

Start date of electronic provisioning: September 2, 2025

**The 29th Ordinary General Meeting of Shareholders
Other Matters to Be Provided Electronically
(Matters Excluded from Paper-based Documents
Delivered to Shareholders)**

<Business Report>

Matters Related to the Company's Shares

**Matters Concerning Stock Acquisition Rights, etc. of the Company
Status of Accounting Auditors**

<Consolidated Financial Statements>

Consolidated Statement of Changes in Net Assets

Notes to Consolidated Financial Statements

<Financial Statements>

Statement of Changes in Net Assets

Notes to Financial Statements

(From July 1, 2024 to June 30, 2025)

AVANT GROUP CORPORATION

Matters Related to Company Shares (As of June 30, 2025)

- (1) Total number of shares authorized to be issued 62,304,000
- (2) Total number of shares issued 37,645,851 (of which 411,599 shares are treasury shares)
- (3) Number of shareholders 4,113

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)
Tetsuji Morikawa	9,781,466	26.27
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,762,600	10.11
Tsuyoshi Noshiro	1,868,800	5.02
The Custody Bank of Japan, Ltd. (Trust Account)	1,614,778	4.34
OBIC Business Consultant Co.	1,600,000	4.30
Avant Group Employee Stock Ownership Plan	1,289,781	3.46
PCA Corporation	778,400	2.09
Tatsuru Nakayama	656,646	1.76
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	655,100	1.76
Tokio Kawamura	550,000	1.48

(Note) Shareholding ratio excludes 411,599 treasury shares. The 411,599 treasury shares do not include 738,578 shares of the Company's stock held by The Custody Bank of Japan, Ltd. (Trust Account) as trust assets to be granted to employees and executive officers.

(5) Shares issued to corporate officers as compensation for the execution of their duties during the fiscal year under review

	Number of shares (shares)	Number of eligible persons (persons)
Directors (excluding Audit Committee Members and Outside Directors)	28,233	2
Outside Directors (excluding Audit Committee Members)	–	–
Directors (Audit Committee Members)	–	–

(Note) Stock compensation of the Company is described in the “Executive Compensation System” in the Notice of Convocation of the 29th Ordinary General Meeting of Shareholders.

(6) Other important matters concerning shares

(i) Acquisition of treasury shares

Based on the resolution of the Board of Directors meeting held on April 26, 2024 (acquisition period: May 1, 2024 to November 30, 2024; total number of shares to be acquired: 1,200,000 shares (maximum); total amount of shares to be acquired: 1 billion yen (maximum)), the Company acquired treasury shares as follows.

Class of shares acquired: common shares of the Company

Acquisition period: May 1, 2024 – November 30, 2024 (contract basis)

Total number of shares acquired: 615,600 shares

Total acquisition cost: 828 million yen

(ii) Transactions in which the Company's shares are issued to employees and executive officers through a trust

The Company introduced a stock delivery trust for employees following a resolution at a Board of Directors meeting on August 4, 2023, and the Board of Directors meeting held on December 20, 2023 resolved to add the Company's executive officers to this plan. The number of shares held by The Custody Bank of Japan, Ltd. (Trust Account) is 559,778 shares.

(iii) Performance-linked stock compensation plan for Directors

Based on the resolution of the 28th Ordinary General Meeting of Shareholders held on September 25, 2024, the Company has introduced a stock-based compensation plan using a trust for its Directors (excluding Directors who are Audit Committee Members and Outside Directors).

The number of shares held by The Custody Bank of Japan, Ltd. (Trust Account) is 178,800 shares as of June 30, 2025.

Matters Concerning Stock Acquisition Rights, etc. of the Company

- (1) Stock acquisition rights issued to the Company's officers as compensation for the execution of their duties**

(As of June 30, 2025)

Not applicable.

- (2) Stock acquisition rights issued to employees, etc. as compensation for execution of duties during the current fiscal year**

Not applicable.

Status of Accounting Auditor

(1) Name

Deloitte Touche Tohmatsu LLC

(2) Amount of compensation, etc.

	Amount paid
Amount of remuneration, etc. for services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act (auditing services)	33 million yen
Total amount of monetary and other financial benefits payable by the Company and its subsidiaries to the accounting auditor	33 million yen

- (Notes) 1. In the audit contract between the Company and Deloitte Touche Tohmatsu LLC, the amount of audit fees for audits under the Companies Act and the amount of audit fees for audits under the Financial Instruments and Exchange Act are not distinguished, and cannot be practically separated. Therefore, the amount stated above includes the amount of audit fees for audits under the Financial Instruments and Exchange Act.
2. The Audit Committee of the Company received an explanation of the audit plan from the accounting auditor and, based on the details of the audit fee agreement, confirmed and reviewed the audit hours and personnel assignments, and as a result, gave its consent to the audit fee, as stipulated in Article 399, Paragraph 1 of the Companies Act.

(3) Non-audit services

The Company pays its accounting auditor for general tax advice.

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

The Audit Committee shall allow a decision on the dismissal or non-reappointment of an accounting auditor at the general meeting of shareholders if it determines that such dismissal or non-reappointment is necessary, such as if there is a problem with the accounting auditor's performance of its duties.

In addition, the Audit Committee is able to dismiss the accounting auditor subject to unanimous consent of all Audit Committee Members if the accounting auditor is deemed to meet any items of Article 340, Paragraph 1 of the Companies Act. In this case, the Audit Committee Member selected by the Audit Committee will report the dismissal of the accounting auditor and the reasons for the dismissal at the first general meeting of shareholders convened after the dismissal.

(5) Outline of the contents of the liability limitation agreement

Not applicable.

Consolidated Statement of Changes in Net Assets

July 1, 2024
to June 30, 2025

(Unit: Thousands of yen)

	Shareholders' Equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at period	345,113	281,913	13,763,738	(1,396,622)	12,994,141
Changes during period					
Dividends of surplus			(708,296)		(708,296)
Disposal of treasury shares		135,504		409,041	544,545
Increase in consolidated subsidiaries - non-controlling interests					-
Profit attributable to owners of parent			3,434,688		3,434,688
Purchase of treasury shares				(351,351)	(351,351)
Purchase of treasury shares through stock delivery trust				(349,911)	(349,911)
Net changes of items other than shareholders' equity					
Total changes during period	-	135,504	2,726,391	(292,222)	2,569,673
Balance at end of period	345,113	417,417	16,490,130	(1,688,845)	15,563,815

	Accumulated other comprehensive income (loss)				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	224,019	2,862	72,704	299,586	-	13,293,728
Changes during period						
Dividends of surplus						(708,296)
Disposal of treasury shares						544,545
Increase in consolidated					22,680	22,680

subsidiaries - non-controlling interests						
Profit attributable to owners of parent						3,434,688
Purchase of treasury shares						(351,351)
Purchase of treasury shares through stock delivery trust						(349,911)
Net changes of items other than shareholders' equity	(225,212)	(5,784)	(50,349)	(281,346)	(6,745)	(288,091)
Total changes during period	(225,212)	(5,784)	(50,349)	(281,346)	15,934	2,304,261
Balance at end of period	(1,193)	(2,921)	22,354	18,239	15,934	15,597,989

Notes to Consolidated Financial Statements

1. Notes to Basis of Presenting Consolidated Financial Statements, etc.

(1) Scope of consolidation

Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries 7 companies

Name of consolidated subsidiary	AVANT CORPORATION
	Internet Disclosure Co., Ltd.
	ZEAL CORPORATION
	DIVA CORPORATION
	VISTA CORPORATION
	DIVA CORPORATION OF AMERICA
	DivaCygnet Private Limited.

From the current fiscal year, the Company has newly established DivaCygnet Private Limited and VISTA CORPORATION and included them in its scope of consolidation.

(2) Application of equity method

Not applicable.

(3) Fiscal year of consolidated subsidiaries

Of the consolidated companies, the fiscal year end of DivaCygnet Private Limited is March 31. The Company uses the financial statements as of the said fiscal year end in preparing the consolidated financial statements. However, for important transactions that have occurred between March 31 and the consolidated fiscal year end, necessary adjustments are made to the consolidated financial statements.

(4) Matters related to accounting policies

(i) Valuation standards and methods for significant assets

1) Valuation standards and methods for securities

Held-to-maturity debt securities	Amortized cost method (straight-line method)
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Other marketable securities

Securities other than shares without a market price	Market value method (unrealized gains and losses are accounted for as a component of net assets, and the cost of securities sold is determined by the moving-average method)
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Shares, etc. without a market price	Cost method based on the moving average method
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For investments in limited liability investment partnerships (deemed as securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), the Company uses the most recent financial statements available according to the reporting date stipulated in the partnership agreement as the basis for calculating the net amount equivalent to its interest in the partnership.

2) Valuation standards and methods for inventories

Work in process	Cost method based on the specific cost method (the amount on the balance sheet is calculated by writing down the book value of assets which decreased in profitability)
Raw materials	Cost method based on the first-in, first-out method (the amount on the balance sheet is calculated by writing down the book value of assets which decreased in profitability)
Supplies	Cost method based on the specific cost method (the amount on the balance sheet is calculated by writing down the book value of assets which decreased in profitability)

(ii) Depreciation and amortization method for significant depreciable assets

1) Property, (excluding leased assets and right-of-use assets)

plant and
equipment

Declining-balance method, except for buildings and accompanying facilities acquired on or after April 1, 2016, for which the straight-line method is used.
(Principal useful life)

Building 3 to 11 years

Tools, furniture and fixtures 3 to 15 years

2) Intangible
assets

Straight-line method

Software for sale in
the market

Amortization based on estimated sales revenue within the estimated sales period (3 years)

Software for internal
use

The useful life is the period of internal use (3 to 5 years).

Trademark rights

10 years

3) Lease assets

Leased assets related to finance lease transactions that do not transfer ownership
Straight-line method over the lease term with a residual value of zero.

4) Right-of-use
assets

Straight-line method 5 years

(iii) Basis for significant allowances and provisions

1) Allowance for doubtful
accounts

The allowance for doubtful accounts is provided for possible losses on receivables based on the historical loan-loss ratio for general receivables and on the estimated amount of uncollectible receivables based on a case-by-case determination of collectability for specific receivables such as doubtful receivables.

2) Provision for bonuses

To provide for bonuses to employees, an amount accrued for the current fiscal year is recorded based on the estimated amount of payment.

3) Provision for bonuses for
directors (and other
officers)

To provide for bonuses to directors and other officers, an amount accrued for the current fiscal year is recorded based on the estimated amount of payment.

4) Provision for loss on
orders received

The Company records estimated losses from projects related to order contracts for which future losses are expected as of the end of the current fiscal year and for which the amount of such losses can be reasonably estimated.

5) Allowance for stock benefits	To provide for the payment of Company stock to employees and executive officers in accordance with the stock issuance rules, the Company records an amount based on the estimated amount of stock benefit obligations as of the end of the current fiscal year.
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(iv) Other important matters for the preparation of consolidated financial statements

1) Accounting for significant deferred assets

Share issuance costs	The entire amount is expensed at the time of expenditure.
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2) Significant hedge accounting methods

Hedge accounting method	Deferred hedge accounting is adopted.
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Hedging instruments and hedged items	Hedging instrument...Foreign currency deposits Hedged items...Anticipated transactions denominated in foreign currencies
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Hedging policy	Foreign currency deposits are used to hedge the risk of exchange rate fluctuations. The Company's policy is to use such transactions within the scope of actual demand and not to conduct transactions for speculative purposes.
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Methods of evaluating the effectiveness of hedging	Since the material terms of the hedging instruments and hedged items are the same and the cash flow fluctuations can be offset after the inception of the hedge, the assessment of effectiveness as of the consolidated balance sheet date is omitted.
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3) Basis for recording significant revenues and expenses

The Group recognizes revenue for contracts with customers at the amount of consideration to which it expects to be entitled in exchange for the promised goods or services when control of the promised goods or services is transferred to the customer, by applying the five-step approach described below.

Step 1: Identify the contract with the customer

Step 2: Identify performance obligations in the contract

Step 3: Calculate the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) performance obligations are satisfied

In our Group, we are engaged in the Consolidated Financial Disclosure Business, the Digital Transformation Promotion Business, and the Management Solution Business.

The Consolidated Financial Disclosure Business mainly provides outsourcing services for consolidated settlement of accounts and other operations.

Since control over the service is transferred to the customer upon delivery of the service, the Company recognizes revenue over the contract period based on the determination that the performance obligation is satisfied in proportion to the progress of service delivery.

The Digital Transformation Promotion Business mainly provides system integration services for the utilization of data for BI (Business Intelligence), cloud data platform

implementation support services, and software license and hardware sales and maintenance.

In the sale of software licenses, the performance obligation is deemed to be satisfied when the license is granted to the customer, and revenue is recognized on a net basis as an agency transaction at the time the license is granted.

For system development services, the Company recognizes revenue based on the percentage of progress in determining that performance obligations are satisfied as development progresses.

For maintenance services, the Company recognizes revenue over the contract period based on the judgment that the performance obligation will be satisfied over the contract period.

The Management Solutions Business provides license sales of DivaSystem, a proprietary software package for consolidated management and consolidated accounting, implementation consulting services, and ongoing maintenance services, including version upgrades after the start of operations. The company also provides maintenance services, including version upgrades, after the product is put into operation.

In license sales, the performance obligation is deemed to be satisfied when the license is granted to the customer, and revenue is recognized as goods or services that are transferred at a single point in time.

In the case of implementation consulting services, the performance obligation is deemed to be satisfied based on the degree of progress in implementing DivaSystem to the customer, and revenue is recognized based on the percentage of progress.

For maintenance services, the Company recognizes revenue over the contract period based on the judgment that the performance obligation will be satisfied over the contract period.

The consideration for the transaction is received within one year of satisfactory performance obligation and does not include a significant financial component.

4) Standards for translation of significant assets or liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing on the consolidated balance sheet date, with translation differences recognized as gains or losses.

Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate prevailing on the consolidated balance sheet date, while revenues and expenses are translated into yen at the average exchange rate during the period. Translation differences are included in foreign currency translation adjustment under net assets.

5) Application of Group Relief System

The Company and its domestic consolidated subsidiaries apply the Group Relief System. The accounting treatment and disclosure of corporate income taxes and local corporate income taxes, or tax effect accounting related to these taxes, are performed in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

2. Notes to Change in Accounting Policies

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

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and related standards have been applied from the beginning of the current consolidated fiscal year.

With regard to the amendment concerning the category of income taxes (taxation on other comprehensive income), we are following the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard, as well as the transitional treatment stipulated 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 as a result of these changes in accounting policies.

The Company applied the 2022 Revised Guidance on revisions concerning treatment in the consolidated financial statements when deferring taxes on gain or loss on the sale of the shares of subsidiaries, etc., between consolidated companies from the beginning of the current consolidated fiscal year. There is no impact on the consolidated financial statements as a result of this change.

3. Notes to Additional Information

(Transactions in which the Company’s shares are issued to employees and executive officers through a trust)

The Company has introduced a stock delivery trust as an incentive for its employees and executive officers (hereinafter “Employees, etc.”) to provide benefits and to enhance the Company’s corporate value.

1. Outline of Transaction

Under this plan, points are granted to Employees, etc. who meet certain requirements based on the Share Delivery Regulations established by the Company in advance, and the Company shares corresponding to the number of points granted to such beneficiaries will be delivered to those Employees, etc. who meet the requirements to become beneficiaries as stipulated in the Share Delivery Regulations. The shares to be granted are acquired in accordance with a predetermined trust amount, including a future portion, and are segregated and managed as trust assets.

2. Company Shares in the Trust

Company shares in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding the amount of incidental expenses). The book value and number of such treasury shares amounted to 788,116 thousand yen and 559,778 shares, respectively, at the end of the current fiscal year.

(Performance-linked stock-based compensation plan for directors)

Starting from the fiscal year ended June 30, 2025 (the 29th period), the Company has introduced a stock-based compensation plan using a trust (hereinafter the “Plan”) for its Directors (excluding Directors who are Audit Committee Members and Outside Directors).

The purpose of the Plan is to provide Directors (excluding Directors who are Audit Committee Members and Outside Directors) with long-term incentives to enhance corporate value, including the period after shares have been granted.

1. Outline of Transaction

The Plan is a stock-based compensation plan under which a trust (hereinafter the “Trust”), established through monetary contributions by the Company, acquires common shares of the Company (hereinafter the “Company’s shares”), and a number of the Company’s shares equivalent to the points granted to each Director by the Company are delivered to each Director through the Trust.

2. Company Shares in the Trust

Company shares in the trust are recorded as treasury shares under net assets at the book value in the trust (excluding the amount of incidental expenses). The book value and number of such treasury shares amounted to 349,911 thousand yen and 178,800 shares, respectively, at the end of the current fiscal year.

4. Notes to Consolidated Balance Sheet

(1) Receivables arising from contracts with customers and contract assets

The balances of receivables and contract assets arising from contracts with customers are presented in “Notes to Consolidated Financial Statements, 8. Notes to Revenue Recognition

(3) Information to understand the level of revenue in current fiscal year and future years
(i) Balances of contract assets and contract liabilities, etc.”

(2) Loan commitment contracts

The Company has entered into loan commitment contracts with three banks to facilitate efficient procurement of working capital.

The following are unused lines of credit related to loan commitments as of the end of the current fiscal year.

(Unit: Thousands of yen)	
Total amount of loan commitments	3,500,000
Loan balance	-
Balance (account)	3,500,000

5. Notes to Consolidated Statement of Income

Revenue from contracts with customers

The amount of revenue from contracts with customers is presented in “Notes to Consolidated Financial Statements, 8. Revenue Recognition, (1) Information disaggregating revenue from contracts with customers.”

6. Notes to Consolidated Statement of Changes in Net Assets

(1) Matters related to the total number of shares issued and outstanding

Class of shares	Number of shares at the beginning of the current fiscal year	Number of shares increased in the current fiscal year	Number of shares decreased in the current fiscal year	Number of shares at the end of the current fiscal year
Common shares	37,645,851	–	–	37,645,851

(2) Number of treasury shares

Class of shares	Number of shares at the beginning of the current fiscal year	Number of shares increased in the current fiscal year	Number of shares decreased in the current fiscal year	Number of shares at the end of the current fiscal year
Common shares	1,019,398	430,334	299,555	1,150,177

- (Note) 1. The increase of 430,334 common treasury shares consists of 251,500 shares acquired as a result of the resolution of the Board of Directors, 178,800 shares acquired through a stock delivery trust for employees and executive officers, and a trust under the stock-based compensation plan for directors, and 34 shares acquired as shares of less than one unit. The decrease of 299,555 common shares held as treasury shares consists of 28,233 shares delivered based on the performance-linked stock-based compensation plan, 178,800 shares of treasury shares disposed through a third-party allotment accompanied by the introduction of the stock-based compensation plan, and 92,522 treasury shares disposed through the stock delivery trust for employees and executive officers.
2. The number of common treasury shares as of the end of the current consolidated fiscal year includes 738,578 shares of the Company held by a stock delivery trust for employees and executive officers and a trust under the stock-based compensation plan for directors.

(3) Matters related to dividends from surplus

(1) Dividends paid, etc.

Resolution	Class of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
September 25, 2024 Ordinary General Meeting of Shareholders	Common shares	708,296	19.00	June 30, 2024	September 26, 2024

(Note) The total amount of dividends resolved at the Ordinary General Meeting of Shareholders held on September 25, 2024 includes dividends of 12,393 thousand yen for the Company's shares held by a stock delivery trust for employees and executive officers.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
September 24, 2025 Ordinary General Meeting of Shareholders	Common shares	Retained earnings	930,856	25.00	June 30, 2025	September 25, 2025

(Note) The total amount of dividends resolved at the Ordinary General Meeting of Shareholders held on September 24, 2025 includes dividends of 18,464 thousand yen for the Company's shares held by a stock delivery trust for employees and executive officers and a trust under the stock-based compensation plan for officers.

7. Notes to Financial Instruments

(1) Matters Concerning the Status of Financial Instruments

(i) Policy for financial instruments

The Group raises necessary funds (mainly through bank loans and bond issues) based on management policies and business plans. Temporary surplus funds are invested in financial assets with high liquidity and safety in accordance with internal investment rules, and short-term working capital is procured through bank loans. The Company also uses foreign currency deposits for the purpose of avoiding foreign exchange fluctuation risk. For details on hedging instruments and hedged items, hedging policy, and methods for evaluating the effectiveness of hedging activities, please refer to “(4) Matters related to accounting policies, 4) Other important matters for the preparation of consolidated financial statements, 2) Significant hedge accounting methods” in the aforementioned notes.

(ii) Description of Financial Instruments, Their Risks and Risk Management Systems

Notes and accounts receivable – trade, which are operating receivables, are exposed to customer credit risk. However, the Company manages this risk by strictly managing credit for each customer and regularly monitoring collection due dates and balances in order to identify at an early stage and mitigate concerns about collection due to deterioration of financial conditions and other factors.

Among investment securities, held-to-maturity debt securities are exposed to foreign exchange and interest rate risk, although credit risk is minimal because only highly rated debt securities are included. Available-for-sale securities are exposed to market price fluctuation risk and foreign exchange fluctuation risk, but the Company reviews its holdings on an ongoing basis, taking into account market prices and other factors. Investments in limited liability investment partnerships are exposed to the risk of a decline in the principal amount invested due to changes in the business and financial conditions of the issuer of the incorporated shares. However, the Company manages this risk by periodically obtaining the financial statements of the partnerships and monitoring their financial conditions and operations.

Leasehold and guarantee deposits are security deposits under lease contracts for head office, branch offices and subsidiaries, and are exposed to the credit risk of the lessee. However, the Company confirms the credit risk of the lessee at the time of contracting to reduce such risk.

Trade payables, such as notes and accounts payable – trade and accounts payable – other, are mostly due within one year. Lease liabilities related to finance lease transactions are mainly for the purpose of financing capital investment, and the longest term of payment is four years and five months after the balance sheet date. These are exposed to liquidity risk (risk of being unable to make payments when due), but the Group manages this risk by confirming and managing cash schedules and payment account balances on a monthly basis.

(iii) Supplementary Explanation on Matters Concerning Fair Value, etc. of Financial Instruments

Since variable factors are incorporated in the calculation of the fair value of

financial instruments, such values may change due to the adoption of different assumptions and other factors.

(2) Fair value of financial instruments

Consolidated balance sheet amount, fair value and their differences as of June 30, 2025 are as follows. Shares, etc. without a market price are not included in the following table (please refer to Note 1). “Cash and deposits,” “notes and accounts receivable – trade and contract assets,” “securities,” “deposits paid,” “accounts receivable – other,” “notes and accounts payable – trade,” “accounts payable – other, and accrued expenses,” “income taxes payable,” “accrued consumption taxes,” and “deposits received” are not stated because these items are cash or are settled within a short period and their fair value approximate their book value.

	Consolidated balance sheet amount (Thousands of yen)	Market value (Thousands of yen)	Difference (Thousands of yen)
(i) Investment securities			
Available-for-sale securities	242,281	242,281	-
(ii) Leasehold and guarantee deposits (including current portion)	827,195	804,843	(22,352)
Total assets	1,069,476	1,047,124	(22,352)
(i) Lease liabilities (including current portion)	33,224	32,204	(1,019)
Total liabilities	33,224	32,204	(1,019)

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

Type	Consolidated balance sheet amount (Thousands of yen)
Unlisted shares	0

These are not included in “(i) Investment securities.”

- Investments in partnerships and other similar entities in which the net amount of equity interest is recorded on the consolidated balance sheets are omitted. The amount of the said investment on the consolidated balance sheet is 587,903 thousand yen.

(3) Matters concerning the breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following three types based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated based on quoted market prices for assets or liabilities for which such fair value is calculated that is formed in an active market among the inputs

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

Level 3 fair value: Fair value calculated using inputs for calculating unobservable fair value

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

(i) Financial instruments carried on the consolidated balance sheet at fair value

Classification	Market value (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares (company)	-	-	-	-
Other	-	192,281	50,000	242,281
Total assets	-	192,281	50,000	242,281

(ii) Financial instruments other than those recorded on the consolidated balance sheets at fair value

Classification	Market value (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Leasehold and guarantee deposits (including current portion)	-	804,843	-	804,843
Total assets	-	804,843	-	804,843
Lease liabilities (including current portion)	-	32,204	-	32,204
Total liabilities	-	32,204	-	32,204

(Note) 1. Explanation of valuation techniques used in the calculation of fair value and inputs related to the calculation of fair value

Investment securities

The fair value of mutual funds, etc., is classified as Level 2 fair value because they are not frequently traded in the market and the fair values are not considered quoted prices in active markets. Unlisted equity warrants are calculated using significant unobservable inputs and are classified as Level 3 fair value.

Leasehold and guarantee deposits

The fair value of leasehold and guarantee deposits is classified as Level 2 fair value, which is calculated based on the present value of future cash flows discounted by an appropriate index such as the yield of government bonds, classified by a certain period of time.

Lease liabilities

The fair value of lease liabilities is determined using the discounted present value method based on the total amount of principal and interest and an interest rate that takes into account the remaining term of the obligation and credit risk, and is classified as Level 2 fair value.

2. Information on fair value of Level 3 financial instruments whose fair value is reported in the consolidated balance sheets

Notes have been omitted due to immateriality.

8. Notes to Revenue Recognition

(1) Information disaggregating revenue from contracts with customers

(Unit: Thousands of yen)

	Reportable Segment			Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	
Goods or services transferred at a single point in time	255,124	41,494	90,439	387,058
Goods or services transferred over a certain period of time	8,171,413	10,258,889	9,410,341	27,840,645
Revenue from contracts with customers	8,426,538	10,300,384	9,500,780	28,227,703
Other revenues	—	—	—	—
Sales to external customers	8,426,538	10,300,384	9,500,780	28,227,703

(2) Information that provides a basis for understanding revenues arising from contracts with customers

Basis for understanding revenues is as described in “Notes to Consolidated Financial Statements 1. Notes to Basis of Presenting Consolidated Financial Statements, etc., (4) Matters related to accounting policies, (iv) Other important matters for the preparation of consolidated financial statements, 3) Basis for recording significant revenues and expenses.”

(3) Information to understand the level of revenue in current fiscal year and future years
(i) Balance of contract assets and contract liabilities, etc.

(Unit: Thousands of yen)

	Current fiscal year
Receivables arising from contracts with customers (beginning balance)	3,615,211
Receivables arising from contracts with customers (ending balance)	3,486,990
Contract assets (beginning balance)	825,069
Contract assets (ending balance)	741,805
Contract liabilities (beginning balance)	3,345,483
Contract liabilities (ending balance)	3,766,666

Contract assets mainly relate to the Group’s rights to unclaimed consideration in revenues recognized as contracts progress and satisfy performance obligations. Contract assets are transferred to receivables arising from contracts with customers when the Group’s rights to the consideration become unconditional.

Contract liabilities primarily relate to unearned revenues from customers. Contract liabilities are reversed upon recognition of revenue. The amount of revenue recognized in the current fiscal year that was included in contract liabilities at the beginning of the period was 3,228,543 thousand yen.

(ii) Transaction price allocated to remaining performance obligations

The aggregate transaction price allocated to the remaining performance obligations and the period over which revenue is expected to be recognized are as follows.

(Unit: Thousands of yen)

	Current fiscal year
Within 1 year	9,308,740
More than 1 year	188,656
Total	9,497,396

9. Notes to Per Share Information

(1) Net assets per share	426.96 yen
(2) Net profit per share	94.15 yen

(Note) The Company's shares held by the stock delivery trust for employees and executive officers and the trust under the stock-based compensation plan for directors are recorded as treasury shares in shareholders' equity. Such shares are included in treasury shares to be deducted in the calculation of the total number of issued shares at the end of the period for the purpose of calculating net assets per share. The number of such deducted treasury shares at the end of the period totaled 738,578 shares in the fiscal year under review. Furthermore, such shares are included in treasury shares to be deducted in the calculation of the average number of shares during the period for the purpose of calculating net profit per share. The average number of treasury shares deducted totaled 640,834 shares in the fiscal year under review.

10. Notes to Significant Subsequent Events

(Acquisition of shares resulting in an equity-method affiliate)

At the Board of Directors meeting held on April 30, 2025, the Company resolved to acquire shares of BEYONDSQUARE SOLUTIONS PRIVATE LIMITED (hereinafter “BeyondSquare Solutions”), a consolidated accounting software company based in India, and make it the Company’s equity-method affiliate. BeyondSquare Solutions will be an equity-method affiliate of the Company from the fiscal year ending June 30, 2026. Based on this resolution, the Company entered into the share subscription agreement on August 1, 2025.

(1) Reason for acquisition of shares

Our Group has raised the vision of “BE GLOBAL” –World-class Software Company–and is committed to growing into a software company that contributes to enhancing corporate value. As part of this initiative, we have been exploring expanding into overseas markets in view of our ongoing medium-term management plan, “BE GLOBAL2028,” and beyond.

India, as a developing country experiencing rapid economic growth, is home to a wide variety of companies, ranging from large to mid-sized to small enterprises. This dynamically changing environment has great potential for technology-led economic transformation. BeyondSquare Solutions, which primarily provides consolidated accounting software to large and mid-sized enterprises within India, demonstrates strong synergies with our group business. Accordingly, we have decided to acquire shares to expand our business in this growing market in the future.

(2) Method of this transaction

The total planned investment will be delivered in three stages. The first stage will be after the issuance of new shares, convertible shares, and stock acquisition rights (warrants), where convertible shares will be converted into common shares based on predetermined conditions once the latest financial results are available. The second stage will involve the subscription of shares from existing shareholders. The third stage will be the conversion of warrants into shares, subject to the achievement of pre-defined performance targets.

The total investment amount of this transaction is structured to be fixed, while the ultimate number of shares and shareholding ratio will be adjusted according to the degree of performance achievement.

(3) Overview of the company whose shares were acquired

(1) Name	BeyondSquare Solutions Private Limited
(2) Location	#632/18-2, 3rd floor, 10th B main road, Bangalore 560011, Karnataka, India
(3) Job title and name of representative	CEO Palaghat Krishnan Venkatachalam
(4) Business	Development and sales of consolidated accounting software
(5) Capital stock	INR 516,015,100
(6) Date of establishment	December 2010

(4) Overview of the counterparty to the share acquisition

(1)	Name	Karthik Ganeshan, other individuals
(2)	Address	Bangalore, Karnataka, India and others
(3)	Relationship between the listed company and the individual	There are no capital, personnel and business relationships between the Company, including its related individuals and affiliates, and the concerned individual.

(5) Number of shares to be acquired, acquisition costs, and shareholding status before and after acquisition

(1)	Number of shares held before the acquisition	0 shares (Number of voting rights: 0, ownership ratio of voting rights: 0.0%)
(2)	Number of shares to be acquired	1,768,292 shares (estimated amount) (Number of voting rights: 1,768,292) (estimated amount) * Number of actual shares to be acquired will vary depending on whether performance targets are achieved.
(3)	Acquisition costs	BeyondSquare Solutions common shares USD 4 million Advisory fees, etc. (estimated amount) USD 150 thousand Total (estimated amount) USD 4,150 thousand
(4)	Number of shares held after the acquisition	1,768,292 shares (estimated amount) (Number of voting rights: 1,768,292) (estimated amount) (Ownership ratio of voting rights: 27.09%) (estimated)

11. Other Notes

Figures are rounded down to the nearest unit.

Statement of Changes in Net Assets

July 1, 2024
to June 30, 2025

(Unit: Thousands of yen)

		Shareholders' Equity					
		Capital surplus			Retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus	Legal retained earnings reserve	Other retained earnings	Total retained earnings
	Share capital					Retained earnings brought forward	
Balance at beginning of period	345,113	281,913	-	281,913	374	7,871,821	7,872,195
Changes during period							
Dividends of surplus						(708,296)	(708,296)
Disposal of treasury shares			135,504	135,504			
Profit						2,875,992	2,875,992
Purchase of treasury shares							
Purchase of treasury shares through stock delivery trust							
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	135,504	135,504	-	2,167,696	2,167,696
Balance at end of period	345,113	281,913	135,504	417,417	374	10,039,518	10,039,892

	Shareholders' Equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,396,622)	7,102,599	224,019	2,862	226,882	7,329,481
Changes during period						
Dividends of surplus		(708,296)				(708,296)
Disposal of treasury shares	409,041	544,545				544,545
Profit		2,875,992				2,875,992
Purchase of treasury shares	(351,351)	(351,351)				(351,351)
Purchase of treasury shares through stock delivery trust	(349,911)	(349,911)				(349,911)
Net changes of items other than shareholders' equity			(225,212)	(5,784)	(230,996)	(230,996)
Total changes of items during period	(292,222)	2,010,978	(225,212)	(5,784)	(230,996)	1,779,981
Balance at end of period	(1,688,845)	9,113,577	(1,193)	(2,921)	(4,114)	9,109,462

Notes to Financial Statements

1. Matters Related to Significant Accounting Policies

(1) Valuation standards and methods for assets

(i) Valuation standards and methods for securities

Held-to-maturity debt securities	Amortized cost method (straight-line method)
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Shares of subsidiaries and affiliates	Cost method based on the moving average method
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Other marketable securities

Securities other than shares without a market price	Market value method (unrealized gains and losses are accounted for as a component of net assets, and the cost of securities sold is determined by the moving-average method)
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Shares, etc. without a market price	Cost method based on the moving average method
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For investments in limited liability investment partnerships (deemed as securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), the Company uses the most recent financial statements available according to the reporting date stipulated in the partnership agreement as the basis for calculating the net amount equivalent to its interest in the partnership.

(ii) Valuation standards and methods for inventories

Supplies	Cost method based on the specific cost method (the amount on the balance sheet is calculated by writing down the book value of assets which decreased in profitability)
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(2) Accounting for significant deferred assets

Share issuance costs	The entire amount is expensed at the time of expenditure.
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(3) Depreciation method for fixed assets

(i) Property, plant and equipment	Declining-balance method, except for buildings and accompanying facilities acquired on or after April 1, 2016, for which the straight-line method is used. (Principal useful life)
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Tools, furniture and fixtures	4 to 15 years
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(ii) Intangible assets	Straight-line method
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Software for internal use	Useful life is the period of internal use (5 years).
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Trademark rights	10 years
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(4) Basis for allowances and provisions

- (i) Provision for bonuses To provide for employee bonuses, amount accrued for the current fiscal year is recorded based on estimated payment.
 - (ii) Provision for bonuses for directors (and other officers) To provide for bonuses for directors and corporate auditors, amount accrued for the current fiscal year is recorded based on estimated payment.
 - (iii) Allowance for stock benefits To provide for the payment of Company stock to employees and executive officers in accordance with the stock delivery regulations, the Company records an amount based on the estimated stock delivery obligations as of the end of the fiscal year under review.
- (5) Basis for recording revenues and expenses

The Company's revenues consist of management guidance fees and outsourcing fees from subsidiaries.

The performance obligation is to provide contracted services to the subsidiary in accordance with the terms of the contract, and the Company's performance obligation is fulfilled when the services are provided, and thus revenue and expenses are recognized at that time.

(6) Other important matters that form the basis for the preparation of financial statements

(i) Significant hedge accounting methods

Hedge accounting method	Deferred hedge accounting is adopted.
Hedging instruments and hedged items	Hedging instrument...Foreign currency deposits Hedged items...Anticipated transactions denominated in foreign currencies
Hedging policy	Foreign currency deposits are used to hedge the risk of exchange rate fluctuations. The Company's policy is to use such transactions within the scope of actual demand and not to conduct transactions for speculative purposes.
Methods of evaluating the effectiveness of hedging	Since the material terms of hedging instruments and hedged items are the same and the cash flow fluctuations can be offset after the inception of the hedge, the assessment of effectiveness as of the balance sheet date is omitted.

(ii) Standards for translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing on the balance sheet date, with translation differences recognized as gains or losses.

(iii) Application of Group Relief System

The Company applies the Group Relief System. The accounting treatment and disclosure of corporate income tax and local income taxes, or tax effect accounting related to these taxes, are performed in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Solution No. 42, August 12, 2021).

2. Note to Change in Accounting Policies

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

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") and related standards have been applied from the beginning of the current fiscal year.

With regard to the amendment concerning the category of income taxes, we are following the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard. There is no impact on the financial statements as a result of these changes in accounting policies.

The Company applied the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) on revisions concerning treatment in the financial statements when deferring taxes on gain or loss on the sale of shares of subsidiaries, etc., between consolidated companies from the beginning of the current fiscal year. There is no impact on the financial statements as a result of this change.

3. Notes on Additional Information

(Transactions in which the Company's shares are issued to employees and executive officers through a trust)

For details, please refer to "Notes to Consolidated Financial Statements 3. Notes to Additional Information."

(Performance-linked stock-based compensation plan for directors)

For details, please refer to "Notes to Consolidated Financial Statements 3. Notes to Additional Information."

4. Notes on Balance Sheet

(1) Monetary receivables from and monetary payables to subsidiaries and affiliates (excluding those presented separately)

	(Unit: Thousands of yen)
Short-term monetary claims	345,480
Short-term monetary obligations	28,369

(2) Loan commitment contracts

The Company has entered into loan commitment contracts with three banks to facilitate efficient procurement of working capital.

The following are unused lines of credit related to loan commitments as of the end of the current fiscal year.

	(Unit: Thousands of yen)
Total amount of loan commitments	3,500,000
Loan balance	-
Balance (of an account)	3,500,000

5. Notes on Statement of Income

(1) Transactions with subsidiaries and affiliates (excluding those shown separately)

	(Unit: Thousands of yen)
Transaction volume from business transactions	1,376,363
Non-operating transactions	2,050

6. Notes on Statement of Changes in Net Assets

Matters related to the number of treasury shares

Class of shares	Number of shares at beginning of current fiscal year	Number of shares increased in current fiscal year	Number of shares decreased in current fiscal year	Number of shares at end of current fiscal year
Common shares	1,019,398	430,334	299,555	1,150,177

(Note) 1. The increase of 430,334 common treasury shares consists of 251,500 shares acquired as a result of the resolution of the Board of Directors, 178,800 shares acquired through a stock delivery trust for employees and executive officers, and a trust under the stock-based compensation plan for directors, and 34 shares acquired as shares of less than one unit. The decrease of 299,555 common treasury shares consists of 28,233 shares delivered based on the performance-linked stock-based compensation plan, 178,800 shares of treasury shares disposed through a third-party allotment accompanied by the introduction of the stock-based compensation plan, and 92,522 treasury shares disposed through the stock delivery trust for employees and

executive officers.

2. The number of common treasury shares as of the end of the current fiscal year includes 738,578 shares of the Company held by a stock delivery trust for employees and executive officers and a trust under the stock-based compensation plan for directors.

7. Notes on Tax Effect Accounting

(1) Significant components of deferred tax assets and liabilities
(Unit: Thousands of yen)

Deferred tax assets	
Tax loss carryforwards	213,766
Enterprise tax payable	504
Business office tax payable	621
Provision for bonuses	20,432
Provision for bonuses for directors (and other officers)	6,136
Allowance for stock benefits	52,584
Depreciation	6,479
Loss on valuation of investment securities	3,061
Loss on valuation of shares of subsidiaries and affiliates	124,726
Asset retirement obligations	7,072
Valuation difference on available-for-sale securities	6,844
Other	26,618
Subtotal of deferred tax assets	468,849
	(213,766)
Valuation allowance for tax loss carryforwards	
Valuation allowance for total deductible temporary differences, etc.	(153,888)
Total deferred tax assets	101,194
Deferred tax liabilities	
Valuation difference on available-for-sale securities, net of taxes	7,109
Other	32
Total deferred tax liabilities	7,142
Net deferred tax assets	94,051

(2) Breakdown of causes for differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting

Statutory effective tax rate	30.6%
(Adjustment)	
Items permanently non-deductible such as entertainment expenses	0.0%
Items permanently non-taxable such as dividends received	(38.7)%
Valuation allowance	1.6%
Other	(0.6)%
Effective tax rate after application of tax effect accounting	<u>(7.1)%</u>

(3) Accounting for corporate and local income taxes or tax effect accounting related to these taxes

The Company applies the Group Relief System. The accounting treatment and disclosure of corporate income tax and local income taxes, or tax effect accounting related to these taxes, are performed in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

(4) Revision of amount of deferred tax assets and deferred tax liabilities due to changes in the tax rate of corporation taxes, etc.

Following the enactment of the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) in the Diet on March 31, 2025, a “special defense corporation tax” will be imposed from the fiscal year beginning on or after April 1, 2026. In this connection, the Company has calculated deferred tax assets and deferred tax liabilities related to temporary differences expected to reverse on or after the fiscal year beginning July 1, 2026, by changing the statutory effective tax rate from 30.6% to 31.5%. As a result of this change, deferred tax assets (amount after deducting deferred tax liabilities) increased by 1,685 thousand yen, and income taxes – deferred decreased by 1,685 thousand yen for the fiscal year under review.

8. Notes on Transactions with Related Parties

(1) Subsidiaries

(Unit: thousand yen)

Company name	Percentage of voting rights, etc. held by the Company (%)	Relationship with related parties	Transaction details	Amount of transaction	Items	Balance at end of year
AVANT CORPORATION	100% directly	Management guidance and outsourced administrative services Fund management Guarantee of debt Concurrent officers Outsourced accounting services	Management services outsourced (Note 1)	432,473	Accounts receivable - trade	40,113
			Outsourced accounting services (Note 1)	445	Accounts receivable - other	72,713
					Cash advance	11,066
					Accounts payable - other	9,350
Internet Disclosure, Inc.	100% directly	Management guidance Fund management Concurrent officers	Management services outsourced (Note 1)	2,000	Accounts receivable - trade	550
			Outsourced accounting services (Note 1)	860	Prepaid expenses	2,464
			Interest payments (Note 2)	274	Accounts receivable - other	1,247
					Cash advance	61
					Deposits received from subsidiaries and associates	200,000
ZEAL CORPORATION	100% directly	Management guidance and outsourced administrative services Fund management Loan of funds Concurrent officers	Management services outsourced (Note 1)	420,896	Accounts receivable - trade	39,095
			Loan of funds (Note 2)	700,000	Accounts receivable - other	55,903
			Recovery of funds (Note 2)	700,000	Cash advance	7,958
			Interest income received (Note 2)	1,775	Accounts payable - other	351
DIVA CORPORATION	100% directly	Management guidance and outsourced administrative services Outsourced accounting services Concurrent officers	Management services outsourced (Note 1)	344,250	Accounts receivable - trade	32,808
			Outsourced accounting services (Note 1)	124,154	Accounts receivable - other	62,393
					Cash advance	18,195
					Accounts payable - other	12,681

VISTA CORPORATION	100% directly	Management guidance and outsourced administrative services	Management services outsourced (Note 1)	170	Accounts receivable - trade	35
		Outsourced accounting services	Outsourced accounting services (Note 1)	1,700	Cash advance	3,336
		Outsourced accounting services			Accounts payable - other	5,337

Transaction amounts do not include consumption taxes, and year-end balances include consumption taxes.

Terms and conditions of transactions and policy for determining terms and conditions of transactions, etc.

(Note) 1. Transaction terms and conditions for outsourced administrative services and accounting services are determined appropriately, taking into consideration incurred costs and other factors.

2. Interest rates for loans in the loan of funds and deposits in the group fund management are determined rationally, taking market interest rates into consideration.

(2) Officers and principal individual shareholders, etc.

(Unit: Thousands of yen)

Type	Name	Voting rights ownership (owned) ratio	Relationship with related parties	Transaction details	Amount of transaction	Subject	Balance at end of year
Officer	Tetsuji Morikawa	Owned directly 26.3%	President and Representative Director of the Company	Disposal of treasury shares in connection with contribution in kind of monetary compensation claims	39,822	-	-
Officer	Naoyoshi Kasuga	Owned directly 0.1%	Director of the Company	Disposal of treasury shares in connection with contribution in kind of monetary compensation claims	24,548	-	-

(Note) These items are due to contribution in kind of monetary compensation claims in connection with the medium- to long-term performance-linked stock-based compensation plan. The disposal of treasury shares will be made with the monetary claims provided to the allottee as the contributed assets, and the paid-in amount is set at 2,280 yen, which is the closing price of our common shares on the Tokyo Stock Exchange on October 16, 2024 (the business day before the date of resolution by the Board of Directors), in order to make the price arbitrary.

9. Notes on Revenue Recognition

Notes have been omitted as the same information to understand revenue is presented in “Notes to Financial Statements, 1. Significant Accounting Policies, (5) Basis for recording revenues and expenses.”

10. Notes on Per Share Information

(1) Net assets per share 249.60 yen

(2) Net profit per share 78.84 yen

(Note) The Company’s shares held by the stock delivery trust for employees and executive officers and the trust under the stock-based compensation plan for directors are recorded as treasury shares in shareholders’ equity. Such shares are included in treasury shares to be deducted in the calculation of the total number of issued shares at the end of the period for the purpose of calculating net assets per share. The number of such deducted treasury shares at the end of the period totaled 738,578 shares in the fiscal year under review. Furthermore, such shares are included in treasury shares to be deducted in the calculation of the average number of shares during the period for the purpose of calculating net profit per share. The average number of such treasury shares deducted totaled 640,834 shares in the fiscal year under review.

11. Notes on Significant Subsequent Events

At the Board of Directors meeting held on April 30, 2025, the Company resolved to acquire shares of BEYONDSQUARE SOLUTIONS PRIVATE LIMITED (hereinafter “BeyondSquare Solutions”), a consolidated accounting software company based in India, and make it the Company’s equity-method affiliate. BeyondSquare Solutions will be an equity-method affiliate of the Company from the fiscal year ending June 30, 2026. Based on this resolution, the Company entered into the share subscription agreement on August 1, 2025.

For details, please refer to “Notes to Consolidated Financial Statements 10. Notes to Significant Subsequent Events.”

12. Other Notes

Figures are rounded down to the nearest unit.