

Annual Securities Report

(Report based on Article 24, Paragraph 1 of the
Financial Instruments and Exchange Act of Japan)

(The 21st fiscal term)
From July 1, 2024 to June 30, 2025

GREE Holdings, Inc.

Contents

Cover	3
Part I. Information on the Company	4
I. Overview of the Company	4
1. Key financial data	4
2. History	6
3. Description of business	7
4. Subsidiaries and associates	9
5. Employees	10
II. Business Overview	12
1. Management policy, management environment, and issues to be addressed	12
2. Stance on sustainability and related initiatives	13
3. Business and other risks	14
4. Analyses of financial position, operating results, and cash flows	18
5. Material agreements	22
6. Research and development	22
III. Equipment and Facilities	23
1. Capital expenditures	23
2. Principal facilities	23
3. Plans for additions or disposals of facilities	23
IV. Information on the Company	24
1. Information on the Company's shares	24
(1) Total number of shares	24
(2) Share acquisition rights	25
(3) Exercise status of moving strike convertible bonds	36
(4) Total number of shares issued and share capital	36
(5) Shareholder composition	37
(6) Major shareholders	37
(7) Voting rights	38
(8) Executive and employee stock ownership plan	39
2. Acquisition of treasury shares	40
3. Dividend policy	41
4. Corporate governance	42
(1) Overview of corporate governance	42
(2) Directors and Audit & Supervisory Committee members	49
(3) Status of audits	64
(4) Executive remuneration	67
(5) Information on shareholdings	70
V. Financial Information	71
1. Consolidated financial statements	72
(1) Consolidated financial statements	72
(2) Other	117
2. Non-consolidated financial statements	118
(1) Non-consolidated financial statements	118
(2) Detail of major assets and liabilities	129
(3) Other	129
VI. Stock-Related Administration for the Company	130
VII. Reference Information on the Company	131
1. Information on parent company of the Company	131
2. Other reference information	131
Part II. Information on Guarantors for the Company	132
Independent Auditor's Report and Internal Control Audit Report	133

Cover

Document filed:	Annual Securities Report (“Yukashoken Hokokusho”)
Applicable law:	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Filed with:	Director-General, Kanto Local Finance Bureau
Filing date:	September 26, 2025
Fiscal year:	21st fiscal term (from July 1, 2024 to June 30, 2025)
Company name:	GREE Holdings Kabusiki-Kaisha (Former company name: GREE Kabusiki-Kaisha)
Company name in English:	GREE Holdings, Inc. (Former company name: GREE, Inc.) (Note) By the resolution of the 20th Ordinary General Meeting of Shareholders held on September 27, 2024, effective January 1, 2025, the Company changed its name as described above.
Title and name of representative:	Yoshikazu Tanaka, Founder, Chairman and CEO
Address of head office:	11-1, Roppongi 6-chome, Minato-ku, Tokyo, Japan
Phone number:	+81 (0)3-5770-9500
Contact person:	Toshiki Oya, Director, CFO and Senior Vice President
Contact address:	11-1, Roppongi 6-chome, Minato-ku, Tokyo, Japan
Phone number:	+81 (0)3-5770-9500
Contact person:	Toshiki Oya, Director, CFO and Senior Vice President
Place where the filed document is available for public inspection:	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

Part I Information on the Company

I. Overview of the Company

1. Key financial data

(1) Consolidated financial data

Fiscal term	17th	18th	19th	20th	21st
Fiscal year ended	June 2021	June 2022	June 2023	June 2024	June 2025
Net sales (millions of yen)	63,210	74,906	75,440	61,309	57,111
Ordinary profit (millions of yen)	11,098	14,106	13,086	7,123	3,760
Profit attributable to shareholders of parent (millions of yen)	13,533	10,121	9,278	4,630	1,194
Comprehensive income (millions of yen)	17,960	7,741	5,710	4,509	650
Net assets (millions of yen)	120,212	90,930	92,549	95,530	93,647
Total assets (millions of yen)	141,389	116,730	124,806	128,788	132,897
Net assets per share (yen)	567.43	521.76	539.35	555.13	542.93
Net profit per share (yen)	61.44	54.58	54.07	27.10	6.98
Diluted profit per share (yen)	61.21	54.01	53.47	26.79	6.90
Equity ratio (%)	84.6	77.4	73.7	73.7	70.0
Return on equity (%)	11.6	9.6	10.2	5.0	1.3
Price earnings ratio (times)	9.57	15.10	11.80	19.67	74.64
Cash flows from operating activities (millions of yen)	6,846	13,218	4,590	3,502	674
Cash flows from investing activities (millions of yen)	4,217	(5,299)	(439)	(23)	312
Cash flows from financing activities (millions of yen)	(4,013)	(37,516)	3,264	(999)	6,023
Cash and cash equivalents at end of period (millions of yen)	94,824	66,624	74,293	77,288	83,901
Number of employees (people)	1,543	1,560	1,610	1,580	1,489
[Separately, average number of temporary employees]	[1,069]	[1,080]	[1,166]	[1,032]	[957]

(Notes) 1. The number of employees represents full-time employees. The average number of temporary employees during the fiscal year (including regularly assigned temporary employees) is shown separately in square brackets.

2. In regard to the average number of shares during the period, which is used in calculating net profit per share and diluted profit per share, the number of the Company's stock held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account has been excluded since they are shown as treasury shares in the consolidated balance sheet.
3. The Company began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and relevant accounting standards at the beginning of the 18th fiscal term, with key financial data for the 18th fiscal term reflecting the application of these accounting standards.
4. The Company changed its accounting policy related to the accounting method for revenue and expenses in the Investment Business at the beginning of the 18th fiscal term, with key financial data for the 17th fiscal term retroactively adjusted according to the change in the accounting policy.

(2) Non-consolidated financial data

Fiscal term	17th	18th	19th	20th	21st
Fiscal year ended	June 2021	June 2022	June 2023	June 2024	June 2025
Net sales (millions of yen)	22,560	14,919	11,949	9,617	6,012
Ordinary profit (millions of yen)	8,810	7,732	5,218	5,843	5,554
Profit (millions of yen)	12,115	5,984	2,958	4,779	3,609
Share capital (millions of yen)	100	100	100	100	100
Total number of shares issued (shares)	242,249,700	179,749,700	179,749,700	179,749,700	179,749,700
Net assets (millions of yen)	116,703	83,155	61,701	64,082	65,917
Total assets (millions of yen)	135,373	101,270	92,514	97,114	103,782
Net assets per share (yen)	551.02	447.20	358.89	371.82	381.79
Dividends per share (Interim dividend included herein) (yen)	12.50 (-)	11.00 (-)	11.00 (-)	16.50 (-)	14.50 (-)
Net profit per share (yen)	55.00	32.27	17.24	27.98	21.08
Diluted profit per share (yen)	54.79	31.93	17.05	27.66	20.84
Equity ratio (%)	85.8	81.6	66.2	65.5	63.0
Return on equity (%)	10.6	6.0	4.1	7.7	5.6
Price earnings ratio (times)	10.69	25.53	37.01	19.05	24.72
Dividend payout ratio (%)	22.7	34.1	63.8	58.9	68.8
Number of employees [Separately, average number of temporary employees] (persons)	399 [489]	365 [466]	363 [484]	328 [247]	123 [176]
Total shareholder return (Index for comparison: TOPIX including dividends) (%)	130.0 (127.3)	183.4 (125.5)	145.6 (157.8)	126.4 (198.2)	126.9 (206.3)
Highest share price (yen)	648	1,285	946	656	628
Lowest share price (yen)	435	573	628	454	401

(Notes) 1. The number of employees represents full-time employees. The average number of temporary employees during the fiscal year (including regularly assigned temporary employees) is shown separately in square brackets.

2. In regard to the average number of shares during the period, which is used in calculating net profit per share and diluted profit per share, the number of the Company's stock held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account has been excluded since they are shown as treasury shares in the non-consolidated balance sheet.

3. The highest and lowest share prices are those on the Tokyo Stock Exchange (Prime Market) from April 4, 2022 onward, and those on the Tokyo Stock Exchange (First Section) prior to that.

4. The Company began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and relevant accounting standards at the beginning of the 18th fiscal term, with key financial data for the 18th fiscal term reflecting the application of these accounting standards.

5. The Company changed its accounting policy related to the accounting method for revenue and expenses in the Investment Business at the beginning of the 18th fiscal term, with key financial data for the 17th fiscal term retroactively adjusted according to the change in the accounting policy.

6. From the 21st fiscal term, the number of employees decreased significantly compared to the 20th fiscal year due to the transfer of the GREE Platform business, part of its joint development division and employees engaged therein to newly established operating subsidiaries in line with the transition to a holding company structure.

2. History

Date	Overview
December 2004	GREE, Inc., (currently GREE Holdings Inc.) established in Shirokanedai, Minato-ku, Tokyo (capitalized with ¥10,000,000)
February 2005	Absorbed GREE, Inc. (Mitaka, Tokyo), with GREE, Inc. (currently GREE Holdings Inc.) as the surviving company
November 2006	Launched social networking service EZ GREE (currently GREE) for au users in cooperation with KDDI Corporation
February 2007	Mobile version of GREE became official service on i-mode from NTT Docomo, Inc.
April 2007	Launched paid service as part of EZ GREE (currently GREE)
May 2007	Launched paid service as part of mobile version of GREE for i-mode users
August 2007	Mobile version of GREE became official service on Yahoo! Mobile from SoftBank Mobile Corp. (currently SoftBank Corp.)
August 2008	Launched paid service as part of mobile version of GREE for Yahoo! Mobile users
December 2008	Listed on Tokyo Stock Exchange Mothers market
June 2010	Moved to the First Section of Tokyo Stock Exchange
June 2010	Launched GREE Platform service
July 2010	Relocated head office to 6-chome, Roppongi, Minato-ku, Tokyo
December 2010	Launched GREE Platform for Smartphone service
January 2011	Established US subsidiary GREE International, Inc. to conduct online business in the US
January 2011	Made Atlantis Co., Ltd. (currently GREE X, Inc.) a subsidiary to conduct online advertising business
April 2011	Made OpenFeint Inc. a subsidiary to strengthen the online business in the US
October 2012	Made Pokelabo, Inc. a subsidiary to strengthen ability to develop social games
February 2014	Established Wright Flyer Studios, Inc. (currently WFS, Inc.) to strengthen ability to develop social games
May 2015	Liquidated US subsidiary OpenFeint Inc.
October 2015	Established funplex, Inc. (currently GREE Entertainment, Inc.) for full-scale entry to the game operation business
August 2016	Established US subsidiary GREE International Entertainment, Inc. to succeed GREE International, Inc.
April 2018	Established Wright Flyer Live Entertainment, Inc. (currently REALITY, Inc.), which operates the Metaverse Business
May 2018	Liquidated US subsidiary GREE International Entertainment, Inc.
August 2018	Wright Flyer Live Entertainment, Inc. (currently REALITY, Inc.) launched REALITY, the world's first live streaming platform specializing in virtual YouTubers (VTubers)
March 2020	Established GREE Ventures, Inc., a venture capital business
July 2020	Conducted absorption-type demerger of the Wright Flyer Studios business from the Game Business, putting the Wright Flyer Studios business under the control of wholly owned subsidiary WFS, Inc.
September 2020	Transitioned to a company with an Audit & Supervisory Committee
July 2021	Conducted absorption-type demerger of the smartphone game and licensing businesses from the Game Business, putting these businesses under the control of wholly owned subsidiary funplex, Inc., which changed its name to GREE Entertainment, Inc.
March 2022	Relocated head office to Roppongi Hills Gate Tower
April 2022	Transition to Tokyo Stock Exchange Prime Market
January 2023	Established REALITY Studios, inc. to operate the VTuber business
September 2023	Sequoia, Inc. became the Company's parent company through a share delivery system
January 2025	Transitioned to a holding company structure and GREE, Inc. changed its name to GREE Holdings, Inc.
January 2025	The Company's GREE Platform business and part of its joint development division were absorbed by GREE Inc., a wholly-owned subsidiary of the Company

3. Description of Business

The GREE Group (the “Group”) constitutes GREE Holdings, Inc. (the “Company”) and 24 consolidated subsidiaries, for a total of 25 companies. The Group is engaged in the Game, Metaverse, IP, DX, and Investment businesses.

The classification of reportable segments has been changed from the current consolidated fiscal year. For details, please refer to “V. Financial Information, 1. Consolidated financial statements, (1) Consolidated financial statements, Notes to consolidated financial statements, (Segment information), Segment information, 1. Overview of reportable segments, (Notes regarding changes to reportable segments).”

(1) Game Business

WFS develops and operates various smartphone games and distributes many popular titles in Japan and globally, while GREE Studios plans and develops consumer games. In addition, GREE operates and develops GREE, a social game platform.

(2) Metaverse Business

The Group develops and operates REALITY, a smartphone-oriented metaverse, and operates a VTuber agency that manages and produces a wide range of talents.

(3) IP Business

The Group develops a wide range of consumer and corporate businesses in the content domain of anime and manga.

(4) DX Business

Having developed Internet businesses over many years, the Group strives to support the digital transformation (DX) of corporate clients mainly in the marketing field and develops various SaaS.

(5) Investment Business

Through venture capital investment and startup investment, the Group primarily invests in the Internet and IT fields in Japan and overseas, contributing to innovation through IT and creating new value.

Business diagram



4. Subsidiaries and associates

Name	Location	Capital stock (millions of yen)	Main business	Percentage of voting rights holding or held	Detail of relationship
(Parent company) Sequoia, Inc. (Note) 1	Minato-ku, Tokyo	3	Real estate investment and securities investment	53.6% held	Employee secondment
(Consolidated subsidiary) WFS, Inc. (Notes) 2, 3	Minato-ku, Tokyo	100	Game Business	Holding 100.0%	Three officers serving concurrently; receipt of funds
(Consolidated subsidiary) GREE, Inc. (Notes) 3, 6	Minato-ku, Tokyo	101	GREE Platform business	Holding 100.0%	Three officers serving concurrently; receipt of funds
(Consolidated subsidiary) REALITY, Inc. (Notes) 2, 3	Minato-ku, Tokyo	10	Metaverse Business	Holding 100.0%	Three officers serving concurrently; lending of funds
(Consolidated subsidiary) GREE Entertainment, Inc. (Note) 3	Minato-ku, Tokyo	101	IP Business	Holding 100.0%	Two officers serving concurrently; receipt of funds
(Consolidated subsidiary) GREE X, Inc. (Notes) 3, 7	Minato-ku, Tokyo	100	DX Business	Holding 100.0%	One officer serving concurrently; lending of funds

(Notes) 1. Chairman, President and CEO Yoshikazu Tanaka directly holds 100% of the voting rights.

2. Net sales of WFS, Inc. and REALITY, Inc. (excluding intragroup sales between consolidated subsidiaries) exceed 10% of consolidated net sales.

WFS, Inc.

Key financial data	(1) Net sales	¥27,956 million
	(2) Ordinary profit	¥2,243 million
	(3) Profit	¥1,798 million
	(4) Net assets	¥7,841 million
	(5) Total assets	¥11,415 million

REALITY, Inc.

Key financial data	(1) Net sales	¥7,061 million
	(2) Ordinary profit	¥1,588 million
	(3) Profit	¥944 million
	(4) Net assets	¥(875) million
	(5) Total assets	¥1,770 million

3. The company is classified as a specified subsidiary.

4. There are also 19 consolidated subsidiaries and one equity-method affiliate not listed above.

5. Pokelabo, Inc. was excluded from the scope of consolidation because it was absorbed in an absorption-type merger with WFS, Inc. as the surviving company on January 1, 2025.

6. The Company established GREE, Inc. on August 21, 2024 and included it in the scope of consolidation.

7. Glossom, Inc. changed its name to GREE X, Inc. on February 1, 2025.

5. Employees

(1) Consolidated

As of June 30, 2025

Segments	Number of employees	
Game	749	[577]
Metaverse	158	[87]
IP	45	[13]
DX	323	[136]
Investment	9	[2]
Total for reportable segments	1,284	[815]
Other	82	[21]
Company-wide (shared)	123	[121]
Total	1,489	[957]

(Notes) 1. The number of employees represents full-time employees. The average number of temporary employees during the fiscal year (including regularly assigned temporary employees) is shown separately in square brackets.

2. The number of employees listed as “Company-wide (shared)” refers to those belonging to the administrative division.

(2) The Company

As of June 30, 2025

Number of employees	Average age	Average years of service	Average annual salary (thousands of yen)
123 [176]	40.2	6.9	8,653

Segments	Number of employees	
Game	-	[55]
Company-wide (shared)	123	[121]
Total	123	[176]

(Notes) 1. The number of employees represents full-time employees. The average number of temporary employees during the fiscal year (including regularly assigned temporary employees) is shown separately in square brackets.

2. Average annual salary includes bonuses and extra wages.

3. The number of employees listed as “Company-wide (shared)” refers to those belonging to the administrative division.

4. As of June 30, 2025, there are no temporary employees in the Game Business segment because the employees were transferred to a newly established subsidiary as a result of the transition to a holding company structure.

(3) Labor unions

The Group has no labor unions, but the management and labor have a favorable relationship, and there are no particular items of note.

- (4) Ratio of female workers in management positions, ratio of male workers taking childcare leave, and wage differences between male and female workers

1) The Company

Fiscal year ended June 30, 2025				
Ratio of female workers in management positions (%) (Note) 1	Ratio of male workers taking childcare leave (%) (Note) 2	Wage differences between male and female workers (%) (Notes) 1, 3		
		All workers	Regular employees	Part-time and fixed-term employees
14.3	-	-	-	-

(Notes) 1. The ratio is calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. This information is not required to be disclosed under the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). Indicators that are not disclosed are denoted as “-” in accordance with the status of public disclosure.
3. Wage differences between male and female workers are denoted as “-” because they are not selected as items to be disclosed based on the disclosure requirement under the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2) Consolidated subsidiaries

Fiscal year ended June 30, 2025					
Name	Ratio of female workers in management positions (%) (Note) 1	Ratio of male workers taking childcare leave (%) (Note) 2	Wage differences between male and female workers (%) (Notes) 1, 3		
			All workers	Of which, regular employees	Of which, part-time and fixed-term employees
WFS, Inc.	7.8	71.4	77.7	80.7	96.9
GREE, Inc.	21.1	-	-	-	-
REALITY, Inc.	25.0	-	-	-	-
GREE X, Inc.	18.8	-	-	-	-
ExPlay, Inc.	40.0	-	-	-	-

(Notes) 1. The ratio is calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The percentage of employees taking childcare leave, etc. in accordance with Article 71-6, Item 1 of the Regulation for Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labour No. 25 of 1991) was calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). With regard to companies that are not subject to the disclosure requirement under the said provision, indicators that are not disclosed are denoted as “-” in accordance with the status of public disclosure.
3. Wage differences between male and female regular employees do not represent a disparity between male and female employees, but rather stem from differences in employee composition by grade. Moreover, wage differences between male and female workers are denoted as “-” for companies that have not selected them as items to be disclosed based on the disclosure requirement under the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

II. Business Overview

1. Management policy, management environment, and issues to be addressed

The Group's management policy, management environment, and issues to be addressed are as follows.

The forward-looking statements in this report are based on the Group's best assessment as of June 30, 2025.

(1) Group's basic management policy

With the stated mission of "Making the world a better place through the power of the Internet," the Group aims to continue providing new value to the world by exploring the possibilities of the Internet. The Group also strives to increase corporate and shareholder value as it develops its businesses based on this basic management policy.

(2) Management indicators

The management indicators on which the Group places the most weight are net sales and operating profit. It also watches user count, sales per user, and other indicators that directly impact net sales and operating profit.

(3) Business environment

In 2024, individual smartphone ownership in Japan expanded by 1.6 percentage points YoY to 80.5% (source: 2024 Communications Usage Trend Survey from the Ministry of Internal Affairs and Communications), while the domestic game content market increased by 3.4% YoY to ¥2,396.1 billion (source: Famitsu Game White Paper 2025 from Kadokawa ASCII Research Laboratories, Inc.).

(4) Business and financial issues of greatest priority

The Group recognizes that securing new sources of revenue is a critical management issue and that the following issues need to be addressed.

1) Game Business

In the Game Business, the Group aims to strengthen its earnings base through the stable long-term operation and improved profitability of existing titles, as well as the stable creation of new hit titles. At the same time, in addition to in-house development, the Group will also actively promote the planning and development of commissioned development projects and consumer games, and aim to maximize profit opportunities by strengthening its development structure based on multi-platform development.

2) Metaverse Business

In the Metaverse Business, the Group will continue to strike a balance between improving profitability and investing in growth. The Group will further strengthen the profitability of the smartphone-oriented metaverse REALITY and aim for stable business growth. In the fast-growing VTuber business, the Group will continue to invest in developing and discovering talent and expanding content in Japan and overseas to further expand the scale of operations and create new revenue opportunities.

3) IP Business

In the IP Business, the Group aims to expand the scale of its businesses by acquiring and creating IPs in the anime business, etc., which have a long track record, and expanding the cycle of utilizing IPs in new businesses such as the merchandising business, in order to make them a pillar of continued growth.

4) DX Business

In the DX Business, the Group will accelerate its shift to a recurring revenue model based on the two pillars of the DX Solutions and DX Consulting businesses, with the aim of achieving sustained growth while firmly supporting the earnings base of the entire Group.

5) Investment Business

In the Investment Business, with the aim of securing stable profit contributions, the Group will continue to make medium- to long-term investments in major domestic and overseas venture capital funds and startup companies that mainly invest or operate in the Internet and IT fields.

6) Strengthening of organizational structure and internal control and risk management systems

In order to achieve further business growth, the Group is working to hire and foster talented human resources who can flourish in the various business areas in which the Group plans to operate. In addition, the Group will enhance and further strengthen the risk management system in consideration of various potential risk groups in each business segment.

2. Stance on sustainability and related initiatives

The Group's stance on sustainability and related initiatives are as follows.

The forward-looking statements in this report are based on the Group's best assessment as of June 30, 2025.

(1) Governance and risk management to support overall sustainability

The Group's mission is "Making the world a better place through the power of the Internet." The Group will contribute to the realization of a vibrant society by returning its expertise and profits to society. In addition, the Company's vision is "Make every day more exciting and enjoyable. Create a society that is more convenient, free, and fair." By providing convenient and useful services to all customers, it will contribute to the realization of a society that is rich and filled with smiles. The Company believes that society should be sustainable and that everyone should hold rich and diverse values. To realize this, the Company is aware of its roles and responsibilities as a corporate citizen and a member of the local community, and will continue to work to build a diverse, safe and secure society and to solve various social issues. The Company's sustainability initiatives are published on its corporate website.

<https://hd.gree.net/jp/ja/sustainability/>

Moreover, the Group has formulated various internal regulations, such as the Risk Management Regulations, and put in place a risk management system to prepare for diversifying risks, including those related to sustainability. Specifically, it has established the Group Risk Management Department and the Group Risk Management Committee. It has also set up and operates systems to promote appropriate risk management within each department and subsidiary.

(2) Key sustainability issues

The key sustainability issues for the Group identified through the aforementioned governance and risk management are as follows.

- Stance on addressing climate change, and related initiatives
- Stance on investment in intellectual property, and related initiatives
- Stance on investment in human capital, and related initiatives

The Group's stance on sustainability and related initiatives with respect to these issues are as follows.

1) Stance on addressing climate change, and related initiatives

As part of its "contribution to the realization of a society with diversity," the Group recognizes the risks of climate change as an important management issue, and has continued to consider its response to such risks. In September 2022, it publicly endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Under the TCFD framework, the Group discloses information in four areas: (1) governance, (2) strategy, (3) risk management, and (4) metrics and targets. It provides reports on its response to climate change risks. Further details can be found on the corporate website.

<https://hd.gree.net/jp/ja/sustainability/social/tcf.html>

2) Stance on investment in intellectual property, and related initiatives

The Group actively protects and acquires rights for its intellectual property as it expands its businesses. To protect its products and services and acquire rights for new technologies generated through new product and service development, global expansion, and other business activities, it conducts appropriate investigations and examinations on patent rights, trademark rights, and other intellectual property rights, and actively proceeds with related applications.

Furthermore, the Group has established internal rules, provides internal training, and conducts preliminary verifications through its business and legal departments to ensure its products, services, and software do not infringe on the intellectual property rights of third parties.

The Group also investigates and promptly takes appropriate measures in response to infringements by third parties. Further details can be found on the corporate website.

<https://hd.gree.net/jp/ja/sustainability/management/intellectual-property.html>

3) Stance on investment in human capital, and related initiatives

To support individual growth and encourage friendly competition among its employees, the Group has introduced various growth support systems and sought to create a work environment where diverse talent can thrive under the following four key themes: "ability to take on challenges," "ability to grow," "ability to praise each other," and "ability to contribute to society."

Going forward, the Group will continue to support the growth of its employees to promote the realization of its vision for the Company and sustainable growth from the perspective of human capital. Further details can be found on the corporate website.

<https://hd.gree.net/jp/ja/sustainability/social/program/>

In addition, the Group believes that it is important for diverse human resources to play an active role regardless of nationality,

gender, or background, and will continue to hire, develop, and promote diverse human resources regardless of gender, age, nationality, or route of employment.

At present, the Group has not set an indicator or target, but it will consider it as a future task.

3. Business and other risks

Regarding the business and financial information contained in this Annual Securities Report, management recognizes the following key risks that may have a significant impact on financial condition, operating results, and cash flows of consolidated companies.

However, as it would be difficult to rationally estimate the likelihood that such risks will turn into genuine issues or, if this were to occur, the timing or impact it might have on the Group's operating results, no attempt has been made to provide such data here. It is the Group's policy to adequately recognize the risks it faces and work to avoid them or respond appropriately when issues arise, but the content of this section and of the report as a whole should be carefully considered in assessing any investment in the Company's stock. The forward-looking statements in this report are based on the Group's best assessment as of June 30, 2025.

1) Risks related to business environment

I. Smartphone games

The difficulty of development increases as the quality of smartphone games improves through advances in functionality and increased multifunctionality, resulting in longer development times and higher development cost.

In addition, in the event that due to increased competition the Group is unable to win users as planned or the user count falls, this could impact the Group's business development and operating results.

II. Technological innovation

In an effort to respond flexibly to rapidly changing technological innovation, the Group is working to accumulate knowledge and expertise in cutting-edge technologies and hire and develop highly skilled technicians. In recent years, new technological trends, such as artificial intelligent technologies including generative AI, large-scale language models, machine learning, cloud computing, and quantum technologies, have rapidly changed the business environment and competitive structure, and it is important to appropriately understand and utilize these technological trends. However, in the event of any delay in responding appropriately to such changes, or in the event of increased capital expenditures on systems and labor costs as a result of addressing the changes, this may result in a reduction in the Group's technological advantage or the competitiveness of its services, which could in turn negatively impact the Group's business development and operating results.

2) Risks related to business development

I. Expansion of smartphone games

To get as many users as possible to use the services it provides on a continual basis, the Group has assembled a content lineup with high entertainment value. However, if the ratio of paying users or usage of paid services fall due to diversification of user preferences or obsolescence of content, this could negatively impact the Group's business development and operating results.

II. Expansion of smartphone-oriented metaverse REALITY

The Group engages in the Metaverse Business. Although it aims to expand this business mainly through the smartphone-oriented metaverse REALITY, if the development of this business does not progress according to plan due to a divergence between the outlook for the business and actual conditions, this could negatively impact the Group's business development and operating results.

III. Investment Business

In the Investment Business, the Group invests in venture capital firms and startup companies that mainly invest or operate in the Internet and IT fields. If the business plan achievement rates at these investees worsen or their growth prospects or earnings outlooks deteriorate, the Group may not be able to recover its investments, and this could negatively impact its business development and operating results.

IV. Risk related to paid services

The Group's main revenue source is the so-called gacha (method of providing users with items selected randomly, directly in exchange for money or using a prepaid payment method) used in the GREE platform, smartphone games, and REALITY operated by the Group. The Group complies with guidelines established by an industry group and maintains the necessary internal regulations for the development of the business. However, in the event that these guidelines and internal regulations are not strictly followed, declines in user count, ratio of paying users, or usage of paid services could negatively impact the Group's business development and operating results.

V. International development

The Group is promoting the expansion of smartphone games and REALITY both inside and outside Japan. However, should the Company fail to address potential risks associated with foreign exchange or differences in laws and ordinances, systems, regulations, political and social conditions, culture, religion, user preferences, and business practices from country to country, resulting in hindrance to business advancement, this could negatively impact the Group's business development and operating results.

VI. New businesses

With a view to expanding its operations and diversifying its sources of revenue, the Group plans to continue active expansion into new business areas. This expansion is likely to incur additional systems investment and advertising expenses, possibly causing a decline in profit margin. Further, in the event that new services or businesses cannot be developed according to plan due to disparity between the outlook and actual circumstances, the Group may not be able to recover its investments, and this could negatively impact the Group's business development and operating results.

3) System-related risks

I. Capital expenditure burden related to systems

To ensure stable operation of its services and raise user satisfaction, the Group recognizes that it must conduct upfront spending on systems and infrastructure in line with the growth of its services. The Group plans to continue capital spending to deal with expected increases in user count and traffic, the adoption of new services, and improvements to security. It is also moving to cloud services to reduce associated risk. However, if actual user count and traffic significantly differ from initial projections, there is a possibility that capital expenditures could be moved forward or that the burden of such spending could swell, which could negatively impact the Group's business development and operating results.

II. Service or system trouble and Internet connection environment flaws

The Group recognizes that the stable operation of its services, of the systems that support them, and of the Internet connection environment is a prerequisite to the operation of its businesses, and therefore strives to establish systems to realize such stable operation. However, should various issues such as unexpected natural disaster or accident, abrupt increase in user count or traffic, serious cloud service disruption, unauthorized access via a network, or a computer virus infection transpire, the stable provision of services may become problematic, which could negatively impact the Group's business development and operating results.

4) Risks related to management system

I. Reliance on specific people

Yoshikazu Tanaka is not only the Group's chairman, president and CEO, but also its founder. He has played a critical role since the Group's founding in regard to promoting its businesses and determining and executing management policies and business strategies.

The Group is taking measures to strengthen its organizational structure and reduce its dependence on Mr. Tanaka, such as by sharing information with executives and employees at Board of Directors meetings and Management Meetings, and by delegating authority to them. However, if for some reason it becomes difficult for Mr. Tanaka to continue his involvement in the Group's business management, this could negatively impact the Group's business development and operating results.

II. Securing human resources

The Group recognizes the importance of continuing to hire and develop a wide range of skilled human resources to execute its business strategies, further develop its businesses, and support growth as a group. Since personnel with an exceedingly high level of technical skill and planning ability are desired, especially for the development division, in order for the Group to provide quality services in a stable manner and improve competitiveness, the Group strives to hire such personnel and further develop and retain existing personnel. However, if the hiring of human resources satisfying the Group's standards and the development of existing human resources do not proceed according to plan, this could negatively impact the Group's business development and operating results.

III. Internal control system

The Group recognizes that effectively functioning corporate governance is essential to achieve sustainable growth in corporate value. It recognizes the importance of ensuring appropriate operations and reliable financial reporting, as well as of complying with laws and ordinances based on sound ethics, and is working to enhance its internal control system. However, in the event that rapid business expansion results in the internal control system falling behind in terms of adequacy, this could make appropriate business management problematic, which in turn could negatively impact the Group's business development and operating results.

5) Compliance-related risks

I. Compliance system

The Group believes it is important that its compliance system functions effectively in order to improve corporate value going forward. For this reason, it is working to strengthen its compliance system by formulating internal regulations related to compliance, covering these regulations during internal training, and posting them to a portal site to ensure that all employees are aware of them.

However, even with such initiatives, it is difficult to eliminate all compliance-related risks. If compliance-related issues were to arise in connection with the Group's business operations, this could negatively impact the Group's business development and

operating results.

II. Maintenance of the safety and integrity of services the Group provides

The services the Group provides have an unspecified large number of users registered to use them, heightening the risk of a range of issues arising. Furthermore, with a higher number and diversification of users, operators are being asked to maintain environments in which the full range of users can enjoy services safely and with a peace of mind.

In response to these circumstances, the Group is taking steps as follows:

- (a) Clarification of prohibited conduct in the Terms of Use
- (b) Monitoring system for posts and education and awareness activities for users
- (c) Establishment of the “Group Risk Management Committee”
- (d) Measures to protect and nurture minors and improve the usage environment

The Group believes it is maintaining a certain level of safety and security via these measures for the services it provides and plans to add more personnel to conduct monitoring, further strengthen the functions of related systems, and promote awareness and educational activities for users. However, in the event an issue arises in regard to services the Group provides, the Group may face legal liability. In addition, the credibility and brand of the Group or the credibility of the services it provides could be damaged, causing difficulty for the Group to provide services in a stable manner and negatively impacting the Group’s business development and operating results.

III. Risk of misconduct

The Group distributes various games and the smartphone-oriented metaverse REALITY through platforms provided by third parties. It has been discovered that some malicious users on these platforms have obtained and used items through illicit means, making it necessary to take measures to prevent fraud. Such illicit conduct runs counter to the intentions of the Group, which implements countermeasures to prevent it. These include preventive measures within computer systems, stipulation of prohibited conduct in the Terms of Use, active education of users, and stringent penalties for violators, including suspension or cancellation of membership.

In the event illicit conduct using the Group’s services were to occur, this could damage the Group’s credibility and brand, negatively impacting its business development and operating results.

IV. Regulatory requirements

As an Internet-based service provider, the Group recognizes that compliance with Internet-related regulatory requirements and legislation is a management issue of the greatest importance. It is subject to a range of legislation, including the Telecommunications Business Act, Payment Services Act, Act on Development of an Environment that Provides Safe and Secure Internet Use for Young People, Act on the Protection of Personal Information, Act against Unjustifiable Premiums and Misleading Representations, Act on Specified Commercial Transactions, Act on Measures Against Rights Infringement, etc. Arising from Distribution of Information by Specified Telecommunications (Information Distribution Platform Act), Act on Prohibition of Unauthorized Computer Access, Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and Act on Improvement of Transactions between Freelancers and Undertakings, along with various ordinances and guidelines established by supervisory authorities. In the event the Group encounters new or enhanced restrictions on its business as a result of the establishment or revision of such ordinances and regulations, or of administrative disposition by the supervisory authorities, this could negatively impact the Group’s business development and operating results.

Of the various laws and ordinances that have an impact on the Group, the following are of particular importance. Detail pertaining to the Act on the Protection of Personal Information is provided in the next section.

(i) Telecommunications Business Act

The Group files reports as a “telecommunications business operator” in line with the provisions of the Telecommunications Business Act and has the obligation of protecting the privacy of transmissions. The Group’s operations are conducted in compliance with this act, but in the event of an infraction by the Group leading to administrative disposition, this could negatively impact the Group’s business development and operating results.

(ii) Payment Services Act

The virtual currencies developed for use in games distributed on the GREE platform (“GREE coins”), in various games distributed under the Group’s name on third-party platforms, or elsewhere are subject to the Payment Services Act. The Group’s operations are conducted in compliance with this act, but in the event of an infraction by the Group leading to administrative disposition, this could negatively impact the Group’s business development and operating results.

Furthermore, when the Group conducts business overseas, it is subject in each country and region to local regulatory requirements and legislation pertaining to areas such as commercial transactions, advertising, premiums, personal information, privacy, protection

of minors, prohibition of monopolization, intellectual property rights, consumer protection, and virtual assets. In addition, the Group is required to obtain local permits and licenses from the governments of those countries and regions to do business or make investments. In the event the Group encounters new or enhanced restrictions on its business as a result of the revision or establishment of such requirements and legislation, this could negatively impact the Group's business development and operating results.

V. Protection of personal information

The Group obtains personal information from users as it provides online services, and therefore has the obligations of an entity handling personal information as defined by the Act on the Protection of Personal Information (APPI). It must also comply with the personal information protection laws of the various countries in which it conducts business. To prevent the leakage or falsification of personal information, the Group has clarified the workflow and authority system to be used when handling personal information. Moreover, it has formulated regulations and rules regarding the management of personal information, including the Personal Information Protection Regulations, and is working to raise awareness of employees regarding matters related to personal information protection and compliance with the APPI and other relevant ordinances through regular education.

However, if personal information were leaked through the willful misconduct or negligence of a person or people associated with the Group, its business partners, or outsourcing vendors, or due to a computer system flaw, computer virus, or access to a computer by an outside party using illicit means, and the leaked information were exploited, the Group could face legal liability, including compensation for damages, and there is a risk that the Group may be subject to a large fine under overseas laws and regulations. In addition, there could be damage to the credibility and brand of the Group or to the credibility of the services it provides, which would negatively impact the Group's business development and operating results.

VI. Disputes with third parties

The Group strives to minimize violation of laws and ordinances by its executives and employees by promoting legal compliance activities. However, there is a possibility of unexpected trouble or even lawsuits involving users, business partners, employees, or some other third party. In addition, there is a risk of lawsuits involving intellectual property rights, as described later. Depending on the content and result of such lawsuits, significant expenses associated with such lawsuits and potential damage to brand image could also negatively impact the Group's business development and operating results.

6) Risks related to intellectual property rights

I. Plan for protection of intellectual property rights

In light of legal compliance and corporate social responsibility, the Group recognizes the protection of intellectual property rights as an important management issue. For this reason, it strives to prevent infringement by its executives and employees of third-party intellectual property rights by maintaining internal rules and enhancing its in-house educational activities. However, in the event that negligence by an executive or employee of the Group results in the infringement of a third party's intellectual property rights, the Group could face legal liability, including compensation for damages, and there could be damage to the credibility and brand of the Group or to the credibility of the services it provides, which would negatively impact the Group's business development and operating results. In addition, while the Group strives to protect its own intellectual property rights, if such protection measures were to result in significant expense, or if the Group were unable to suitably protect its intellectual property rights and therefore could not maintain its competitive advantage, this would negatively impact the Group's business development and operating results.

II. Patent-related trends

At present, the Group is not aware of any patent-related issues or concerns that would have a significant impact on its businesses or services. However, since the scope of patent rights for Internet-related technology is unclear, it is possible that expenses related to patent disputes or potential disputes could balloon, which would negatively impact the Group's business development and operating results.

III. Content displayed on the Group's services

Regarding the content offered by the Group, a system is in place where the responsible business department cooperates with the legal department in confirming there is no infringement of third-party intellectual property rights. However, if the Group, despite lack of intent, is held liable for infringement of intellectual property rights due to the nature of, or differences in views on, intellectual property rights of third parties, this could have an adverse effect on the Group's business development and operating results. In addition, for content provided by external developers and content posted by users themselves, the Group strives to reduce the risk of infringement of third-party intellectual property rights by establishing the Terms of Use and other guidelines. However, if the Group is held legally liable and the situation unexpectedly develops into litigation or other dispute, this could negatively impact the Group's business development and operating results.

7) Risks related to business partnerships and M&A

I. Business or capital alliances with other companies

The Group endeavors to expand its operations through business or capital alliances, joint ventures, and other methods. By combining the Group's business expertise with that of the companies with which it creates alliances and joint ventures, the Group aims for significant synergy. However, if the initially anticipated synergy does not appear, or if an alliance or a joint venture is dissolved for some other reason, this could negatively impact the Group's business development and operating results.

II. Business expansion through M&A

The Group occasionally leverages M&A to accelerate its efforts to expand the scale of its operations and diversify its sources of revenue. Prior to conducting M&A, the Group undertakes a thorough investigation into the financial status and contractual relationships of any company it hopes to acquire, only making a final decision once associated risk has been closely examined. However, in the event the target of acquisition is found to have contingent liabilities or other liabilities not recognized during the advance investigation or the development of operations does not proceed according to plan, this could negatively impact the Group's business development and operating results. Furthermore, if an acquisition adds a new business in which the Group was not previously involved, the Group would take on additional risk factors inherent to that business.

4. Analyses of financial position, operating results, and cash flows

(1) Overview of business results

1) Business results

In 2024, individual smartphone ownership in Japan expanded by 1.6 percentage points YoY to 80.5% (source: 2024 Communications Usage Trend Survey from the Ministry of Internal Affairs and Communications), while the domestic game content market increased by 3.4% YoY to ¥2,396.1 billion (source: Famitsu Game White Paper 2025 from Kadokawa ASCII Research Laboratories, Inc.).

Against this backdrop, the Group actively invested in its Game, Metaverse, IP, DX, and Investment businesses.

In the fiscal year ended June 30, 2025, the Group reported net sales of ¥57,111 million (down 6.8% YoY), operating profit of ¥4,860 million (down 18.7% YoY), ordinary profit of ¥3,760 million (down 47.2% YoY) due to a significant increase in foreign exchange losses, and profit attributable to shareholders of parent of ¥1,194 million (down 74.2% YoY).

The Group previously operated the following business segments; the Game and Anime Business, the Metaverse Business, the DX Business, the Commerce Business, the Investment Business, and Others. However, following the organizational change to merge the Commerce Business Department into the DX Business Department effective July 1, 2024, the Commerce Business has been merged into the DX Business and reclassified as such from the fiscal year under review.

Also, the IP Business Department, which was established on April 1, 2025, and the anime and license-related business previously developed within the Game and Anime Business and the manga-related business previously included in “others” outside of the reportable segments have been classified in the newly established IP Business segment. Moreover, the Company changed the name of “Game and Anime Business” to “Game Business” in order to present its businesses more accurately.

YoY comparisons and percentage changes have been calculated on the basis of the reclassified figures.

Results by business segment are discussed below.

a. Game Business

The Group worked to increase profitability by implementing a long-term management system to stabilize profit from existing smartphone games and expanding overseas operations and made progress on developing new titles. The Group released a new smartphone game title during this period. Although its new smartphone game title contributed to earnings to some extent, the Group’s operations were focused on existing titles during this period, resulting in weak performance.

As a result, the cumulative consolidated results for the period were net sales of ¥36,936 million (down 14.2% YoY) and operating profit of ¥4,596 million (down 29.8% YoY).

b. Metaverse Business

In the platform business, the Group continued to expand the content and features of REALITY, GREE’s metaverse for smartphones, while making progress on global expansion. The Group also significantly improved its earnings structure by streamlining costs. The Group also continued to invest aggressively in the VTuber business, resulting in a strong performance in the Metaverse Business as a whole.

As a result, the cumulative consolidated results for the period were net sales of ¥8,276 million (up 14.2% YoY) and operating profit of ¥660 million (up 220.1% YoY).

c. IP Business

In light of the growing market importance of the IP and content businesses, such as anime and manga, which the Group has long been engaged in, the Company established an IP Business Department on April 1, 2025 and has created a corresponding reportable segment during this period. Although the license business was weak during this period, the Group invested in the full-scale launch of new businesses in this segment.

As a result, the cumulative consolidated results for the period were net sales of ¥1,737 million (down 4.1% YoY) and operating profit of ¥282 million (up 76.2% YoY).

d. DX Business

Earnings remained firm as the Group made progress on its overall plan for the DX Business even as it continued to make investments aimed at transitioning to a recurring-earnings-type business structure.

As a result, the cumulative consolidated results for the period were net sales of ¥7,041 million (up 3.0% YoY) and operating profit of ¥922 million (down 1.9% YoY).

e. Investment Business

The Group has been investing in venture capital funds and startups, mainly in the Internet and IT sectors. Although income from

investee funds increased, results were sluggish due to the impact of revaluation of stocks and other assets held by investee funds.

As a result, the cumulative consolidated results for the period were net sales of ¥3,346 million (up 26.9% YoY) and operating loss of ¥413 million (operating loss of ¥88 million in the previous fiscal year).

2) Cash flows

Cash and cash equivalents (hereinafter, net cash) as of the end of the current fiscal year totaled ¥83,901 million, an increase of ¥6,613 million compared with the end of the previous fiscal year.

Cash flows during the current fiscal year were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities during the period was ¥674 million (compared with ¥3,502 million in the previous consolidated fiscal year). This was mainly due to corporate tax payments of ¥2,507 million and a decrease in contract liabilities of ¥1,243 million, while there was net income before taxes of ¥3,644 million and foreign exchange gains and losses of ¥453 million.

(Cash flows from investing activities)

Net cash provided by investing activities during the period was ¥312 million (compared to net cash used in investing activities of ¥23 million in the previous consolidated fiscal year). This was mainly due to income of ¥373 million from the sale of investment securities.

(Cash flows from financing activities)

Net cash provided by financing activities during the period was ¥6,023 million (compared to net cash used in financing activities of ¥999 million in the previous consolidated fiscal year). This was mainly due to an outflow of ¥2,959 million for dividend payments, while there was an inflow of ¥9,000 million from long-term borrowings.

3) Production, orders received, and sales

a. Production

The Group's businesses involve providing services using the Internet, and investing in venture capital firms and startup companies. As these services do not include any production components, the Group does not report performance related to production.

b. Orders received

As the period between receipt of orders and the rendering of services is generally short, the Group chooses to omit reporting performance related to orders received.

c. Sales

Sales performance for the fiscal year under review is as follows.

Segments	Fiscal year ended June 30, 2025	
	Sales (millions of yen)	YoY changes (%)
Game	36,936	(14.2)
Metaverse	8,276	14.2
IP	1,737	(4.1)
DX	7,041	3.0
Investment	3,346	26.9
Other	308	103.1
Adjustments (Note 1)	(535)	-
Total	57,111	(6.8)

(Notes) 1. Adjustments represent elimination of intersegment transactions.

2. Sales performance by key partner and ratio of such sales to total sales

Partner	Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025	
	Sales (millions of yen)	%	Sales (millions of yen)	(%)
Apple Inc.	18,613	30.4	13,412	23.5
Google Inc.	15,583	25.4	12,446	21.8

(2) Analysis of operating results and items for consideration

Information on management's analysis and recognition of the Group's operating results and items for consideration are as follows. Any information that pertains to future developments is based on the best assessment available as of June 30, 2025.

1) Significant accounting estimates and assumptions used in making such estimates

The Group prepares its consolidated financial statements in accordance with accounting principles generally accepted in Japan. In preparing these consolidated financial statements, estimates and assumptions that may have an impact on assets, liabilities, income, and expenses are used. Figures based on these estimates and assumptions may differ from actual results.

Information about important accounting policies is provided in V. Financial Information, 1. Consolidated financial statements, (1) Consolidated financial statements, Notes to consolidated financial statements (Significant matters that serve as the basis for preparation of the consolidated financial statements).

2) Analysis of financial position

Total assets at the end of the period were ¥132,897 million, up ¥4,109 million from the end of the previous consolidated fiscal year.

Current assets totaled ¥117,419 million (up ¥5,142 million from the end of the previous consolidated fiscal year). The main factors behind this increase were an increase of ¥7,500 million in "money held in trust," ¥396 million in "other" under current assets, and decrease of ¥1,401 million in "operational investment securities," ¥936 million in "cash and deposit," and ¥261 million in "accounts receivable - trade, and contract assets."

Non-current assets totaled ¥15,477 million (down ¥1,033 million from the end of the previous consolidated fiscal year). The main factors behind this decrease were a decrease of ¥1,231 million in "deferred tax assets," and ¥249 million in "other" under investments and other assets, and increase of ¥702 million in "investment securities."

Total liabilities amounted to ¥39,250 million, up ¥5,992 million from the end of the previous consolidated fiscal year.

Current liabilities totaled ¥21,602 million (up ¥6,581 million from the end of the previous fiscal year). The main factors behind this increase were an increase of ¥9,000 million in "current portion of bonds payable," and decrease of ¥1,243 million in "contract liabilities," and ¥804 million in "income taxes payable."

Non-current liabilities totaled ¥17,647 million (down ¥588 million from the end of the previous fiscal year). The main factors behind this decrease were a decrease of ¥9,000 million in "bonds payable," ¥588 million in "other" under non-current liabilities, and an increase of ¥9,000 million in "long-term borrowings."

Net assets totaled ¥93,647 million, down ¥1,882 million from the end of the previous consolidated fiscal year. The main factors behind this decrease were a decrease of ¥208 million in "treasury shares," and decreases of ¥1,627 million in "retained earnings," ¥276 million in "valuation difference on available-for-sale securities," and ¥221 million in "foreign currency translation adjustment."

The equity ratio, an indicator of financial stability, was 70.0% at the end of the period. The current ratio, an indicator of financial liquidity, was 543.5% at the end of the period.

3) Analysis of operating results

Net sales totaled ¥57,111 million, down 6.8% YoY. For an analysis of net sales, please refer to (1) Overview of business results,

1) Business results.

Cost of sales increased 3.1% YoY to ¥27,902 million, mainly due to an increase in investment costs.

Selling, general and administrative expenses fell 13.8% YoY to ¥24,348 million, primarily attributable to a decline in settlement service fees.

Non-operating income declined 74.9% YoY to ¥338 million, mainly driven by a decrease in foreign exchange gains.

Non-operating expenses increased 599.7% YoY to ¥1,439 million, primarily due to an increase in foreign exchange losses.

Extraordinary income increased 6.6% YoY to ¥77 million, mainly due to an increase in gain on sale of investment securities.

Extraordinary losses increased 793.7% YoY to ¥193 million, primarily attributable to an increase in loss on sale of shares of subsidiaries and associates.

4) Analysis of cash flows

Information on cash flows for the fiscal year under review and on related factors is provided in (1) Overview of business results,

2) Cash flows.

5) Factors with a significant impact on operating results

Factors with a significant impact on operating results are provided in II. Business Overview, 3. Business and other risks.

6) Information on management's problem recognition and plans for the future

Information on management's problem recognition and plans for the future is provided in II. Business Overview, 1. Management policy, management environment, and issues to be addressed.

7) Source of capital and liquidity of funds

The Group maintains internal reserves to address future changes in the business environment and to support the development of new businesses and other initiatives. A significant portion of the Group's working capital is allocated to development costs in the Game Business, as well as advertising and other sales-related expenses for each business. The Group recognizes that securing new sources of revenue is a critical management issue and therefore plans to pursue stable creation of new hit titles in the Game Business and the expansion of operations in the Metaverse Business, the IP Business, and the DX Business. It intends to use funds on hand to cover the funding requirements for these efforts, but will raise additional funds as needed.

As of June 30, 2025, the balance of cash and cash equivalents was ¥83,901 million.

5. Material agreements

(1) Major trade agreements

Name of partner	Name of agreement	Agreement detail	Agreement period
Apple Inc.	Apple Developer Program License Agreement	Agreement regarding the distribution and sales of apps for iOS devices	One year (automatically renews each year)
Google Inc.	Google Play Developer Sales and Distribution Agreement	Agreement regarding the distribution and sales of apps for Android devices	No provision

(2) Other material agreements

There are no applicable matters to report.

6. Research and development

The Group develops game content for smartphones. In the fiscal year under review, it recorded ¥1,088 million in research and development expenses in the Game Business.

III. Equipment and Facilities

1. Capital expenditures

In the fiscal year ended June 30, 2025, capital expenditures totaled ¥5 million, most of which went toward office facility expenses and equipment purchase expenses.

2. Principal facilities

The principal facilities of the Group are as follows.

The Company

As of June 30, 2025

Office name (Location)	Segments	Details of facilities	Book value (millions of yen)				Number of employees
			Building	Structures	Tools, furniture and fixtures	Total	
Head office (Minato-ku, Tokyo)	All segments	Business facilities	1,461	9	219	1,690	123 [176]

(Notes) 1. The Company currently has no dormant facilities.

2. The number of employees represents full-time employees. The average number of temporary employees during the fiscal year (including regularly assigned temporary employees) is shown separately in square brackets.

3. The building housing the abovementioned head office is leased. Annual rent expenses totaled ¥820 million.

3. Plans for additions or disposals of facilities

(1) Addition of important facilities

The Company has no plans to newly add important facilities.

(2) Disposal of important facilities

The Company has no plans to dispose of important facilities.

IV. Information on the Company

1. Information on the Company's shares

(1) Total number of shares

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	640,000,000
Total	640,000,000

2) Number of shares issued

Class	Number of shares issued as of end of fiscal year (shares) (June 30, 2025)	Number of shares issued as of filing date (shares) (September 26, 2025)	Stock exchange on which the Company is listed	Description
Common stock	179,749,700	179,749,700	Tokyo Stock Exchange (Prime Market)	The number of shares constituting one unit is 100 shares.
Total	179,749,700	179,749,700	-	-

(Note) The number of shares issued as of filing date does not include those issued upon exercise of share acquisition rights between September 1, 2025 and the filing date of this Annual Securities Report.

(2) Share acquisition rights

1) Details of stock option program

Share acquisition rights issued in accordance with the provisions of the Companies Act are as follows.

1) Resolution of the Board of Directors on September 29, 2015

Resolution date	September 29, 2015
Category and number of grantees	Seven Company directors
Number of share acquisition rights*	1,135 units
Class and number of shares subject to share acquisition rights*	Common stock, 113,500 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 15, 2015 to October 14, 2025
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥572 Additional paid-in capital per share: ¥286
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The acquisition of share acquisition rights through transfer requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

(Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.

2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.

3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as "Restructuring Actions"), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the "Reorganized Company") as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.

(1) Number of share acquisition rights of the Reorganized Company to be granted

To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.

(2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted

The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.

(3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted

To be rationally determined in consideration of conditions of Restructuring Actions.

(4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted

Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company's shares to be granted for each share acquisition right.

(5) Exercise period for share acquisition rights to be granted

From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.

(6) Conditions for exercise of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

(7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

(8) Restrictions on acquiring share acquisition rights through transfer

The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.

(9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

2) Resolution of the Board of Directors on September 27, 2016

Resolution date	September 27, 2016
Category and number of grantees	Six Company directors
Number of share acquisition rights*	731 units
Class and number of shares subject to share acquisition rights*	Common stock, 73,100 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 14, 2016 to October 13, 2026
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥533 Additional paid-in capital per share: ¥266.5
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The acquisition of share acquisition rights through transfer requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

- (Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.
2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as “Restructuring Actions”), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the “Reorganized Company”) as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.
- (1) Number of share acquisition rights of the Reorganized Company to be granted
To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.
- (2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted
The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.
- (3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted
To be rationally determined in consideration of conditions of Restructuring Actions.
- (4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted
Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company’s shares to be granted for each share acquisition right.
- (5) Exercise period for share acquisition rights to be granted
From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.
- (6) Conditions for exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (8) Restrictions on acquiring share acquisition rights through transfer
The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.
- (9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

3) Resolution of the Board of Directors on September 27, 2017

Resolution date	September 27, 2017
Category and number of grantees	Six Company directors
Number of share acquisition rights*	1,069 units
Class and number of shares subject to share acquisition rights*	Common stock, 106,900 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 13, 2017 to October 12, 2027
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥766 Additional paid-in capital per share: ¥383
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The acquisition of share acquisition rights through transfer requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

- (Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.
2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as “Restructuring Actions”), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the “Reorganized Company”) as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.
- (1) Number of share acquisition rights of the Reorganized Company to be granted
To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.
 - (2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted
The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.
 - (3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted
To be rationally determined in consideration of conditions of Restructuring Actions.
 - (4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted
Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company’s shares to be granted for each share acquisition right.
 - (5) Exercise period for share acquisition rights to be granted
From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.
 - (6) Conditions for exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
 - (7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
 - (8) Restrictions on acquiring share acquisition rights through transfer
The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.
 - (9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

4) Resolution of the Board of Directors on September 26, 2018

Resolution date	September 26, 2018
Category and number of grantees	Six Company directors
Number of share acquisition rights*	1,052 units
Class and number of shares subject to share acquisition rights*	Common stock, 105,200 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 12, 2018 to October 11, 2028
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥482 Additional paid-in capital per share: ¥241
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The acquisition of share acquisition rights through transfer requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

- (Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.
2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as “Restructuring Actions”), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the “Reorganized Company”) as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.
- (1) Number of share acquisition rights of the Reorganized Company to be granted
To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.
- (2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted
The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.
- (3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted
To be rationally determined in consideration of conditions of Restructuring Actions.
- (4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted
Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company’s shares to be granted for each share acquisition right.
- (5) Exercise period for share acquisition rights to be granted
From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.
- (6) Conditions for exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (8) Restrictions on acquiring share acquisition rights through transfer
The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.
- (9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

5) Resolution of the Board of Directors on September 25, 2019

Resolution date	September 25, 2019
Category and number of grantees	Six Company directors
Number of share acquisition rights*	995 units
Class and number of shares subject to share acquisition rights*	Common stock, 99,500 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 11, 2019 to October 10, 2029
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥458 Additional paid-in capital per share: ¥229
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The acquisition of share acquisition rights through transfer requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

- (Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.
2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as “Restructuring Actions”), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the “Reorganized Company”) as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.
- (1) Number of share acquisition rights of the Reorganized Company to be granted
To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.
- (2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted
The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.
- (3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted
To be rationally determined in consideration of conditions of Restructuring Actions.
- (4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted
Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company’s shares to be granted for each share acquisition right.
- (5) Exercise period for share acquisition rights to be granted
From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.
- (6) Conditions for exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (8) Restrictions on acquiring share acquisition rights through transfer
The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.
- (9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

6) Resolution of the Board of Directors on September 29, 2020

Resolution date	September 29, 2020
Category and number of grantees	Six Company directors
Number of share acquisition rights*	1,260 units
Class and number of shares subject to share acquisition rights*	Common stock, 126,000 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 14, 2020 to October 13, 2030
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥500 Additional paid-in capital per share: ¥250
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The acquisition of share acquisition rights through transfer requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

- (Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.
2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as “Restructuring Actions”), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the “Reorganized Company”) as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.
- (1) Number of share acquisition rights of the Reorganized Company to be granted
To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.
- (2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted
The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.
- (3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted
To be rationally determined in consideration of conditions of Restructuring Actions.
- (4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted
Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company’s shares to be granted for each share acquisition right.
- (5) Exercise period for share acquisition rights to be granted
From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.
- (6) Conditions for exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (8) Restrictions on acquiring share acquisition rights through transfer
The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.
- (9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

7) Resolution of the Board of Directors on September 28, 2021

Resolution date	September 28, 2021
Category and number of grantees	Five Company directors
Number of share acquisition rights*	11,970 units
Class and number of shares subject to share acquisition rights*	Common stock, 1,197,000 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 14, 2021 to October 13, 2031
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥827 Additional paid-in capital per share: ¥413.5
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The transfer of share acquisition rights requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

(Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.

2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights. Individuals that have been allotted the share acquisition rights may exercise the share acquisition rights from the day following the date on which the market capitalization condition has been met.

[Market capitalization condition]

The main condition for exercise of the rights is that, at any time within seven years from the date of allotment of the rights, the market capitalization of the Company (calculated using the formula below) exceeds ¥500 billion on each of five consecutive business days (excluding days on which the Company's common stock is not traded).

Market capitalization = (Total number of common shares issued by the Company* – Number of common shares held by the Company as treasury shares*) × Closing price of the Company's common shares in regular trading on the Tokyo Stock Exchange*

*All three figures shall be the figures for each of the relevant five consecutive business days.

3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as "Restructuring Actions"), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the "Reorganized Company") as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.

(1) Number of share acquisition rights of the Reorganized Company to be granted

To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.

(2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted

The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.

(3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted

To be rationally determined in consideration of conditions of Restructuring Actions.

(4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted

Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company's shares to be granted for each share acquisition right.

(5) Exercise period for share acquisition rights to be granted

From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.

(6) Conditions for exercise of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

(7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

(8) Restrictions on acquiring share acquisition rights through transfer

The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.

(9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

8) Resolution of the Board of Directors on September 28, 2021

Resolution date	September 28, 2021
Category and number of grantees	Six Company directors
Number of share acquisition rights*	727 units
Class and number of shares subject to share acquisition rights*	Common stock, 72,700 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 14, 2021 to October 13, 2031
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥810 Additional paid-in capital per share: ¥405
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The transfer of share acquisition rights requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

- (Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.
2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as “Restructuring Actions”), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the “Reorganized Company”) as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.
- (1) Number of share acquisition rights of the Reorganized Company to be granted
To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.
- (2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted
The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.
- (3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted
To be rationally determined in consideration of conditions of Restructuring Actions.
- (4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted
Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company’s shares to be granted for each share acquisition right.
- (5) Exercise period for share acquisition rights to be granted
From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.
- (6) Conditions for exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (8) Restrictions on acquiring share acquisition rights through transfer
The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.
- (9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

9) Resolution of the Board of Directors on September 27, 2022

Resolution date	September 27, 2022
Category and number of grantees	One Company director
Number of share acquisition rights*	1,243 units
Class and number of shares subject to share acquisition rights*	Common stock, 124,300 shares
Amount payable upon exercise of share acquisition rights*	¥1
Exercise period of share acquisition rights*	From October 14, 2022 to October 13, 2032
Share issue price and additional paid-in capital per share in the event of issuance of shares upon exercise of share acquisition rights*	Share issue price: ¥777 Additional paid-in capital per share: ¥388.5
Conditions for exercise of share acquisition rights*	(Notes) 1, 2
Matters regarding transfer of share acquisition rights*	The transfer of share acquisition rights requires approval of the Board of Directors.
Matters regarding grant of share acquisition rights as a result of organizational restructuring actions*	(Note) 3

* The information above is as of the end of the fiscal year under review (June 30, 2025). There were no changes in the information between the end of the fiscal year and the end of the month preceding the filing date (August 31, 2025), so information as of the end of the month preceding the filing date has been omitted.

- (Notes) 1. An individual allotted the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company.
2. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
3. In the event the Company conducts a merger (limited to a case in which the Company ceases to exist due to the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange, or a share transfer (hereinafter collectively referred to as “Restructuring Actions”), the holder of the share acquisition rights, neither exercised nor obtained by the Company as of the time the Restructuring Actions take effective, is granted in place of these share acquisition rights, share acquisition rights of the relevant stock company (hereinafter collectively referred to as the “Reorganized Company”) as described in Article 236, Paragraph 1, item viii, (a)–(e) of the Companies Act, based on the following conditions. However, this is limited to cases where the grant of share acquisition rights in the Reorganized Company matching the following conditions is specifically stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement, or share transfer plan.
- (1) Number of share acquisition rights of the Reorganized Company to be granted
To be rationally determined in consideration of conditions of Restructuring Actions and based on the number of the share acquisition rights held by the holder.
- (2) Class of shares in the Reorganized Company subject to share acquisition rights to be granted
The same class of shares in the Reorganized Company as the class of shares to be issued upon exercise of the share acquisition rights.
- (3) Number of shares of the Reorganized Company subject to share acquisition rights to be granted
To be rationally determined in consideration of conditions of Restructuring Actions.
- (4) Amount of assets to be contributed upon exercise of share acquisition rights to be granted
Amount of assets to be contributed shall be the amount rationally determined in consideration of conditions of Restructuring Actions and based on the exercise price of the share acquisition rights, multiplied by the number of the Reorganized Company’s shares to be granted for each share acquisition right.
- (5) Exercise period for share acquisition rights to be granted
From the first day of the exercise period for the share acquisition rights or the day the Restructuring Actions take effect, whichever is later, through the final day of the exercise period for the share acquisition rights.
- (6) Conditions for exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (7) Matters regarding the increase in share capital and legal capital surplus in the event shares are issued upon exercise of share acquisition rights to be granted
To be determined based on agreements for the share acquisition rights.
- (8) Restrictions on acquiring share acquisition rights through transfer
The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors of the Reorganized Company.
- (9) Acquisition of share acquisition rights to be granted

To be determined based on agreements for the share acquisition rights.

2) Details of rights plans

There are no applicable matters to report.

3) Status of other share acquisition rights

There are no applicable matters to report.

(3) Exercise status of moving strike convertible bonds

There are no applicable matters to report.

(4) Total number of shares issued and share capital

Period	Change in total number of shares issued (shares)	Balance of shares issued (shares)	Change in share capital (millions of yen)	Balance of share capital (millions of yen)	Change in legal capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
November 5, 2020 (Note) 1	-	242,249,700	(2,267)	100	-	2,365
December 28, 2021 (Note) 2	(62,500,000)	179,749,700	-	100	-	2,365

(Notes) 1. The ¥2,267 million decrease in share capital was due to a capital reduction.

2. The decrease of 62,500,000 shares in the total number of shares issued was due to the cancellation of shares.

(5) Shareholder composition

As of June 30, 2025

Category	Status of shares (100 shares constitute a unit)								Shares less than one unit (shares)
	National and local government bodies	Financial institutions	Financial instruments business operators	Other corporations	Foreign shareholders		Individual and others	Total	
					Non-individuals	Individuals			
Number of shareholders	-	13	34	101	202	87	28,241	28,678	-
Shares held (units)	-	202,198	31,712	966,344	213,187	465	382,981	1,796,887	61,000
Shareholding ratio (%)	-	11.24	1.76	53.76	11.86	0.03	21.33	100.00	-

(Notes) 1. Of the 419,308 shares of treasury stock, 4,193 units are included in “individual and others,” and 8 shares are included in “shares less than one unit.”

2. Of the 7,981,605 shares of the Company’s stock held by The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account), 79,816 units are included in “financial institutions,” and 5 shares are included in “shares less than one unit.”

(6) Major shareholders

As of June 30, 2025

Name	Address	Number of shares held (thousands of shares)	Number of shares held as percentage of total shares issued (excluding treasury shares) (%)
Sequoia, Inc.	14-5, Akasaka 1-chome, Minato-ku, Tokyo	96,000	53.53
Yoshikazu Tanaka	Minato-ku, Tokyo	14,844	8.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	8-3, Akasaka 1-chome, Minato-ku, Tokyo	9,339	5.21
The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account 76166)	8-3, Akasaka 1-chome, Minato-ku, Tokyo	5,216	2.91
The Master Trust Bank of Japan, Ltd. (Executive Remuneration BIP Trust Account 76759)	8-3, Akasaka 1-chome, Minato-ku, Tokyo	2,765	1.54
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	2,182	1.22
Masaki Fujimoto	Chuo-ku, Tokyo	1,842	1.03
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts (15-1, Konan 2-chome, Minato-ku, Tokyo)	1,199	0.67
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts (15-1, Konan 2-chome, Minato-ku, Tokyo)	1,144	0.64
JP Morgan Securities Japan Co., Ltd.	Tokyo Building, 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	1,114	0.62
Total	-	135,649	75.64

(Note) The Company holds 419 thousand shares of treasury stock; however, these shares have been excluded from this list of major shareholders since they carry no voting rights.

(7) Voting rights

1) Shares issued

As of June 30, 2025

Classification	Number of shares (shares)	Number of voting rights (units)	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury shares)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury shares)	Common stock 419,300	-	-
Shares with full voting rights (others)	Common stock 179,269,400	1,792,694	-
Shares less than one unit	Common stock 61,000	-	-
Total number of shares issued	179,749,700	-	-
Total number of voting rights held by all shareholders	-	1,792,694	-

(Note) Of the 7,981,605 shares of the Company's stock held by The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account), 7,981,600 shares (voting rights for 79,816 units) are included in "shares with full voting rights (others)," and 5 shares are included in "shares less than one unit."

2) Treasury shares

As of June 30, 2025

Shareholder	Shareholder address	Number of shares held under own name (shares)	Number of shares held under names of others (shares)	Total number of shares held (shares)	Number of shares held as percentage of total shares issued (%)
GREE Holdings, Inc.	11-1, Roppongi 6-chome, Minato-ku, Tokyo	419,300	-	419,300	0.23
Total	-	419,300	-	419,300	0.23

(Note) 7,981,605 shares of the Company's stock held by The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account) are not included in the above treasury shares.

(8) Executive and employee stock ownership plan

(ESOP Trust)

1) Overview of ESOP Trust

The Company has adopted an employee incentive plan called a Stock Grant ESOP Trust (hereinafter referred to as “ESOP Trust”) with the objectives of further advancing business operations with a focus on earnings improvement, making Group employees mindful of the Company’s performance and share price, and strengthening its corporate value in the medium to long term.

The ESOP Trust is a trust-type employee incentive plan based on the US employee stock ownership plan (ESOP) intended for the purpose of enhancing employee compensation system using the Company’s stock. By contributing funds to acquire the Company’s stock, the Company establishes a trust, for which the beneficiaries are employees of the Company and its subsidiaries who satisfy certain requirements. During a predetermined acquisition period, the trust acquires from the stock market a certain number of shares in the Company that is expected to be granted to employees of the Company and its subsidiaries based on predetermined Stock Grant Regulations. Thereafter, the trust grants the Company’s stock to entitled employees free of charge during their employment, as per the Stock Grant Regulations and based on such employees’ positions during the term of the trust and other factors. Since the Company’s stock granted to employees are acquired with contributions wholly provided by the Company, there is no burden on the employees.

The adoption of this trust allows employees to receive economic benefits when the Company’s stock price increases. As such, it is expected to encourage employees to apply a stock price-conscious mindset in the performance of their duties and boost their morale. In addition, since the voting rights for the Company’s stock that serves as the trust assets are used to reflect the will of the employees who are the beneficiary candidates, the trust promotes employees’ engagement in management. In this way, the plan should prove effective in improving corporate value.

2) Total number of shares to be acquired by employees

8,784,600 shares

3) Scope of individuals who can receive beneficiary and other rights via the ESOP Trust

Employees of the Company and its subsidiaries who satisfy certain requirements

(Executive Remuneration BIP Trust)

1. Overview of Executive Remuneration BIP Trust

The Company has adopted a share-based remuneration plan (hereinafter referred to as the “Plan”) for its directors (excluding outside directors, directors who are Audit & Supervisory Committee members, and non-residents of Japan; the same shall apply hereinafter) and senior vice presidents (excluding those who concurrently serve as directors and non-residents of Japan; hereinafter collectively referred to as “Eligible Directors, etc.” together with directors).

The Plan assumes the form of an Executive Remuneration Board Incentive Plan Trust (hereinafter referred to as “BIP Trust”). Under the Plan, the Company issues and pays shares of the Company’s stock and a cash amount equivalent to the cash proceeds from the conversion of the Company’s stock to Eligible Directors, etc. in accordance with factors such as the position and degree of achievement of performance of the Eligible Directors, etc. When the trust period for the BIP Trust set for the implementation of the Plan expires, the Company will, in principle, aim to continuously implement the Plan by amending the trust agreement or setting up an additional trust.

With the adoption of the Plan, the Company seeks to clarify the correlation between the remuneration of the Eligible Directors, etc. and the value of the Company’s stock to the Eligible Directors, etc., and further enhance the motivation of Eligible Directors, etc. to contribute to increases in corporate value and help maximize it.

2. Total number of shares to be acquired by eligible directors

Acquisition period: November 2022 to November 2027

Maximum shares to be acquired by Eligible Directors, etc.: 3,250,000 shares

3. Scope of individuals who can receive beneficiary and other rights via the Executive Remuneration BIP Trust

Directors and senior vice presidents of the Company who satisfy certain requirements

2. Acquisition of treasury shares

Class of shares

Common shares

(1) Acquisition by a resolution of the General Meeting of Shareholders

There are no applicable matters to report.

(2) Acquisition by a resolution of the Board of Directors

There are no applicable matters to report.

(3) Acquisition not based on resolution of the General Meeting of Shareholders or the Board of Directors

Category	Number of shares (shares)	Total value (yen)
Treasury shares acquired in the current fiscal year	81	45,593
Treasury shares acquired during the current period	-	-

(4) Disposition and holding of acquired treasury shares

Category	Fiscal year ended June 30, 2025		Fiscal year ending June 30, 2026	
	Number of shares (shares)	Total amount disposed (yen)	Number of shares (shares)	Total amount disposed (yen)
Acquired treasury shares for which subscribers were solicited	-	-	-	-
Acquired treasury shares that were cancelled	-	-	-	-
Acquired treasury shares transferred in connection with merger, share exchange, share delivery, or demerger	-	-	-	-
Others	-	-	-	-
Number of treasury shares held	419,308	-	419,308	-

- (Notes)
1. The number of treasury shares held does not include the number of shares held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account.
 2. The number of treasury shares held in the fiscal year ending June 30, 2026 does not include shares less than one unit purchased between September 1, 2025 and the filing date of this Annual Securities Report.

3. Dividend policy

The Group recognizes that shareholder returns are an important management issue. As such, it has a basic policy of appropriately distributing profits in line with the Group's actual and projected business results and financial condition, with consideration given to the need to maintain adequate internal reserves to efficiently operate and expand its businesses. The Group has not established any specific rule on the number of dividend payouts. The body that makes decisions on dividends of surplus is the Board of Directors.

The Group aims to provide stable, continuous dividends, maintaining a dividend on equity (DOE) ratio of about 3% and a consolidated payout ratio of 30% or higher (maximum of 70%). For the fiscal year under review, it resolved to pay an ordinary dividend of ¥4.5 per share. In addition, the Group has decided to pay a commemorative dividend of ¥10 per share on the 20th anniversary of its founding. As a result, the annual dividend for the fiscal year under review will be ¥14.5 per share.

The Company's Articles of Incorporation stipulate that "the Board of Directors may resolve to pay an interim dividend with December 31 each year as the record date."

The dividends of surplus for the fiscal year under review are as follows.

Resolution date	Total amount of dividends (millions of yen)	Dividend per share (yen)
August 6, 2025 Board of Directors	2,484	14.5

(Note) The total amount of dividends does not include dividends paid to the Company's stock held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account (¥115 million for the fiscal year ended June 30, 2025).

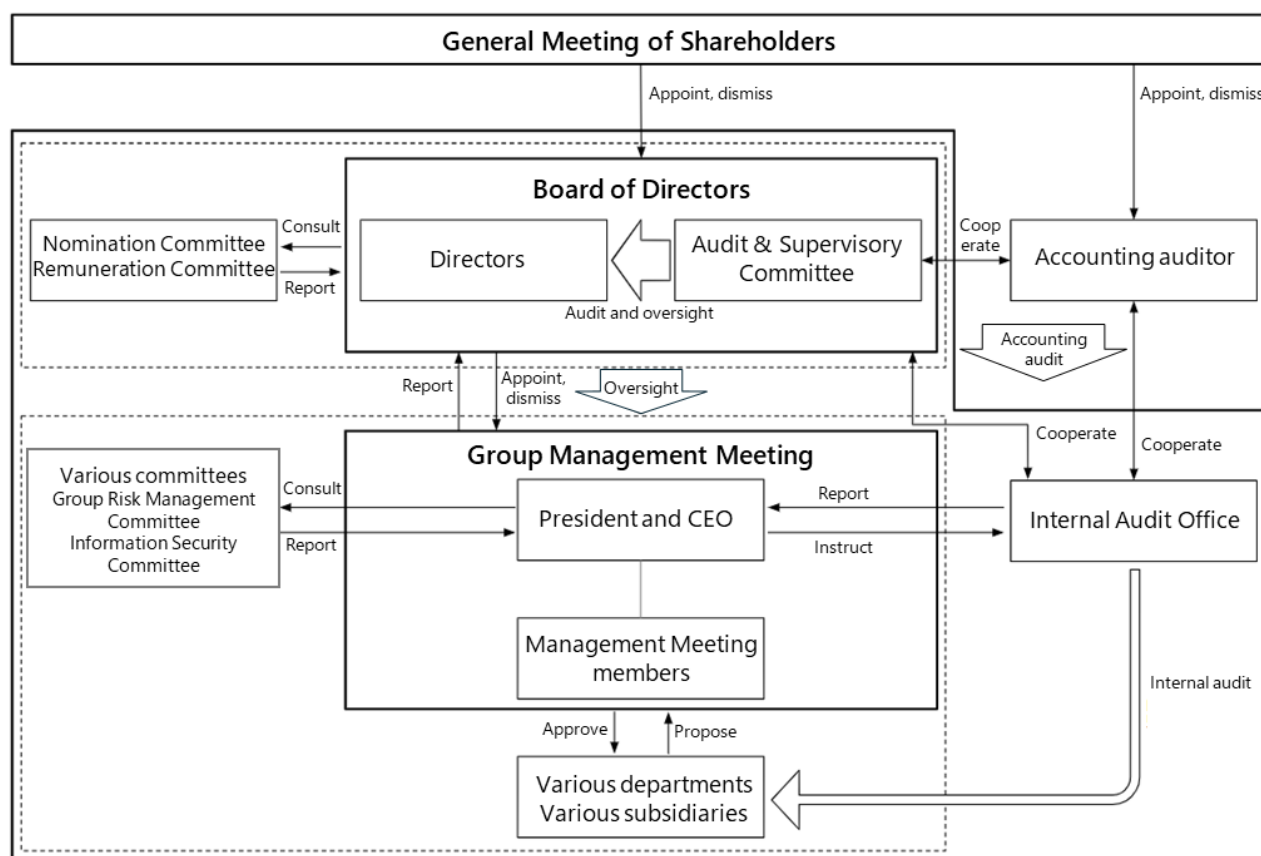
4. Corporate governance

(1) Overview of corporate governance

1) Basic policy on corporate governance

The Company considers corporate governance to be of the utmost importance for strengthening competitiveness through careful risk management and for maximizing corporate and shareholder value. Based on this policy, the Company strives to conduct appropriate and efficient business activities, where directors and employees have a proper understanding of their duties and work to maintain and further improve awareness of laws and ordinances, societal norms, ethics, and other rules and guidelines, which they apply in actual business practices.

2) Overview of corporate governance system and reasons for its adoption



The Company has adopted a corporate governance structure with an Audit & Supervisory Committee, and has set up a General Meeting of Shareholders and a Board of Directors. It has also adopted an executive officer system, under which the Board of Directors makes decisions on the execution of business, and executive officers carry out their respective duties under the direction and supervision of the president and CEO.

As of the filing date of this report (September 26, 2025), the Company's corporate governance system was as follows.

a. Board of Directors

The Board of Directors comprises nine directors who are not Audit & Supervisory Committee members (three of whom are independent outside directors) and four directors who are Audit & Supervisory Committee members (all four of whom are independent outside directors), for a total of 13 members. In addition to regular monthly Board of Directors meetings, extraordinary Board of Directors meetings are held to realize rational management and make timely management decisions. The Board of Directors makes decisions on management policies and strategies, business plans, and other critical management matters, and supervises the execution of business at the Company.

Chairman and Representative Director Yoshikazu Tanaka serves as chair of the Board of Directors. Information on other members is provided in (2) Directors and Audit & Supervisory Committee members 1) a.

b. Audit & Supervisory Committee

The Audit & Supervisory Committee comprises four independent outside directors, including one full-time member. The duties

of the committee members include auditing the execution of duties by directors, preparing audit reports, and making decisions on details of a proposal for appointment, dismissal, and non-reappointment of the accounting auditor.

As a general rule, the Audit & Supervisory Committee meets on a monthly basis and performs audits and other responsibilities based on audit and other policies and plans that are formulated each fiscal year. Audit & Supervisory Committee members attend important meetings, such as Board of Directors meetings, and conduct strict supervision of directors' execution of duties. Furthermore, the Audit & Supervisory Committee cooperates closely with the accounting auditor, the Internal Audit Office, and the Office of Audit & Supervisory Committee that assists Audit & Supervisory Committee members. They also attend regular meetings, confirm management policies, and exchange opinions on important matters and other items with the president and CEO.

Independent outside director (full-time Audit & Supervisory Committee member) Kenichiro Takagi serves as chair of the Audit & Supervisory Committee. Other members are independent outside directors Koichi Shima, Nobuyuki Watanabe, and Michiko Ashizawa.

c. Nomination Committee and Remuneration Committee

The Company has established a Nomination Committee and a Remuneration Committee as advisory bodies to the Board of Directors to strengthen its corporate governance by clarifying the decision-making processes that underpin its selection of candidates for positions such as directors (excluding directors who are Audit & Supervisory Committee members) and Management Meeting members, and their remuneration. Both committees comprise a majority of independent outside directors, and are chaired by an independent outside director.

Independent outside director Kazunobu Iijima serves as chair of the Nomination Committee. Other members are independent outside directors Takeshi Natsuno and Michinori Mizuno, independent outside director (full-time Audit & Supervisory Committee member) Kenichiro Takagi, and Chairman and Representative Director Yoshikazu Tanaka.

Independent outside director Kazunobu Iijima serves as chair of the Remuneration Committee. Other members are independent outside directors Takeshi Natsuno and Michinori Mizuno, independent outside director (full-time Audit & Supervisory Committee member) Kenichiro Takagi, and Chairman and Representative Director Yoshikazu Tanaka.

d. Group Management Meeting

The Company has established a Group Management Meeting that is attended by members appointed by the Board of Directors. As a general rule, the Group Management Meeting is held weekly. It decides on important matters related to the management of the entire Group, and aims to enhance the agility and efficiency of decision-making related to business execution.

President and CEO Yoshikazu Tanaka chairs the Group Management Meeting. Other participants are directors and senior vice presidents Masaki Fujimoto, Toshiki Oya, Sanku Shino, Eiji Araki, Yuta Maeda, and vice president Kazuhisa Adachi.

The Group Management Meeting is also attended by a full-time Audit & Supervisory Committee member who audits decision making with regard to business execution.

*The Company has proposed "Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" and "Election of One Director Who Is an Audit and Supervisory Committee Member" as proposals (matters to be resolved) for the Ordinary General Meeting of Shareholders scheduled to be held on September 29, 2025. If these proposals are approved and passed, the Company will have 12 directors (including seven outside directors). Also, the members of the Board of Directors and Executive Officers will be as described in "(2) Directors and Audit & Supervisory Committee members 1) b." below, and the members of Group Management Meeting will be directors and senior vice presidents, Masaki Fujimoto, Toshiki Oya, Sanku Shino, Eiji Araki, vice presidents Yota Yanagihara and Kazuhisa Adachi. In addition, Yota Yanagihara will become a senior vice president as of October 1, 2025.

3) Other matters related to corporate governance

a. Status of preparation of internal control systems

The Company established an Internal Control System Basic Policy at its Board of Directors meeting as follows. It prepares internal control systems based on this policy.

1. System to ensure that duties of directors and employees of the Company and directors, etc. and employees of the subsidiaries are executed in compliance with laws and ordinances and the Articles of Incorporation

(1) The Company establishes a management philosophy, etc., and ensures that directors and employees of the Company are aware of it and promote the businesses of the Group, always keeping in mind that the execution of duties is carried out appropriately and fairly.

(2) The Company formulates a Code of Ethics and Compliance Regulations, etc., and promotes the establishment,

maintenance and reinforcement of a system to ensure that the execution of duties by directors and employees complies with laws and ordinances, the Articles of Incorporation, social norms, corporate ethics, etc.

- (3) Based on the Group Regulations, the Company's subsidiaries establish a system to ensure appropriate compliance with laws and ordinances, the Articles of Incorporation, social norms, corporate ethics, etc.
 - (4) The Company monitors the effectiveness of the compliance system of the Company and its subsidiaries.
 - (5) The Company sets up whistleblower contact points in the Internal Audit Division, the Legal Division, and an outside law office. When directors, etc., or employees of the Company or its subsidiaries discover a compliance issue, they are required to report it to the contact point promptly, in order to detect and prevent problems in the Group at an early stage.
 - (6) The Company and its subsidiaries establish a harassment consultation desk in the HR Division. When directors, etc. and employees of the Company and its subsidiaries witness any harassment, they are required to report it to the consultation desk promptly.
 - (7) The Company and its subsidiaries conduct internal training on compliance on a regular basis to raise awareness of compliance and ensure that employees are aware of the internal reporting system.
 - (8) If a violation of laws and ordinances, internal regulations, or any other compliance matter is discovered, the Company and its subsidiaries will impose strict punishment on the directors and employees involved in the violation.
 - (9) The Company and its subsidiaries shall not have any relationships with anti-social forces that pose a threat to public order and safety, and take resolute and systematic actions to ensure that they do not respond to unreasonable demands or transactions.
 - (10) The Company establishes and complies with internal regulations for the preparation of reports in accordance with relevant laws and regulations, as well as standards, and makes internal and external reports and discloses information in a timely and appropriate manner.
 - (11) In order to efficiently and effectively promote internal audit activities, the Company formulates the Internal Audit Regulations that stipulate basic matters concerning the implementation of internal audits and establishes the Internal Audit Division as an organization under the direct control of the President and CEO that is independent from organizations subject to audits. Based on the Internal Audit Regulations, the Internal Audit Division evaluates and makes recommendations on the adequacy and effectiveness of each process of governance, risk management and internal control for the entire Group from an independent and objective standpoint. The Internal Audit Division conducts internal audits based on the internal audit plan approved by the President and CEO and reports the results to the President and CEO, the Board of Directors, the Audit & Supervisory Committee, and the audited divisions.
2. System for retention and management of information related to the execution of duties by the Company's directors
Based on laws and ordinances and internal regulations, including the Document Management Regulations, the Company establishes a system for the retention and management of information related to the execution of duties by directors and for the viewing of such information by directors and Audit & Supervisory Committee members as needed.
3. Regulations and other systems related to management of loss risks for the Company and its subsidiaries
- (1) In preparation for dealing with diversifying risks, the Company formulates the Risk Management Regulations. The Board of Directors, Group Management Meeting, and various committees carefully deliberate important matters, aiming to eliminate or mitigate business risks.
 - (2) Based on the Group Regulations, the Company's subsidiaries establish their own risk management system with the support of the Company in order to realize the continuation and development of their businesses, and report to the Company on all risk events that may hinder the establishment of the system.
 - (3) The Company monitors the effectiveness of the risk management system of the Company and its subsidiaries.
 - (4) The Company strives to detect and resolve risks at an early stage by auditing the risk management system and the implementation status of the risk management by the Internal Audit Division.
4. System to ensure efficient execution of duties by directors of the Company and directors, etc. of its subsidiaries
- (1) By employing an executive officer system, the Company separates management-related decision-making and supervisory functions from its business execution functions and promotes fast, efficient business operation. It also prepares a Board of Directors system that allows for efficient deliberation of important matters in advance.
 - (2) The Company establishes the Group Management Meeting, which consists of members elected by the Board of Directors, and the Board of Directors delegates authority for decisions on certain business execution to accelerate decision-making.
 - (3) In the internal regulations, including the Group Regulations, Organization Regulations, and Occupational Authority Regulations, the Company clearly states and thoroughly disseminates standards regarding work systems and organization, division of duties, and authorities in order to establish a system of responsibility in the execution of duties and ensure that business is conducted smoothly and efficiently.

5. System for reporting to the Company on matters regarding the execution of duties by directors, etc. of the Company's subsidiaries
The Company prepares internal regulations, including the Group Regulations, which stipulate procedures for the execution of duties at its subsidiaries and clarify matters relating to advance screening, advisory functions, and approval on the part of the Company, as well as proposals, decisions, and reporting on the part of the subsidiaries.
6. Item related to employees in the event that the Company's Audit & Supervisory Committee requests the placement of employees to assist with duties
Employees of the Office of Audit & Supervisory Committee assist the Audit & Supervisory Committee.
7. Items related to ensuring the independence of employees in the preceding paragraph (item 6) from the Company's directors, as well as the effectiveness of instructions from the Company's Audit & Supervisory Committee to said employees
 - (1) When employees of the Office of Audit & Supervisory Committee receive requests for assistance from directors who are Audit & Supervisory Committee members, they must exclusively submit to the instructions of the Audit & Supervisory Committee in relation to these requests, without receiving any instructions from directors or other employees.
 - (2) Assignments, transfer, discipline, and performance appraisals of subject employees require the previous consent of a full-time Audit & Supervisory Committee member in order to ensure independence from directors.
8. System for the Company's directors and employees to report to the Company's Audit & Supervisory Committee; system for other reporting to the Audit & Supervisory Committee
 - (1) Items that require a Board of Directors' resolution as per the Board of Directors Regulations are added to the agenda of the Board of Directors meeting as deemed appropriate. The Audit & Supervisory Committee is also able to confirm at meetings of the Board of Directors, Group Management Meeting, and other committees the content of other important matters that do not require a Board of Directors' resolution.
 - (2) In regard to important requests for managerial decisions, reports, and other documents that are not on the agenda of the aforementioned meetings, the Audit & Supervisory Committee may view the documents and request explanations of the content as needed.
 - (3) In the event directors or employees discover a serious violation of laws and ordinances or the Articles of Incorporation as well as facts that may cause significant damage to the Company, they shall promptly report the matter to the Audit & Supervisory Committee.
9. System for individuals who execute duties at the Company's subsidiaries or individuals who receive reports from such individuals to report to the Company's Audit & Supervisory Committee
 - (1) Directors or employees of subsidiaries shall promptly make an appropriate report about business execution if requested by the Audit & Supervisory Committee of the Company.
 - (2) In the event directors or employees of subsidiaries discover a serious violation of laws and ordinances or the Articles of Incorporation as well as facts that may cause significant damage to the Group, they shall promptly report the matter to the Audit & Supervisory Committee of the Company.
10. System to ensure that individuals who make a report to the Company's Audit & Supervisory Committee do not suffer any disadvantage as a result
The Company prohibits any disadvantageous handling of directors or employees of the Group resulting from a report made to the Audit & Supervisory Committee, and ensures that directors and employees of the Group are made aware of this fact.
11. Item related to the handling of expenses or financial obligations incurred as a result of the Company's Audit & Supervisory Committee executing their duties, including procedures for requesting advances or reimbursements for expenses arising through such execution of duties
When the Audit & Supervisory Committee requests an advance or reimbursement for an expense arising from the execution of duties, such expenses or financial obligations shall be handled promptly except in a case where it is deemed unnecessary for the execution of duties of the Audit & Supervisory Committee.
12. Other system to ensure that audits by the Company's Audit & Supervisory Committee are conducted effectively

The Audit & Supervisory Committee shall be given opportunities to exchange opinions with directors, employees, and the accounting auditor on a regular basis.

b. Overview of content of liability limitation agreement

The Company has an agreement with all of its directors (excluding executive directors and others) based on Article 427, Paragraph 1 of the Companies Act that limits their liability for damages as described in Article 423, Paragraph 1 of the same Act. Based on this agreement, their liability for damages is limited to the amount established by laws and ordinances. This liability limitation is permitted only in instances in which the directors (excluding executive directors and others) perform their duties in good faith and in the absence of gross negligence.

c. Overview of content of liability insurance policy covering directors and others

The Company has entered a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act.

1) Scope of insured

The policy covers the Company's directors (including Audit & Supervisory Committee members), executive officers, and employees, as well as directors, members of the Audit & Supervisory Board, executive officers, and employees of its subsidiaries. All directors are insured under the policy.

2) Overview of insurance policy

The policy covers damages and litigation expenses incurred by insured individuals in the event of a claim for damages arising from an act (including failure to act) committed by such an individual based on the position of the individual at the Company or its subsidiaries. It does not cover claims for damages or other expenses arising from intentional or gross negligence. The Company pays all insurance premiums for the policy.

d. Requisite number of directors

The Company stipulates in its Articles of Incorporation that there shall be up to 10 directors (excluding directors who are Audit & Supervisory Committee members) and up to five directors who are Audit & Supervisory Committee members.

e. Resolution requirements for appointment of directors

The Company stipulates in its Articles of Incorporation that a resolution of the General Meeting of Shareholders on the appointment of directors requires the attendance of shareholders holding one third or more of the voting rights out of the shareholders who can exercise voting rights, and a majority of voting rights of those attending. Cumulative voting shall not be used.

f. General Meeting of Shareholders resolution items that may be resolved by the Board of Directors

1) Exemption of liability for directors

The Company, pursuant to Article 426, Paragraph 1 of the Companies Act, stipulates in its Articles of Incorporation that it may, by resolution of the Board of Directors, exempt directors from liabilities as set forth in Article 423, Paragraph 1 of the same Act, to the extent permitted by laws and ordinances, so that directors can fully perform their expected roles in the execution of their duties.

2) Acquisition of treasury shares

The Company, pursuant to Article 165, Paragraph 2 of the Companies Act, stipulates in its Articles of Incorporation that it may acquire treasury shares by resolution of the Board of Directors. This is to allow the acquisition of treasury shares through market trading in order for the Company to exercise agile capital policy in response to changes in the management environment.

3) Dividends of surplus

The Company, pursuant to each item under Article 459, Paragraph 1 of the Companies Act, stipulates in its Articles of Incorporation that it may pay dividends of surplus by resolution of the Board of Directors, except in cases where other provisions of law apply. The aim is to ensure the agility of its capital policy.

g. Requirements for special resolution of the General Meeting of Shareholders

The Company stipulates in its Articles of Incorporation that special resolution of the General Meeting of Shareholders as set forth in Article 309, Paragraph 2 of the Companies Act requires the attendance of shareholders holding one third or more of the

voting rights out of the shareholders who can exercise voting rights, and two thirds or more of voting rights of those attending. The aim is to ensure that the General Meeting of Shareholders runs smoothly by relaxing the quorum for special resolution of the General Meeting of Shareholders.

h. Activities of the Board of Directors, Audit & Supervisory Committee, Nomination Committee, and Remuneration Committee

1) Activity of the Board of Directors

In the fiscal year ended June 30, 2025, the Board of Directors held 13 meetings, and the attendance status for each director was as follows.

Title and position	Name	Meetings	Attendance
Chairman, president and CEO	Yoshikazu Tanaka	13	13
Director	Masaki Fujimoto	13	13
Director	Toshiki Oya	13	13
Director	Eiji Araki	13	13
Director	Sanku Shino	13	12
Director	Yuta Maeda	13	13
Outside director	Takeshi Natsuno	13	13
Outside director	Kazunobu Iijima	13	12
Outside director	Michinori Mizuno	13	13
Outside director Full-time Audit & Supervisory Committee member	Kunihiro Matsushima	2	2
Outside director Full-time Audit & Supervisory Committee member	Kenichiro Takagi	11	11
Outside director Audit & Supervisory Committee member	Koichi Shima	13	12
Outside director Audit & Supervisory Committee member	Nobuyuki Watanabe	13	13
Outside director Audit & Supervisory Committee member	Michiko Ashizawa	13	13

The Board of Directors makes decisions on important management matters such as the Company's management policy, business strategy, and business plan, and oversees the execution of operations.

2) Activities of the Audit & Supervisory Committee

The activities of the Audit & Supervisory Committee are provided in (3) Status of audits, 1) Audit by the Audit & Supervisory Committee.

3) Activities of the Nomination Committee

In the fiscal year ended June 30, 2025, the Nomination Committee held five meetings, and the attendance status for each of the committee members was as follows.

	Title and position	Name	Meetings	Attendance
Chair	Outside director	Kazunobu Iijima	5	5
Member	Outside director	Takeshi Natsuno	5	4
Member	Outside director	Michinori Mizuno	5	5
Member	Outside director Full-time Audit & Supervisory Committee member	Kenichiro Takagi	5	5
Member	Chairman, president and CEO	Yoshikazu Tanaka	5	5

The Nomination Committee has been established with the aim of ensuring transparency in the selection process for candidates for directors (excluding directors who are Audit & Supervisory Committee members) and members of the Management Meeting, thereby enhancing corporate governance.

4) Activity of the Remuneration Committee

In the fiscal year ended June 30, 2025, the Remuneration Committee held five meetings, and the attendance status for each of the committee members was as follows.

	Title and position	Name	Meetings	Attendance
Chair	Outside director	Kazunobu Iijima	5	5
Member	Outside director	Takeshi Natsuno	5	4
Member	Outside director	Michinori Mizuno	5	5
Member	Outside director Full-time Audit & Supervisory Committee member	Kenichiro Takagi	5	5
Member	Chairman, president and CEO	Yoshikazu Tanaka	5	5

The Remuneration Committee has been established with the aim of ensuring transparency in procedures for determining matters such as the remuneration of directors (excluding directors who are Audit & Supervisory Committee members) and members of the Management Meeting, thereby enhancing corporate governance.

(2) Directors and Audit & Supervisory Committee members

1) List of directors and Audit & Supervisory Committee members

a. The status of the Company's directors and Audit & Supervisory Committee members as of September 26, 2025 (filing date of the Annual Securities Report) is as follows.

Men: 12; Women: 1 (ratio of female officers: 8%)

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Chairman, President and CEO	Yoshikazu Tanaka	February 18, 1977	Apr. 1999 Joined Sony Communication Network Corporation (currently Sony Network Communications Inc.) Feb. 2000 Joined Rakuten, Inc. (currently Rakuten Group, Inc.) Dec. 2004 Founded the Company, and became President and CEO Nov. 2013 President and CEO and Head of New Businesses of the Company Mar. 2014 President and CEO and Head of Commerce and Media Business of the Company Sep. 2014 President and CEO of the Company Sep. 2014 Chairman, President and CEO of the Company Oct. 2016 Chairman, President and CEO, and Officer in charge of new business areas of the Company Mar. 2017 Chairman, President and CEO, and Officer in charge of Advertising and Media Business of the Company Oct. 2019 Chairman, President and CEO, and Officer in charge of Advertising and Media Business of the Company Jan. 2022 Chairman, President and CEO, and Head of Advertising and Media Business of the Company May 2022 Chairman, President and CEO, Head of Commerce Business, and Head of DX Business of the Company Aug. 2023 Representative Director and President of Sequoia, Inc. (formerly Sequoia, Co., Ltd.) (current position) Jul. 2024 Chairman, President and CEO of the Company Oct. 2024 Chairman, President and CEO of the Company (current position) (Significant concurrent position outside the Company) Representative Director and President of Sequoia, Inc.	(Note) 4	110,943 (Note) 7

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President, Chief Technology Officer, and Head of Business Technology	Masaki Fujimoto	February 17, 1979	Apr. 2001 Joined Astra the Studio, Inc. Jan. 2003 Joined Tunebiz Co., Ltd. Jun. 2005 Director of the Company Aug. 2010 Vice President, Chief Technology Officer, and Head of Platform Development of the Company Jul. 2011 Vice President, Chief Technology Officer, and Head of Development of the Company Sep. 2012 Director & Managing Executive Officer, Chief Technology Officer, and Head of Development of the Company Nov. 2013 Director & Managing Executive Officer, Chief Technology Officer, and Head of Development Management of the Company Oct. 2015 Director & Managing Executive Officer, Chief Technology Officer, and Officer in charge of Development of the Company Jul. 2016 Director of Pokelabo, Inc. Oct. 2016 Director & Managing Executive Officer, Chief Technology Officer, and Officer in charge of Development and Human Resources of the Company Mar. 2017 Director of funplex, Inc. (currently GREE Entertainment, Inc.) Sep. 2017 Senior Vice President, Chief Technology Officer, and Officer in charge of Development and Human Resources of the Company Apr. 2019 Senior Vice President, Chief Technology Officer, and Officer in charge of Development of the Company Oct. 2019 Senior Vice President, Chief Technology Officer, and Officer in charge of Development of the Company Sep. 2021 Chief Technology Officer of the Digital Agency (current position) Jan. 2022 Senior Vice President, Chief Technology Officer, and Head of Development of the Company Aug. 2024 President and CEO of GREE, Inc. (current position) Jan. 2025 Senior Vice President, Chief Technology Officer, and Head of Business Technology of the Company (current position) (Significant concurrent positions outside the Company) Chief Technology Officer of the Digital Agency President and CEO of GREE, Inc.	(Note) 4	1,876

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President, Chief Financial Officer, and Head of Investment Business	Toshiki Oya	December 16, 1969	Apr. 1992 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) Mar. 1994 Registered as Certified Public Accountant Oct. 1999 Joined Softbank Investment Co., Ltd. (currently SBI Holdings, Inc.) Feb. 2003 Joined Yahoo Japan Corporation (currently LY Corporation) Jun. 2005 Director of Creo Co., Ltd. Apr. 2011 Representative Director of Creo Co., Ltd. Apr. 2012 Chief Financial Officer of Yahoo Japan Corporation (currently LY Corporation) Jun. 2014 Director & Managing Executive Officer, Chief Financial Officer of Yahoo Japan Corporation (currently LY Corporation) Jun. 2015 Vice President and Chief Financial Officer of Yahoo Japan Corporation (currently LY Corporation) Apr. 2018 Senior Advisor to Chairman of Yahoo Japan Corporation (currently LY Corporation) Sep. 2018 Director of the Company Sep. 2018 Director of Pokelabo, Inc. Oct. 2018 Senior Vice President and Officer in charge of Corporate Affairs of the Company May 2019 Director of funplex, Inc. (currently GREE Entertainment, Inc.) Oct. 2019 Senior Vice President, Chief Financial Officer, and Officer in charge of Corporate Affairs of the Company Feb. 2020 Director of WFS, Inc. Jul. 2021 Senior Vice President, Chief Financial Officer, Officer in charge of Corporate Affairs, and Officer in charge of Investment and Incubation Business of the Company Jan. 2022 Senior Vice President, Chief Financial Officer, Head of Corporate Affairs, and Officer in charge of Investment and Incubation Business of the Company Jul. 2022 Senior Vice President, Chief Financial Officer, Head of Corporate Affairs, and Head of Investment and Incubation Business of the Company Jul. 2023 Senior Vice President, Chief Financial Officer, Head of Corporate Affairs, and Head of Management Strategy of the Company Jul. 2024 Senior Vice President, Chief Financial Officer, Head of Corporate Affairs, and Head of Investment Business of the Company Aug. 2024 Director of GREE, Inc. Jul. 2025 Senior Vice President, Chief Financial Officer, and Head of Investment Business of the Company (current position)	(Note) 4	166

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President, Chief Strategy Officer, and Head of Corporate Affairs	Sanku Shino	November 27, 1974	Apr. 2000 Joined Hakuodo Inc. Nov. 2008 Joined the Company Jan. 2009 General Manager of Marketing of the Company Jul. 2009 Executive Officer and General Manager of Marketing of the Company Aug. 2010 Executive Officer and Head of Marketing of the Company Apr. 2011 Executive Officer and Head of Marketing Division of the Company Sep. 2013 Vice President and Head of Marketing Division of the Company Nov. 2013 Vice President and Head of Web Game Business, Web Game Headquarters of the Company Sep. 2014 Vice President and Deputy Head of the Japan Game Business of the Company Oct. 2015 Vice President and Officer in charge of the Japan Game Business of the Company Oct. 2015 Director of funplex, Inc. (currently GREE Entertainment, Inc.) Sep. 2017 Senior Vice President and Officer in charge of the Japan Game Business of the Company Oct. 2019 Senior Vice President and Officer in charge of the Japan Game Business of the Company Feb. 2020 Director of Pokelabo, Inc. Feb. 2020 Director of WFS, Inc. Jul. 2021 Senior Vice President and Officer in charge of GREE Entertainment Business of the Company Jul. 2021 President and CEO of GREE Entertainment, Inc. Jan. 2022 Senior Vice President and Head of GREE Entertainment Business of the Company Jul. 2022 Senior Vice President and Officer in charge of new business development of the Company Feb. 2023 Director of REALITY, Inc. (current position) Jul. 2023 Senior Vice President and Deputy Head of Management Strategy of the Company Nov. 2023 Senior Vice President, Chief Strategy Officer, and Deputy Head of Management Strategy of the Company Dec. 2023 Director of Glossom, Inc. (currently GREE X, Inc.) (current position) Jul. 2024 Senior Vice President, Chief Strategy Officer, Chief of Business Development, and Deputy Head of Corporate Affairs of the Company Jan. 2025 Director of WFS, Inc. (current position) Jul. 2025 Director of GREE Entertainment, Inc. (current position) Jul. 2025 Senior Vice President, Chief Strategy Officer, and Head of Corporate Affairs of the Company (current position) (Significant concurrent positions outside the Company) Director of REALITY, Inc. Director of GREE X, Inc. Director of WFS, Inc. Director of GREE Entertainment, Inc.	(Note) 4	356

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President, Head of Metaverse Business, and Head of IP Business	Eiji Araki	July 15, 1982	May 2001 Joined Neuron Co., Ltd. (currently United, Inc.) Dec. 2002 Director of Neuron Co., Ltd. (currently United, Inc.) Aug. 2004 Joined Fractalist Inc. (currently United, Inc.) Aug. 2005 Joined the Company Sep. 2010 General Manager of Social Network Business, Media Development Division of the Company Jul. 2011 General Manager of Media Development, North America Division of the Company Sep. 2013 Vice President and General Manager of Native Game Business, Native Game Division of the Company Nov. 2013 Vice President and Head of Native Game Business, Native Game Headquarters of the Company Feb. 2014 President and CEO of Wright Flyer Studios, Inc. (currently WFS, Inc.) Sep. 2014 Vice President and Head of the Japan Game Business of the Company Oct. 2015 Vice President and Officer in charge of the Japan Game Business of the Company Jan. 2016 Vice President and Officer in charge of the Wright Flyer Studios Business of the Company Sep. 2017 Senior Vice President and Officer in charge of the Wright Flyer Studios Business of the Company Apr. 2018 President and CEO of Wright Flyer Live Entertainment, Inc. (currently REALITY, Inc.) (current position) Jul. 2018 Senior Vice President and Officer in charge of the Wright Flyer Business of the Company Oct. 2019 Senior Vice President and Officer in charge of the Wright Flyer Business of the Company Jul. 2020 Director of WFS, Inc. Oct. 2020 Senior Vice President and Officer in charge of the Wright Flyer Studios Business and REALITY Business of the Company Jan. 2022 Senior Vice President and Head of REALITY Business of the Company Jun. 2022 Senior Vice President and Head of Metaverse Business of the Company Feb. 2023 Director of Glossom, Inc. (currently GREE X, Inc.) Apr. 2025 Senior Vice President, Head of Metaverse Business, and Head of IP Business of the Company (current position) Apr. 2025 Director of GREE Entertainment, Inc. (current position) (Significant concurrent positions outside the Company) President and CEO of REALITY, Inc. Director of GREE Entertainment, Inc.	(Note) 4	127

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President and Head of Game Business	Yuta Maeda	July 26, 1982	Apr. 2006 Joined JAFECO Co., Ltd. Jul. 2009 Joined Pokelabo, Inc. (currently Mynet Games Inc.) Dec. 2011 CEO of Pokelabo, Inc. (currently Mynet Games Inc.) Nov. 2012 Joined the Company Dec. 2012 General Manager of Pokelabo Business, Media Division of the Company Aug. 2013 General Manager of Pokelabo Business, Native Game Division of the Company Sep. 2013 Vice President and General Manager of Pokelabo Business, Native Game Division of the Company Nov. 2013 Vice President and General Manager of Pokelabo Business, Native Game Division, Native Game Headquarters of the Company Sep. 2014 Vice President and Head of Pokelabo and Asia Businesses of the Company Oct. 2015 Vice President and Officer in charge of Pokelabo and Asia Businesses of the Company Apr. 2016 President and CEO of Pokelabo, Inc. Sep. 2017 Senior Vice President and Officer in charge of Pokelabo and Asia Businesses of the Company Apr. 2019 Director of WFS, Inc. Oct. 2019 Senior Vice President and Officer in charge of Pokelabo and Asia Businesses of the Company Apr. 2020 Director of funplex, Inc. (currently GREE Entertainment, Inc.) Oct. 2021 Representative Director and Senior Vice President of WFS, Inc. Jan. 2022 Senior Vice President, Head of Pokelabo and Asia Businesses, and Head of Wright Flyer Studios Business of the Company Apr. 2022 Representative Director and Senior Vice President of GREE Entertainment, Inc. Jul. 2022 Senior Vice President and Head of Game and Animation Business of the Company Jul. 2022 President and CEO of GREE Entertainment, Inc. Feb. 2023 Director of REALITY, Inc. (current position) Feb. 2023 Director of Glossom, Inc. (currently GREE X, Inc.) Jul. 2023 Representative Director and Senior Vice President of GREE Entertainment, Inc. Aug. 2024 Director of GREE, Inc. (current position) Jan. 2025 Director and Senior Vice President of WFS, Inc. (current position) Apr. 2025 Senior Vice President and Head of Game Business of the Company (current position) (Significant concurrent positions outside the Company) Director of REALITY, Inc. Director of GREE, Inc. Director and Senior Vice President of WFS, Inc.	(Note) 4	271

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director	Takeshi Natsumo	March 17, 1965	Apr. 1988 Joined Tokyo Gas Co., Ltd. Jun. 1996 Director and Vice President of Hypernet Corporation Sep. 1997 Joined NTT Mobile Network, Inc. (currently NTT Docomo, Inc.) Jun. 2005 Executive Director and General Manager of Multimedia Service Division of NTT Docomo, Inc. May 2008 Guest Professor, Keio University Graduate School of Media and Governance Jun. 2008 Outside Director of Sega Sammy Holdings Inc. Jun. 2008 Director of PIA Corporation Jun. 2008 Outside Director of transcosmos inc. Jun. 2008 Outside Director of SBI Holdings, Inc. Jun. 2008 Director of NTT Resonant Incorporated (currently NTT Docomo, Inc.) Dec. 2008 Director of DWANGO Co., Ltd. Jun. 2009 Outside Director of DLE Inc. Sep. 2009 Outside Director of the Company (current position) Dec. 2010 Outside Director of U-NEXT Co., Ltd. (currently U-NEXT HOLDINGS Co., Ltd.) (current position) Jun. 2013 Outside Director of Trenders, Inc. Oct. 2014 Director of Kadokawa Dwango Corporation (currently Kadokawa Corporation) Jun. 2016 Outside Director (Audit & Supervisory Committee Member) of transcosmos inc. (current position) Aug. 2016 Outside Director of Oracle Corporation Japan (current position) Jun. 2017 Outside Director of AWS Holdings, Inc. (currently Ubicom Holdings, Inc.) Jun. 2018 Chairman and Representative Director of Movie Walker Co., Ltd. Oct. 2018 Director of Book Walker Co., Ltd. (currently DWANGO Co., Ltd.) Feb. 2019 Representative Director and President of DWANGO Co., Ltd. (current position) Apr. 2020 Director of Cyber Informatics Research Institute and Guest Professor, Kindai University (current position) Jun. 2021 Representative Director and President of Kadokawa Corporation Jun. 2022 Director of Book Walker Co., Ltd. (currently DWANGO Co., Ltd.) Jun. 2023 Member of the Board and Chief Executive Officer of Kadokawa Corporation (current position) (Significant concurrent positions outside the Company) Outside Director (Audit & Supervisory Committee Member) of transcosmos inc. Representative Director and President of DWANGO Co., Ltd. Outside Director of U-NEXT HOLDINGS Co., Ltd. Outside Director of Oracle Corporation Japan Member of the Board and Chief Executive Officer of Kadokawa Corporation Director of Cyber Informatics Research Institute and Guest Professor, Kindai University	(Note) 4	47

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director	Kazunobu Iijima	January 4, 1947	Apr. 1972 Joined Mitsubishi Corporation Apr. 1995 General Manager of Media Broadcasting Department of Mitsubishi Corporation May 1997 Joined Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.) Jun. 2001 Executive Officer, Executive Director of Corporate Planning Department of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.) Jun. 2004 Outside Director of WOWOW Inc. Jun. 2006 Executive Managing Director, Executive Director of Corporate Planning Department of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.) Apr. 2007 Director of SKY Perfect JSAT Corporation (currently SKY Perfect JSAT Holdings Inc.) Jun. 2007 Managing Director of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.) Oct. 2008 Managing Director of Fuji Television Network, Inc. Jun. 2012 President and CEO of The Sankei Building Co., Ltd. (current position) Sep. 2012 Outside Director of the Company (current position) Nov. 2013 Representative Director and Chairman of Cool Japan Fund Inc. Jun. 2017 Director and Chairman of Cool Japan Fund Inc. (Significant concurrent position outside the Company) President and CEO of The Sankei Building Co., Ltd.	(Note) 4	5

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director	Michinori Mizuno	March 10, 1958	Apr. 1981 Joined CBS Sony Inc. (currently Sony Music Entertainment (Japan) Inc.) Feb. 2003 Representative Director and President of Sony Creative Products Inc. Jun. 2005 Representative Director, Executive Officer, and Vice President of Sony Music Communications Inc. (currently Sony Music Solutions Inc.) Jun. 2006 Representative Director, Executive Officer, and President of Sony Music Communications Inc. (currently Sony Music Solutions Inc.) Jun. 2008 Corporate Executive of Sony Music Entertainment (Japan) Inc. and Representative of Solution & Rights Business Group Feb. 2014 Corporate Executive COO of Sony Music Entertainment (Japan) Inc. Jun. 2015 Representative Director and CEO of Sony Music Entertainment (Japan) Inc. Jun. 2015 Executive Officer of Sony Corporation (currently Sony Group Corporation) Jun. 2018 Managing Executive Officer of Sony Corporation (currently Sony Group Corporation) Apr. 2019 Chairman and Representative Director of Sony Music Entertainment (Japan) Inc. Jun. 2020 Chairman of Sony Music Foundation (current position) Jun. 2020 Advisor of Sony Music Entertainment (Japan) Inc. Sep. 2022 Outside Director of Bushiroad Inc. (current position) Jun. 2023 Outside Director of HAPPINET CORPORATION (current position) Sep. 2023 Outside Director of the Company (current position) (Significant concurrent positions outside the Company) Outside Director of Bushiroad Inc. Outside Director of HAPPINET CORPORATION Chairman of Sony Music Foundation	(Note) 4	3

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director Full-time Audit & Supervisory Committee Member	Kenichiro Takagi	May 12, 1959	Apr. 1983 Joined the Nippon Telegraph and Telephone Public Corporation (currently NTT, Inc.) Mar. 1991 Joined DDI CORPORATION (currently KDDI CORPORATION) Apr. 2009 General Manager of Corporate Management Division of DDI CORPORATION (currently KDDI CORPORATION) Mar. 2010 Audit & Supervisory Board Member of Jupiter Telecommunications Co., Ltd. (currently JCOM Co., Ltd.) Oct. 2010 Administrative Officer and General Manager of Corporate Management Division of KDDI CORPORATION Apr. 2013 Administrative Officer and General Manager of Consumer Business Planning Division of KDDI CORPORATION Apr. 2015 Executive Officer and General Manager of Consumer Business Planning Division of KDDI CORPORATION Jan. 2018 Representative Director and President of AEON HOLDINGS CORPORATION Apr. 2020 Full-time Audit & Supervisory Board Member of KDDI CORPORATION Sep. 2024 Outside Director (Full-time Audit & Supervisory Committee Member) of the Company (current position)	(Note) 5	-

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director Audit & Supervisory Committee Member	Koichi Shima	December 5, 1957	May 1983 Joined Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.) Apr. 1994 Executive Manager of General Affairs Dept. of Recruit From A Co., Ltd. (currently Recruit Co., Ltd.) Jul. 1997 Director of Recruit From A Co., Ltd. (currently Recruit Co., Ltd.) Apr. 2001 Executive Manager, the Financial Management Office of Recruit Co., Ltd. Apr. 2003 Corporate Executive Officer of Recruit Co., Ltd. Apr. 2008 President and Representative Director of Recruit Media Communications Co., Ltd. (currently Recruit Co., Ltd.) Apr. 2010 Advisor of Recruit Co., Ltd. Jun. 2010 Standing Corporate Auditor of Recruit Co., Ltd. Oct. 2012 Standing Member of the Audit & Advisory Board of Recruit Holdings Co., Ltd. Sep. 2016 Outside Audit & Supervisory Board Member of the Company Sep. 2016 Outside Director of Ligua, Inc. Apr. 2018 Outside Director (Audit & Supervisory Committee Member) of Nippon Den kai, Ltd. May 2020 Outside Director of Kitanotatsujin Corporation (current position) Jun. 2020 Outside Director of COSMOS INITIA Co., Ltd. (current position) Sep. 2020 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) Jun. 2022 Outside Director (Audit & Supervisory Committee Member) of UT Group Co., Ltd. (current position) (Significant concurrent positions outside the Company) Outside Director of Kitanotatsujin Corporation Outside Director of COSMOS INITIA Co., Ltd. Outside Director (Audit & Supervisory Committee Member) of UT Group Co., Ltd.	(Note) 5	-

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director Audit & Supervisory Committee Member	Nobuyuki Watanabe	August 7, 1972	Apr. 1999 Registered as Attorney at Law and Joined TMI Associates Jan. 2007 Partner Attorney of TMI Associates (current position) Jun. 2012 Outside Audit & Supervisory Board Member of Creo Co., Ltd. Nov. 2018 Outside Auditor of SOTSU CO., LTD. Sep. 2020 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) (Significant concurrent position outside the Company) Partner Attorney of TMI Associates	(Note) 5	-

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director Audit & Supervisory Committee Member	Michiko Ashizawa	October 23, 1972	Oct. 1996 Joined International Department of KPMG Century Audit Corporation (currently KPMG AZSA LLC) Apr. 2003 Joined Sony Corporation (currently Sony Group Corporation) Sep. 2003 Joined Industrial Revitalization Corporation of Japan Feb. 2006 Joined Advantage Partners LLP (currently Advantage Partners, Inc.) Apr. 2013 Associate Professor of School of Economics and Business Administration, Yokohama City University Jun. 2016 Outside Director (Audit & Supervisory Committee Member) of Netyear Group Corporation Jun. 2018 Outside Director (Chairperson of Nomination and Compensation Committee) of NEC Networks & System Integration Corporation Jun. 2020 Outside Auditor of NHK SPRING CO., LTD. Aug. 2022 Visiting Scholar of Stanford University Sep. 2023 Associate Professor of Graduate School of Business Administration, Keio University (current position) Sep. 2023 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) (Significant concurrent positions outside the Company) Associate Professor of Graduate School of Business Administration, Keio University	(Note) 6	-
Total					113,794

(Notes) 1. Directors Takeshi Natsuno, Kazunobu Iijima, and Michinori Mizuno are outside directors.

2. Full-time Audit & Supervisory Committee member Kenichiro Takagi and Audit & Supervisory Committee members Koichi Shima, Nobuyuki Watanabe, and Michiko Ashizawa are outside directors.

3. The Company separates management's strategic decision-making and supervisory functions from its business execution functions and employs an executive officer system to increase the quality and speed of decision-making and business execution and improve corporate value. There are eight executive officers who do not also serve as directors.

4. The term is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended June 30, 2024 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended June 30, 2025.

5. The term is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended June 30, 2024 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending June 30, 2026.

6. The term is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended June 30, 2023 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended June 30, 2025.

7. The number of Company shares held by Chairman, President and CEO Yoshikazu Tanaka include shares held by his asset management company Sequoia, Inc.

b. The Company has submitted “Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and “Election of One Director Who Is an Audit and Supervisory Committee Member” as proposals (matters to be resolved) for the Ordinary General Meeting of Shareholders scheduled to be held on September 29, 2025. If these proposals are approved and passed, the status and term of the Company's directors and Audit & Supervisory Committee members will be as follows.

Men: 11; Women: 1 (ratio of female officers: 8%)

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Chairman, President and CEO	Yoshikazu Tanaka	February 18, 1977	Apr. 1999 Joined Sony Communication Network Corporation (currently Sony Network Communications Inc.) Feb. 2000 Joined Rakuten, Inc. (currently Rakuten Group, Inc.) Dec. 2004 Founded the Company, and became President and CEO Nov. 2013 President and CEO and Head of New Businesses of the Company Mar. 2014 President and CEO and Head of Commerce and Media Business of the Company Sep. 2014 President and CEO of the Company Sep. 2014 Chairman, President and CEO of the Company Oct. 2016 Chairman, President and CEO, and Officer in charge of new business areas of the Company Mar. 2017 Chairman, President and CEO, and Officer in charge of Advertising and Media Business of the Company Oct. 2019 Chairman, President and CEO, and Officer in charge of Advertising and Media Business of the Company Jan. 2022 Chairman, President and CEO, and Head of Advertising and Media Business of the Company May 2022 Chairman, President and CEO, Head of Commerce Business, and Head of DX Business of the Company Aug. 2023 Representative Director and President of Sequoia, Inc. (formerly Sequoia, Co., Ltd.) (current position) Jul. 2024 Chairman, President and CEO of the Company Oct. 2024 Chairman, President and CEO of the Company (current position) (Significant concurrent position outside the Company) Representative Director and President of Sequoia, Inc.	(Note) 4	110,943 (Note) 7

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President, Chief Technology Officer, and Head of Business Technology	Masaki Fujimoto	February 17, 1979	Apr. 2001 Joined Astra the Studio, Inc. Jan. 2003 Joined Tunebiz Co., Ltd. Jun. 2005 Director of the Company Aug. 2010 Vice President, Chief Technology Officer, and Head of Platform Development of the Company Jul. 2011 Vice President, Chief Technology Officer, and Head of Development of the Company Sep. 2012 Director & Managing Executive Officer, Chief Technology Officer, and Head of Development of the Company Nov. 2013 Director & Managing Executive Officer, Chief Technology Officer, and Head of Development Management of the Company Oct. 2015 Director & Managing Executive Officer, Chief Technology Officer, and Officer in charge of Development of the Company Jul. 2016 Director of Pokelabo, Inc. Oct. 2016 Director & Managing Executive Officer, Chief Technology Officer, and Officer in charge of Development and Human Resources of the Company Mar. 2017 Director of funplex, Inc. (currently GREE Entertainment, Inc.) Sep. 2017 Senior Vice President, Chief Technology Officer, and Officer in charge of Development and Human Resources of the Company Apr. 2019 Senior Vice President, Chief Technology Officer, and Officer in charge of Development of the Company Oct. 2019 Senior Vice President, Chief Technology Officer, and Officer in charge of Development of the Company Sep. 2021 Chief Technology Officer of the Digital Agency (current position) Jan. 2022 Senior Vice President, Chief Technology Officer, and Head of Development of the Company Aug. 2024 President and CEO of GREE, Inc. (current position) Jan. 2025 Senior Vice President, Chief Technology Officer, and Head of Business Technology of the Company (current position) (Significant concurrent positions outside the Company) Chief Technology Officer of the Digital Agency President and CEO of GREE, Inc.	(Note) 4	1,876

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President, Chief Financial Officer, and Head of Investment Business	Toshiki Oya	December 16, 1969	Apr. 1992 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) Mar. 1994 Registered as Certified Public Accountant Oct. 1999 Joined Softbank Investment Co., Ltd. (currently SBI Holdings, Inc.) Feb. 2003 Joined Yahoo Japan Corporation (currently LY Corporation) Jun. 2005 Director of Creo Co., Ltd. Apr. 2011 Representative Director of Creo Co., Ltd. Apr. 2012 Chief Financial Officer of Yahoo Japan Corporation (currently LY Corporation) Jun. 2014 Director & Managing Executive Officer, Chief Financial Officer of Yahoo Japan Corporation (currently LY Corporation) Jun. 2015 Vice President and Chief Financial Officer of Yahoo Japan Corporation (currently LY Corporation) Apr. 2018 Senior Advisor to Chairman of Yahoo Japan Corporation (currently LY Corporation) Sep. 2018 Director of the Company Sep. 2018 Director of Pokelabo, Inc. Oct. 2018 Senior Vice President and Officer in charge of Corporate Affairs of the Company May 2019 Director of funplex, Inc. (currently GREE Entertainment, Inc.) Oct. 2019 Senior Vice President, Chief Financial Officer, and Officer in charge of Corporate Affairs of the Company Feb. 2020 Director of WFS, Inc. Jul. 2021 Senior Vice President, Chief Financial Officer, Officer in charge of Corporate Affairs, and Officer in charge of Investment and Incubation Business of the Company Jan. 2022 Senior Vice President, Chief Financial Officer, Head of Corporate Affairs, and Officer in charge of Investment and Incubation Business of the Company Jul. 2022 Senior Vice President, Chief Financial Officer, Head of Corporate Affairs, and Head of Investment and Incubation Business of the Company Jul. 2023 Senior Vice President, Chief Financial Officer, Head of Corporate Affairs, and Head of Management Strategy of the Company Jul. 2024 Senior Vice President, Chief Financial Officer, Head of Corporate Affairs, and Head of Investment Business of the Company Aug. 2024 Director of GREE, Inc. Jul. 2025 Senior Vice President, Chief Financial Officer, and Head of Investment Business of the Company (current position)	(Note) 4	166

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President, Chief Strategy Officer, and Head of Corporate Affairs	Sanku Shino	November 27, 1974	Apr. 2000 Joined Hakuodo Inc. Nov. 2008 Joined the Company Jan. 2009 General Manager of Marketing of the Company Jul. 2009 Executive Officer and General Manager of Marketing of the Company Aug. 2010 Executive Officer and Head of Marketing of the Company Apr. 2011 Executive Officer and Head of Marketing Division of the Company Sep. 2013 Vice President and Head of Marketing Division of the Company Nov. 2013 Vice President and Head of Web Game Business, Web Game Headquarters of the Company Sep. 2014 Vice President and Deputy Head of the Japan Game Business of the Company Oct. 2015 Vice President and Officer in charge of the Japan Game Business of the Company Oct. 2015 Director of funplex, Inc. (currently GREE Entertainment, Inc.) Sep. 2017 Senior Vice President and Officer in charge of the Japan Game Business of the Company Oct. 2019 Senior Vice President and Officer in charge of the Japan Game Business of the Company Feb. 2020 Director of Pokelabo, Inc. Feb. 2020 Director of WFS, Inc. Jul. 2021 Senior Vice President and Officer in charge of GREE Entertainment Business of the Company Jul. 2021 President and CEO of GREE Entertainment, Inc. Jan. 2022 Senior Vice President and Head of GREE Entertainment Business of the Company Jul. 2022 Senior Vice President and Officer in charge of new business development of the Company Feb. 2023 Director of REALITY, Inc. (current position) Jul. 2023 Senior Vice President and Deputy Head of Management Strategy of the Company Nov. 2023 Senior Vice President, Chief Strategy Officer, and Deputy Head of Management Strategy of the Company Dec. 2023 Director of Glossom, Inc. (currently GREE X, Inc.) (current position) Jul. 2024 Senior Vice President, Chief Strategy Officer, Chief of Business Development, and Deputy Head of Corporate Affairs of the Company Jan. 2025 Director of WFS, Inc. (current position) Jul. 2025 Director of GREE Entertainment, Inc. (current position) Jul. 2025 Senior Vice President, Chief Strategy Officer, and Head of Corporate Affairs of the Company (current position) (Significant concurrent positions outside the Company) Director of REALITY, Inc. Director of GREE X, Inc. Director of WFS, Inc. Director of GREE Entertainment, Inc.	(Note) 4	356

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Senior Vice President, Head of Metaverse Business, and Head of IP Business	Eiji Araki	July 15, 1982	May 2001 Joined Neuron Co., Ltd. (currently United, Inc.) Dec. 2002 Director of Neuron Co., Ltd. (currently United, Inc.) Aug. 2004 Joined Fractalist Inc. (currently United, Inc.) Aug. 2005 Joined the Company Sep. 2010 General Manager of Social Network Business, Media Development Division of the Company Jul. 2011 General Manager of Media Development, North America Division of the Company Sep. 2013 Vice President and General Manager of Native Game Business, Native Game Division of the Company Nov. 2013 Vice President and Head of Native Game Business, Native Game Headquarters of the Company Feb. 2014 President and CEO of Wright Flyer Studios, Inc. (currently WFS, Inc.) Sep. 2014 Vice President and Head of the Japan Game Business of the Company Oct. 2015 Vice President and Officer in charge of the Japan Game Business of the Company Jan. 2016 Vice President and Officer in charge of the Wright Flyer Studios Business of the Company Sep. 2017 Senior Vice President and Officer in charge of the Wright Flyer Studios Business of the Company Apr. 2018 President and CEO of Wright Flyer Live Entertainment, Inc. (currently REALITY, Inc.) (current position) Jul. 2018 Senior Vice President and Officer in charge of the Wright Flyer Business of the Company Oct. 2019 Senior Vice President and Officer in charge of the Wright Flyer Business of the Company Jul. 2020 Director of WFS, Inc. Oct. 2020 Senior Vice President and Officer in charge of the Wright Flyer Studios Business and REALITY Business of the Company Jan. 2022 Senior Vice President and Head of REALITY Business of the Company Jun. 2022 Senior Vice President and Head of Metaverse Business of the Company Feb. 2023 Director of Glossom, Inc. (currently GREE X, Inc.) Apr. 2025 Senior Vice President, Head of Metaverse Business, and Head of IP Business of the Company (current position) Apr. 2025 Director of GREE Entertainment, Inc. (current position) (Significant concurrent positions outside the Company) President and CEO of REALITY, Inc. Director of GREE Entertainment, Inc.	(Note) 4	127

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director	Takeshi Natsuno	March 17, 1965	Apr. 1988 Joined Tokyo Gas Co., Ltd. Jun. 1996 Director and Vice President of Hypernet Corporation Sep. 1997 Joined NTT Mobile Network, Inc. (currently NTT Docomo, Inc.) Jun. 2005 Executive Director and General Manager of Multimedia Service Division of NTT Docomo, Inc. May 2008 Guest Professor, Keio University Graduate School of Media and Governance Jun. 2008 Outside Director of Sega Sammy Holdings Inc. Jun. 2008 Director of PIA Corporation Jun. 2008 Outside Director of transcosmos inc. Jun. 2008 Outside Director of SBI Holdings, Inc. Jun. 2008 Director of NTT Resonant Incorporated (currently NTT Docomo, Inc.) Dec. 2008 Director of DWANGO Co., Ltd. Jun. 2009 Outside Director of DLE Inc. Sep. 2009 Outside Director of the Company (current position) Dec. 2010 Outside Director of U-NEXT Co., Ltd. (currently U-NEXT HOLDINGS Co., Ltd.) (current position) Jun. 2013 Outside Director of Trenders, Inc. Oct. 2014 Director of Kadokawa Dwango Corporation (currently Kadokawa Corporation) Jun. 2016 Outside Director (Audit & Supervisory Committee Member) of transcosmos inc. (current position) Aug. 2016 Outside Director of Oracle Corporation Japan (current position) Jun. 2017 Outside Director of AWS Holdings, Inc. (currently Ubicom Holdings, Inc.) Jun. 2018 Chairman and Representative Director of Movie Walker Co., Ltd. Oct. 2018 Director of Book Walker Co., Ltd. (currently DWANGO Co., Ltd.) Feb. 2019 Representative Director and President of DWANGO Co., Ltd. (current position) Apr. 2020 Director of Cyber Informatics Research Institute and Guest Professor, Kindai University (current position) Jun. 2021 Representative Director and President of Kadokawa Corporation Jun. 2022 Director of Book Walker Co., Ltd. (currently DWANGO Co., Ltd.) Jun. 2023 Member of the Board and Chief Executive Officer of Kadokawa Corporation (current position) (Significant concurrent positions outside the Company) Outside Director (Audit & Supervisory Committee Member) of transcosmos inc. Representative Director and President of DWANGO Co., Ltd. Outside Director of U-NEXT HOLDINGS Co., Ltd. Outside Director of Oracle Corporation Japan Member of the Board and Chief Executive Officer of Kadokawa Corporation Director of Cyber Informatics Research Institute and Guest Professor, Kindai University	(Note) 4	47

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director	Kazunobu Iijima	January 4, 1947	Apr. 1972 Joined Mitsubishi Corporation Apr. 1995 General Manager of Media Broadcasting Department of Mitsubishi Corporation May 1997 Joined Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.) Jun. 2001 Executive Officer, Executive Director of Corporate Planning Department of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.) Jun. 2004 Outside Director of WOWOW Inc. Jun. 2006 Executive Managing Director, Executive Director of Corporate Planning Department of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.) Apr. 2007 Director of SKY Perfect JSAT Corporation (currently SKY Perfect JSAT Holdings Inc.) Jun. 2007 Managing Director of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.) Oct. 2008 Managing Director of Fuji Television Network, Inc. Jun. 2012 President and CEO of The Sankei Building Co., Ltd. (current position) Sep. 2012 Outside Director of the Company (current position) Nov. 2013 Representative Director and Chairman of Cool Japan Fund Inc. Jun. 2017 Director and Chairman of Cool Japan Fund Inc. (Significant concurrent position outside the Company) President and CEO of The Sankei Building Co., Ltd.	(Note) 4	5

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director	Michinori Mizuno	March 10, 1958	Apr. 1981 Joined CBS Sony Inc. (currently Sony Music Entertainment (Japan) Inc.) Feb. 2003 Representative Director and President of Sony Creative Products Inc. Jun. 2005 Representative Director, Executive Officer, and Vice President of Sony Music Communications Inc. (currently Sony Music Solutions Inc.) Jun. 2006 Representative Director, Executive Officer, and President of Sony Music Communications Inc. (currently Sony Music Solutions Inc.) Jun. 2008 Corporate Executive of Sony Music Entertainment (Japan) Inc. and Representative of Solution & Rights Business Group Feb. 2014 Corporate Executive COO of Sony Music Entertainment (Japan) Inc. Jun. 2015 Representative Director and CEO of Sony Music Entertainment (Japan) Inc. Jun. 2015 Executive Officer of Sony Corporation (currently Sony Group Corporation) Jun. 2018 Managing Executive Officer of Sony Corporation (currently Sony Group Corporation) Apr. 2019 Chairman and Representative Director of Sony Music Entertainment (Japan) Inc. Jun. 2020 Chairman of Sony Music Foundation (current position) Jun. 2020 Advisor of Sony Music Entertainment (Japan) Inc. Sep. 2022 Outside Director of Bushiroad Inc. (current position) Jun. 2023 Outside Director of HAPPINET CORPORATION (current position) Sep. 2023 Outside Director of the Company (current position) (Significant concurrent positions outside the Company) Outside Director of Bushiroad Inc. Outside Director of HAPPINET CORPORATION Chairman of Sony Music Foundation	(Note) 4	3

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director Full-time Audit & Supervisory Committee Member	Kenichiro Takagi	May 12, 1959	Apr. 1983 Joined the Nippon Telegraph and Telephone Public Corporation (currently NTT, Inc.) Mar. 1991 Joined DDI CORPORATION (currently KDDI CORPORATION) Apr. 2009 General Manager of Corporate Management Division of DDI CORPORATION (currently KDDI CORPORATION) Mar. 2010 Audit & Supervisory Board Member of Jupiter Telecommunications Co., Ltd. (currently JCOM Co., Ltd.) Oct. 2010 Administrative Officer and General Manager of Corporate Management Division of KDDI CORPORATION Apr. 2013 Administrative Officer and General Manager of Consumer Business Planning Division of KDDI CORPORATION Apr. 2015 Executive Officer and General Manager of Consumer Business Planning Division of KDDI CORPORATION Jan. 2018 Representative Director and President of AEON HOLDINGS CORPORATION Apr. 2020 Full-time Audit & Supervisory Board Member of KDDI CORPORATION Sep. 2024 Outside Director (Full-time Audit & Supervisory Committee Member) of the Company (current position)	(Note) 5	-

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director Audit & Supervisory Committee Member	Koichi Shima	December 5, 1957	May 1983 Joined Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.) Apr. 1994 Executive Manager of General Affairs Dept. of Recruit From A Co., Ltd. (currently Recruit Co., Ltd.) Jul. 1997 Director of Recruit From A Co., Ltd. (currently Recruit Co., Ltd.) Apr. 2001 Executive Manager, the Financial Management Office of Recruit Co., Ltd. Apr. 2003 Corporate Executive Officer of Recruit Co., Ltd. Apr. 2008 President and Representative Director of Recruit Media Communications Co., Ltd. (currently Recruit Co., Ltd.) Apr. 2010 Advisor of Recruit Co., Ltd. Jun. 2010 Standing Corporate Auditor of Recruit Co., Ltd. Oct. 2012 Standing Member of the Audit & Advisory Board of Recruit Holdings Co., Ltd. Sep. 2016 Outside Audit & Supervisory Board Member of the Company Sep. 2016 Outside Director of Ligua, Inc. Apr. 2018 Outside Director (Audit & Supervisory Committee Member) of Nippon Den kai, Ltd. May 2020 Outside Director of Kitanotatsujin Corporation (current position) Jun. 2020 Outside Director of COSMOS INITIA Co., Ltd. (current position) Sep. 2020 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) Jun. 2022 Outside Director (Audit & Supervisory Committee Member) of UT Group Co., Ltd. (current position) (Significant concurrent positions outside the Company) Outside Director of Kitanotatsujin Corporation Outside Director of COSMOS INITIA Co., Ltd. Outside Director (Audit & Supervisory Committee Member) of UT Group Co., Ltd.	(Note) 5	-

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director Audit & Supervisory Committee Member	Nobuyuki Watanabe	August 7, 1972	Apr. 1999 Registered as Attorney at Law and Joined TMI Associates Jan. 2007 Partner Attorney of TMI Associates (current position) Jun. 2012 Outside Audit & Supervisory Board Member of Creo Co., Ltd. Nov. 2018 Outside Auditor of SOTSU CO., LTD. Sep. 2020 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) (Significant concurrent position outside the Company) Partner Attorney of TMI Associates	(Note) 5	-

Title and position	Name	Date of birth	Career summary	Term	Number of Company shares held (thousands of shares)
Director Audit & Supervisory Committee Member	Michiko Ashizawa	October 23, 1972	Oct. 1996 Joined International Department of KPMG Century Audit Corporation (currently KPMG AZSA LLC) Apr. 2003 Joined Sony Corporation (currently Sony Group Corporation) Sep. 2003 Joined Industrial Revitalization Corporation of Japan Feb. 2006 Joined Advantage Partners LLP (currently Advantage Partners, Inc.) Apr. 2013 Associate Professor of School of Economics and Business Administration, Yokohama City University Jun. 2016 Outside Director (Audit & Supervisory Committee Member) of Netyear Group Corporation Jun. 2018 Outside Director (Chairperson of Nomination and Compensation Committee) of NEC Networks & System Integration Corporation Jun. 2020 Outside Auditor of NHK SPRING CO., LTD. Aug. 2022 Visiting Scholar of Stanford University Sep. 2023 Associate Professor of Graduate School of Business Administration, Keio University (current position) Sep. 2023 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) (Significant concurrent positions outside the Company) Associate Professor of Graduate School of Business Administration, Keio University	(Note) 6	-
Total					113,523

(Notes) 1. Directors Takeshi Natsuno, Kazunobu Iijima, and Michinori Mizuno are outside directors.

2. Full-time Audit & Supervisory Committee member Kenichiro Takagi and Audit & Supervisory Committee members Koichi Shima, Nobuyuki Watanabe, and Michiko Ashizawa are outside directors.

3. The Company separates management's strategic decision-making and supervisory functions from its business execution functions and employs an executive officer system to increase the quality and speed of decision-making and business execution and improve corporate value. There are eight executive officers who do not also serve as directors.

4. The term is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended June 30, 2025 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending June 30, 2026.

5. The term is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended June 30, 2024 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending June 30, 2026.

6. The term is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended June 30, 2025 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending June 30, 2027.

7. The number of Company shares held by the Chairman, President and CEO Yoshikazu Tanaka include shares held by his asset management company Sequoia, Inc.

2) Status of outside directors

a. Relationship with outside directors, and their function and role in corporate governance

The Company has three outside directors (excluding directors who are members of the Audit & Supervisory Committee). Outside director Takeshi Natsuno, with his knowledge of and experience in the telecommunications and Internet industries, contributes to the Company's management in regard to its business strategy and development of services. The Company requested Kazunobu Iijima to become an outside director upon determining that he would be able to contribute to the Company's management with his knowledge of and experience in the media industry. It also requested Michinori Mizuno to become an outside director upon determining that he would be able to contribute to the Company's management with his knowledge of and experience in the entertainment industry and corporate management.

As a general rule, outside directors attend the monthly Board of Directors meetings and actively supervise and advise on the performance of duties from an objective, neutral position.

b. Relationship with outside directors serving as members of the Audit & Supervisory Committee, and their function and role in corporate governance

The Company has four outside directors serving as members of the Audit & Supervisory Committee. Outside director Kenichiro Takagi brings extensive experience and insight in business planning and corporate management, as well as serving as an Audit & Supervisory Board member at communications and Internet service companies. The Company asked him to assume his position, believing he can effectively perform audit duties from an independent and neutral standpoint. Outside director Koichi Shima has previously served as an executive officer in a company engaged in human resources and Internet services, as well as a representative director of its subsidiary, accumulating broad experience and knowledge in those industries. He also has a wealth of experience and achievements as a corporate auditor across multiple companies. Based on this background, the Company asked him to assume his position, expecting that he will provide advice and recommendations primarily to the Board of Directors, drawing on his business experience. Outside director Nobuyuki Watanabe is a lawyer. The Company asked him to assume his position, with the expectation that, as a legal specialist, he will provide recommendations and advice on the Company's legal matters, compliance, and corporate governance, as well as on the execution of duties by the Company's directors. Outside director Michiko Ashizawa possesses deep insight into general business management as a researcher, having gained experience as a certified public accountant at an audit firm and through involvement in corporate reform projects at the Industrial Revitalization Corporation of Japan and research in corporate revitalization M&A. She provides advice and recommendations to the Board of Directors based on her expertise and contributes to the establishment and maintenance of the Company's compliance system and corporate governance.

To secure independence from the Company's departments that conduct business operations, all of the Company's Audit & Supervisory Committee members are outside directors. They conduct audits through activities such as attending important meetings, including Board of Directors meetings, and reviewing important documents.

c. Personal, capital, and trade relationships or other interests between outside directors and the Company

As of the filing date of this report, the following outside directors have a capital relationship with the Company.

Outside director Takeshi Natsuno	Number of Company shares held: 47 thousand
Outside director Kazunobu Iijima	Number of Company shares held: 5 thousand
Outside director Michinori Mizuno	Number of Company shares held: 3 thousand

Outside director Takeshi Natsuno is also the Chief Executive Officer of Kadokawa Corporation. Prior to the transition to a holding company structure, the Company and Kadokawa Corporation jointly developed and operated games and had a relationship involving royalty payments based on games collaborations. In light of details and monetary amounts, these transactions are not deemed likely to impact the independent position of Mr. Natsuno, and therefore overviews of the transactions have been omitted.

Other than the preceding, the six outside directors have no personal, capital, or trade relationships with or any interests in the Company.

d. Stance on independence of outside directors; standards and policy regarding independence of outside directors

Based on the independence standards established by Tokyo Stock Exchange guidelines and the outside director requirements established by the Companies Act, the Company has established independence determination standards for outside directors. An outside director is deemed to have independence if none of the following 1–7 apply.

1. A person engaged in execution of operations at the Company or its subsidiaries

2. A party for which the Company is a major trade partner (Note 1) or a person engaged in execution of operations at such party
3. The Company's major trade partner (Note 2) or a person engaged in execution of operations at such partner
4. A consultant, accounting specialist, or legal specialist who receives significant amounts of money or other assets (Note 3) other than executive compensation from the Company (if the party receiving such assets is an organization such as an incorporated entity or a union, then a person associated with such an organization)
5. A person engaged in execution of operations at a party in which the Group holds 10% or more of total voting rights, either directly or indirectly
6. A close relative of 1–5 (Note 4)
7. A person to whom 1–5 applied within the last three years

Note 1: "A party for which the Company is a major trade partner" refers to a trade partner whose transactions with the Company amount to 2% or more of its consolidated net sales.

Note 2: "The Company's major trade partner" refers to a trade partner with which the Company conducts transactions worth 2% or more of its consolidated net sales.

Note 3: "Significant amounts of money or other assets" refer to a total value of ¥10 million or more in a single fiscal year in the case of an individual, and transactions with the Company totaling over 2% of consolidated net sales in the case of an organization.

Note 4: "A close relative" refers to a spouse or relative within the second degree of kinship.

- 3) Cooperation on supervision or audit by outside directors and internal audit, as well as audits by members of the Audit & Supervisory Committee and the accounting auditor; relationship between supervision or audit by outside directors and internal control division

Outside directors, through the exchange of opinions with the Board of Directors, Audit & Supervisory Committee, directors, and others, cooperate in audits by members of the Audit & Supervisory Committee, internal audits, and audits by the accounting auditor. They also supervise and audit the establishment and operation of an internal control system.

(3) Status of audits

1) Audit by the Audit & Supervisory Committee

Organization, members, and procedures of the Audit & Supervisory Committee

a. Activity of the Audit & Supervisory Committee

As of the filing date of this Annual Securities Report, the Audit & Supervisory Committee comprises four independent outside directors, including one full-time member. During the fiscal year under review, the committee operated under the audit policy and plan resolved in accordance with the Audit & Supervisory Committee Regulations and Audit & Supervisory Committee Auditing Standards, received regular reports from directors, executive officers, and other key employees in regard to establishment of an internal control system and its operational status, and requested explanations and provided opinions as needed. It also deliberated on matters such as conflict-of-interest transactions of directors excluding those concurrently serving as members of the Audit & Supervisory Committee, audit plans (including budgets), the approval of the fees of the accounting auditor and the non-assurance services it provides, the evaluation of the accounting auditor's performance, key audit matters (KAM) discussed with the accounting auditor as part of audits, and the preparation of the audit report. As a general rule, the Audit & Supervisory Committee meets monthly prior to meetings of the Board of Directors. At meetings of the Audit & Supervisory Committee held during the fiscal year under review, Audit & Supervisory Committee members shared information and received reports from the Internal Audit Office on the results of various audits. Meetings of the Audit & Supervisory Committee averaged about one hour, during which the following resolutions, consultations, and reports were conducted over the course of the year.

The Company has proposed the "Election of One Director Who Is an Audit and Supervisory Committee Member" as a proposal (matter to be resolved) for the Ordinary General Meeting of Shareholders scheduled to be held on September 29, 2025. If this proposal is approved and passed, the Audit and Supervisory Committee will continue to comprise four independent outside directors, including one full-time member.

(Resolutions)

Annual audit policy and plan, annual audit budget, annual audit report from the Audit & Supervisory Committee, assessment and reappointment or non-reappointment of accounting auditor, consent to compensation for accounting auditor, nomination of directors (excluding members of the Audit & Supervisory Committee), determination of opinions related to compensation, consent to election proposals for members of the Audit & Supervisory Committee, and other agendas.

(Consultation)

Compensation for Audit & Supervisory Committee members

(Reports)

Audit reports on important payment transactions by the parent and subsidiaries, reports on onsite audits at key subsidiaries, reports on the first and third quarter reviews, the interim review results and the year-end audit of the accounting auditor, reports on various internal audits, reports from Audit & Supervisory Board members of key subsidiaries, advance confirmation of Board of Directors meeting agenda, and other reports.

In addition, specific matters examined by the Audit & Supervisory Committee were as follows.

- Audit policy and plan
- Effectiveness of the maintenance and operation of the Group's internal control system
- Compliance and risk management preparedness
- Suitability of methods and results of accounting auditor's audits of financial documents
- Assessment and election of accounting auditor

b. Activity of Audit & Supervisory Committee members

In accordance with the audit policy and division of duties determined by the Audit & Supervisory Committee, each Audit & Supervisory Committee member conducted audits as follows.

(a) Activity of full-time member

Interviewed the president and CEO regarding execution of duties; attended Board of Directors meetings, Management Meetings, and other key meetings; attended meetings of the Nomination Committee and the Remuneration Committee (advisory bodies to the Board of Directors); interviewed executive directors, executive officers, and other key employees; conducted onsite audits of key subsidiaries; audited important payment transactions by the parent and subsidiaries; confirmed the status of internal audits by coordinating with the Internal Audit Office; confirmed the status of subsidiaries

by coordinating with subsidiaries' Audit & Supervisory Board members; and confirmed the status of accounting audits by coordinating with the accounting auditor.

(b) Activity of non-full-time members

Attended meetings of the Board of Directors and other committees, and provided advice and recommendations on key issues based on experience and expertise

Attendance of Audit & Supervisory Committee members at meetings of the Audit & Supervisory Committee and the Board of Directors during the fiscal year ended June 30, 2025 was as follows.

Name	Attendance at Audit & Supervisory Committee meetings during the fiscal year under review	Attendance at Board of Directors meetings during the fiscal year under review
Kenichiro Takagi (full-time member)	100% (10/10 times)	100% (11/11 times)
Koichi Shima	100% (13/13 times)	92% (12/13 times)
Nobuyuki Watanabe	100% (13/13 times)	100% (13/13 times)
Michiko Ashizawa	100% (13/13 times)	100% (13/13 times)

2) Internal audit

The Internal Audit Office conducts internal audits under direct supervision of the president and CEO. It conducts such audits under the annual basic plan for internal audits formulated each fiscal year and approved by the president and CEO. The plan is reported to the Board of Directors and the Audit & Supervisory Committee, and all audit results are reported to the president and CEO and the Audit & Supervisory Committee in a timely manner. Significant findings are also reported to the Board of Directors. By having the audited departments report on the progress of improvement for deficiencies identified through the audits, the Internal Audit Office ensures high effectiveness of its internal audit functions.

The Company has established the Office of Audit & Supervisory Committee to assist the duties of the Audit & Supervisory Committee and support the smooth execution of such duties. All staff members of the Internal Audit Office concurrently serve in the Office of Audit & Supervisory Committee, ensuring the Audit & Supervisory Committee and the Internal Audit Office are always synchronized in the information necessary for audit activities. Specifically, the full-time member of the Audit & Supervisory Committee and the Internal Audit Office exchange information on audit activities and the status of the Company on a weekly basis. In addition, staff members of the Internal Audit Office attend every Audit & Supervisory Committee meeting and report internal audit results and relevant information concerning the Company and its major subsidiaries in a timely manner.

3) Accounting audit

a. Name of accounting auditor

Ernst & Young ShinNihon LLC

b. Period of continuous auditing

19 years

c. Certified public accountants who conducted the accounting audit

Hirofumi Harashina, Designated Limited Liability Partner and Engagement Partner

Shingo Arai, Designated Limited Liability Partner and Engagement Partner

d. Composition of assistants associated with the accounting audit

Certified public accountants: 10 people

Others: 26 people

e. Selection method and reasons for selecting accounting auditor

(Policy on dismissal or non-reappointment of accounting auditor)

The Audit & Supervisory Committee, upon consensus of all members, will dismiss an accounting auditor in the event that any of the various items under Article 340, Paragraph 1 of the Companies Act applies to the accounting auditor, and it is determined that dismissal is appropriate.

In addition, in the event it is determined there is some reason that interferes with an accounting auditor's ability to appropriately conduct audits, either due to the Company's circumstances or other reason, and it is determined that dismissal or non-reappointment is appropriate, the Audit & Supervisory Committee decides on details of a proposal for dismissal or non-reappointment of accounting auditor that is submitted to the General Meeting of Shareholders.

(Reason for reappointment of accounting auditor)

The Audit & Supervisory Committee resolved to reappoint Ernst & Young ShinNihon LLC as the accounting auditor in light of items stipulated by the Audit & Supervisory Committee in the "policy on dismissal or non-reappointment of accounting auditor" and the "accounting auditor assessment checklist," and based on opinions from the related departments that conduct business operations (Finance and Accounting Department and Internal Audit Office).

None of the items included in the "policy on dismissal or non-reappointment of accounting auditor" apply to Ernst & Young ShinNihon LLC.

f. Assessment of accounting auditor by Audit & Supervisory Committee members and the Audit & Supervisory Committee

The Audit & Supervisory Committee carried out an assessment of accounting auditor in accordance with the policy and assessment guidelines established by the Audit & Supervisory Committee, and based on opinions from the related departments that conduct business operations.

4) Audit fees

a. Fees paid to certified public accountants and others engaged in the accounting audit

Category	Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025	
	Fees for audit and attestation (millions of yen)	Fees for non-audit services (millions of yen)	Fees for audit and attestation (millions of yen)	Fees for non-audit services (millions of yen)
GREE Holdings, Inc.	67	2	65	12
Consolidated subsidiaries	5	-	5	-
Total	72	2	71	12

Fiscal year ended June 30, 2024

Non-audit services at the Company comprised mainly commissioning of the preparation of comfort letters related to corporate bond issuance.

Fiscal year ended June 30, 2025

Non-audit services at the Company comprised mainly advisory services related to the development of a personal information management system.

b. Fees paid to certified public accountants and others who belong to the same network firm as the accounting auditor (excluding a. above)

Category	Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025	
	Fees for audit and attestation (millions of yen)	Fees for non-audit services (millions of yen)	Fees for audit and attestation (millions of yen)	Fees for non-audit services (millions of yen)
GREE Holdings, Inc.	-	53	-	-
Consolidated subsidiaries	-	-	-	-
Total	-	53	-	-

Fiscal year ended June 30, 2024

Non-audit services at the Company comprised mainly advisory services of various types.

Fiscal year ended June 30, 2025

There were no non-audit services at the Company.

c. Policy for determining audit fees

The Company determines the audit fees for its accounting auditor through discussions with the accounting auditor based on factors such as the audit plan, progress with the execution of duties, and fee estimate presented by the accounting auditor. From the perspective of ensuring the independence of the accounting auditor, it obtains the approval of the Audit & Supervisory Committee regarding the determination of the amount of the audit fees.

d. Reason that the Audit & Supervisory Committee agreed to accounting auditor fees

Based on the Japan Audit & Supervisory Board Members Association's practical guidelines on cooperation with the accounting auditor, the Audit & Supervisory Committee confirmed the details of the accounting auditor's audit plan, status of execution of duties, and grounds for calculation of fee estimates. After consideration of these factors, the Audit & Supervisory Committee consented to the accounting auditor fees in accordance with Article 399, Paragraphs 1 and 3 of the Companies Act.

(4) Executive remuneration

1) The amounts of remuneration for officers and items related to the policy for determining such amounts

At the Board of Directors meeting held in August 2022, the Company decided on a policy for determining the details of executive remuneration after consulting with the Remuneration Committee and receiving its report on the matter.

a. Policy for determining the details of individual remuneration

(a) Remuneration levels

Remuneration for directors (excluding directors who are members of the Audit & Supervisory Committee) is determined based on comparisons with other companies in the same industry or of the same size both in Japan and overseas, taking into consideration such factors as performance, the size of the relevant director's role and responsibilities, and balance with employee salaries. This is to ensure a competitive remuneration system that will allow the Company to continue to secure excellent human resources.

(b) Remuneration structure

The remuneration of inside directors (excluding non-executive directors) comprises base remuneration as fixed remuneration, and trust-type share-based remuneration and stock compensation-type stock options with conditions for the exercise of rights, as share-based remuneration, while the remuneration of outside directors and inside directors (non-executive directors) comprises only base remuneration as fixed remuneration that is unaffected by business results to ensure their independence.

Base remuneration as fixed remuneration is paid monthly, and trust-type share-based remuneration is paid annually based on the points granted to directors during their term of office, in the form of delivery of shares and payment of cash equivalent to the value of the shares. On the other hand, stock compensation-type stock options with conditions for the exercise of rights, are granted all at once when the stock option plan is introduced.

b. Policy for determining the ratio of monetary to non-monetary remuneration for individual directors

In regard to remuneration for inside directors (excluding non-executive directors), based on the aforementioned policy, the ratio of fixed remuneration to share-based remuneration is set according to the roles and responsibilities regarding companywide performance.

c. Matters pertaining to the method of determining the details of remuneration for individual directors

The determination of the specific content of the base remuneration is delegated to the Chairman and CEO based on a resolution of the Board of Directors, and the Chairman and CEO decides the amount for individual directors with reference to the

recommendations made through deliberation by the Remuneration Committee, which is an advisory body to the Board of Directors, within the scope of the resolution of the General Meeting of Shareholders.

For trust-type share-based remuneration, within the scope of the resolution of the General Meeting of Shareholders, the specific details are delegated to the Chairman and CEO, and the points to be granted to each individual in accordance with the Stock Benefit Regulations are determined by a resolution of the Board of Directors with reference to the recommendations made through deliberation by the Remuneration Committee, which is an advisory body to the Board of Directors.

In regard to stock compensation-type stock options with conditions for the exercise of rights, the Board of Directors has resolved to delegate authority to the Chairman and CEO to set the number of options to be allotted to each individual based on items to be offered as resolved by the Board of Directors with reference to the recommendations made through deliberation by the Remuneration Committee, which is an advisory body to the Board of Directors.

In addition, members of the Audit & Supervisory Committee, within the allowable amount as resolved by the General Meeting of Shareholders, deliberate and set the remuneration amount for each director who is a member of the Audit & Supervisory Committee.

At the Board of Directors meeting held on August 21, 2025, the Company resolved to revise the remuneration plan and individual remuneration for directors as follows and decided to submit the “Partial Revision of Stock Compensation, etc. for directors, etc.” to the 21st Ordinary General Meeting of Shareholders to be held on September 29, 2025. The Company has consulted with and reported to the Remuneration Committee in advance regarding this resolution.

a. Policy for determining the details of individual remuneration

(a) Remuneration levels

The Company determines a fair and competitive remuneration level based on a comprehensive consideration of internal fairness and management conditions after comparing the Company with both the market as a whole and competitors in business and human resource acquisition using objective remuneration data provided by external expert organizations.

(b) Remuneration structure

Remuneration for directors and executive officers of the Company comprises three components: base remuneration as fixed remuneration; an annual bonus as a performance-linked short-term incentive; and stock compensation as a medium- to long-term incentive.

Only base remuneration is paid to outside directors and Audit & Supervisory Committee members as outside directors are responsible for supervising and advising the management of the Company and the Group as a whole from an objective standpoint, and Audit & Supervisory Committee members are responsible for supervising the execution of directors’ duties from an objective standpoint.

b. Policy for determining the ratio of monetary to non-monetary remuneration for individual directors

In order to create a system that is closely linked to business performance and shares common interests with shareholders, the ratio of base remuneration to annual bonus and stock compensation is approximately 1:1:1 in the remuneration structure for standard performance evaluation for each position.

c. Matters pertaining to the method of determining the details of remuneration for individual directors

The Company determines the policies regarding the determination of the amount and the calculation method of remuneration, etc. for each individual director, within the scope of the resolution of the General Meeting of Shareholders, after consultation with the Remuneration Committee, a majority of which consists of outside directors, and deliberation by the Board of Directors.

Base remuneration as fixed remuneration is paid in an amount determined by a resolution of the Board of Directors.

For annual bonus and performance-linked stock compensation, which are variable compensation, the final payment rate is determined by the Remuneration Committee after comprehensively considering factors such as the degree of achievement during the evaluation period and the progress of matters related to each indicator, reflecting performance-linked indicators based on the standard amount and incentive curve determined by the Board of Directors.

With regard to performance-linked remuneration for which the amount to be paid is determined based on the individual performance evaluation, the Chairman, President and CEO (hereinafter referred to as the “CEO”) is evaluated by the Remuneration Committee, and for those other than the CEO, the CEO conducts the evaluation and makes a proposal to the

Remuneration Committee, and the Remuneration Committee confirms the content of the evaluation and calculates the amount to be paid.

In addition, the amount of remuneration for directors who are Audit & Supervisory Committee members is determined by consultation with the Audit & Supervisory Committee within the scope of the resolution of the General Meeting of Shareholders.

d. Details of the remuneration system for executives

(a) Policy for executive remuneration

Remuneration levels shall be fair and competitive, taking into account the external human resources market, internal fairness, and management conditions.

The remuneration structure shall be highly performance-linked to motivate employees to improve performance.

Establish a stock-based compensation plan that is closely linked to shareholder value to share interests with shareholders.

Select performance indicators based on management strategies and set challenging and achievable targets.

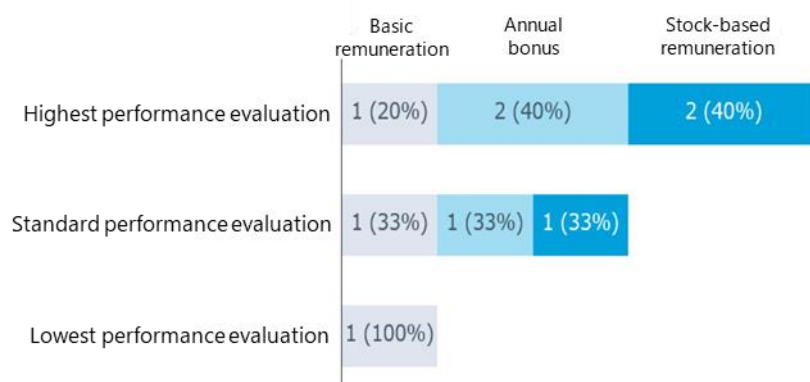
Establish an objective and transparent remuneration system and remuneration determination process.

(b) Remuneration levels

The Company determines a fair and competitive remuneration level based on a comprehensive consideration of internal fairness and management conditions after comparing the Company with both the market as a whole and competitors in business and human resource acquisition using objective remuneration data provided by external expert organizations.

(c) Remuneration structure

In order to create a system that is closely linked to business performance and shares common interests with shareholders, the ratio of base remuneration to annual bonus and stock compensation is approximately 1:1:1 in the remuneration structure for standard performance evaluation for each position. (The example below is for the CEO's remuneration)



(d) Details of the remuneration structure

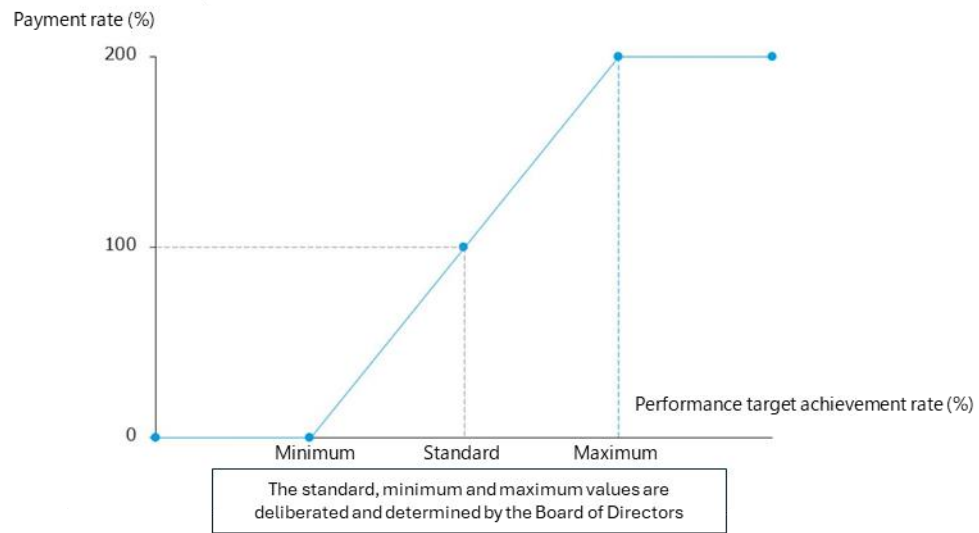
The Company has introduced “base remuneration” to promote the sound execution of duties according to responsibilities, an “annual bonus” to promote the achievement of single-year targets, and “stock compensation” to promote the enhancement of corporate value over the medium to long term and share interests with shareholders.

Type of remuneration		Purpose	Performance indicators	Performance evaluation period	Details of remuneration
Base remuneration	Fixed	Promote the sound execution of duties according to responsibilities	-	-	The amount is determined based on the remuneration table that determines the remuneration level according to the position and is paid every month.
Annual bonus	Variable	Promote the achievement of single-year targets	- Consolidated net sales - Consolidated operating profit - Net sales - Operating profit	Single year	The payment rate varies from 0% to 200% depending on the performance in a single year based on the calculation method discussed by the Remuneration Committee and resolved by the Board of Directors.
			Individual evaluations		Individual performance is evaluated by the Remuneration Committee and the payment rate varies from 0% to 200% *In the case of employees other than the CEO, the CEO conducts the evaluation, and the Remuneration Committee determines the amount to be paid after confirming the content of the evaluation.
Stock compensation		- Promote the enhancement of corporate value over the medium to long term - Share interests with shareholders	- Relative TSR - Operating profit CAGR	3 years	- The number of points obtained by dividing the standard amount of stock compensation by the stock price shall be granted each fiscal year. - Based on the calculation method discussed by the Remuneration Committee and resolved by the Board of Directors, the number of points shall fluctuate from 0% to 200% depending on the performance three years later. - After the number of points is fixed, the points are converted into shares upon retirement. - Stock ownership guidelines restrict sale until the number of shares exceeds a value equal to 300% of base remuneration (600% for the CEO).

- (Notes) 1. The Company has adopted net sales as the performance indicator to achieve sustainable growth, operating profit as the performance indicator to improve profitability, individual evaluation as the performance indicator to achieve strategic issues in accordance with the responsibilities of individual officers, relative TSR, and operating profit CAGR to achieve medium- to long-term earnings growth as the performance indicator to improve value for shareholders.
2. In the event of serious misconduct or violation by an officer who is eligible for stock compensation, the Company may request the forfeiture of the granted points that are scheduled to be converted into shares at retirement and the return of money equivalent to the number of shares that have been delivered, etc.
3. The Company stipulates that the recipient of shares granted as stock compensation must continue to hold the shares for one year after leaving their position.

(e) Method of calculating annual bonus and stock compensation

The incentive curve is designed for each evaluation indicator so that the payment rate is 100% at the standard performance evaluation, 200% at the highest performance evaluation, and 0% at the lowest performance evaluation.



e. Summary of the General Meeting of Shareholders resolution on executive remuneration

If the “Partial Revision of Stock Compensation, etc. for directors, etc.” is resolved at the 21st General Meeting of Shareholders to be held on September 29, 2025, the maximum amount, etc. of executive remuneration will be as follows.

Position		Type of remuneration	Maximum remuneration	Date of General Meeting of Shareholders resolution	Number of grantees as of the date of the resolution
Directors (excluding directors who are Audit & Supervisory Committee members)	Directors (excluding outside directors)	Cash remuneration	¥500 million per year (including outside directors)	September 29, 2020	9 (of which, 2 outside directors)
		Performance-linked stock compensation	<Maximum amount of money to be contributed by the Company> ¥2,500 million yen / 5 years <Maximum number of shares to be delivered to the eligible person > 3.25 million shares / 5 years	September 29, 2025	5
	Outside directors	Cash remuneration	Annual amount ¥60 million	September 27, 2024	3
Directors who are Audit & Supervisory Committee members		Cash remuneration	Annual amount ¥60 million	September 29, 2020	3

2) Total amount of remuneration, total amount by type of remuneration, and number of grantees, based on breakdown by officer category

Officer category	Total amount of remuneration (millions of yen)	Total amount of remuneration by type (millions of yen)		Number of grantees
		Cash remuneration	Non-cash remuneration	
Inside director	144	24	119	6
Outside director (excluding Audit & Supervisory Committee member)	40	40	-	3
Outside director (Audit & Supervisory Committee member)	41	41	-	5

(Notes) 1. In addition to the amounts shown in the table, an amount equivalent to an employee's salary (¥195 million) is paid to directors who serve concurrently as employees.

2. As of the end of the fiscal year under review, there were nine directors (excluding the Audit & Supervisory Committee members) and four directors (the Audit & Supervisory Committee members).

3. Non-cash remuneration comprises stock compensation-type stock options, and reflects the expense amounts recorded in the fiscal year under review. The conditions for allotment are as described in IV. Information on the Company, 1. Information on the Company's shares, (2) Share acquisition rights, 1) Details of stock option program.

3) Total amount of consolidated remuneration, etc. of persons whose total amount of consolidated remuneration, etc. is 100 million yen or more

Name	Total amount of consolidated remuneration, etc. (millions of yen)	Officer category	Company category	Amount of consolidated remuneration, etc. by type (millions of yen)	
				Cash remuneration	Non-cash remuneration
Yoshikazu Tanaka	114	Director	Submitting company	24	90

4) Stock compensation-type stock options with conditions for exercise

At the 17th Annual General Meeting of Shareholders held on September 28, 2021, in addition to its conventional stock compensation-type stock options, the Company introduced stock options with market capitalization conditions with the aim of further increasing incentives to raise market capitalization in the future. Options are to be allotted to five directors, and information on the share acquisition rights is as follows.

a. Total number of share acquisition rights

The total number of share acquisition rights to be issued within one year from the date of the General Meeting of Shareholders is limited to 20,000.

b. Class and number of shares subject to share acquisition rights

Exercise of one share acquisition right is to result in the issuance of 100 shares of common stock. In the event of a stock split or reverse stock split that would make it appropriate to change the number of shares issued upon exercise of a share acquisition right, the Company shall make adjustments as deemed necessary.

c. Amount to be paid for share acquisition rights

The amount to be paid for share acquisition rights shall be the amount determined by the Company's Board of Directors based on fair value on the date of allotment of such share acquisition rights as determined by the calculation method generally used to calculate the fair value of stock acquisition rights. To clarify, the Company shall pay the directors to whom the share acquisition rights are allotted monetary remuneration equivalent to the total amount of the share acquisition rights, and each director shall use that monetary remuneration to offset the payment obligation relating to the share acquisition rights.

d. Amount of assets to be contributed upon exercise of the share acquisition rights

The amount of assets to be contributed upon exercise of each share acquisition right shall be ¥1 per share to be delivered upon exercise, multiplied by the number of shares granted.

e. Period during which the share acquisition rights may be exercised

The period during which the share acquisition rights may be exercised (hereinafter referred to as the "Exercise Period") shall be October 14, 2021 to October 13, 2031. However, if the last day of the Exercise Period falls on a Company holiday, the actual last day shall be the preceding business day.

f. Restrictions on acquiring the share acquisition rights through transfer

The acquisition of share acquisition rights through transfer requires approval via resolution of the Board of Directors.

g. Conditions for exercise of the share acquisition rights

The main condition for exercise of the share acquisition rights is that, at any time within seven years from the date of allotment of the rights, the aggregate market value of the Company's common stock (calculated by the following formula) exceeds ¥500 billion on each of five consecutive business days (excluding days on which the Company's common stock is not traded). Any holder of the share acquisition rights may exercise the rights starting on the next business day after this condition has been met.

Formula: Market capitalization (aggregate market value) = (Total number of common shares issued by the Company* – Number of common shares held by the Company as treasury shares*) × Closing price of the Company's common shares in regular trading on the Tokyo Stock Exchange*

*All three figures shall be the figures for each of the relevant five consecutive business days.

Any holder of the share acquisition rights may exercise the rights during the periods set forth in the following items up to the ratio set forth in the respective items (the ratio to include rights already exercised). If the number of exercisable rights calculated based on these ratios includes a fractional figure, the fraction shall be discarded, and only whole share acquisition rights shall be exercised.

(a) One year from the date the aforementioned market capitalization condition is achieved

50% of the total number of share acquisition rights allotted to a holder of the share acquisition rights

(b) After the end of the period described in (a) until the final day of the Exercise Period

100% of the total number of share acquisition rights allotted to a holder of the share acquisition rights

The holder of the share acquisition rights must be a senior executive officer or in an equivalent position or higher at the time of exercise as well. However, this condition does not apply if the Board of Directors recognizes a justifiable reason the condition should not apply. Other conditions for exercise of the share acquisition rights, if any, shall be determined by resolution of the Board of Directors.

h. Matters pertaining to acquisition of the share acquisition rights

In the event that the General Meeting of Shareholders approves (or, if the approval of the General Meeting is not required, the Board of Directors resolves) a merger agreement resulting in the Company's extinction, a demerger agreement or plan resulting in the Company becoming a demerging company, or a share transfer agreement or plan resulting in the Company becoming a wholly owned subsidiary, the Company may, on a date separately designated by the Company's Board of Directors, acquire all remaining share acquisition rights without compensation.

In the event that, prior to exercise of the share acquisition rights by their holders, the exercise of the rights becomes impossible pursuant to the provisions set forth in the preceding section, the Company may, on a date separately designated by the Company's Board of Directors, acquire all remaining share acquisition rights without compensation.

i. Other details regarding share acquisition rights

Other details regarding share acquisition rights, if any, shall be decided by the Board of Directors.

5) Activities of the Board of Directors and Compensation Review Meeting in the process of determining executive remuneration

During the fiscal year under review, activities of the Board of Directors and Compensation Review Meeting in the process of determining directors' remuneration were as follows.

Date of activity	Name	Detail of activity
June 24, 2024	Remuneration Committee	Deliberated directors' remuneration
September 27, 2024	Board of Directors	Resolved directors' remuneration

(5) Information on shareholdings

1) Criteria for shareholding classification and rationale

The Company classifies its shareholdings into shares held for pure investment and shares held for purposes other than pure investment. The former are held mainly for the purpose of generating profit through changes in share price or through dividends, while the latter are positioned as strategic holdings.

2) Shares held for purposes other than pure investment

a. Holding policy, method of verifying rationality of holdings, and detail of verification by the Board of Directors regarding propriety of individual holdings

The Company considers strategic holdings only when it deems establishing and strengthening stable, long-term relationships with the companies in question would contribute to improving its corporate value in the long term.

When the Company has strategic holdings, the Board of Directors confirms the purpose and rationality of those holdings from a long-term perspective, verifying the propriety of individual holdings. If the Board of Directors determines that the significance of a particular holding has diminished, it considers reducing the size of the holding in question.

b. Number of stocks (companies) and amount recorded on the balance sheet

	Number of stocks (companies)	Total amount on balance sheet (millions of yen)
Unlisted stocks	6	473
Stocks other than unlisted stocks	1	2,380

c. Number of shares for each stock of specified equity investments and deemed holdings, and amount recorded on the balance sheet

Specified equity investments

Name of stock	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2024	Purpose of holding, overview of business and other alliances, quantitative effect, and reason for increase in shares held	Reciprocal shareholdings
	Number of shares (shares)	Number of shares (shares)		
	Amount on balance sheet (millions of yen)	Amount on balance sheet (millions of yen)		
Bushiroad Inc.	3,116,000	3,116,000	Holding is intended to maintain and strengthen the companies' trade relationship.	None
	2,380	1,199		

(Note) It is difficult to provide the quantitative effect of holding these investments. The Company has verified the purpose of the holding, the economic rationality, and the status of transactions.

3) Shares held for pure investment

There are no applicable matters to report.

4) Equity investment for which the purpose of holdings changed from pure investment to other than pure investment during the fiscal year under review

There are no applicable matters to report.

5) Equity investment for which the purpose of holdings changed from other purposes to pure investment purpose during the four fiscal years preceding to the fiscal year under review and during the fiscal year under review

There are no applicable matters to report.

V. Financial Information

1. Basis of presentation for consolidated and non-consolidated financial statements

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

(2) The non-consolidated financial statements are prepared in conformity with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ordinance of the Ministry of Finance of Japan No. 59 of 1963; hereinafter referred to as the "Regulation on Financial Statements"). As a company designated for the submission of financial statements prepared in accordance with special provisions, the Company prepares its non-consolidated financial statements pursuant to the provisions of Article 127 of the Regulation on Financial Statements.

2. Independent auditing of financial statements

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company arranged for the auditing firm Ernst & Young ShinNihon LLC to conduct independent audits of the consolidated and non-consolidated financial statements of the Company for the fiscal year under review (July 1, 2024 to June 30, 2025).

3. Particular efforts to secure the appropriateness of consolidated financial statements and other financial reports

The Company makes special efforts to ensure the appropriateness of its consolidated financial statements and other financial reports. Specifically, to maintain a system allowing it to accurately ascertain the content of accounting standards, and appropriately respond to revisions to those standards, it maintains membership in the Financial Accounting Standards Foundation (FASF) and participates in seminars provided by FASF on a quarterly basis.

1. Consolidated financial statements, etc.

(1) Consolidated financial statements

1) Consolidated balance sheet

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Assets		
Current assets		
Cash and deposits	49,788	48,851
Accounts receivable - trade, and contract assets	*1 7,410	*1 7,149
Accounts receivable - other	2,316	2,075
Operational investment securities	*2 22,106	*2 20,705
Money held in trust	27,500	35,000
Securities	-	50
Other	3,214	3,610
Allowance for doubtful accounts	(59)	(22)
Total current assets	112,276	117,419
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,783	1,612
Tools, furniture and fixtures	370	244
Total property, plant and equipment	*3 2,154	*3 1,856
Intangible assets		
Other	6	4
Total intangible assets	6	4
Investments and other assets		
Investment securities	*2 9,230	*2 9,933
Deferred tax assets	2,342	1,111
Other	3,133	2,884
Allowance for doubtful accounts	(356)	(310)
Total investments and other assets	14,351	13,617
Total non-current assets	16,511	15,477
Total assets	128,788	132,897
Liabilities		
Current liabilities		
Current portion of bonds payable	-	9,000
Income taxes payable	1,600	796
Contract liabilities	5,037	3,794
Provision for bonuses	668	521
Accounts payable - other	6,602	6,497
Other	1,112	992
Total current liabilities	15,021	21,602
Non-current liabilities		
Long-term borrowings		9,000
Bonds payable	16,700	7,700
Other	1,536	947
Total non-current liabilities	18,236	17,647
Total liabilities	33,257	39,250

(Unit: million yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	2,362	2,362
Retained earnings	96,443	94,816
Treasury shares	(5,608)	(5,399)
Total shareholders' equity	93,298	91,879
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,431	1,154
Foreign currency translation adjustment	216	(4)
Total accumulated other comprehensive income	1,648	1,150
Share acquisition rights	487	499
Non-controlling interests	96	118
Total net assets	95,530	93,647
Total liabilities and net assets	128,788	132,897

2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Unit: million yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net sales	*1 61,309	*1 57,111
Cost of sales	27,068	27,902
Gross profit	34,240	29,209
Selling, general and administrative expenses	*2, *3 28,258	*2, *3 24,348
Operating profit	5,981	4,860
Non-operating income		
Interest income	117	232
Dividend income	15	70
Foreign exchange gains	1,170	-
Valuation gain on crypto assets	22	19
Other	21	15
Total non-operating income	1,347	338
Non-operating expenses		
Interest expenses	160	190
Foreign exchange losses	-	1,246
Commission expenses	31	1
Other	13	1
Total non-operating expenses	205	1,439
Ordinary profit	7,123	3,760
Extraordinary income		
Gain on sale of investment securities	72	77
Other	0	-
Total extraordinary income	72	77
Extraordinary losses		
Loss on retirement of non-current assets	21	0
Loss on valuation of investment securities	-	86
Loss on sale of shares of subsidiaries and associates	-	102
Other	-	4
Total extraordinary losses	21	193
Profit before income taxes	7,174	3,644
Income taxes - current	2,610	1,462
Income taxes - deferred	(21)	1,034
Total income taxes	2,589	2,496
Profit	4,585	1,148
Loss attributable to non-controlling interests	(44)	(46)
Profit attributable to shareholders of parent	4,630	1,194

Consolidated statement of comprehensive income

(Unit: million yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Profit	4,585	1,148
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,138)	628
Foreign currency translation adjustment	150	(221)
Share of other comprehensive income of entities accounted for using equity method	912	(904)
Total other comprehensive income	*1 (75)	*1 (497)
Comprehensive income	4,509	650
Comprehensive income attributable to		
Shareholders of parent	4,554	696
Non-controlling interests	(44)	(46)

3) Consolidated statement of changes in equity

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	2,365	93,690	(5,836)	90,319
Changes during period					
Dividends of surplus			(1,877)		(1,877)
Profit attributable to shareholders of parent			4,630		4,630
Disposal of treasury shares				228	228
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during period	-	(2)	2,752	228	2,978
Balance at end of period	100	2,362	96,443	(5,608)	93,298

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	1,657	66	1,724	454	51	92,549
Changes during period						
Dividends of surplus						(1,877)
Profit attributable to shareholders of parent						4,630
Disposal of treasury shares						228
Change in ownership interest of parent due to transactions with non-controlling interests						(2)
Net changes in items other than shareholders' equity	(226)	150	(75)	32	45	1
Total changes during period	(226)	150	(75)	32	45	2,980
Balance at end of period	1,431	216	1,648	487	96	95,530

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	2,362	96,443	(5,608)	93,298
Changes during period					
Dividends of surplus			(2,822)		(2,822)
Profit attributable to shareholders of parent			1,194		1,194
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				208	208
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(1,627)	208	(1,418)
Balance at end of period	100	2,362	94,816	(5,399)	91,879

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	1,431	216	1,648	487	96	95,530
Changes during period						
Dividends of surplus						(2,822)
Profit attributable to shareholders of parent						1,194
Purchase of treasury shares						(0)
Disposal of treasury shares						208
Net changes in items other than shareholders' equity	(276)	(221)	(497)	11	21	(464)
Total changes during period	(276)	(221)	(497)	11	21	(1,882)
Balance at end of period	1,154	(4)	1,150	499	118	93,647

4) Consolidated statements of cash flows

(Millions of yen)

Fiscal year ended June 30, 2024 Fiscal year ended June 30, 2025

Cash flows from operating activities		
Profit before income taxes	7,174	3,644
Depreciation	343	305
Interest and dividend income	(133)	(303)
Interest expenses	160	190
Foreign exchange losses (gains)	(567)	453
Loss (gain) on sale of investment securities	(72)	(77)
Decrease (increase) in operational investment securities	(1,584)	(390)
Loss (gain) on valuation of investment securities	-	86
Decrease (increase) in trade receivables	284	273
Decrease (increase) in accounts receivable–other	(17)	251
Increase (decrease) in allowance for doubtful accounts	90	(81)
Decrease (increase) in deposits paid	(108)	(109)
Decrease (increase) in prepaid expenses	189	171
Decrease (increase) in long-term prepaid expenses	(24)	12
Increase (decrease) in accounts payable–other	576	83
Increase (decrease) in accrued consumption taxes	(37)	(66)
Increase (decrease) in contract liabilities	(882)	(1,243)
Other, net	365	(136)
Subtotal	5,756	3,063
Interest and dividends received	133	303
Interest paid	(155)	(183)
Payment amount or refund amount of income taxes	(2,232)	(2,507)
Net cash provided by (used in) operating activities	3,502	674
Cash flows from investing activities		
Purchase of property, plant and equipment	(138)	(6)
Purchase of investment securities	(372)	(29)
Proceeds from sale of investment securities	284	373
Proceeds from sale of shares of subsidiaries and associates	39	-
Loan advances to subsidiaries and associates	-	(15)
Payments of leasehold deposits	(3)	(4)
Proceeds from refund of leasehold deposits	173	1
Other, net	(7)	(5)
Net cash provided by (used in) investing activities	(23)	312
Cash flows from financing activities		
Proceeds from issuance of bonds	6,000	-
Redemption of bonds	(5,000)	-
Proceeds from long-term borrowings	-	9,000
Purchase of treasury shares	-	(0)
Dividends paid	(1,973)	(2,959)
Other, net	(25)	(16)
Net cash provided by (used in) financing activities	(999)	6,023
Effect of exchange rate change on cash and cash equivalents	515	(398)
Net increase (decrease) in cash and cash equivalents	2,994	6,613
Cash and cash equivalents at beginning of period	74,293	77,288
Cash and cash equivalents at end of period	*1 77,288	*1 83,901

Notes to consolidated financial statements

(Significant matters that serve as the basis for preparation of the consolidated financial statements)

1. Scope of consolidation

(1) Number and name of consolidated subsidiaries

Number of consolidated subsidiaries: 24

Name of main consolidated subsidiaries

WFS, Inc.

GREE, Inc.

REALITY, Inc.

GREE Entertainment, Inc.

GREE X, Inc.

During the fiscal year under review, the Company newly established GREE, Inc., GREE Capital US, LLC and GREE Studios, Inc. and added these subsidiaries to the scope of consolidation.

Pokelabo, Inc. was absorbed in an absorption-type merger with WFS, Inc., QUANT Inc. was absorbed in an absorption-type merger with GREE Lifestyle, Inc. and jobda, Inc., REALITY XR cloud Inc. and LIMIA, Inc. were absorbed in an absorption-type merger with GREE X, Inc. As a result, they were excluded from the scope of consolidation.

Glossom, Inc. changed its trade name to GREE X, Inc on February 1, 2025.

(2) Name of main non-consolidated subsidiary

Name of main non-consolidated subsidiary

GREE Business Operations, Inc.

Reason for exclusion from the scope of consolidation

Non-consolidated subsidiaries are all small in scale, and total assets, net sales, profit or loss (amount corresponding to equity interests), and retained earnings (amount corresponding to equity interests) do not have a significant impact on consolidated financial statements, so they are excluded from the scope of consolidation.

2. Application of equity method

(1) Number of equity-method affiliates: 1

Name of main equity-method affiliate

AT-II Investment Limited Partnership

(2) Name of non-consolidated subsidiary and affiliate not accounted for by the equity method

Name of main companies

Non-consolidated subsidiary

GREE Business Operations, Inc.

Reason for not applying the equity method

The non-consolidated subsidiary and affiliate not accounted for by the equity method have only a slight impact on consolidated financial statements in terms of profit or loss (amount corresponding to equity interests) and retained earnings (amount corresponding to equity interests). Since they have little materiality to the Group as a whole, they are excluded from the equity-method of accounting.

(3) For equity-method affiliates, financial statements for the individual companies are used in cases where the closing date differs from that of the consolidated financial statements.

3. Accounting period of consolidated subsidiaries

Of the consolidated subsidiaries, STRIVE, Inc. and GREE LP Fund US I, LP have an accounting period ending December 31. In preparing consolidated financial statements, the Company uses a provisional settlement of accounts for STRIVE and GREE LP Fund US I as of the closing date of the consolidated financial statements. The closing date of all other consolidated subsidiaries matches that of the consolidated financial statements.

4. Accounting policies

(1) Valuation standard and method for significant assets

Securities

Held-to-maturity securities

Stated at amortized cost using the straight-line method.

Available-for-sale securities

Securities other than shares without a determinable market value

Stated at fair market value (with any unrealized gains or losses reported directly as a component of net assets and the cost of securities sold calculated by the moving average method).

Shares without a determinable market value

Stated at cost using the moving average method. In regard to investment in investment limited partnerships or other similar partnerships (those recognized as securities by Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), the Company uses the net amount of its equity interests based on the latest financial statements available as per the closing date stipulated by the partnership agreement.

(2) Depreciation method for significant assets

a. Property, plant and equipment

The declining balance method is mainly applied.

However, for facilities attached to buildings acquired on or after April 1, 2016, the straight-line method is applied in accordance with the standards prescribed by the Corporation Tax Act.

The ranges of useful life for property, plant and equipment are mainly as follows.

Buildings and structures 8-18 years

Tools, furniture and fixtures 3-15 years

b. Intangible assets

Software for internal use

The straight-line method is applied based on the useful life at the Company (2-5 years).

(3) Accounting standards for significant provisions

a. Allowance for doubtful accounts

To prepare for losses from uncollectable receivables, estimates of irrecoverable amounts are recorded based on historical loan-loss ratios for general receivables, and on consideration of feasibly recoverable amounts in individual cases of suspected bad debt or other specific receivables.

b. Provision for bonuses

To provide for the payment of bonuses to employees, of the estimated total amount of bonus payment, the Company records the portion to be borne by the fiscal year under review.

(4) Recognition standards for significant revenues and expenses

The details of major performance obligations in key businesses in relation to revenue from contracts between the Group and its customers, and the normal timing of satisfying such performance obligations (the normal timing to recognize revenue) are as follows.

a. Revenue received from customers for in-app purchases

The Group operates the games distributed on its GREE platform, various smartphone games and such distributed on third-party platforms, and the metaverse REALITY for smartphones under a monetization model that is primarily based on in-app purchases. In-app purchases refer to purchases of virtual items by users (customers) that are used in games or other apps, and the Group judges that its performance obligations are satisfied by delivering services within the scope determined for each virtual item. Consequently, the Group estimates the usage period for virtual items from the in-app purchase date, and recognizes revenue in accordance with the estimated period. The consideration for the transactions is received within one year of the satisfaction of the performance obligations, and does not include a significant financing component.

b. Licensing revenue

The Group licenses game distribution and other rights. When providing a license to a customer, the Group regards the nature of its commitment as the right to access its intellectual property during the license period, and it recognizes the revenue received from customers for the licensing of game distribution and other rights over a certain period. The consideration for the transactions is received within one year of the satisfaction of the performance obligations, and does not include a significant financing component.

c. Revenue from contracted operations

The Group undertakes contracted software development. It distinguishes two types of performance obligation to customers for such work based on the terms of the contract with the customer: provide deliverables under contracts for work, or provide services under contracts of mandate. For contracts for work, where the degree of work progress can be rationally estimated, the Group recognizes revenue based on the degree of progress calculated as the ratio of incurred costs by the final day of the applicable reporting period to the total estimated expenses. If the degree of progress in the satisfaction of the performance obligations cannot be rationally estimated, but the incurred expenses are expected to be recovered, the Group recognizes revenue based on the cost recovery method. For contracts of mandate, the Group recognizes revenue based on the elapsed contract period during which services have been provided. The consideration for the transactions is received within one year of the satisfaction of the performance obligations, and does not include a significant financing component.

(5) Standard for translation of significant foreign currency-denominated assets and liabilities to Japanese yen

Monetary claims and liabilities denominated in foreign currency are translated into yen at the spot exchange rate prevailing on the closing date, and the difference arising from such translation is recorded as profits or losses. The assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate prevailing on the closing date, and their revenues and expenses are translated into yen at the average exchange rate during the fiscal year, with the differences arising from such translation included in the foreign currency translation adjustment account under net assets.

(6) Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents consist of cash in hand, deposits drawable at any time, and any short-term investments that are readily convertible, are only exposed to negligible risk of change in value, and are redeemable in three months or less from each acquisition date.

(Significant accounting estimates)

Valuation of unlisted stocks

Accounting estimates used in preparing the Company's consolidated financial statements are as follows.

1. Amounts recorded in the consolidated financial statements for the fiscal year under review

(Millions of yen)

	Fiscal year ended June 30, 2024 (As of June 30, 2024)	Fiscal year ended June 30, 2025 (As of June 30, 2025)
Operational investment securities (unlisted stocks)	1,760	2,005
Operational investment securities (investment in investment limited partnerships or other similar partnerships)	20,310	18,673
Investment securities (unlisted stocks)	2,506	2,052

2. Other information regarding accounting estimates that contributes to the understanding of users of the consolidated financial statements

For the purpose of business alliances and investment and incubation, the Group invests in a number of unlisted companies in amounts considerably higher than their value based on net assets per share, with the expectation of excess earning capacity through future growth of the investees. In valuing such unlisted stocks, the Company recognizes impairment losses when their value, reflecting their excess earning capacity at the time of investment, declines significantly.

As part of the valuation of unlisted stocks, the Company considers whether the excess earning capacity as of the time of investment has been impaired by comprehensively taking into account the level of achievement of the investee's business plan in place at the time of investment, along with growth and performance prospects. This review includes elements of estimation, and the key assumptions used are the significant components that underpin the sales and operating profit projections included in the business plan. There is a great deal of uncertainty in the assumptions used in the estimates, and if there is deviation between an investee's outlook for business progress and its actual results, that may have an impact on the consolidated financial statements for the next accounting year.

In regard to investment in investment limited partnerships or other similar partnerships, the Company uses the net amount of its equity interests based on the latest financial statements available as per the closing date stipulated by the partnership agreement.

(Changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes, etc.")

Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standards") and others are applied from the beginning of the current consolidated fiscal year.

Amendments to the classification of income taxes (income taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment set forth in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance"). There is no impact on the consolidated financial statements.

In addition, the Company has applied the 2022 Revised Guidance from the beginning of the current fiscal year with respect to the amendments related to the review of the treatment in consolidated financial statements in cases where gains or losses on sales of shares of subsidiaries and others between consolidated companies are deferred for tax purposes. This change in accounting policies has been retrospectively applied, and the consolidated financial statements for the previous fiscal year are those after the retrospective application has been applied. There is no impact on the consolidated financial statements in the previous fiscal year.

(Accounting standards not yet applied, etc.)

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

(1) Overview

As part of efforts to make Japanese GAAP internationally consistent, the Accounting Standards Board of Japan (ASBJ) conducted discussions based on international accounting standards for the development of accounting standards for leases that recognize assets and liabilities for all leases of lessees. As a basic policy, the ASBJ announced the Accounting Standards for Leases, etc., which are based on the single accounting model of IFRS 16 Leases, but aim to be simple and convenient by incorporating only major provisions of IFRS 16 Leases rather than all of its provisions, and to basically eliminate the need for amendments even if the provisions of IFRS 16 Leases are used in the non-consolidated financial statements.

As for the accounting treatment of lessees, in the same manner as IFRS 16 Leases, a single accounting model is applied to all leases, regardless of whether the lease is a finance lease or an operating lease, to account for the depreciation of right-of-use assets and the amount equivalent to the interest on lease liabilities.

(2) Scheduled date of application

The Group will begin applying the aforementioned accounting standards from the beginning of the fiscal year ending June 30, 2028.

(3) Effect of application of the aforementioned accounting standards

The Group is currently evaluating the impact of applying the Accounting Standard for Leases on its consolidated financial statements.

(Consolidated balance sheet)

*1 Among accounts receivable-trade and contract assets, receivable and contract asset amounts generated from contracts with customers are as follows.

	Fiscal year ended June 30, 2024 (As of June 30, 2024)	Fiscal year ended June 30, 2025 (As of June 30, 2025)
Accounts receivable-trade	¥7,260 million	¥6,930 million
Contract assets	¥150 million	¥218 million

*2 Investments in non-consolidated subsidiaries and associates are as follows.

	Fiscal year ended June 30, 2024 (As of June 30, 2024)	Fiscal year ended June 30, 2025 (As of June 30, 2025)
Operational investment securities (investment in investment partnerships)	¥6,470 million	¥3,936 million
Investment securities (stocks and others)	¥346 million	¥59 million

*3 Accumulated depreciation of property, plant and equipment

	Fiscal year ended June 30, 2024 (As of June 30, 2024)	Fiscal year ended June 30, 2025 (As of June 30, 2025)
Accumulated depreciation of property, plant and equipment	¥1,011 million	¥1,298 million

4. To facilitate the efficient procurement of working capital, the Company has concluded overdraft agreements with three banks. Unexecuted borrowings based on these agreements at the end of the fiscal year are as follows.

	Fiscal year ended June 30, 2024 (As of June 30, 2024)	Fiscal year ended June 30, 2025 (As of June 30, 2025)
Maximum overdraft limit	¥17,000 million	¥17,000 million
Outstanding borrowings	¥- million	¥- million
Difference	¥17,000 million	¥17,000 million

(Consolidated statement of income)

*1 Revenue from contracts with customers

The Group does not disaggregate revenue from contracts with customers and other revenue. Revenue amounts from contracts with customers are provided in “Notes to consolidated financial statements (Revenue recognition) 1. Breakdown of revenue from contracts with customers.”

*2 Major expense items and amounts included under selling, general and administrative expenses are as follows.

	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)
Salaries and allowances	¥3,280 million	¥2,886 million
Commission expenses	¥11,184 million	¥8,475 million
Advertising expenses	¥4,483 million	¥3,875 million

*3 Total research and development expenses included under general and administrative expenses are as follows.

	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)
	¥827 million	¥1,088 million

(Consolidated statement of comprehensive income)

*1 Reclassification adjustments and tax effects relating to other comprehensive income

	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)
Valuation difference on available-for-sale securities:		
Amount arising during period	¥(1,682) million	¥964 million
Reclassification adjustments	¥- million	¥(3) million
Before tax effect adjustment	¥(1,682) million	¥960 million
Tax effect amount	¥543 million	¥(332) million
Valuation difference on available-for-sale securities	¥(1,138) million	¥628 million
Foreign currency translation adjustment:		
Amount arising during period	¥150 million	¥(221) million
Reclassification adjustments	¥- million	¥- million
Before tax effect adjustment	¥150 million	¥(221) million
Tax effect amount	¥- million	¥- million
Foreign currency translation adjustment	¥150 million	¥(221) million
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during period	¥912 million	¥(904) million
Total other comprehensive income	¥(75) million	¥(497) million

(Consolidated statement of changes in equity)

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

1. Type and number of issued shares and treasury shares

Type	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Issued shares				
Common stock (shares)	179,749,700	-	-	179,749,700
Total	179,749,700	-	-	179,749,700
Treasury shares				
Common stock (shares) (Note)	9,094,269	-	379,495	8,714,774
Total	9,094,269	-	379,495	8,714,774

(Note) The number of treasury shares (common stock) includes the Company's shares held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account (8,675,042 shares as of July 1, 2023 and 8,295,547 shares as of June 30, 2024).

(Overview of reasons for changes)

(Note) The decrease reflects the following.

Decrease from the sale of the Company's shares by ESOP Trust Account	311,928 shares
Decrease from the sale of the Company's shares by BIP Trust Account	67,567 shares

2. Share acquisition rights and treasury share acquisition rights

Classification	Description	Type of shares subject to share acquisition rights	Number of shares subject to share acquisition rights (shares)				Balance at end of period (millions of yen)
			Beginning of period	Increase during period	Decrease during period	End of period	
Filing company (parent company)	Share acquisition rights as stock options	-	-	-	-	-	487
Total		-	-	-	-	-	487

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
August 3, 2023 Board of Directors	Common stock	1,877	11.0	June 30, 2023	August 24, 2023

(Notes) The total amount of dividends does not include ¥95 million paid to the Company's shares held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account.

(2) Dividends whose record date falls in the fiscal year ended June 30, 2024 and whose effective date falls in the next fiscal year

Resolution	Type of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
August 1, 2024 Board of Directors	Common stock	Retained earnings	2,822	16.5	June 30, 2024	August 22, 2024

(Note) The total amount of dividends does not include ¥136 million paid to the Company's shares held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account.

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

1. Type and number of issued shares and treasury shares

Type	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Issued shares				
Common stock (shares)	179,749,700	-	-	179,749,700
Total	179,749,700	-	-	179,749,700
Treasury shares				
Common stock (shares) (Note)	8,714,774	81	313,942	8,400,913
Total	8,714,774	81	313,942	8,400,913

(Note) The number of treasury shares (common stock) includes the Company's shares held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account (8,295,547 shares as of July 1, 2024 and 7,981,605 shares as of June 30, 2025).

(Overview of reasons for changes)

(Note) The increase reflects the following.

Increase from the purchase of shares less than one unit 81 shares

(Note) The decrease reflects the following.

Decrease from the sale of the Company's shares by ESOP Trust Account 171,851 shares

Decrease from the sale of the Company's shares by BIP Trust Account 142,091 shares

2. Share acquisition rights and treasury share acquisition rights

Classification	Description	Type of shares subject to share acquisition rights	Number of shares subject to share acquisition rights (shares)				Balance at end of period (millions of yen)
			Beginning of period	Increase during period	Decrease during period	End of period	
Filing company (parent company)	Share acquisition rights as stock options	-	-	-	-	-	499
Total		-	-	-	-	-	499

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
August 1, 2024 Board of Directors	Common stock	2,822	16.5	June 30, 2024	August 22, 2024

(Note) The total amount of dividends does not include ¥136 million paid to the Company's shares held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account.

(2) Dividends whose record date falls in the fiscal year ended June 30, 2025 and whose effective date falls in the next fiscal year

Resolution	Type of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
August 6, 2025 Board of Directors	Common stock	Retained earnings	2,484	14.5	June 30, 2025	August 21, 2025

(Note) The total amount of dividends does not include ¥115 million paid to the Company's shares held by Stock Grant ESOP Trust Account and Executive Remuneration BIP Trust Account.

(Consolidated statements of cash flows)

*1 Reconciliation of year-end balance of cash and cash equivalents and items in the consolidated balance sheet

	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)
Cash and deposits account	¥49,788 million	¥48,851 million
Money held in trust	¥27,500 million	¥35,000 million
Investment securities	- million	¥50 million
Cash and cash equivalents	¥77,288 million	¥83,901 million

(Lease Transactions)

Operating lease transactions

(Lessee)

Future lease payables related to non-cancelable operating leases

(Millions of yen)

	Fiscal year ended June 30, 2024 (As of June 30, 2024)	Fiscal year ended June 30, 2025 (As of June 30, 2025)
Due within one year	1,073	1,071
Due after one year	1,785	714
Total	2,859	1,785

(Financial instruments)

1. Conditions of financial instruments

(1) Policy for handling financial instruments

The Group procures necessary funds mainly from its own funds, corporate bonds, and long-term borrowings, and seeks to ensure proper fund management by effectively utilizing its Cash Management Services (CMS). It invests in unlisted stocks and investment limited partnerships or other similar partnerships in its Investment Business, and manages temporary surplus funds in the form of safe financial assets. The Group's investments in investment limited partnerships or other similar partnerships are mainly conducted through GREE Capital Management, Inc.

(2) Type and risk of financial instruments

Accounts receivable-trade and accounts receivable-other (trade receivables) are exposed to credit risk from customers.

Money held in trust mainly consists of jointly operated designated money trusts, which are exposed to credit risk from issuers. Operational investment securities and investment securities mainly consist of held-to-maturity securities, stocks associated with business alliances, unlisted stocks held for the purpose of investment and incubation, and investments in investment partnerships, all of which are exposed to credit risk and the risk of market price fluctuations.

The majority of accounts payable-other (trade payables) and income taxes payable are paid within one year.

Corporate bonds and long-term borrowings are limited to fixed-rate and unsecured.

(3) Risk management system for financial instruments

In accordance with internal regulations, the Group conducts regular monitoring by account managers of the status of trade receivables from key customers, manages settlement dates and balances for each customer, and works to identify and mitigate doubtful accounts receivables resulting from deterioration in financial conditions as early as possible.

Money held in trust mainly consists of low-risk financial instruments held for the purpose of short-term investment, so their exposure to credit risk is low. Held-to-maturity securities solely consist of bonds with high credit ratings, so their exposure to credit risk is similarly low. Stocks associated with business alliances and investment in investment partnerships are exposed to the risk of market price fluctuations, but the Company periodically examines market values and the financial position of issuers (trade partners) and continually reviews the status of its holdings.

2. Fair value of financial instruments

The amounts recorded on the consolidated balance sheet, fair values, and the differences between them are as follows.

Fiscal year ended June 30, 2024 (as of June 30, 2024)

	Amount recorded on consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
(1) Operational investment securities			
Available-for-sale securities	34	34	-
(2) Investment securities			
Held-to-maturity securities	5,500	5,419	(80)
Available-for-sale securities	1,224	1,224	-
Total assets	6,759	6,678	(80)
(1) Bonds payable	16,700	16,553	(146)
Total liabilities	16,700	16,553	(146)

(*1) Notes for “cash and deposits,” “notes and accounts receivable-trade,” “accounts receivable-other,” “money held in trust,” “accounts payable-other,” and “income taxes payable” are omitted as they are settled in the short term and their fair value therefore approximates book value.

(*2) Shares without a determinable market value are not included in the table above. The amounts recorded on the consolidated balance sheet for these financial instruments are as follows.

Classification	Fiscal year ended June 30, 2024 (as of June 30, 2024)
Operational investment securities (unlisted stocks)	1,760
Operational investment securities (investment in investment limited partnerships or other similar partnerships)	20,310
Investment securities (unlisted stocks)	2,506

Fiscal year ended June 30, 2025 (as of June 30, 2025)

	Amount recorded on consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
(1) Operational investment securities			
Available-for-sale securities	25	25	-
(2) Investment securities			
Held-to-maturity securities	5,500	5,421	(78)
Available-for-sale securities	2,380	2,380	-
Total assets	7,906	7,828	(78)
(1) Long-term borrowings	9,000	9,007	7
(2) Bonds payable	16,700	16,557	(142)
Total liabilities	25,700	25,564	(135)

(*1) Notes for “cash and deposits,” “notes and accounts receivable-trade,” “accounts receivable-other,” “money held in trust,” “investment securities,” “accounts payable-other,” and “income taxes payable” are omitted as they are settled in the short term and their fair value therefore approximates book value.

(*2) Shares without a determinable market value are not included in the table above. The amounts recorded on the

consolidated balance sheet for these financial instruments are as follows.

Classification	Fiscal year ended June 30, 2025 (as of June 30, 2025)
Operational investment securities (unlisted stocks)	2,005
Operational investment securities (investment in investment limited partnerships or other similar partnerships)	18,673
Investment securities (unlisted stocks)	2,052

(Note) 1. Redemption schedule for monetary receivables and securities with maturity dates after the closing date

Fiscal year ended June 30, 2024 (as of June 30, 2024)

	One year or less (millions of yen)	More than one year and up to five years (millions of yen)	More than five years and up to 10 years (millions of yen)	More than 10 years (millions of yen)
Deposits	49,788	-	-	-
Accounts receivable-trade	7,260	-	-	-
Accounts receivable-other	2,316	-	-	-
Investment securities				
Held-to-maturity securities				
Bonds	-	5,500	-	-
Total	59,364	5,500	-	-

Fiscal year ended June 30, 2025 (as of June 30, 2025)

	One year or less (millions of yen)	More than one year and up to five years (millions of yen)	More than five years and up to 10 years (millions of yen)	More than 10 years (millions of yen)
Deposits	48,850	-	-	-
Accounts receivable-trade	6,930	-	-	-
Accounts receivable-other	2,075	-	-	-
Investment securities				
Held-to-maturity securities				
Bonds	1,500	4,000	-	-
Total	59,357	4,000	-	-

(Note) 2. Redemption schedule for bonds payable, long-term borrowings, and other interest-bearing debt after the closing date

Fiscal year ended June 30, 2024 (as of June 30, 2024)

	One year or less (millions of yen)	More than one year and up to two years (millions of yen)	More than two years and up to three years (millions of yen)	More than three years and up to four years (millions of yen)	More than four years and up to five years (millions of yen)	More than five years (millions of yen)
Bonds payable	-	9,000	6,000	1,700	-	-

Fiscal year ended June 30, 2025 (as of June 30, 2025)

	One year or less (millions of yen)	More than one year and up to two years (millions of yen)	More than two years and up to three years (millions of yen)	More than three years and up to four years (millions of yen)	More than four years and up to five years (millions of yen)	More than five years (millions of yen)
Long-term borrowings	-	-	3,000	-	6,000	-
Bonds payable	9,000	6,000	1,700	-	-	-
Total	9,000	6,000	4,700	-	6,000	-

3. Matters related to the breakdown of fair value of financial instruments by level

The fair value of financial instruments is categorized into the following three levels based on the observability and significance of the inputs used for the fair value calculation.

Level 1: Fair values calculated using, among the observable inputs for the calculation of fair value, the quoted prices in active markets for the assets or liabilities subject to fair value calculation.

Level 2: Fair values calculated using, among the observable inputs for the calculation of fair value, the inputs for fair value calculation other than Level 1 inputs.

Level 3: Fair values calculated using the unobservable inputs for the calculation of fair values.

If multiple inputs are used that have a significant impact on the fair value calculation, the fair value is categorized under the level with the lowest priority in the fair value calculation among the levels to which each such input belongs.

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

Fiscal year ended June 30, 2024 (as of June 30, 2024)

Classification	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Operational investment securities				
Available-for-sale securities				
Stocks	34	-	-	34
Investment securities				
Available-for-sale securities				
Stocks	1,224	-	-	1,224
Total	1,259	-	-	1,259

Fiscal year ended June 30, 2025 (as of June 30, 2025)

Classification	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Operational investment securities				
Available-for-sale securities				
Stocks	25	-	-	25
Investment securities				
Available-for-sale securities				
Stocks	2,380	-	-	2,380
Total	2,406	-	-	2,406

(2) Financial instruments and financial liabilities not recorded at fair value on the consolidated balance sheet
Fiscal year ended June 30, 2024 (as of June 30, 2024)

Classification	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total-
Investment securities				
Held-to-maturity securities				
Bonds	-	5,419	-	5,419
Total assets	-	5,419	-	5,419
Bonds payable	-	16,553	-	16,553
Total liabilities	-	16,553	-	16,553

Fiscal year ended June 30, 2025 (as of June 30, 2025)

Classification	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total-
Investment securities				
Held-to-maturity securities				
Bonds	-	5,421	-	5,421
Total assets	-	5,421	-	5,421
Long-term borrowings	-	9,007	-	9,007
Bonds payable	-	16,557	-	16,557
Total liabilities	-	25,564	-	25,564

(Note) Valuation method used for the fair value calculation and information on inputs used to measure fair value

Operational investment securities and investment securities

Listed shares are valued using quoted prices. Because listed shares are traded in active markets, their fair value is classified as Level 1 fair value. Bonds held by the Company are deemed not to have quoted prices in active markets due to their low trading frequency. They are therefore valued based on the present value estimated by discounting the total principal and interest by a discount rate reflecting the remaining term and credit risk, and classified as Level 2 fair value.

Long-term borrowings

The fair value for long-term borrowings is calculated based on the present value estimated by discounting the total principal and interest by the discount rate reflecting the remaining term and credit risk, and classified as Level 2 fair value.

Bonds payable

The fair value for the bonds issued by the Company is calculated based on the present value estimated by discounting the total principal and interest by the discount rate reflecting the remaining term and credit risk, and classified as Level 2 fair value.

(Market securities)

1. Held-to-maturity securities

Fiscal year ended June 30, 2024 (as of June 30, 2024)

	Type	Amount recorded on consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
Fair value above amount recorded on consolidated balance sheet	(1) Government and municipal bonds	-	-	-
	(2) Corporate bonds	-	-	-
	(3) Other	-	-	-
	Subtotal	-	-	-
Fair value below amount recorded on consolidated balance sheet	(1) Government and municipal bonds	-	-	-
	(2) Corporate bonds	5,500	5,419	(80)
	(3) Other	-	-	-
	Subtotal	5,500	5,419	(80)
Total		5,500	5,419	(80)

Fiscal year ended June 30, 2025 (as of June 30, 2025)

	Type	Amount recorded on consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
Fair value above amount recorded on consolidated balance sheet	(1) Government and municipal bonds	-	-	-
	(2) Corporate bonds	-	-	-
	(3) Other	-	-	-
	Subtotal	-	-	-
Fair value below amount recorded on consolidated balance sheet	(1) Government and municipal bonds	-	-	-
	(2) Corporate bonds	5,500	5,421	(78)
	(3) Other	-	-	-
	Subtotal	5,500	5,421	(78)
Total		5,500	5,421	(78)

2. Available-for-sale securities

Fiscal year ended June 30, 2024 (as of June 30, 2024)

	Type	Amount recorded on consolidated balance sheet (millions of yen)	Acquisition cost (millions of yen)	Difference (millions of yen)
Items for which the amount recorded on consolidated balance sheet exceeds the acquisition cost	(1) Securities falling under operational investment securities			
	1) Stocks	-	-	-
	2) Other	-	-	-
	(2) Securities falling under investment securities			
	1) Stocks	1,224	932	291
	2) Other	-	-	-
	Subtotal	1,224	932	291
Items for which the amount recorded on consolidated balance sheet does not exceed the acquisition cost	(1) Securities falling under operational investment securities			
	1) Stocks	34	34	-
	2) Other	-	-	-
	(2) Securities falling under investment securities			
	1) Stocks	-	-	-
	2) Other	-	-	-
	Subtotal	34	34	-
Total		1,259	967	291

Fiscal year ended June 30, 2025 (as of June 30, 2025)

	Type	Amount recorded on consolidated balance sheet (millions of yen)	Acquisition cost (millions of yen)	Difference (millions of yen)
Items for which the amount recorded on consolidated balance sheet exceeds the acquisition cost	(1) Securities falling under operational investment securities			
	1) Stocks	25	13	12
	2) Other	-	-	-
	(2) Securities falling under investment securities			
	1) Stocks	2,380	928	1,452
	2) Other	-	-	-
	Subtotal	2,406	941	1,464
Items for which the amount recorded on consolidated balance sheet does not exceed the acquisition cost	(1) Securities falling under operational investment securities			
	1) Stocks	-	-	-
	2) Other	-	-	-
	(2) Securities falling under investment securities			
	1) Stocks	-	-	-
	2) Other	-	-	-
	Subtotal	-	-	-
Total		2,406	941	1,464

3. Available-for-sale securities sold

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

Type	Proceeds from sales (millions of yen)	Gains on sales (millions of yen)	Losses on sales (millions of yen)
(1) Securities falling under operational investment securities			
1) Stocks	-	-	-
2) Bonds			
a. Government and municipal bonds	-	-	-
b. Corporate bonds	-	-	-
c. Other	-	-	-
3) Other	-	-	-
(1) Securities falling under investment securities			
1) Stocks	134	72	-
2) Bonds			
a. Government and municipal bonds	-	-	-
b. Corporate bonds	-	-	-
c. Other	-	-	-
3) Other	-	-	-
Total	134	72	-

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

Type	Proceeds from sales (millions of yen)	Gains on sales (millions of yen)	Losses on sales (millions of yen)
(1) Securities falling under operational investment securities			
1) Stocks	-	-	-
2) Bonds			
a. Government and municipal bonds	-	-	-
b. Corporate bonds	-	-	-
c. Other	-	-	-
3) Other	-	-	-
(1) Securities falling under investment securities			
1) Stocks	347	77	102
2) Bonds			
a. Government and municipal bonds	-	-	-
b. Corporate bonds	-	-	-
c. Other	-	-	-
3) Other			
Total	347	77	102

4. Securities for which impairment losses were recognized

In the fiscal year ended June 30, 2024, the Group recognized an impairment loss of ¥231 million for marketable securities (¥231 million for stocks included in available-for-sale securities [¥231 million for operational investment securities]).

In the fiscal year ended June 30, 2025, the Group recognized an impairment loss of ¥529 million (¥529 million for stocks included in available-for-sale securities [¥443 million for operational investment securities and ¥86 million for investment securities]).

For securities with a market value, when the market value at the end of the period falls by 50% or more of the acquisition cost, the full amount is impaired, and when the market value falls 30% or more but less than 50%, an impairment loss is recorded for the amount deemed necessary in consideration of the significance of the amount, the possibility of market value recovery, and other factors. For unlisted stocks, when the value of the stock falls significantly due to deterioration in the financial status of the issuing company, an impairment loss is recorded for the amount deemed necessary.

(Derivative transactions)

There are no applicable matters to report.

(Retirement benefits)

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

1. Description of retirement benefit plan

The Company has adopted a defined contribution pension plan.

2. Defined contribution plan

The required amount of contribution to the defined contribution plan of the Company was ¥175 million.

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

1. Description of retirement benefit plan

The Company has adopted a defined contribution pension plan.

2. Defined contribution plan

The required amount of contribution to the defined contribution plan of the Company was ¥159 million.

(Stock options)

1. Amount and account of expenses for stock options

	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)
Selling, general and administrative expenses	¥32 million	¥11 million

2. Description and scale of stock options and related changes

(1) Description of stock options

	Series 7 share acquisition rights
Category and number of grantees	Seven Company directors
Number of stock options granted by stock type	Common stock, 253,000 shares
Grant date	October 15, 2015
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 15, 2015 to the vesting date
Exercise period	From October 15, 2015 to October 14, 2025

	Series 8 share acquisition rights
Category and number of grantees	Six Company directors
Number of stock options granted by stock type	Common stock, 166,700 shares
Grant date	October 14, 2016
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 14, 2016 to the vesting date
Exercise period	From October 14, 2016 to October 13, 2026

	Series 9 share acquisition rights
Category and number of grantees	Six Company directors
Number of stock options granted by stock type	Common stock, 367,700 shares
Grant date	October 13, 2017
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 13, 2017 to the vesting date
Exercise period	From October 13, 2017 to October 12, 2027

	Series 10 share acquisition rights
Category and number of grantees	Six Company directors
Number of stock options granted by stock type	Common stock, 294,400 shares
Grant date	October 12, 2018
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 12, 2018 to the vesting date
Exercise period	From October 12, 2018 to October 11, 2028

	Series 11 share acquisition rights
Category and number of grantees	Six Company directors
Number of stock options granted by stock type	Common stock, 195,000 shares
Grant date	October 11, 2019
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 11, 2019 to the vesting date
Exercise period	From October 11, 2019 to October 10, 2029

	Series 12 share acquisition rights
Category and number of grantees	Six Company directors
Number of stock options granted by stock type	Common stock, 180,000 shares
Grant date	October 14, 2020
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 14, 2020 to the vesting date
Exercise period	From October 14, 2020 to October 13, 2030

	Series 13 share acquisition rights
Category and number of grantees	Five Company directors
Number of stock options granted by stock type	Common stock, 1,197,000 shares
Grant date	October 14, 2021
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 14, 2021 to the vesting date
Exercise period	From October 14, 2021 to October 13, 2031

	Series 14 share acquisition rights
Category and number of grantees	Six Company directors
Number of stock options granted by stock type	Common stock, 91,200 shares
Grant date	October 14, 2021
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 14, 2021 to the vesting date
Exercise period	From October 14, 2021 to October 13, 2031

	Series 15 share acquisition rights
Category and number of grantees	One Company directors
Number of stock options granted by stock type	Common stock, 124,300 shares
Grant date	October 14, 2022
Conditions for vesting	An individual holding the share acquisition rights must at the time of exercise be an executive or employee of the Company, or have an ongoing contractual relationship or partnership (commissioned or contracted) with the Company. Other conditions for exercise of the rights are determined by the share acquisition rights allotment agreement concluded between the Company and the individual allotted the share acquisition rights based on a resolution of the Board of Directors regarding the issuance of share acquisition rights.
Requisite service period	From October 14, 2022 to the vesting date
Exercise period	From October 14, 2022 to October 13, 2032

(2) Scale of stock options and related changes

Changes in the scale of stock options that existed in the fiscal year ended June 30, 2025 are as follows. The number of stock options is converted to the number of shares.

(i) Number of stock options

	Series 7 share acquisition rights	Series 8 share acquisition rights	Series 9 share acquisition rights	Series 10 share acquisition rights	Series 11 share acquisition rights	Series 12 share acquisition rights	Series 13 share acquisition rights	Series 14 share acquisition rights	Series 15 share acquisition rights
Before vesting (shares)									
As of June 30, 2024	-	-	-	-	-	-	1,197,000	22,800	62,200
Granted	-	-	-	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-	-	-	-
Vested	-	-	-	-	-	-	-	22,800	31,100
Unvested	-	-	-	-	-	-	1,197,000	-	31,100
After vesting (shares)									
As of June 30, 2024	113,500	73,100	106,900	105,200	99,500	126,000	-	49,900	62,100
Vested	-	-	-	-	-	-	-	22,800	31,100
Exercised	-	-	-	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-	-	-	-
Unexercised	113,500	73,100	106,900	105,200	99,500	126,000	-	72,700	93,200

(ii) Price information

	Series 7 share acquisition rights	Series 8 share acquisition rights	Series 9 share acquisition rights	Series 10 share acquisition rights	Series 11 share acquisition rights	Series 12 share acquisition rights	Series 13 share acquisition rights	Series 14 share acquisition rights	Series 15 share acquisition rights
Exercise price (yen)	1	1	1	1	1	1	1	1	1
Average share price at time of exercise (yen)	-	-	-	-	-	-	-	-	-
Fair value per share at grant date (yen)	57,200	53,300	76,600	48,200	45,800	50,000	82,700	81,000	77,700

3. Method of estimating the number of stock options vested

Basically, only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future. For stock compensation-type stock options subject to market capitalization-based exercisability conditions, the number of forfeitures of non-vested stock options has been estimated while considering vesting conditions and other factors.

(Tax effect accounting)

1. Principal components of deferred tax assets and deferred tax liabilities

	Fiscal year ended June 30, 2024 (As of June 30, 2024)	Fiscal year ended June 30, 2025 (As of June 30, 2025)
Deferred tax assets		
Contract liabilities	¥784 million	¥607 million
Accrued enterprise taxes	¥104 million	¥29 million
Excess depreciation	¥462 million	¥553 million
Provision for bonuses	¥220 million	¥176 million
Investment securities	¥881 million	¥917 million
Shares of subsidiaries and associates	¥243 million	¥329 million
Tax loss carryforwards (Note) 2	¥1,790 million	¥2,256 million
Foreign tax credit carryforwards	¥24 million	- million
Other	¥748 million	¥727 million
Deferred tax assets subtotal	¥5,260 million	¥5,596 million
Less valuation allowance for tax loss carryforwards (Note) 2	¥(1,277) million	¥(2,189) million
Less valuation allowance for total deductible temporary differences	¥(1,276) million	¥(1,548) million
Valuation allowance subtotal (Note) 1	¥(2,554) million	¥(3,738) million
Deferred tax assets total	¥2,706 million	¥1,858 million
Deferred tax liabilities		
Enterprise taxes receivable	¥(40) million	¥(22) million
Valuation difference on available-for-sale securities	¥(744) million	¥(585) million
Other	¥(228) million	¥(212) million
Deferred tax liabilities total	¥(1,014) million	¥(819) million
Net deferred tax assets (deferred tax liabilities)	¥1,692 million	¥1,038 million

(Notes) 1. The valuation allowance increased by ¥1,184 million, mainly due to an increase in tax loss carryforwards

2. Tax loss carryforwards and related deferred tax assets by carryforward period

Fiscal year ended June 30, 2024 (as of June 30, 2024)

	One year or less (millions of yen)	More than one year and up to two years (millions of yen)	More than two years and up to three years (millions of yen)	More than three years and up to four years (millions of yen)	More than four years and up to five years (millions of yen)	More than five years (millions of yen)	Total (millions of yen)
Tax loss carryforwards (*3)	18	237	144	-	134	1,254	1,790
Valuation allowance	-	(205)	(143)	-	(89)	(839)	(1,277)
Deferred tax assets	18	32	0	-	45	415	(*4) 512

(*3) Tax loss carryforward figures are the amounts multiplied by the effective statutory tax rate.

(*4) No valuation allowance was recognized for the portion of tax loss carryforwards determined to be recoverable on the basis of projected future taxable income.

Fiscal year ended June 30, 2025 (as of June 30, 2025)

	One year or less (millions of yen)	More than one year and up to two years (millions of yen)	More than two years and up to three years (millions of yen)	More than three years and up to four years (millions of yen)	More than four years and up to five years (millions of yen)	More than five years (millions of yen)	Total (millions of yen)
Tax loss carryforwards (*3)	230	124	-	99	113	1,688	2,256
Valuation allowance	(230)	(124)	-	(99)	(105)	(1,629)	(2,189)
Deferred tax assets	-	-	-	-	7	58	(*4) 66

(*3) Tax loss carryforward figures are the amounts multiplied by the effective statutory tax rate.

(*4) No valuation allowance was recognized for the portion of tax loss carryforwards determined to be recoverable on the

basis of projected future taxable income.

2. Reconciliation between the effective statutory tax rate and effective income tax rate after application of tax-effect accounting

	Fiscal year ended June 30, 2024 (As of June 30, 2024)	Fiscal year ended June 30, 2025 (As of June 30, 2025)
Effective statutory tax rate		34.6%
(Adjustments)	Notes are omitted since the difference between the statutory tax rate and the effective income tax rate after the application of tax-effect accounting is less than 5% of the statutory tax rate.	
Permanent differences		2.0%
Change in valuation allowance		32.5%
Income taxes for prior periods		0.0%
Tax rate difference with consolidated subsidiaries		-1.6%
Other		1.0%
Effective income tax rate after application of tax-effect accounting		68.5%

3. Revision of the amount of deferred tax assets and deferred tax liabilities due to a change in the tax rate of income tax

In accordance with the Act on Partial Revision of the Income Tax Act and the Consumption Tax Act (Act No. 13 of 2025) enacted by the Diet on March 31, 2025, “defense special corporate tax” will be imposed from the consolidated fiscal year beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences that are expected to be eliminated in or after the year beginning July 1, 2026 are calculated by changing the statutory tax rate from 34.6% to 35.4%.

As a result of this change, the amount of deferred tax assets (after deducting the amount of deferred tax liabilities) increased by ¥10 million, income taxes - deferred decreased by ¥24 million, and valuation difference on available-for-sale securities decreased by ¥13 million.

(Revenue recognition)

1. Breakdown of revenue from contracts with customers

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(Millions of yen)

	Reportable segments						Other	Total
	Game	Metaverse	IP	DX	Investment	Total		
Revenue from paid services	40,170	6,460	100	-	-	46,731	-	46,731
Revenue from outsourcing contracts	2,227	219	-	3,422	-	5,870	-	5,870
Licensing revenue	7	-	1,500	-	-	1,507	-	1,507
Investment revenue	-	-	-	-	494	494	-	494
Other	659	540	169	3,107	-	4,476	85	4,561
Revenue from contracts with customers	43,064	7,221	1,770	6,530	494	59,080	85	59,166
Other revenue (Note 1)	-	-	-	-	2,143	2,143	-	2,143
Sales to external customers	43,064	7,221	1,770	6,530	2,638	61,224	85	61,309

(Notes) 1. Other revenue mainly reflects revenue from investments in investment limited partnerships or other similar partnerships based on the Accounting Standard for Financial Instruments (ASBJ Statement No. 10).

2. The information disclosed is based on the revised reportable segment classifications described in “Notes to consolidated financial statements (Segment information), Segment information, 1. Overview of reportable segments, (Notes regarding changes to reportable segments).”

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segments						Other	Total
	Game	Metaverse	IP	DX	Investment	Total		
Revenue from paid services	33,859	6,945	0	-	-	40,805	-	40,805
Revenue from outsourcing contracts	1,889	-	-	4,691	-	6,581	-	6,581
Licensing revenue	618	-	1,605	-	-	2,224	-	2,224
Investment revenue	-	-	-	-	1,100	1,100	-	1,100
Other	545	1,303	119	2,035	-	4,004	148	4,153
Revenue from contracts with customers	36,914	8,248	1,725	6,727	1,100	54,716	148	54,865
Other revenue (Note 1)	-	-	-	-	2,246	2,246	-	2,246
Sales to external customers	36,914	8,248	1,725	6,727	3,346	56,962	148	57,111

(Notes) 1. Other revenue mainly reflects revenue from investments in investment limited partnerships or other similar partnerships based on the Accounting Standard for Financial Instruments (ASBJ Statement No. 10).

2. The information disclosed is based on the revised reportable segment classifications described in “Notes to consolidated financial statements (Segment information), Segment information, 1. Overview of reportable segments, (Notes regarding changes to reportable segments).”

2. Basic information to understand revenue from contracts with customers

The information is provided in “Recognition standards for significant revenues and expenses” under “Significant matters that serve as the basis for preparation of the consolidated financial statements.”

3. Information on the satisfaction of performance obligations based on contracts with customers, correlation with cash flows from such contracts, revenue amounts from contracts with existing customers at the end of the fiscal year under review expected to be recognized in subsequent fiscal years, and the timing of such recognition

(1) Balance of contract assets and contract liabilities

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

	(Millions of yen)
	Amount
Receivables from contracts with customers (balance at beginning of period)	7,694
Receivables from contracts with customers (balance at end of period)	7,260
Contract assets (balance at beginning of period)	–
Contract assets (balance at end of period)	150
Contract liabilities (balance at beginning of period)	5,919
Contract liabilities (balance at end of period)	5,037

Contract assets are rights to unclaimed consideration in connection with the recognition of revenue based on progress under contracts for work.

Contract liabilities comprise advances received from customers for in-app purchases and advances received from customers for licensing revenue in connection with remaining performance obligations and game distribution licenses.

Of the revenue amount recognized in the fiscal year under review, the amount included in the balance of contract liabilities at the beginning of the period was ¥2,699 million.

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

	(Millions of yen)
	Amount
Receivables from contracts with customers (balance at beginning of period)	7,260
Receivables from contracts with customers (balance at end of period)	6,930
Contract assets (balance at beginning of period)	150
Contract assets (balance at end of period)	218
Contract liabilities (balance at beginning of period)	5,037
Contract liabilities (balance at end of period)	3,794

Contract assets are rights to unclaimed consideration in connection with the recognition of revenue based on progress under contracts for work.

Contract liabilities comprise advances received from customers for in-app purchases and advances received from customers for licensing revenue in connection with remaining performance obligations and game distribution licenses.

Of the revenue amount recognized in the fiscal year under review, the amount included in the balance of contract liabilities at the beginning of the period was ¥2,170 million.

(2) Transaction prices allocated to remaining performance obligations

The total amount of transaction prices allocated to remaining performance obligations and the periods in which revenue is expected to be recognized are shown in the table below. The Group has applied the practical expedient method to the notes regarding transaction prices allocated to remaining performance obligations. It has not provided notes regarding revenue for contracts initially expected to have a term of one year or less, or notes regarding sales or royalties based on usage volume for licensing revenue connected to intellectual property.

The remaining performance obligations mainly relate to licensing revenue in the Game Business and the IP Business.

Revenue for remaining performance obligations that span more than two years will be recognized over the contract period during which future licensing revenue is received.

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
One year or less	663	466
More than one year and up to two years	324	243
More than two years	979	823

(Segment Information)

Segment information

1. Overview of reportable segments

The Company's reportable segments are components for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors to determine the allocation of management resources and assess business performance.

The Group is engaged in the Game, Metaverse, IP, DX, and Investment businesses.

In the Game Business, WFS develops and operates various smartphone games and distributes many popular titles in Japan and globally, while GREE Studios plans and develops consumer games. In addition, GREE operates and develops GREE, a platform for social games.

In the Metaverse Business, the Group develops and operates the smartphone-oriented metaverse REALITY and operates a VTuber agency that manages and produces a wide range of talents.

In the IP Business, the Group is engaged in a wide range of consumer and corporate businesses in the content area of anime and manga.

In the DX Business, having developed Internet businesses over many years, the Group supports the digital transformation (DX) of corporate clients mainly in the marketing field and develops various SaaS.

In the Investment Business, through venture capital investment and startup investment, the Group primarily invests in the Internet and IT fields in Japan and overseas, contributing to innovation through IT and creating new value.

(Notes regarding changes to reportable segments)

The Group previously classified its reportable segments into the Game and Anime Business, the Metaverse Business, the DX Business, the Commerce Business, the Investment Business, and Other. However, it restructured its organization by integrating the Commerce Business into the DX Business on July 1, 2024. As a result, the Commerce Business was included in the DX Business effective from the fiscal year ended June 30, 2025.

In addition, as a result of the establishment of the IP Business on April 1, 2025, from the current fiscal year, the animation and license-related businesses, which had been operated in the Game and Anime Business, and the manga-related businesses, which had been included in the unreportable segment of Other, have been newly classified into the IP Business. In addition, the Game and Anime Business was renamed the Game Business to more accurately reflect its business content.

Segment information for the previous fiscal year has been prepared based on the revised reportable segment classifications.

2. Calculation methods for net sales, profit (loss), and other items for each reportable segment

The accounting methods used for reportable segments are the same as those discussed under "Significant matters that serve as the basis for preparation of the consolidated financial statements." Segment profit corresponds to operating profit.

3. . Information about net sales, profit (loss), and other items for each reportable segment

(1) Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(Millions of yen)

	Reportable segments						Other (Note 2)	Total	Adjustments (Note 3)	Amounts recorded on consolidated financial statements
	Game	Metaverse	IP	DX	Investment	Total				
Sales										
Sales to external customers	43,064	7,221	1,770	6,530	2,638	61,224	85	61,309	-	61,309
Intersegment sales and transfers	4	24	41	306	-	376	66	442	(442)	-
Total	43,068	7,245	1,811	6,836	2,638	61,600	151	61,752	(442)	61,309
Segment profit (loss) (Note 1)	6,544	206	160	940	(88)	7,762	130	7,892	(1,910)	5,981
Other items										
Depreciation	11	69	-	11	12	105	-	105	238	343

(Notes) 1. The total of segment profit (or loss) is equal to operating profit as recorded in the consolidated statement of income.

2. The “Other” category includes businesses that are not included in the reportable segments, such as newly developed businesses.

3. The -¥1,910 million adjustment to segment profit (or loss) reflects corporate expenses, mainly general and administrative expenses not attributable to the reportable segments.

4. Segment assets are not disclosed because the Group does not allocate assets to reportable segments.

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segments						Other (Note 2)	Total	Adjustments (Note 3)	Amounts recorded on consolidated financial statements
	Game	Metaverse	IP	DX	Investment	Total				
Sales										
Sales to external customers	36,914	8,248	1,725	6,727	3,346	56,962	148	57,111	-	57,111
Intersegment sales and transfers	22	27	11	313	-	375	159	535	(535)	-
Total	36,936	8,276	1,737	7,041	3,346	57,338	308	57,646	(535)	57,111
Segment profit (loss) (Note 1)	4,596	660	282	922	(413)	6,048	175	6,223	(1,362)	4,860
Other items										
Depreciation	4	44	-	10	0	59	-	59	245	305

(Notes) 1. The total of segment profit (or loss) is equal to operating profit as recorded in the consolidated statement of income.

2. The “Other” category includes businesses that are not included in the reportable segments, such as newly developed businesses.

3. The -¥1,362 million adjustment to segment profit (or loss) reflects corporate expenses, mainly general and administrative expenses not attributable to the reportable segments.

4. Segment assets are not disclosed because the Group does not allocate assets to reportable segments.

Related Information

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

1. Information by product and service

(Millions of yen)

	Revenue from paid services	Other	Total
Sales to external customers	46,731	14,577	61,309

2. Information by region

(1) Sales

(Millions of yen)

Japan	Other	Total
52,126	9,183	61,309

(Note) Sales are categorized by country or region based on the customer's location.

(2) Property, plant and equipment

This information has been omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of property, plant and equipment recorded on the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Sales
Apple Inc.	18,613
Google Inc.	15,583

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

1. Information by product and service

(Millions of yen)

	Revenue from paid services	Other	Total
Sales to external customers	40,805	16,305	57,111

2. Information by region

(1) Sales

(Millions of yen)

Japan	Other	Total
49,757	7,354	57,111

(Note) Sales are categorized by country or region based on the customer's location.

(2) Property, plant and equipment

This information has been omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of property, plant and equipment recorded on the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Sales
Apple Inc.	13,412
Google Inc.	12,446

Impairment losses on non-current assets by reportable segment

Impairment losses on non-current assets have been omitted as they are not significant.

Amortization of goodwill and unamortized balance by reportable segment

There are no applicable matters to report.

Related parties

1. Transactions with related parties

Fiscal year ended June 30, 2024

(1) Parent company and major shareholders (limited to companies), etc.

Category	Company name	Location	Share capital or investment (millions of yen)	Business description	Share of voting rights held (%)	Relationship with related parties	Nature of transactions	Transaction value (millions of yen)	Account	Balance at end of period (millions of yen)
Parent company	Sequoia, Inc. (Note 1)	Minato-ku, Tokyo	3	Real estate investment and securities investment	Directly owned 53.6	Employee secondment	Receipt of secondment fees (Note 2)	18	Accounts receivable - other	1

(Notes) 1. Chairman, President and CEO Yoshikazu Tanaka directly holds 100% of the voting rights.

2. In accordance with a secondment agreement, the Company receives fees for secondment equivalent to the personnel expenses of the seconded employees.

(2) Officers and major individual shareholders

There are no applicable matters to report.

(3) Non-consolidated subsidiaries and affiliates

There are no applicable matters to report.

Fiscal year ended June 30, 2025

(1) Parent company and major shareholders (limited to companies), etc.

Category	Company name	Location	Share capital or investment (millions of yen)	Business description	Share of voting rights held (%)	Relationship with related parties	Nature of transactions	Transaction value (millions of yen)	Account	Balance at end of period (millions of yen)
Parent company	Sequoia, Inc. (Note 1)	Minato-ku, Tokyo	3	Real estate investment and securities investment	Directly owned 53.6	Employee secondment	Receipt of secondment fees (Note 2)	29	Accounts receivable - other	3

(Notes) 1. Chairman, President and CEO Yoshikazu Tanaka directly holds 100% of the voting rights.

2. In accordance with a secondment agreement, the Company receives fees for secondment equivalent to the personnel expenses of the seconded employees.

(2) Officers and major individual shareholders

There are no applicable matters to report.

(3) Non-consolidated subsidiaries and affiliates

There are no applicable matters to report.

2. Summary financial information on significant affiliates

In the fiscal year ended June 30, 2025, AT-II Investment Limited Partnership is a significant affiliate, and its summarized financial information is as follows.

(Millions of yen)

	AT-II Investment Limited Partnership	
	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Total assets	-	2,249
Total net assets	-	2,249
Gain on investments	-	4,648
Profit before income taxes	-	3,492
Profit	-	3,492

(Note) AT-II Investment Limited Partnership has become a significant affiliate from the current fiscal year due to its increased importance.

(Per-share information)

Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025	
Net assets per share	¥555.13	Net assets per share	¥542.93
Net profit per share	¥27.10	Net profit per share	¥6.98
Diluted profit per share	¥26.79	Diluted profit per share	¥6.90

The basis of calculation for net profit per share and diluted profit per share is as follows.

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net profit per share		
Profit attributable to shareholders of parent (million yen)	4,630	1,194
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to shareholders of parent applicable to common shares (million yen)	4,630	1,194
Average number of common shares during fiscal year (1,000 shares)	170,862	171,197
Diluted profit per share		
Net profit adjustment attributable to shareholders of parent (million yen)	-	-
Amount of increase in common shares (1,000 shares)	1,956	1,993
(of which, attributable to new stock options)	(1,956)	(1,993)
Description of potentially non-dilutive common shares not included in the calculation of diluted profit per share	-	-

(Note) Calculation of average number of common shares during fiscal year does not include the Company's shares held in trust under the Employee Stock Option Program (ESOP) and the Directors' Board Incentive Plan (BIP).

5) Consolidated supplementary financial schedule

Schedule of corporate bonds

Company	Name of bond	Issue date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Interest rate (%)	Security	Redemption date
GREE Holdings, Inc.	2nd Unsecured Corporate Bond with Limited Inter-bond Pari Passu Clause	November 19, 2020	3,000	3,000	0.85	None	November 19, 2025
GREE Holdings, Inc.	3rd Unsecured Corporate Bond with Limited Inter-bond Pari Passu Clause	July 14, 2022	6,000	6,000	0.90	None	July 14, 2025
GREE Holdings, Inc.	4th Unsecured Corporate Bond with Limited Inter-bond Pari Passu Clause	July 14, 2022	1,700	1,700	1.20	None	July 14, 2027
GREE Holdings, Inc.	5th Unsecured Corporate Bond with Limited Inter-bond Pari Passu Clause	November 22, 2023	6,000	6,000	1.30	None	November 20, 2026
Total	-	-	16,700	16,700	-	-	-

(Note) Scheduled redemption amounts for five years after the closing date are as follows.

One year or less (millions of yen)	More than one year and up to two years (millions of yen)	More than two years and up to three years (millions of yen)	More than three years and up to four years (millions of yen)	More than four years and up to five years (millions of yen)
9,000	6,000	1,700	-	-

Schedule of borrowings

Classification	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%)	Repayment term
Short-term borrowings	-	-	-	-
Current portion of long-term borrowings	-	-	-	-
Current portion of lease obligations	12	-	-	-
Long-term borrowings (excluding current portion)	-	9,000	1.11%	2028 to 2030
Lease obligations (excluding current portion)	-	-	-	-
Other interest-bearing debt	-	-	-	-
Total	12	9,000	-	-

(Note) 1. The average interest rate for lease obligations is not shown, as lease obligations recorded on the consolidated balance sheet are amounts prior to the deduction of the interest expense equivalent, which is included in total leasing fees.

2. Scheduled repayment amounts of long-term borrowings for five years after the closing date are as follows.

	More than one year and up to two years (millions of yen)	More than two years and up to three years (millions of yen)	More than three years and up to four years (millions of yen)	More than four years and up to five years (millions of yen)
Long-term borrowings	-	3,000	-	6,000

Schedule of asset retirement obligations

The information has been omitted because the asset retirement obligation amount at the beginning and end of the fiscal year ended June 30, 2025 are below 1% of the total liabilities and net assets at the beginning and end of the same fiscal year.

(2) Other

Quarterly information for the fiscal year ended June 30, 2025

(Cumulative period)	Three months ended September 30, 2024	Six months ended December 31, 2024	Nine months ended March 31, 2025	Year ended June 30, 2025
Net sales (millions of yen)	12,941	28,520	43,136	57,111
Profit (loss) before income taxes (millions of yen)	(1,426)	2,120	2,748	3,644
Profit (loss) attributable to shareholders of parent (millions of yen)	(1,644)	955	900	1,194
Net profit (loss) per share (yen)	(9.61)	5.58	5.26	6.98

(Quarterly period)	First quarter	Second quarter	Third quarter	Fourth quarter
Net profit (loss) per share (yen)	(9.61)	15.19	(0.32)	1.72

(Note) The Company prepares quarterly financial information for the first and third quarters in accordance with the regulations of the financial instrument exchanges. However, such quarterly financial information has not been reviewed during the fiscal year.

2. Non-consolidated financial statements

(1) Non-consolidated financial statements

1) Non-consolidated balance sheet

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Assets		
Current assets		
Cash and deposits	46,810	46,699
Account receivable - trade	*1 973	*1 122
Account receivable - other	*1 1,561	*1 1,473
Money held in trust	27,500	35,000
Other	*1 739	*1 783
Allowance for doubtful accounts	(23)	-
Total current assets	77,561	84,079
Non-current assets		
Property, plant and equipment		
Buildings	1,703	1,536
Structures	11	9
Tools, furniture and fixtures	310	225
Total property, plant and equipment	2,024	1,770
Intangible assets		
Software	0	-
Total intangible assets	0	-
Investments and other assets		
Investment securities	7,173	8,354
Shares of subsidiaries and associates	1,865	446
Long-term loans receivable from subsidiaries and associates	13,354	13,467
Deferred tax assets	1,037	270
Other	1,178	1,168
Allowance for doubtful accounts	(7,081)	(5,775)
Total investments and other assets	17,528	17,931
Total non-current assets	19,553	19,702
Total assets	97,114	103,782

(Millions of yen)

Fiscal year ended June 30, 2024 Fiscal year ended June 30, 2025

Liabilities			
Current liabilities			
Current portion of bonds payable	-		9,000
Accounts payable - other	*1 2,072	*1	1,298
Income taxes payable	506		-
Contract liabilities	1,692		1,082
Deposits received	*1 10,377	*1	8,338
Provision for bonuses	390		279
Other	447		330
Total current liabilities	15,486		20,328
Non-current liabilities			
Long-term borrowings	-		9,000
Bonds payable	16,700		7,700
Asset retirement obligations	790		798
Provision for loss on business of subsidiaries and associates	13		12
Other	42		25
Total non-current liabilities	17,545		17,536
Total liabilities	33,032		37,864
Net assets			
Shareholders' equity			
Share capital	100		100
Capital surplus			
Legal capital surplus	2,365		2,365
Total capital surplus	2,365		2,365
Retained earnings			
Other retained earnings			
Retained earnings brought forward	66,560		67,415
Total retained earnings	66,560		67,415
Treasury shares	(5,608)		(5,399)
Total shareholders' equity	63,417		64,480
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	177		937
Total valuation and translation adjustments	177		937
Share acquisition rights	487		499
Total net assets	64,082		65,917
Total liabilities and net assets	97,114		103,782

2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net sales	*2 9,617	*2 6,012
Cost of sales	*2 3,320	*2 1,989
Gross profit	6,297	4,023
Selling, general and administrative expenses	*1,*2 5,161	*1,*2 2,209
Operating profit	1,135	1,814
Non-operating income		
Interest income	*2 121	*2 242
Dividend income	*2 4,790	*2 2,836
Foreign exchange gains	289	-
Reversal of allowance for doubtful accounts	-	1,265
Other	11	12
Total non-operating income	5,212	4,356
Non-operating expenses		
Interest expenses	*2 166	*2 199
Foreign exchange losses	-	415
Provision of allowance for doubtful accounts	293	-
Provision for loss on business of subsidiaries and associates	13	-
Commission expenses	31	1
Total non-operating expenses	504	616
Ordinary profit	5,843	5,554
Extraordinary income		
Gain on sale of investment securities	18	-
Total extraordinary income	18	-
Extraordinary losses		
Loss on valuation of investment securities	40	-
Loss on valuation of shares of subsidiaries and associates	-	1,232
Loss on sale of shares of subsidiaries and associates	-	102
Loss on retirement of non-current assets	9	-
Other	-	4
Total extraordinary losses	50	1,339
Profit before income taxes	5,811	4,214
Income taxes - current	990	259
Income taxes - deferred	41	346
Total income taxes	1,031	605
Profit	4,779	3,609

Schedule of cost of sales

		Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025	
Category	Note	Amount (millions of yen)	% of total (%)	Amount (millions of yen)	% of total (%)
I Labor cost	*1	1,434	43.2	630	31.7
II Other costs		1,885	56.8	1,358	68.3
Cost of sales		3,320	100.0	1,989	100.0

*1. The major components are as follows.

Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025	
Major components of other costs are as follows.		Major components of other costs are as follows.	
Rent expenses	¥723 million	Rent expenses	¥388 million
Outsourcing expenses	¥776 million	Outsourcing expenses	¥504 million
Depreciation	¥137 million	Depreciation	¥64 million

3) Non-consolidated statement of changes in equity

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	100	2,365	2,365	63,657	63,657	(5,836)	60,286
Changes during period							
Dividends of surplus				(1,877)	(1,877)		(1,877)
Profit				4,779	4,779		4,779
Disposal of treasury shares						228	228
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	2,902	2,902	228	3,131
Balance at end of period	100	2,365	2,365	66,560	66,560	(5,608)	63,417

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	960	960	454	61,701
Changes during period				
Dividends of surplus				(1,877)
Profit				4,779
Disposal of treasury shares				228
Net changes in items other than shareholders' equity	(782)	(782)	32	(750)
Total changes during period	(782)	(782)	32	2,381
Balance at end of period	177	177	487	64,082

Fiscal year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	100	2,365	2,365	66,560	66,560	(5,608)	63,417
Changes during period							
Dividends of surplus				(2,822)	(2,822)		(2,822)
Profit				3,609	3,609		3,609
Purchase of treasury shares						(0)	(0)
Disposal of treasury shares						208	208
Increase by corporate division				67	67		67
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	854	854	208	1,063
Balance at end of period	100	2,365	2,365	67,415	67,415	(5,399)	64,480

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	177	177	487	64,082
Changes during period				
Dividends of surplus				(2,822)
Profit				3,609
Purchase of treasury shares				(0)
Disposal of treasury shares				208
Increase by corporate division				67
Net changes in items other than shareholders' equity	760	760	11	772
Total changes during period	760	760	11	1,835
Balance at end of period	937	937	499	65,917

Notes to non-consolidated financial statements

(Important accounting policies)

1. Valuation standards and method for securities

(1) Held-to-maturity securities

Stated at amortized cost using the straight-line method.

(2) Shares of subsidiaries and associates

Stated at cost using the moving average method.

(3) Available-for-sale securities

a. Securities other than shares without a determinable market value

Stated at fair market value (with any unrealized gains or losses reported directly as a component of net assets and the cost of securities sold calculated by the moving average method).

b. Shares without a determinable market value

Stated at cost using the moving average method.

2. Depreciation method for non-current assets

(1) Property, plant and equipment

The declining balance method is mainly applied.

However, for facilities attached to buildings acquired on or after April 1, 2016, the straight-line method is applied, according to standards matching the method prescribed by the Corporation Tax Act.

(2) Intangible assets

Software for internal use

The straight-line method is applied based on the useful life at the Company (2-5 years).

3. Accounting standards for provisions

(1) Allowance for doubtful accounts

To prepare for losses from uncollectable receivables, estimates of irrecoverable amounts are recorded based on historical loan-loss ratios for general receivables, and on consideration of feasibly recoverable amounts in individual cases of suspected bad debt or other specific receivables.

(2) Provision for bonuses

To provide for the payment of bonuses to employees, of the estimated total amount of bonus payment, the Company records the portion to be borne by the fiscal year under review.

(3) Provision for loss on business of subsidiaries and associates

To prepare for losses on the business of subsidiaries and associates, the estimated amount of such losses is recorded, primarily based on the financial position of the subsidiaries and associates.

4. Recognition standards for revenues and expenses

The details of major performance obligations in key businesses in relation to revenue from contracts between the Company and its customers, and the normal timing of satisfying such performance obligations (the normal timing to recognize revenue) are as follows.

(1) Revenue from management advisory fees from subsidiaries

For revenue generated by the Company from management advisory fees, the performance obligations are satisfied over a certain period in accordance with the provision of contracted services based on the details of the contracts concluded with subsidiaries, and revenue is therefore recognized in accordance with the provision of the contracted services over the contract period. The consideration for the transactions is received within one year of the fulfillment of the performance obligations, and does not include a significant financing component.

(2) Dividend income

Income from dividends is recognized on the effective date of the dividends.

On January 1, 2025, the Company shifted to a holding company structure through corporate demerger. The accounting standards for revenues and expenses before the shift are (1) above and (3) below.

(3) Revenue received from customers for in-app purchases

The Company operates the games distributed on its GREE platform and various application games distributed on third-party platforms under a monetization model that is primarily based on in-app purchases. In-app purchases refer to purchases of virtual items by users (customers) that are used in games, and the Company judges that its performance obligations are satisfied by delivering services within the scope determined for each virtual item. Consequently, the Company estimates the usage period for virtual items from the in-app purchase date, and recognizes revenue in accordance with the estimated period. The consideration for the transactions is received within one year of the satisfaction of the performance obligations, and does not include a significant financing component.

5. Standard for translation of foreign currency-denominated assets and liabilities to Japanese yen

Monetary claims and liabilities denominated in foreign currency are translated into yen at the spot exchange rate prevailing on the closing date, and the difference arising from such translation is recorded as profits or losses.

(Significant accounting estimates)

Valuation of unlisted stocks

Accounting estimates used in preparing the Company's non-consolidated financial statements are as follows.

(1) Amounts recorded in the non-consolidated financial statements for the fiscal year under review

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Investment securities (unlisted stocks)	473	473

(2) Other information regarding accounting estimates that contributes to the understanding of users of the non-consolidated financial statements

Notes are omitted as the content is the same as in Notes to consolidated financial statements (Significant accounting estimates).

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standards"), etc. has been applied from the beginning of the current fiscal year.

Regarding the revisions to the classification of income taxes, we have followed the transitional treatments set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and in the proviso to Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). There is no impact on the financial statements.

(Non-consolidated balance sheet)

*1 Monetary claims and liabilities to subsidiaries and associates (excluding items displayed separately)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Short-term monetary claims	¥1,418 million	¥1,518 million
Short-term monetary liabilities	¥10,497 million	¥8,725 million

2. To facilitate the efficient procurement of working capital, the Company has concluded overdraft agreements with three banks. Unexecuted borrowings based on these agreements at the end of the respective accounting periods are as follows.

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Maximum overdraft limit	¥17,000 million	¥17,000 million
Outstanding borrowings	¥- million	¥- million
Difference	¥17,000 million	¥17,000 million

(Non-consolidated statement of income)

*1 Selling, general and administrative expenses comprised approximately 39% selling expenses and 61% general and administrative expenses in the fiscal year ended June 30, 2024, and 27% and 73%, respectively, in the fiscal year ended June 30, 2025.

Major expense items and amounts included under selling, general and administrative expenses are as follows.

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Provision for bonuses	¥120 million	¥34 million
Depreciation	¥108 million	¥12 million
Commission expenses	¥1,099 million	¥509 million
Supplies expenses	¥873 million	¥234 million
Outsourcing expenses	¥571 million	¥224 million

*2 Transactions with subsidiaries and associates

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Operating transactions		
Sales	¥1,345 million	¥1,496 million
Operating expenses	¥870 million	¥533 million
Non-operating transactions	¥4,795 million	¥2,790 million

(Marketable securities)

Fair values for shares of subsidiaries and associates (in the fiscal year ended June 30, 2025, the amounts recorded on the balance sheet were ¥397 million for shares of subsidiaries and ¥49 million for shares of associates; in the fiscal year ended June 30, 2024, the amounts recorded on the balance sheet were ¥1,528 million for shares of subsidiaries and ¥336 million for shares of associates) have been omitted because they correspond to shares without a determinable market value. A loss on valuation of shares of subsidiaries and associates of ¥1,232 million has been recorded as an impairment loss.

(Tax-effect accounting)

1. Principal components of deferred tax assets and deferred tax liabilities

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Deferred tax assets		
Allowance for doubtful accounts	¥2,346 million	¥1,897 million
Contract liabilities	¥480 million	¥379 million
Accrued enterprise tax	¥56 million	¥- million
Excess depreciation	¥199 million	¥64 million
Share-based remuneration expenses	¥68 million	¥90 million
Investment securities	¥187 million	¥187 million
Shares of subsidiaries and associates	¥9,515 million	¥9,666 million
Other	¥727 million	¥639 million
Deferred tax assets subtotal	¥13,582 million	¥12,926 million
Less valuation allowance for total deductible temporary differences	¥(12,221) million	¥(11,928) million
Valuation allowance subtotal	¥(12,221) million	¥(11,928) million
Deferred tax assets total	¥1,360 million	¥997 million
Deferred tax liabilities		
Valuation difference on available-for-sale securities	¥(93) million	¥(514) million
Other	¥(228) million	¥(212) million
Deferred tax liabilities total	¥(322) million	¥(727) million
Net deferred tax assets (liabilities)	¥1,037 million	¥270 million

2. Reconciliation between the effective statutory tax rate and effective income tax rate after application of tax-effect accounting

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Effective statutory tax rate	34.6 %	34.6 %
(Adjustments)		
Permanent differences	-20.3 %	-17.9 %
Change in valuation allowance	-5.6 %	-3.4 %
Income taxes for prior periods	2.7 %	-0.5 %
Increase in year-end deferred tax assets due to change in tax rate	- %	-0.3 %
Other	6.4 %	1.8 %
Effective income tax rate after application of tax-effect accounting	17.8 %	14.4 %

3. Adjustments to the amounts of deferred tax assets and deferred tax liabilities due to changes in corporate and other tax rates

In accordance with the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) by the Diet on March 31, 2025, the “Defense Special Corporation Tax” will be imposed from fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences that are expected to be eliminated in or after the fiscal year beginning July 1, 2026 are calculated by changing the effective statutory tax rate from 34.6% to 35.4%.

As a result of this change, the amount of deferred tax assets (the amount after deducting the amount of deferred tax liabilities) for the fiscal year under review increased by ¥0 million, income taxes - deferred decreased by ¥13 million, and valuation difference on available-for-sale securities decreased by ¥12 million.

(Business combination, etc.)

(Transaction under common control, etc.)

Based on the Board of Directors meeting held on August 22, 2024, the Company transitioned to a holding company structure through corporate demerger on January 1, 2025. As a result, the Company's GREE Platform business, part of its joint development division, as well as part of the assets, liabilities, contractual status, and other rights and obligations related to them, were succeeded to GREE Inc., which was established as a preparatory company for the corporate demerger, and the company name was changed from "GREE, Inc." to "GREE Holdings, Inc."

1. Transaction overview

(1) Details of the targeted operations

GREE Platform business and part of the joint development division

(2) Date of business combination

January 1, 2025

(3) Legal form of business combination

Absorption-type demerger, in which the Company is the demerging company and GREE Inc., a wholly owned subsidiary of the Company, is the successor company.

(4) Name of the combined company

Demerging company: GREE Holdings, Inc.

Successor company: GREE, Inc.

(5) Other matters regarding the transaction overview

With the stated mission of "Making the world a better place through the power of the Internet," the Group aims to continue providing new value to the world by exploring the possibilities of the Internet. In the rapidly evolving Internet industry, changes in the business environment are expected to progress on a larger scale and at a faster pace than ever before. Against this backdrop, the Group has transitioned to a holding company structure with the aim of achieving sustainable growth and increasing corporate value.

2. Overview of accounting treatment implemented

The demerger has been treated as a transaction under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

(Revenue recognition)

Basic information to understand revenue from contracts with customers

Notes are omitted as the content is the same as provided in V. Financial Information, 2. Non-consolidated financial statements (Important accounting policies), 4. Recognition standards for revenues and expenses.

(iv) Non-consolidated supplementary financial schedule

Schedule of property, plant and equipment and intangible assets

(Millions of yen)

Classification	Type of asset	Balance at beginning of period	Increase during period	Decrease during period	Depreciation during period	Balance at end of period	Accumulated depreciation	Purchase amount at end of period
Property, plant and equipment	Buildings	1,703	-	-	166	1,536	475	2,012
	Structures	11	-	-	1	9	2	12
	Tools, furniture and fixtures	310	-	0	85	225	695	921
	Total	2,024	-	0	253	1,770	1,174	2,945
Intangible assets	Software	0	-	-	0	-	-	-
	Total	0	-	-	0	-	-	-

Schedule of provisions

(Millions of yen)

Classification	Balance at beginning of period	Increase during period	Decrease during period	Balance at end of period
Allowance for doubtful accounts	7,104	2,868	4,197	5,775
Provision for bonuses	390	279	390	279
Provision for loss on business of subsidiaries and associates	13	12	13	12

(2) Detail of major assets and liabilities

This information has been omitted because the Company prepares consolidated financial statements.

(3) Other

There are no applicable matters to report.

VI. Stock-Related Administration for the Company

Fiscal year	From July 1 to June 30
Annual General Meeting of Shareholders	September
Record date	June 30
Record dates for dividends of surplus	December 31 June 30
Number of shares constituting one unit	100 shares
Purchase of shares less than one unit	
Handling office	(Special account) Stock Transfer Agent Department, Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agent	(Special account) Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Forwarding office	–
Purchasing fee	None
Method of public notice	Public notice of the Company is given by electronic means. However, in the event accidents or other unavoidable reasons prevent public notice by electronic means, the notice can be made by publication in <i>The Nihon Keizai Shimbun</i> . URL for public notice: https://hd.gree.net/jp/en/
Special benefit for shareholders	None

(Note) Shareholders of the Company are not entitled to exercise their rights pertaining to shares of less than one unit held by them, except for the following rights.

- (1) Rights listed in Article 189, Paragraph 2 of the Companies Act
- (2) Right of claim stipulated in Article 166, Paragraph 1 of the Companies Act
- (3) Right to be allotted the shares and/or share acquisition rights offered according to the number of shares held

VII. Reference Information on the Company

1. Information on parent company, etc. of the Company

The parent company, etc. on the Company as stipulated in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act is Sequoia, Inc.

2. Other reference information

The Company filed the following documents between the start of the fiscal year under review and the filing of the Japanese version of this Annual Securities Report.

(1) Annual Securities Report and documents attached thereto, and Confirmation Letter thereof

For the 20th fiscal term (July 1, 2023 to June 30, 2024)

Submitted to the Director-General, Kanto Local Finance Bureau on September 30, 2024

(2) Amendments to Shelf Registration Statement

Submitted to the Director-General, Kanto Local Finance Bureau on August 22, 2024

Submitted to the Director-General, Kanto Local Finance Bureau on September 24, 2024

Submitted to the Director-General, Kanto Local Finance Bureau on October 1, 2024

Submitted to the Director-General, Kanto Local Finance Bureau on May 13, 2025

Submitted to the Director-General, Kanto Local Finance Bureau on August 6, 2025

(3) Internal Control Report and documents attached thereto

Submitted to the Director-General, Kanto Local Finance Bureau on September 30, 2024

(4) Semi-annual Securities Report and Confirmation Letter thereof

For the 21st interim period (July 1, 2024 to December 31, 2024)

Submitted to the Director-General, Kanto Local Finance Bureau on February 6, 2025

(5) Extraordinary Reports

Submitted to the Director-General, Kanto Local Finance Bureau on August 22, 2024

Extraordinary report according to Article 19, Paragraph 2, Item 7 (absorption-type company split) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs

Submitted to the Director-General, Kanto Local Finance Bureau on October 1, 2024

Extraordinary report according to Article 19, Paragraph 2, Item 9-2 (results of exercise of voting rights in general meeting of shareholders) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs

Submitted to the Director-General, Kanto Local Finance Bureau on May 13, 2025

Extraordinary report according to Article 19, Paragraph 2, Item 3 (changes in the specified subsidiary company) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs

Submitted to the Director-General, Kanto Local Finance Bureau on August 6, 2025

Extraordinary report according to Article 19, Paragraph 2, Item 12 (events that have significant impact on financial position, operating results and cash flow conditions) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs

(7) Amendments to Extraordinary Report

Submitted to the Director-General, Kanto Local Finance Bureau on September 24, 2024

This was an amended report regarding the extraordinary report (absorption-type company split) submitted on August 22, 2024.

Part II. Information on Guarantors for the Company

There are no applicable matters to report.

[English Translation of the Independent Auditor's Report Originally Issued in Japanese]

Independent Auditor's Report and Internal Control Audit Report

September 26, 2025

To the Board of Directors of GREE Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated Limited Liability Partner
and Engagement Partner
Certified Public Accountant Hirofumi Harashina

Designated Limited Liability Partner
and Engagement Partner
Certified Public Accountant Shingo Arai

Audit of Consolidated Financial Statements

Opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of GREE Holdings, Inc. (formerly known as GREE, Inc.), which are included in "Financial Information" for the fiscal year from July 1, 2024 to June 30, 2025 and comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, significant matters that serve as the basis for preparation of the consolidated financial statements, other notes, and consolidated supplementary financial schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of GREE Holdings, Inc. (formerly known as GREE, Inc.) and its consolidated subsidiaries as of June 30, 2025 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our auditing of financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters the auditor, as a professional expert, considers to be particularly important in auditing the consolidated financial statements for the fiscal year under review. These key audit matters are matters addressed during the course of the audit of the consolidated financial statements as a whole and in forming our audit opinion, and it is not our intention to express individual opinions on these matters.

Valuation of unlisted stocks in which the Company invested with the expectation of excess earning capacity	
Key audit matters and reasons for decision	Audit response
The GREE Group, as stated in Notes to consolidated financial statements (Significant accounting estimates), recorded ¥4,058 million in unlisted stocks in its consolidated balance sheet as of June 30, 2025. For the purpose of business alliances and investment and incubation, the Group invests in a number of unlisted companies in amounts considerably higher than their value based on net assets per share, with the expectation of excess earning capacity through future growth of the investees. If the business of the investee does not progress as planned, and the excess earning capacity at the time of investment is impaired, leading to a significant decline in the value of the investment, the Company recognizes an impairment loss. If such an impairment loss is sizeable, the impact on the consolidated financial statements can be significant. In valuing unlisted stocks, the GREE Group considers whether the excess earning capacity as of the time of investment has been impaired by comprehensively taking into account the level of achievement of the investee's business plan in place at the time of investment, along with performance prospects. The key assumptions used in estimating the investee's future performance are the significant components that underpin the sales and operating profit projections included in the business plan, but these key assumptions are subject to uncertainty and rely on management's judgment. In light of this, we have concluded that the valuation of the unlisted stock in which the Group has invested with the expectation of excess earning capacity is of particular importance for our audit of the consolidated financial statements for the fiscal year under review, and constitutes a key audit matter because the amount of impairment loss, if such arose, could be significant, the businesses of investee companies are diverse, and management's judgment would have a substantial impact.	In considering the valuation of the unlisted stocks in question, we mainly performed the following audit procedures. • To evaluate the maintenance and operation of internal controls related to the valuation of unlisted stocks, including determination as to whether there has been a significant decline in their value, we examined related evidence and made inquiries to individuals responsible for implementing the internal controls. • We performed the following audit procedures to examine management's judgment regarding whether there has been a significant decline in the value of the unlisted stock. - For stocks where the investment amount exceeds a certain amount, we compared the investee's business plan in place at the time of the investment with actual results after investment to determine the level of achievement of the business plan. - For stocks where the investment amount is financially significant and the operating results of the investee have deteriorated compared to the business plan, we examined the valuation and review materials prepared by the Company and made inquiries to the relevant departments regarding the earnings outlook shown in the business plan, and made a comparison with the business plan used for the recent fundraising, with the aim of evaluating management's judgment as to whether or not the excess earning capacity at the time of the investment was impaired based on the achievement of the business plan the investee had in place at the time of the investment. In addition, we evaluated the significant components that underpin the sales and operating profit projections (the key assumptions) by analyzing trends identified in past earnings results, by using publicly available and other information obtained by the accounting auditor, and by crosschecking materials supporting the valuation and review materials prepared by the Company. In addition, for stocks in which the Company Group made additional investments, we made inquiries to individuals in charge of investments and reviewed the minutes of the decision to make additional investments in order to understand the background that led to the decision to make additional investments and the status of subscription for capital increases outside the Company Group.

Other information

The other information consists of the information included in the Annual Securities Report, other than the consolidated financial statements, the non-consolidated financial statements, and our auditor's reports thereon. Management is responsible for the preparation and disclosure of the other information. The Audit & Supervisory Committee is responsible for overseeing the directors' execution of duties relating to the design and operations of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement of this other information based on the work we have performed, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan and for designing and implementing such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to its status as a going concern. The Audit & Supervisory Committee is responsible for overseeing the directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and conduct an audit of consolidated financial statements to obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the Group to serve as a basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Group. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with Japan's relevant ethical requirements regarding independence, and communicate with them on all relationships and other matters that may reasonably be thought to bear on our independence, as well as, where applicable, on any measures taken to remove impediments to such independence and on safeguards applied to reduce those impediments to an acceptable level.

Of the matters discussed with the Audit & Supervisory Committee, we identify key audit matters in auditing the consolidated financial statements for the fiscal year under review, and include them in the report. However, if the publication of such matters is prohibited by law, or if we determine that such matters should not be reported because the disadvantages, however limited they may be, of reporting them in the audit report could reasonably be expected to outweigh the public benefit, we do not include such matters in the report.

Audit of Internal Control over Financial Reporting

Opinion

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act of Japan, we have audited the "Management's Report on Internal Control over Financial Reporting" of GREE Holdings, Inc. (formerly known as GREE, Inc.) as of June 30, 2025 (the "Management's Report").

In our opinion, the Management's Report referred to above, which represents that the internal control over financial reporting of GREE Holdings, Inc. (formerly known as GREE, Inc.) is effective as of June 30, 2025, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our audit of internal control over financial reporting in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical responsibilities that are relevant to our auditing of financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and the Audit & Supervisory Committee for the Management's Report

Management is responsible for designing and implementing internal control over financial reporting and for the preparation and fair presentation of the Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect financial reporting misstatements.

Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our objectives are to obtain reasonable assurance about whether the Management's Report is free from material misstatements and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence relating to the result of management's assessment of internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgement and considerations regarding material effects on the reliability of financial reporting.
- Consider the overall presentation of the Management's Report with regard to the scope, procedures, and result of the assessment of internal control over financial reporting, including descriptions by management.
- Plan and conduct an audit of internal controls to obtain sufficient, appropriate audit evidence regarding the results of management's assessment of internal control over financial reporting in the Management's Report. We are responsible for the direction, supervision and performance of the audit of the Management's Report. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit of internal control over financial reporting, the results of the audit of internal control over financial reporting, any significant deficiencies that must be disclosed in internal control that we identify, the results of corrective measures for such significant deficiencies, and other matters required by auditing standards for internal control.

We also provide the Audit & Supervisory Committee with a statement that we have complied with Japan's relevant ethical requirements regarding independence, and communicate with them on all relationships and other matters that may reasonably be thought to bear on our independence, as well as, where applicable, on any measures taken to remove impediments to such independence and on safeguards applied to reduce those impediments to an acceptable level.

Fee-Related Information

The fees for audit and attestation services and non-audit services charged by us and our network firms to the Company and its subsidiaries are disclosed in IV. Information on the Company, 4. Corporate governance, (3) Status of audits.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Notes) 1. The original copy of the Independent Auditors' Report above is kept separately by the Company (the reporting company of the Annual Securities Report).

2. XBRL data is not included in the scope of the audit.

Independent Auditor's Report

September 26, 2025

To the Board of Directors of GREE Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated Limited Liability Partner
and Engagement Partner
Certified Public Accountant Hirofumi Harashina

Designated Limited Liability Partner
and Engagement Partner
Certified Public Accountant Shingo Arai

Audit of Financial Statements

Opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the non-consolidated financial statements of GREE Holdings, Inc. (formerly known as GREE, Inc.), which are included in "Financial Information" for the 21st fiscal term from July 1, 2024 to June 30, 2025 and comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, important accounting policies, other notes, and non-consolidated supplementary financial schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of GREE Holdings, Inc. (formerly known as GREE, Inc.) as of June 30, 2025 and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our auditing of financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters the auditor, as a professional expert, considers to be particularly important in auditing the non-consolidated financial statements for the fiscal year under review. These key audit matters are matters addressed during the course of the audit of the non-consolidated financial statements as a whole and in forming our audit opinion, and it is not our intention to express individual opinions on these matters.

Valuation of Unlisted Stocks in Which the Company Invested with the Expectation of Excess Earning Capacity

The Company, as stated in Notes to non-consolidated financial statements (Significant accounting estimates), recorded ¥473 million in unlisted stocks in its balance sheet as of June 30, 2025. Both the reasons that we determined this matter to be a key audit matter and the audit response are the same as for the key audit matters (Valuation of unlisted stocks in which the Company invested with the expectation of excess earning capacity) described in the Auditor's Report for the consolidated financial statements, so we have omitted the reasons and response here.

Other information

The other information consists of the information included in the Annual Securities Report, other than the consolidated financial statements, the non-consolidated financial statements, and our auditor's reports thereon. Management is responsible for the preparation and disclosure of the other information. The Audit & Supervisory Committee is responsible for overseeing the directors' execution of duties relating to the design and operations of the reporting process for the other information.

Our opinion on the non-consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement of this other information based on the work we have performed, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan and for designing and implementing such internal controls as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to its status as a going concern.

The Audit & Supervisory Committee is responsible for overseeing the directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with Japan's relevant ethical requirements regarding independence, and communicate with them on all relationships and other matters that may reasonably be thought to bear on our independence, as well as, where applicable, on any measures taken to remove impediments to such independence and on safeguards applied to reduce those impediments to an acceptable level.

Of the matters discussed with the Audit & Supervisory Committee, we identify key audit matters in auditing the non-consolidated financial statements for the fiscal year under review, and include them in the report. However, if the publication of such matters is prohibited by law, or if we determine that such matters should not be reported because the disadvantages, however limited they may be, of reporting them in the audit report could reasonably be expected to outweigh the public benefit, we do not include such matters in the report.

Fee-Related Information

Fee-related information is presented in the Independent Auditor's Report for the consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

-
- (Notes) 1. The original copy of the Independent Auditors' Report above is kept separately by the Company (the reporting company of the Annual Securities Report).
2. XBRL data is not included in the scope of the audit.

Cover

Document filed:	Internal Control Report
Applicable law:	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Filed with:	Director-General, Kanto Local Finance Bureau
Filing date:	September 26, 2025
Company name:	GREE Holdings Kabusiki-Kaisha (Former company name: GREE Kabusiki-Kaisha)
Company name in English:	GREE Holdings, Inc. (formerly known as GREE, Inc.) (Note) By the resolution of the 20th Ordinary General Meeting of Shareholders held on September 27, 2024, the Company changed its name effective January 1, 2025, as described above.
Title and name of representative:	Yoshikazu Tanaka, Chairman, President and CEO
Title and name of chief financial officer:	Toshiki Oya, Director, CFO and Senior Vice President
Address of head office:	11-1, Roppongi 6-chome, Minato-ku, Tokyo, Japan
Place where the filed document is available for public inspection:	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan)

1. Basic framework for internal control over financial reporting

The Company's Chairman, President and CEO Yoshikazu Tanaka and Director, CFO and Senior Vice President Toshiki Oya, are responsible for the development and operation of internal controls over financial reporting of the Company, its consolidated subsidiaries, and affiliates accounted for by the equity method (hereinafter referred to as the "Group"). They develop and operate internal controls over financial reporting in accordance with the basic framework for internal controls set forth in the "Revision of Standards for Assessment and Audit of Internal Controls over Financial Reporting and Standards for Implementation of Assessment and Audit of Internal Controls over Financial Reporting (Opinion)" issued by the Business Accounting Council.

Internal control aims to achieve its objectives within a reasonable range by organically linking each basic element of internal control and functioning in an integrated manner. For this reason, internal controls over financial reporting may not be able to completely prevent or detect false statements in financial reporting.

2. Matters related to the scope of assessment, basis date, and assessment procedures

The assessment of internal control over financial reporting was conducted with June 30, 2025, the last day of the fiscal year under review, as the basis date. The assessment was conducted in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

In this assessment, the Company assesses internal controls that have a material impact on overall financial reporting on a consolidated basis (company-wide internal control) and selects business processes to be assessed based on the results of the assessment. In the assessment of these business processes, the effectiveness of internal control was assessed by analyzing the selected business processes, identifying key control points that have a material impact on the reliability of financial reporting, and assessing the development and operation status of these key control points.

The scope of assessment of internal control over financial reporting is determined from the viewpoint of the importance of the impact on the reliability of financial reporting of the Group. The materiality of the impact on the reliability of financial reporting is determined by taking into account the monetary and qualitative impact on financial reporting as well as the possibility of its occurrence. The scope of the assessment of internal control over business processes was reasonably determined based on the results of the assessment of company-wide internal control conducted for the Company and 12 consolidated subsidiaries within the Group. The 12 consolidated subsidiaries and one affiliate accounted for by the equity method are not included in the scope of assessment of the company-wide internal control because they are deemed to be insignificant in terms of their monetary and qualitative impact on financial reporting and their possibility of occurrence.

The Group operates multiple businesses mainly in the Game Business. Therefore, for the scope of assessment of internal control over business processes, we selected operating bases that account for approximately two-thirds of the consolidated net sales for the current fiscal year, by totaling the operating bases with the highest amount in net sales based on quantitative criteria. As a result of considering the inherent risks of each business from the viewpoint of qualitative materiality as well as quantitative criteria, bases in the Game Business, the Metaverse Business, and the Investment Business were selected as "important bases." In the Game Business, the Group operates and develops GREE and smartphone games and pays commissions to app delivery platforms for smartphone games. In the Metaverse Business, the Group develops and operates REALITY, a metaverse for smartphones. In the Investment Business, the Group invests mainly in the domestic and overseas Internet and IT fields through two types of investments, venture capital investments and startup investments. As accounts that are significantly related to these business purposes, the business processes leading to "net sales," "accounts receivables," "personnel expenses," "settlement service fees," and "operational investment securities" were included in the scope of assessment. In addition, regardless of the selected significant operating bases, the Company has added "income taxes" and "valuation of investment securities" to the scope of assessment as business processes related to significant accounts that are likely to contain material misstatements and involve estimates and forecasts, and business processes related to businesses or operations that conduct transactions with high risks, to the scope including other locations.

3. Assessment results

As a result of the above assessment, the Company determined that the Group's internal control over financial reporting as of June 30, 2025 was effective.

4. Supplementary notes

There are no applicable matters to report.

5. Special notes

There are no applicable matters to report.

Cover

Document filed:	Confirmation Letter
Applicable law:	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Filed with:	Director-General, Kanto Local Finance Bureau
Filing date:	September 26, 2025
Company name:	GREE Holdings Kabusiki-Kaisha (Former company name: GREE Kabusiki-Kaisha)
Company name in English:	GREE Holdings, Inc. (formerly known as GREE, Inc.) (Note) By the resolution of the 20th Ordinary General Meeting of Shareholders held on September 27, 2024, the Company changed its name effective January 1, 2025, as described above.
Title and name of representative:	Yoshikazu Tanaka, Chairman, President and CEO
Title and name of chief financial officer:	Toshiki Oya, Director, CFO and Senior Vice President
Address of head office:	11-1, Roppongi 6-chome, Minato-ku, Tokyo, Japan
Place where the filed document is available for public inspection:	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan)

1. Matters concerning the appropriateness of the Annual Securities Report

The Company's Chairman, President and CEO Yoshikazu Tanaka and Director, CFO and Senior Vice President Toshiki Oya confirmed that the Company's Annual Securities Report for the 21st fiscal year (from July 1, 2024 to June 30, 2025) contained appropriate information in accordance with the Financial Instruments and Exchange Act of Japan.

2. Special notes

There are no applicable matters to report.