same date.

\* For details of the procedures of this matter for shareholders and other general investors, please refer to "Q&A-format Explanation Regarding Dividends in Kind of Subsidiary Shares (Share-Distribution-Type Spin-off) and Change of Specified Subsidiary" dated today.

4. Overview of the subsidiary whose status will be changed and that is the issuer of the shares to be distributed in kind (spun-off company) (as of April 30, 2025)

(1) Name	NE Inc.
(2) Address	16F EPIC TOWER SHIN YOKOHAMA, 3-2-3 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa Prefecture
(3) Title and name of representative	Junya Suzuki, Chairman Noriyoshi Higo, President and CEO
(4) Business description	EC support, SaaS business, regional revitalization and local government support business and Consulting business
(5) Share capital	100 million of yen
(6) Date of establishment	May 2, 2022
(7) Major shareholders and percentage of shareholding	Hamee Corp. 100%
(8) Total number of issued shares (Note) 1	4,000,000 shares
(9) Number of dilutive shares due to share acquisition rights	98,250 shares

(10) Relationship with the Company	Capital relationship	Wholly owned subsidiary of the Company.	
	Personnel relationship	There are no personnel relationships that should be noted.	
	Business relationship	In the immediately preceding fiscal year, the Company had a business relationship with NE, including system usage fees.	
	Applicability to the related party	The Company is a related party as the parent company that directly owns this company. After the spin-off, the company will no longer be a subsidiary of the Company.	
(11) Consolidated operating results and consolidated financial position of this company for the past three years			
Accounting period	FY04/23	FY04/24	FY04/25
Net assets	2,016 millions of yen	2,887 millions of yen	3,517 millions of yen
Total assets	2,896 millions of yen	3,690 millions of yen	4,224 millions of yen
Net assets per share	504.17 yen	721.90 yen	879.43 yen
Net sales	2,536 millions of yen	3,768 millions of yen	3,925 millions of yen
Operating profit	991 millions of yen	1,531 millions of yen	1,517 millions of yen
Ordinary profit	1,063 millions of yen	1,588 millions of yen	1,524 millions of yen
Net income	537 millions of yen	1,032 millions of yen	940 millions of yen
Earnings per share	134.48 yen	258.23 yen	235.03 yen
Dividend per share	40.5 yen	77.5 yen	70.0 yen
(12) Composition of Directors	Junya Suzuki, Chairman Noriyoshi Higo, President and CEO Yuka Koga, Director Saki Suzuki, Director Kyo Kitamura, Auditor Takayuki Hongyo, Auditor Sachio Chiba, Auditor		
(13) Listing	NE will submit a preliminary listing application and a final listing application with the Tokyo Stock Exchange prior to the implementation of the Spin-off. For details, please refer to "3. Overview of the Spin-off (1) Listing of NE shares" above.		
(14) Major shareholders and percentage of shareholding after the Spin-off (Major shareholders of the Company and percentage of shareholding) (Note)2	AOI Corporation	33.30%	
	Atsushi Higuchi	15.88%	
	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.54%	
	Kazuyori Kitamura	2.97%	
	THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	2.01%	
	BBH FOR FIDELITY LOW-PRICED STOCK FUND	1.74%	
	STATE STREET BANK AND TRUST COMPANY 505103	1.50%	
	NORTHERN TRUST CO. (AVFC) RE	1.34%	

	NON TREATY CLIENTS ACCOUNT	
	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1.27%
	SBI SECURITIES Co., Ltd.	1.22%

Notes: 1. In order to make the delivery ratio of NE shares in the Spin-off one common share of NE per common share of the Company, NE shares will be split so that the total number of issued shares of NE will match the total number of issued the shares of the Company (excluding treasury shares held).

2. The dividends in kind under the Spin-off will be paid at a ratio of one share of NE per common share of the Company held by shareholders who are recorded on the shareholders list as of October 31, 2025, which is the record date. At the time when the Spin-off takes effect, therefore, the composition of NE's shareholders as of the implementation of the distribution will be the same as that of the Company's shareholders as of the record date. For this reason, this shows the Company's shareholders as of April 30, 2025, for reference.

#### 5. Tax treatment for dividends in kind

##### (1) Taxation on dividends

Since the Spin-off will be conducted on the assumption that it falls under the qualified share distribution as defined in Article 2, Item 12-15-3 of the Corporation Tax Act, the taxation on deemed dividends will not be applied to shareholders in connection with the dividends in kind of NE shares (Article 24, Paragraph 1, Item 3 of the Corporation Tax Act and Article 25, Paragraph 1, Item 3 of the Income Tax Act).

##### (2) Taxation on capital gains and losses

The Spin-off is a share distribution in which no assets other than shares of the wholly owned subsidiary corporation are delivered, and those shares are delivered in proportion to the ratio of the number of shares of the corporation that makes distribution in kind held by shareholders of the corporation that makes distribution in kind to the total number of issued shares of the corporation that makes distribution in kind. Taxation on capital gains and losses, therefore, does not apply and is deferred (Article 61-2, Paragraph 8 of the Corporation Tax Act, Article 37-10, Paragraph 3, Item 3 of the Act on Special Measures Concerning Taxation, Article 37-11, Paragraph 3 of the same Act).

##### (3) Tax treatment for the acquisition prices

The acquisition prices of the Company's share and NE shares for shareholders for the purpose of taxation after the Spin-off shall be the prices calculated by the following formulas using the proportion of distributed assets (the proportion prescribed in Article 23, Paragraph 1, Item 3 of the Order for the Enforcement of the Corporation Tax Act and Article 61, Paragraph 2, Item 3 of the Order for Enforcement of the Income Tax Act related to share distribution) (Article 119, Paragraph 1, Item 8 of the Order for the Enforcement of the Corporation Tax Act, Article 113-2, Paragraph 1 of the Order for Enforcement of the Income Tax Act).

The proportion of distributed assets to be distributed is calculated by dividing the "book value of NE shares immediately prior to the share distribution" by "the amount obtained by subtracting the book value of liabilities from the book value of assets of the Company as of the end of the fiscal year preceding the fiscal year in which the share distribution takes place (including the amount of increase or decrease in capital and certain reserves for earnings from the end of the previous fiscal year to the end of the fiscal year immediately preceding the share distribution)". The estimated value is expected to be approximately 0.277. The percentage of assets to be distributed is currently expected to be finalized around October 2025, but will be announced as soon as it is finalized.

Acquisition price per share of NE (X) = Acquisition price before adjustment per share of the Company (Y) × Proportion of distributed assets

Acquisition price per share of the Company after the Spin-off (Z) = (Y) - (X)

<<Example>> Acquisition price after adjustment assuming that the proportion of distributed assets is 0.277 and in the case that 100 shares of the Company were purchased at 1,196

yen per share (the closing price of the Company's common shares on the Tokyo Stock Exchange Standard Market on April 30, 2025)

Acquisition price of NE shares = 1,196yen x 100 shares x 0.277 = 33,129yen

Acquisition price of the Company's shares after the Spin-off = 1,196yen x 100 shares - 33,129yen = 86,471yen

Please note that the adjustment of the acquisition prices is for tax purposes only, and the acquisition prices for tax purposes mentioned above do not mean the values of NE shares and the Company's shares after the Spin-off, respectively.

\* In the case of corporate shareholders, please replace "acquisition price" with "book value (for tax purposes)" in the calculation.

\* The descriptions of tax treatment above do not exhaust the tax procedures, etc. required of shareholders, nor mention the tax treatment in countries other than Japan in relation to the Spin-off. Specific tax procedures and the tax treatment on the side of shareholders may vary depending on the individual circumstances of each shareholder. Please consult with your local tax office, tax accountant, etc. to determine how the Spin-off shall be treated for tax purposes under your own circumstances.

## 6. Outlook for the future

### (1) Status of the Company after the Spin-off (planned)

(1) Name	Hamee Corp.	
(2) Address	Square O2, 2-12-10, Sakae-cho, Odawara City, Kanagawa Prefecture	
(3) Title and name of representative	Ikuhiro Mizushima, President and CEO	
(4) Share capital	Commerce Segment (Mobile Life Business, Cosmetics Business, Gaming Accessories Business, Global Business and New Business)	
(5) Business description	607 millions of yen (Note)1	
(6) Net assets	3,620 millions of yen (Note)1	
(7) Total assets	8,690 millions of yen (Note)1	
(8) Total number of issued shares	15,951,725 shares (Note)2	
(9) Composition of Directors (Note) 3	Atsushi Higuchi, Chairman Ikuhiro Mizushima, President and CEO Toru Nishiwaki, Outside Director (Audit and Supervisory Committee) Saiko Kumaou, Outside Director (Audit and Supervisory Committee) Jiro Yoshino, Outside Director (Audit and Supervisory Committee)	
(10) Listing	The Company's shares will remain listed on the Tokyo Stock Exchange.	
(11) Major shareholders of the Company and percentage of shareholding (Note) 4	AOI Corporation	33.30%
	Atsushi Higuchi	15.88%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.54%
	Kazuyori Kitamura	2.97%
	THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	2.01%
	BBH FOR FIDELITY LOW-PRICED STOCK FUND	1.74%
	STATE STREET BANK AND TRUST COMPANY 505103	1.50%
	NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	1.34%

	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1.27%
	SBI SECURITIES Co., Ltd.	1.22%

Notes: 1. Figures for the Company on a non-consolidated basis. The amount of net assets and the total amount of assets are amounts before taking the decrease due to dividends in kind into account. Please also refer to “8. <<Reference>> Consolidated Financial Statements Excluding NE (Unaudited)” below.

2. The number of treasury shares held as of April 30, 2025, 344,675 shares, is not included.
3. This shows the composition of Directors of the Company as of today.
4. This shows the Company’s shareholders as of April 30, 2025.

(2) Trading of the Company’s shares

If the Spin-off is implemented, shareholders of the Company as of Friday, October 31, 2025, which is the distribution record date, will receive one share of NE per share of the Company held, and the last cum-rights date will be Wednesday, October 29, 2025. The ex-rights date for the Company’s shares will be Thursday, October 30, 2025, and in theory, the value of the Company’s shares will be adjusted by the value of NE shares as of the same day. On the other hand, however, the Company’s shareholders will receive distribution of NE shares on Tuesday, November 4, 2025.

At the time of ex-rights of the Company’s shares, since the total numbers of issued the Company’s shares and NE excluding the number of treasury shares held as of the distribution record date will be the same, trading is expected to be carried out on the Tokyo Stock Exchange on Thursday, October 30, 2025, using the per share price calculated by the following formula as the Company’s base price. The base price is a price that serves as the basis for the daily price limit (a range within which the price can fluctuate during a day) but does not refer to actual trading prices for trades conducted on Thursday, October 30, 2025. The Tokyo Stock Exchange will separately announce the treatment of trading, including the calculation method of the base price.

Base price on the ex-rights date of the Company’s shares (Thursday, October 30, 2025) = Closing price of shares on the Company’s last cum-rights date (Wednesday, October 29, 2025) - Opening price of NE shares

(3) Policy of the Company’s shareholders, the Company’s founder and the asset management company in which the founder has invested, to hold NE shares after the Spin-Off

Our shareholders, Atsushi Higuchi, the founder of our company, and AOI Corporation, an asset management company invested by Atsushi Higuchi, have confirmed that they intend to hold NE shares in the same manner as they have held our company’s shares to date, over the medium to long term after the Spin-off.

(4) Impact on the Company’s operating results

While there will be no change in the operating results of the current Group prior to the Spin-off until the end of October 2025, NE will no longer be a consolidated subsidiary of the Company after the effective date of the dividends in kind. Accordingly, in the event that the approval at the General Meeting of Shareholders and the listing approval by the Tokyo Stock Exchange are obtained and the Spin-off is implemented, the operating results of the new Group in and after November 2025 will exclude those of NE. Since the Spin-off is subject to the approval at the General Meeting of Shareholders and the listing approval by the Tokyo Stock Exchange and on condition that such approval is not revoked, etc., the following shows the consolidated earnings forecast for the current Group as a whole (in the case that the Spin-off is not implemented) for the fiscal year ending April 30, 2026, and the consolidated earnings forecast in the case that the Spin-off is implemented.

○ Consolidated earnings forecast for the current Group as a whole (in the case that the Spin-off is not implemented) for the fiscal year ending April 30, 2026 (May 1, 2025 through April 30, 2026)

(Percentages represent changes from the previous year for full year and from the same quarter of the previous year for each quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
The second quarter (cumulative total) (Note)1	11,940	11.8	1,196	17.1	1,139	10.2	771	15.9	47.34
Full year (Note) 1	25,528	11.5	2,920	24.1	2,798	19.0	1,940	51.8	119.05

Note: 1. Since the Spin-off is subject to the approval at the General Meeting of Shareholders and the listing approval by the Tokyo Stock Exchange and on condition that such approval is not revoked, etc., the above shows the consolidated earnings forecast for the Company including that of NE in the case that the Spin-off is not implemented.

○ Consolidated earnings forecast in the case that the Spin-off is implemented for the fiscal year ending April 30, 2026 (May 1, 2025 through April 30, 2026)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
The second quarter (cumulative total) (Note)1	11,940	11.8	1,196	17.1	1,139	10.2	771	15.9	47.34
Full year (Note) 2	23,285	—	2,073	—	1,990	—	1,417	—	86.99

(Note) 1. The Company's consolidated earnings forecast through the second quarter also includes NE.

2. The above is the consolidated earnings forecast of the Company in the case that the Spin-off is implemented, and NE is not included in the consolidated earnings forecast of the Company for November 1, 2025, and thereafter. For this reason, the year-on-year changes are not shown.

7.NE's financial statements (unaudited)  
(1)Balance Sheet

	(Thousands of yen)	
	End of previous fiscal year (April 30, 2024)	Current fiscal year (April 30, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	2,301,143	2,596,507
Accounts receivable	604,169	622,432
Inventory	10,716	17,710
Work in process	191	147
Supplies	919	804
Advances paid	213,593	197,729
Prepaid expenses	57,285	93,652
Others	39,923	35,982
Allowance for doubtful accounts	△7,042	△6,373
Total current assets	3,220,900	3,558,593
Fixed assets		
Property, plant and equipment		
Building fixtures	15,850	177,879
Accumulated depreciation	△700	△3,059
Building improvements, net	15,149	174,819
Tools, furniture and fixtures	25,609	106,238
Accumulated depreciation	△9,466	△26,628
Tools, furniture and fixtures, net	16,143	79,610
Construction in progress	7,860	-
Total property, plant and equipment	39,152	254,430
Intangible assets		
Software	218,272	203,474
Goodwill	49,265	-
Others	890	-
Total intangible assets	268,428	203,474
Investments and other assets		
Investment securities	441	-
Long-term prepaid expenses	8	17
Deferred tax assets	156,888	147,388
Others	5,126	60,495
Total investments and other assets	162,466	207,901
Total noncurrent assets	470,046	665,806
Total assets	3,690,947	4,224,399

	(Thousands of yen)	
	End of previous fiscal year (April 30, 2024)	Current fiscal year (April 30, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable	2,934	5,233
Accounts payable-other	285,083	233,759
Accrued expenses	76,729	95,852
Income taxes payable	346,502	240,986
Consumption tax payable	73,922	77,978
Advances received	4,043	3,039
Deposits received	7,567	11,945
Provision for loss on compensation	6,561	-
Others	6	13
Total current liabilities	803,351	668,808
Long-term liabilities		
Asset retirement obligations	-	37,886
Total noncurrent liabilities	-	37,886
Total liabilities	803,351	706,694
<b>Net assets</b>		
Shareholders' equity		
Common stock	100,000	100,000
Capital surplus		
Legal capital surplus	1,378,763	1,378,763
Total capital surplus	1,378,763	1,378,763
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,408,832	2,038,941
Total retained earnings	1,408,832	2,038,941
Total shareholders' equity	2,887,596	3,517,705
Total net assets	2,887,596	3,517,705
Total liabilities and net assets	3,690,947	4,224,399

## (2) Statements of Income

	(Thousands of yen)	
	End of previous fiscal year (May 1, 2023 To April 30, 2024)	Current fiscal year (May 1, 2024 To April 30, 2025)
Net sales	3,768,153	3,925,256
Cost of sales	1,075,693	1,124,215
Gross profit	2,692,460	2,801,040
Selling, general and administrative expenses	1,161,368	1,283,477
Operating income	1,531,092	1,517,563
Non-operating income		
Interest income	18	1,231
Consumption tax difference	55,761	-
Reversal of provision for loss on compensation	-	1,680
Miscellaneous income	5,305	3,962
Others	1,471	388
Total non-operating income	62,556	7,263
Non-operating income		
Foreign exchange losses	4,041	-
Miscellaneous loss	1,300	195
Others	-	0
Total non-operating expenses	5,341	196
Ordinary income	1,588,306	1,524,630
Extraordinary income		
Gain on sales of investment securities	-	642
Total extraordinary income	-	642
Extraordinary losses		
Write-down of investment securities	5,070	-
Impairment loss	-	44,752
Loss on retirement of noncurrent assets	1,502	7,333
Total extraordinary loss	6,573	52,086
Income before income taxes	1,581,733	1,473,187
Income taxes	564,808	523,578
Income taxes-deferred	△15,978	9,500
Total income taxes	548,830	533,078
Net Income	1,032,903	940,109

(3)Statement of Changes in Shareholders Equity  
 Previous fiscal year (May 1, 2023 to April 30, 2024)

(Thousands of yen)

	Shareholders' equity						Total net assets
	Common stock	Capital surplus		Retained earnings		Total shareholder s' equity	
		Legal capital surplus	Total capital surplus	Other income Retained earnings	Total retained earnings		
Opening balance	100,000	1,378,763	1,378,763	537,929	537,929	2,016,692	2,016,692
Change during the year							
Dividend of surplus				△162,000	△162,000	△162,000	△162,000
Net Income				1,032,903	1,032,903	1,032,903	1,032,903
Total changes in current term				870,903	870,903	870,903	870,903
Closing balance	100,000	1,378,763	1,378,763	1,408,832	1,408,832	2,887,596	2,887,596

Current fiscal year (May 1, 2024 to April 30, 2025)

(Thousands of yen)

	Shareholders' equity						Total net assets
	Common stock	Capital surplus		Retained earnings		Total shareholder s' equity	
		Legal capital surplus	Total capital surplus	Other income Retained earnings	Total retained earnings		
Opening balance	100,000	1,378,763	1,378,763	1,408,832	1,408,832	2,887,596	2,887,596
Change during the year							
Dividend of surplus				△310,000	△310,000	△310,000	△310,000
Net Income				940,109	940,109	940,109	940,109
Total changes in current term				630,109	630,109	630,109	630,109
Closing balance	100,000	1,378,763	1,378,763	2,038,941	2,038,941	3,517,705	3,517,705

## (4) Statements of Cash Flows

	(Thousands of yen)	
	End of previous fiscal year (May 1, 2023 To April 30, 2024)	Current fiscal year (May 1, 2024 To April 30, 2025)
Net cash provided by operating activities		
Income before income taxes	1,581,733	1,473,187
Depreciation and amortization	153,693	184,686
Amortization of security deposits	187	4,312
Amortization of goodwill	376	4,512
Loss (Gain) on Sales of Investment Securities. (△)	-	△642
Unrealized gains (losses) on available-for-sale securities. (Gain on △)	5,070	-
Loss on retirement of noncurrent assets	1,502	7,333
Impairment loss	-	44,752
Interest income	△18	△1,231
Increase (decrease) in allowance for doubtful accounts (△: decrease)	814	△668
Increase (decrease) in provision for indemnification expenses (△: decrease)	6,561	△6,561
Decrease (increase) in notes and accounts receivable-trade (increase in △)	△80,559	△18,263
Decrease (increase) in inventories (increase in △)	△750	△6,184
Increase (decrease) in notes and accounts payable-trade (decrease in △)	2,934	2,298
Increase (decrease) in accrued consumption taxes (△: decrease)	△53,668	4,055
Increase (decrease) in advances paid (△ increased)	5,573	15,863
Increase (decrease) in prepaid expenses (△ increased)	△2,469	△36,376
Increase (decrease) in accounts receivable- other (increased by △)	△3,593	2,924
Increase (decrease) in accounts payable- other (decrease in △)	64,430	△47,335
Increase (decrease) in accrued expenses (△: decrease)	△6,726	21,586
Others	△7,488	5,490
Subtotal	1,667,604	1,653,741
Interest and dividends income received	18	1,231
Income taxes paid	△650,799	△629,093
Net cash provided by operating activities	1,016,822	1,025,879
Cash flow from investing activities		
Purchase of property, plant and equipment	△42,007	△229,048
Purchase of intangible assets	△129,603	△132,055
Payments for transfer of business	△85,000	-
Proceeds from sale of investment securities	-	1,084
Payments for lease deposits	△5,314	△60,495
Cash flow from investing activities	△261,925	△420,515
Cash flow from financing activities		

Cash dividends paid	△162,000	△310,000
Cash flow from financing activities	△162,000	△310,000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	592,897	295,364
Cash and cash equivalents at beginning of term	1,708,245	2,301,143
Cash and cash equivalents at end of term	2,301,143	2,596,507

8. << Reference >> Consolidated Financial Statements Excluding NE (Unaudited)

The pro forma data has been prepared by the Company in accordance with accounting standards adopted by the Company for the purpose of providing information to the general public. Therefore, it is not subject to audit by Ernst & Young ShinNihon LLC., the Company's auditing firm.

(1) Consolidated Balance Sheets

	End of previous fiscal year (April 30, 2024)	Current consolidated fiscal year (April 30, 2025)
(Thousands of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	1,720,532	2,397,064
Trade notes and accounts	1,764,842	1,731,323
Inventory	2,780,633	4,127,797
Work in process	4,352	5,367
Raw materials and supplies	79,118	120,361
Advance payments	631,975	982,551
Others	482,460	532,083
Allowance for doubtful accounts	△37,008	△30,079
<b>Total current assets</b>	<b>7,426,906</b>	<b>9,866,469</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures	814,334	786,708
Accumulated depreciation	△202,105	△253,000
<b>Buildings, net</b>	<b>612,228</b>	<b>533,708</b>
Automotive equipment	3,932	3,555
Accumulated depreciation (vehicles)	△1,729	△2,274
<b>Vehicles, net</b>	<b>2,203</b>	<b>1,280</b>
Tools, furniture and fixtures	1,041,206	1,230,072
Accumulated depreciation (tools, furniture and fixtures)	△752,878	△928,577
<b>Tools, furniture, and fixtures, net</b>	<b>288,328</b>	<b>301,494</b>
Right-of-use asset	408,754	409,525
Accumulated depreciation (right-of- use assets)	△268,590	△208,983
<b>Assets for right of use, net</b>	<b>140,164</b>	<b>200,542</b>
Land	367,820	335,433
Construction in progress	-	995
<b>Total property, plant and equipment</b>	<b>1,410,745</b>	<b>1,373,454</b>
Intangible assets		
Goodwill	422,913	280,363
Software	66,825	41,472
Trademark right	20,372	21,317
Others	28,281	61,667
<b>Total intangible assets</b>	<b>538,393</b>	<b>404,821</b>
Investments and other assets		
Investment securities	643,150	10,934
Stocks of subsidiaries and affiliates	350,106	549,367
Long-term loans receivable	16,418	17,500
Net defined benefit asset	170,367	122,440
Deferred tax assets	192,216	294,640

	(Thousands of yen)	
	End of previous fiscal year (April 30, 2024)	Current consolidated fiscal year (April 30, 2025)
Others	118,096	137,183
Allowance for doubtful accounts	△28,510	△22,940
Total investments and other assets	1,461,846	1,109,126
Total noncurrent assets	3,410,985	2,887,403
Total assets	10,837,891	12,753,873

	(Thousands of yen)	
	End of previous fiscal year (April 30, 2024)	Current consolidated fiscal year (April 30, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable	366,801	226,808
Short-term loans payable	1,200,000	3,850,000
Current portion of long-term loans payable	210,120	-
Accounts payable-other	580,952	774,903
Accrued expenses	149,752	175,773
Income taxes payable	16,221	255,022
Provision for bonuses	18,093	69,334
Asset retirement obligations	-	11,187
Others	182,708	228,926
Total current liabilities	2,724,650	5,591,955
Long-term liabilities		
Long-term debt	774,860	-
Asset retirement obligations	12,375	3,101
Others	55,474	103,926
Total noncurrent liabilities	842,709	107,027
Total liabilities	3,567,359	5,698,983
<b>Net assets</b>		
Shareholders' equity		
Common stock	598,524	607,419
Capital surplus	545,014	555,203
Retained earnings	5,713,099	6,004,053
Treasury stock	△341,799	△331,321
Total shareholders' equity	6,514,839	6,835,355
Other accumulated comprehensive income		
Valuation difference on securities	66,665	-
Foreign currency translation adjustments	595,305	135,876
Total other accumulated comprehensive income	661,971	135,876
Stock acquisition right	93,721	83,657
Total net assets	7,270,532	7,054,889
Total liabilities and net assets	10,837,891	12,753,873

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
Consolidated Statements of Income

	(Thousands of yen)	
	End of previous fiscal year (May 1, 2023 To April 30, 2024)	Current consolidated fiscal year (May 1, 2024 To April 30, 2025)
Net sales	13,855,855	18,986,834
Cost of sales	5,669,674	8,274,076
Gross profit	8,186,180	10,712,757
Selling, general and administrative expenses	7,799,594	9,886,967
Operating income	386,586	825,790
Non-operating income		
Interest income	1,147	2,536
Dividends income	162,000	310,000
Equity in earnings of associated companies	1,201	-
Foreign exchange gain	48,230	8,150
Advertising revenue	10,762	49,065
Others	27,939	55,070
Total non-operating income	251,282	424,824
Non-operating expenses		
Interest expenses	26,156	33,254
Payment Guarantee Fee	7,465	7,733
Equity in losses of affiliates	-	26,248
Provision for allowance for doubtful accounts	9,277	8,319
Commission for syndicate loan	-	33,083
Others	1,885	14,440
Total non-operating expenses	44,785	123,080
Ordinary income	593,082	1,127,533
Extraordinary income		
Gain on sales of noncurrent assets	2,623	-
Gain on reversal of stock acquisition rights	1,887	3,774
Gain on donated fixed assets	-	10,489
Total extraordinary income	4,510	14,263
Extraordinary losses		
Loss on retirement of noncurrent assets	2,053	7,564
Loss on sale of investment securities	-	1,532
Write-down of investment securities	2,487	21,727
Valuation loss on shares of affiliates	-	283,321
Loss on liquidation of shares of subsidiaries	3,238	-
Total extraordinary loss	7,779	314,145
Income before income taxes	589,814	827,651
Income taxes	89,169	267,655
Income taxes-deferred	249,789	△89,402
Total income taxes	338,959	178,253
Net Income	250,855	649,397
Profit attributable to owners of parent	250,855	649,397

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	End of previous fiscal year (May 1, 2023 To April 30, 2024)	Current consolidated fiscal year (May 1, 2024 To April 30, 2025)
Net Income	250,855	649,397
Other comprehensive income		
Valuation difference on securities	63,502	△66,665
Foreign currency translation adjustments	360,301	△459,429
Total other comprehensive income	423,803	△526,094
Comprehensive income	674,658	123,303
(Comprehensive income attributable to)		
Comprehensive profit attributable to owners of the parent	674,658	123,303
Comprehensive income attributable to noncontrolling interests	-	-

## (3) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	End of previous fiscal year (May 1, 2023 To April 30, 2024)	Current consolidated fiscal year (May 1, 2024 To April 30, 2025)
<b>Net cash provided by operating activities</b>		
Income before income taxes	589,814	827,651
Depreciation and amortization	520,803	528,107
Amortization of goodwill	110,371	109,257
Loss on retirement of noncurrent assets	2,053	7,564
Loss (gain) on sales of property, plant and equipment (gain on $\Delta$ )	$\Delta$ 2,623	-
Valuation loss on shares of affiliates	-	283,321
Unrealized gains (losses) on available-for-sale securities. (Gain on $\Delta$ )	2,487	21,727
Loss (Gain) on Sales of Investment Securities. ( $\Delta$ )	-	2,175
Increase (decrease) in allowance for doubtful accounts ( $\Delta$ : decrease)	13,310	$\Delta$ 8,316
Increase (decrease) in accrued bonuses	$\Delta$ 9,205	56,937
Increase (decrease) in net defined benefit asset and liability	$\Delta$ 13,546	33,931
Interest and dividend income	$\Delta$ 163,147	$\Delta$ 2,536
Interest expenses	26,156	33,254
Commission for syndicate loan	-	33,083
Equity in earnings ( $\Delta$ ) of affiliates	$\Delta$ 1,201	26,248
Decrease (increase) in notes and accounts receivable-trade (increase in $\Delta$ )	$\Delta$ 427,092	$\Delta$ 46,625
Decrease (increase) in inventories (increase in $\Delta$ )	$\Delta$ 1,081,021	$\Delta$ 1,504,622
Increase (decrease) in notes and accounts payable-trade (decrease in $\Delta$ )	180,317	$\Delta$ 113,270
Increase (decrease) in advances paid ( $\Delta$ increased)	$\Delta$ 170,002	$\Delta$ 360,018
Increase (decrease) in accounts payable-other (decrease in $\Delta$ )	26,826	149,964
Increase (decrease) in accrued expenses ( $\Delta$ : decrease)	$\Delta$ 19,288	30,278
Others	55,053	166,416
Subtotal	$\Delta$ 359,935	274,841
Interest and dividends income received	173,020	3,008
Interest expenses paid	$\Delta$ 32,848	$\Delta$ 44,201
Income taxes paid	254,583	$\Delta$ 84,161
Net cash provided by operating activities	34,820	149,486
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	$\Delta$ 264,998	$\Delta$ 366,841
Proceeds from sales of property, plant and equipment	3,232	-
Purchase of intangible assets	$\Delta$ 38,535	$\Delta$ 48,819
Purchase of investment securities	$\Delta$ 10,000	$\Delta$ 19,998
Purchase of stocks of subsidiaries and affiliates	$\Delta$ 301,535	-
Proceeds from long-term loans receivable	880	2,216
Payments for long-term loans to affiliates	-	$\Delta$ 50,000
Others	$\Delta$ 7,695	$\Delta$ 23,075

	(Thousands of yen)	
	End of previous fiscal year (May 1, 2023 To April 30, 2024)	Current consolidated fiscal year (May 1, 2024 To April 30, 2025)
Cash flow from investing activities	△618,651	△506,518

	(Thousands of yen)	
	End of previous fiscal year (May 1, 2023 To April 30, 2024)	Current consolidated fiscal year (May 1, 2024 To April 30, 2025)
<b>Cash flow from financing activities</b>		
Net increase (decrease) in short-term borrowings ( $\Delta$ )	$\Delta$ 100,000	2,650,000
Proceeds from long-term debt	1,050,000	-
Repayment of long-term loans payable	$\Delta$ 65,020	$\Delta$ 984,980
Repayments of lease obligations	$\Delta$ 147,414	$\Delta$ 146,006
Proceeds from issuance of common stock	524	10,242
Purchase of treasury stock	$\Delta$ 44	-
Cash dividends paid	$\Delta$ 358,116	$\Delta$ 358,443
Payment of syndicated loan fees	-	$\Delta$ 33,083
Cash flow from financing activities	379,928	1,137,728
Effect of exchange rate change on cash and cash equivalents	97,011	$\Delta$ 104,164
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	$\Delta$ 106,891	676,531
Cash and cash equivalents at beginning of term	1,827,423	1,720,532
Cash and cash equivalents at end of term	1,720,532	2,397,064

Note: This document is intended to inform the public about the Spin-off and is not intended to be a public offering or solicitation for investment of any securities of us or our subsidiaries, whether in Japan or abroad.

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