

The 25th Ordinary General Meeting of Shareholders  
and other matters to be provided electronically  
(matters to be omitted from delivery documents)

Company structure and policies

Consolidated Statement of  
Changes in Equity

Consolidated Notes

Statement of changes in  
shareholders' equity

Individual Notes

|               |                         |
|---------------|-------------------------|
| Business year | From October 1, 2024 to |
| (25th period) | September 30, 2025      |

## Kanamic Network Co., Ltd.

In accordance with laws and regulations and Article 15 of our Articles of Incorporation, the above items will not be included in the documents provided to shareholders who have requested written delivery.

At this General Meeting of Shareholders, regardless of whether or not a written delivery request has been made, we will uniformly send all shareholders a document that includes the items to be provided electronically, excluding the above items.

#### Company structure and policies

##### (1) System to ensure the appropriateness of business operations

As a system to ensure the appropriateness of business operations, the Company's Board of Directors has passed a resolution to establish the "Basic Policy for the Development of an Internal Control System," and the Company currently operates an internal control system in accordance with this basic policy. The outline of this policy is as follows:

- ① System to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation
  - a In principle, the Board of Directors meets monthly, with the Audit & Supervisory Board Members in attendance, to supervise the execution of business duties by the Directors.
  - b The Board of Directors shall appoint independent External Directors to strengthen its function of supervising the legality and appropriateness of the Board of Directors' decision-making and the execution of duties, thereby ensuring soundness and transparency of management.
  - c The Board of Directors shall establish the "Compliance Regulations" and the "Code of Ethical Conduct" and ensure that directors and employees are fully aware of and comply with laws, regulations, the Articles of Incorporation, etc.
  - d The Board of Directors shall stipulate in the "Code of Ethical Conduct" and "Rules for Countermeasures Against Anti-Social Forces" that all ties with anti-social forces shall be severed, and shall take a resolute stance against anti-social forces.
  - e In order to prevent misconduct in business operations and strengthen business operations that comply with laws and regulations, we will establish a consultation and reporting hotline independent of the line, which places emphasis on protecting whistleblowers, based on the separately established "Internal Reporting Regulations."
  - f Based on the "Audit Standards for Auditors" established by the Board of Auditors, Auditors attend meetings of the Board of Directors and audit the execution of duties by Directors through investigations of business conditions, etc., and if they find any problems with the Company's compliance system or its operation, they will express their opinions and request the formulation of improvement measures.
  - g The Internal Audit Office, which reports directly to the Representative Director, audits whether the operations of each department are being carried out appropriately in accordance with laws and regulations, the Articles of Incorporation, and various regulations, in accordance with the "Internal Audit Regulations," and verifies the suitability and efficiency of the internal control

system, and reports the results to the Board of Directors and the Board of Auditors.

- ② System for storing and managing information related to the execution of duties by directors
  - a Minutes of general meetings of shareholders and Board of Directors meetings, as well as important information related to the execution of duties by directors, etc., will be appropriately stored and managed for the specified period in accordance with laws and regulations and the "Document Management Regulations."
  - b Directors and Audit & Supervisory Board Members shall be able to view these documents at any time as necessary.
- ③ Rules and other systems for managing the risk of loss
  - a The Board of Directors positions risk management as an important management issue and, based on the "Risk Management Regulations," will identify, analyze, evaluate risks and formulate response policies, etc. and will strive to establish and strengthen the risk management system.
  - b If a serious risk becomes apparent, we will respond promptly in accordance with the separately established "Crisis Management Regulations" and strive to minimize damage.
  - c We will thoroughly manage confidential information and appropriately protect personal information in accordance with the "Personal Information Protection Regulations" etc.
- ④ System to ensure that directors execute their duties efficiently
  - a With regard to decision-making and business execution by directors and employees, we will clarify authority and responsibility through "rules on division of duties" and "rules on administrative authority," and ensure a system that allows for appropriate division of roles between organizations.
  - b Regarding important matters related to the company's management policy and management strategy, a management meeting consisting of full-time directors will be held, and decisions on business execution will be made after discussions at the meeting.
  - c We will establish a system in which management policies are communicated from officers to employees, and important information is appropriately communicated from employees to directors.

- d The Board of Directors will formulate a medium-term management plan and an annual business plan to clarify management goals, and will receive regular reports from the Representative Director and other executive directors to ensure that they are performing their duties appropriately toward achieving those goals, and will manage the progress of such efforts.
- ⑤ System to ensure the appropriateness of business operations within the corporate group consisting of a joint-stock company, its parent company, and its subsidiaries
  - a The Company will establish a compliance system throughout the Group based on its management philosophy and code of ethical conduct.
  - b Based on the "Affiliated Company Regulations," the Company will manage the Group companies as necessary according to their circumstances. In addition, the Company will require each Group company to regularly report its business performance and other important information to the Company.
  - c The Internal Audit Department will regularly audit the business operations of each Group company.

- ⑥ Matters concerning employees who are requested by the Audit & Supervisory Board Members to assist in their duties, and matters concerning the independence of such employees from the Directors
  - a Upon request from an Audit & Supervisory Board Member, an employee who will assist the Audit & Supervisory Board Member in the performance of his/her duties shall be appointed as an Audit & Supervisory Board Member's assistant.
  - b Employees of a are subject to the company's work rules, but the auditor has the authority to give instructions and orders to such employees regarding their work as an auditor's assistant.
- ⑦ Systems for directors and employees to report to auditors and other systems related to reporting to auditors
  - a Directors and employees shall report on the status of business execution upon request by Audit & Supervisory Board Members.
  - b If directors and employees discover any significant violations of laws and regulations or the Articles of Incorporation, any misconduct, or any matter that may cause significant damage to the company, they will immediately report it to the auditors.
  - c The "Internal Reporting Regulations" stipulate that those who report to the Audit & Supervisory Board Members will not be treated disadvantageously, and the person who reports will be protected.
  - d The Internal Audit Office will also report to the Board of Corporate Auditors on the annual internal audit plan and the status of the audit (audit report). The Board of Corporate Auditors may also request the Internal Audit Office to conduct additional audits or develop improvement measures as necessary.
- ⑧ Other systems to ensure that audits by the Audit & Supervisory Board Members are carried out effectively
  - a Audit & Supervisory Board Members may attend meetings of the Board of Directors, the Management Committee and other important meetings and receive reports on the Company's business operations.
  - b Expenses arising from the performance of duties by Audit & Supervisory Board Members shall be borne by the Company based on the request of each Audit & Supervisory Board Member.
  - c The Audit & Supervisory Board Members shall regularly hear from the Accounting Auditor the results of the accounting audit and exchange opinions with them, and

when necessary, shall attend audits by the auditing firm. They shall also hold forums for discussion with the certified public accountants who performed the audits, thereby enhancing mutual cooperation with the auditing firm.

⑨ System to ensure the reliability of financial reporting

To ensure the reliability of financial reporting, we have established an Internal Control Committee chaired by the President and CEO. To ensure the accuracy of financial reporting, we will strengthen company-wide control activities and control activities for each business process, and strengthen the operational system for these activities.

⑩ Basic policy and implementation status for excluding transactions with anti-social forces

a Basic Approach to Eliminating Transactions with Anti-Social Forces

Under no circumstances will the Company engage in transactions with antisocial forces or provide them with monetary or other economic benefits. Furthermore, if the Company receives unreasonable demands, it will cooperate with relevant authorities and take a firm stance to prevent damage caused by antisocial forces.

b Status of measures to eliminate transactions with anti-social forces

- i The "Code of Ethical Conduct" clearly states the company's stance toward anti-social forces and serves as a guideline for the behavior of all employees.
- ii We have established related regulations such as the "Countermeasures against Anti-Social Forces" and the "Manual for Investigating Anti-Social Forces," and have created a system to exclude anti-social forces.
- iii We check whether business partners are affiliated with anti-social forces.
- iv Regarding investigations into whether or not a person is affiliated with anti-social forces, we collect information from external related organizations and other sources to determine whether or not they are affiliated with anti-social forces.
- v In preparation for unreasonable demands from anti-social forces, we will build cooperative relationships with external specialist organizations such as the police, the National Center for the Elimination of Violence, and lawyers.

(2) Overview of the operational status of the system to ensure the appropriateness of business operations

The Company continuously checks and investigates the establishment and operation

status of the internal control system to ensure the appropriateness of the above-mentioned business operations. The main operational status of the internal control system implemented at the Company during the fiscal year under review is as follows:

a System to ensure the appropriateness of business execution

Regular Board of Directors meetings are held every month, where each executive officer reports on the execution of business operations in each department, and these reports are confirmed and supervised. Furthermore, at Board of Directors meetings, all directors exchange a wide range of information regarding management.

b Audit & Supervisory Board Members' Duties Execution System

In accordance with the audit plan established by the Board of Corporate Auditors, the Audit & Supervisory Board attends Board of Directors meetings and other important meetings and investigates the status of business execution by directors and employees. In addition, the Audit & Supervisory Board exchanges opinions with the accounting auditor as appropriate to verify that audits are being conducted appropriately.

c System to ensure the accuracy of financial reporting

To ensure the accuracy of financial reporting, we have organized an Internal Control Committee, which evaluates the status of the establishment and operation of internal controls to ensure the accuracy of financial reporting, and reviews them as necessary.

d Compliance and risk management initiatives

We inform directors and employees of our "Code of Ethical Conduct" through company-wide general meetings, etc., and provide training on compliance, as well as training on preventing insider trading. Furthermore, based on our "Crisis Management Regulations" and "Risk Management Regulations," we recognize individual risks related to various dangers and constantly grasp and monitor their situations.

e Current issues and areas for improvement

Not applicable.

(3) Basic Policy on Control of Corporations

As a public company, we have not established any specific basic policy regarding the role of those who control decisions regarding the company's financial and business policies.

(4) Policy regarding decisions on dividends, etc. of surplus

The company regards returning profits to shareholders as one of its most important priorities, and believes that in order to achieve long-term returns to shareholders, it needs to enhance its internal reserves and proactively develop its business in anticipation of changes in the business environment.

Our company is currently in the process of growth, and we believe that by enhancing our internal reserves, we can strengthen our financial position and invest in business expansion, thereby maximizing the return of profits to shareholders.

Our basic dividend policy will be determined by comprehensively assessing the return of profits to shareholders and the enhancement of internal reserves, and we intend to respond flexibly depending on business performance and market trends. However, for the time being, our policy will be to determine dividend amounts based on a dividend payout ratio of 30% or more.

Our basic policy is to pay dividends once a year at the end of the fiscal year. Dividends are decided at the General Meeting of Shareholders. In addition, our Articles of Incorporation stipulate that, pursuant to Article 454, Paragraph 5 of the Companies Act, we may pay interim dividends by resolution of the Board of Directors.

Based on this policy, we plan to pay an ordinary dividend of 7.50 yen per share as a year-end dividend for the fiscal year under review. As a result, the annual dividend for the fiscal year under review will be 7.50 yen per share.

Amounts in this business report are rounded down to the nearest unit.

### Consolidated Statement of Changes in Equity

( From October 1, 2024 to  
September 30, 2025 )

(Unit: 1,000 yen)

|                                                                  | Shareholders' Equity |                 |                   |                 |                            |
|------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
|                                                                  | Share Capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at the beginning of the current consolidated fiscal year | 192,060              | 132,060         | 3,906,669         | △404,938        | 3,825,850                  |
| Changes in the current fiscal year                               |                      |                 |                   |                 |                            |
| Dividends of surplus                                             | —                    | —               | △308,472          | —               | △308,472                   |
| Net income attributable to owners of parent                      | —                    | —               | 1,111,528         | —               | 1,111,528                  |



|                                                                                     |         |         |           |          |           |
|-------------------------------------------------------------------------------------|---------|---------|-----------|----------|-----------|
| Net changes in items other than shareholders' equity during the current fiscal year | —       | —       | —         | —        | —         |
| Total changes for the current fiscal year                                           | —       | —       | 803,056   | —        | 803,056   |
| Balance at the end of the current consolidated fiscal year                          | 192,060 | 132,060 | 4,709,726 | △404,938 | 4,628,907 |

|                                                                                     | Accumulated other comprehensive income  |                                              | Total net assets |
|-------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|------------------|
|                                                                                     | Foreign currency translation adjustment | Total Accumulated other comprehensive income |                  |
| Balance at the beginning of the current consolidated fiscal year                    | 8,963                                   | 8,963                                        | 3,834,813        |
| Changes in the current fiscal year                                                  |                                         |                                              |                  |
| Dividends of surplus                                                                | —                                       | —                                            | △308,472         |
| Net income attributable to owners of parent                                         | —                                       | —                                            | 1,111,528        |
| Net changes in items other than shareholders' equity during the current fiscal year | 11,433                                  | 11,433                                       | 11,433           |
| Total changes for the current fiscal year                                           | 11,433                                  | 11,433                                       | 814,490          |
| Balance at the end of the current consolidated fiscal year                          | 20,396                                  | 20,396                                       | 4,649,304        |

## Consolidation Notes

### 1. Notes on important matters that form the basis for preparing consolidated financial statements

#### (1) Matters concerning the scope of consolidation

##### Status of consolidated subsidiaries

- Number of consolidated subsidiaries 4 companies
- Names of major consolidated subsidiaries

Urban Fit Co., Ltd.  
Ruby Development Co., Ltd.  
Kanamic (Dalian) Technology Co., Ltd.  
THE WORLD MANAGEMENT PTE LTD

- Significant changes in the scope of consolidation

THE WORLD MANAGEMENT PTE LTD has been included in the scope of consolidation from the current consolidated fiscal year. This is due to the Company acquiring all shares of The World Management Pte Ltd. during the current consolidated fiscal year.

#### (2) Matters concerning application of the equity method

Not applicable.

#### (3) Matters concerning the fiscal year of consolidated subsidiaries

The fiscal year end of consolidated subsidiary Kanamic (Dalian) Technology Co., Ltd. is December 31. Consolidated financial statements are prepared based on provisional settlement of accounts as of August 31, and any significant transactions that occurred between the closing date and the consolidated closing date are adjusted as necessary for consolidation.

The fiscal year end of the consolidated subsidiary, THE WORLD MANAGEMENT PTE LTD, is December 31. Consolidated financial statements are prepared based on provisional settlement of accounts as of September 30, and any significant transactions that occurred between the fiscal year end and the consolidated fiscal year end are adjusted as necessary for consolidation.

The fiscal year end of other consolidated subsidiaries is the same as the consolidated fiscal year end.

#### (4) Accounting policy matters

##### ① Valuation criteria and methods for significant assets

##### Inventory

- Merchandise..... Stated at cost using the first-in, first-out method (values on

the consolidated balance sheets are calculated by writing down book value due to declines in profitability)

- Work in progress ..... Cost method based on the specific cost method (The amount on the consolidated balance sheet is calculated by writing down the book value due to a decline in profitability)
- Supplies ..... Last purchase cost method (The consolidated balance sheet value is calculated by writing down the book value due to a decline in profitability)

- ② Depreciation methods for significant depreciable assets
- a Tangible fixed asset: The straight-line method is used, except for buildings and attached equipment and vehicles acquired before March 3, 2016 (excluding lease assets), which are depreciated using the declining-balance method.  
The main useful lives are as follows:
 

|                               |            |
|-------------------------------|------------|
| Buildings                     | 8~39 years |
| Vehicles                      | 4~6 years  |
| Tools, furniture and fixtures | 3~10 years |
  - b Intangible fixed asset: The fixed amount method is used.  
The amortization period is as follows:  
Software (for in-house use) 5 years (internal use period)
  - c Leased assets .....Leased assets related to finance lease transactions without transfer of ownership  
The straight-line method is used, with the lease period being the useful life and the residual value set at zero.
- ③ Criteria for recording significant reserves
- a Allowance for doubtful accounts  
.....To prepare for losses due to bad debts, we record an estimated unrecoverable amount based on the historical bad debt rate for general receivables, and for specific receivables such as those with a high probability of default, we consider the collectibility of each individual receivable and record an estimated unrecoverable amount.
  - b Bonus reserve .....In preparation for the payment of bonuses to employees, the estimated payment amount for the current consolidated fiscal year is recorded.
- ④ Revenue and expense recognition standards
- Our group provides services related to information sharing platforms and healthcare platforms in the fields of medical care, nursing care and health (including the operation of fitness gym facilities), and provides contracts for system development.
- a Platform Services  
For platform-related services, we have a performance obligation to provide services based on service agreements with customers. For system implementation services, since the performance obligation is to provide system implementation support, including data migration, we deem the performance obligation to be satisfied at the time the service is provided and recognize revenue. For system and facility usage fees, we deem the performance obligation to be satisfied by providing the usage

environment in accordance with the contract period and recognize revenue over a certain period.

b Contract

Under contracts, we have performance obligations to provide deliverables based on our contractual relationship with customers. Because control of these contracts is transferred to customers as the development work progresses, we believe that performance obligations are satisfied over a certain period of time, and therefore we recognize revenue based on the rate of progress. Because we believe that incurred costs are proportional to the progress in satisfying performance obligations, we measure progress based on the ratio of incurred costs to total estimated costs (input method). For contracts with short periods or contract details that are deemed insignificant, we recognize revenue when performance obligations are completely satisfied.

⑤ Goodwill amortization method and period

Goodwill is amortized using the straight-line method over a period of 10 years.

⑥ Standards for converting significant assets or liabilities denominated in foreign currencies into Japanese currency

Foreign currency receivables and payables are translated into yen at the spot exchange rate on the consolidated balance sheet date, and exchange differences are treated as profits or losses. Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate on the balance sheet date, and revenues and expenses are translated into yen at the average exchange rate during the period, with translation differences recorded in the foreign currency translation adjustment account in net assets.

2. Notes regarding changes in accounting policies

(Application of the "Accounting Standards for Corporate Tax, Resident Tax, and Enterprise Tax, etc.")

The "Accounting Standards for Corporate Taxes, Resident Taxes, Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standards") and other standards have been applied from the beginning of the current consolidated fiscal year.

With regard to the amendments to the classification of corporate taxes, etc. (taxation of other comprehensive income), we are following the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso to Paragraph 65-2 (2) of the "Guidelines for the Implementation of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Implementation Guidance").

This change in accounting policy has no impact on the consolidated financial statements.

In addition, with regard to the amendments related to the review of the treatment in consolidated financial statements when profits or losses arising from the sale of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, the 2022 revised implementation guidelines have been applied from the beginning of this consolidated fiscal year. This change in accounting policy has no impact on the consolidated financial statements for the previous consolidated fiscal year.

3. Notes on accounting estimates

The items recorded in the consolidated financial statements for the current consolidated fiscal year based on accounting estimates that may have a material impact on the consolidated financial statements for the next consolidated fiscal year are as follows:

Impairment of fixed assets (including goodwill)

(1) Amount recorded in the consolidated financial statements for the current fiscal year

Tangible fixed assets 996,612 thousand JPY

Intangible fixed assets (including goodwill) 1,457,274 thousand JPY

(2) Information about the content of significant accounting estimates for identified items

If there are indications of impairment of fixed assets, the Group assesses whether or not it is necessary to recognize impairment losses based on future cash flows to be obtained from the asset or asset group. Although the Group carefully considers identifying indications of impairment losses and assessing whether or not it is necessary to recognize impairment losses, if there are changes in the conditions and assumptions on which the estimates are based due to changes in the market environment or the business situation of the Company, it may become necessary to treat the assets as impairment losses.

4. Notes to the Consolidated Balance Sheets

Accumulated depreciation of tangible fixed assets 671,197 thousand JPY

5. Notes to the Consolidated Statement of Changes in Equity

(1) Matters concerning the type and total number of issued shares

| Types of shares       | Number of shares at the beginning of the current consolidated fiscal year | Increase in number of shares during the current fiscal year | Number of shares decreased during the current fiscal year | Number of shares at the end of the current consolidated fiscal year |
|-----------------------|---------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|
| Common stock (shares) | 48,132,000                                                                | —                                                           | —                                                         | 48,132,000                                                          |

(2) Matters concerning the number of treasury shares

| Types of shares       | Number of shares at the beginning of the current consolidated fiscal year | Increase in number of shares during the current fiscal year | Number of shares decreased during the current fiscal year | Number of shares at the end of the current consolidated fiscal year |
|-----------------------|---------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|
| Common stock (shares) | 674,706                                                                   | —                                                           | —                                                         | 674,706                                                             |

(3) Matters concerning dividends of surplus

① Dividend payment amount, etc.

Dividends resolved at the Ordinary General Meeting of Shareholders to be held on December 19, 2024

- Total dividend amount 308,472 thousand JPY
- Dividend per share 6.50 JPY
- Base date September 30, 2024
- Effective date December 20, 2024

② Dividends with a record date that falls within the current consolidated fiscal year, but with an effective date that falls within the following consolidated fiscal year

The Company plans to propose the following items regarding the year-end dividend for the appropriation of surplus as an agenda item at the Ordinary General Meeting of Shareholders to be held on December 18, 2025.

- Total dividend amount 355,929 thousand JPY
- Dividend per share 7.50 JPY
- Base date September 30, 2025
- Effective date December 19, 2025

The dividend source is planned to be retained earnings.



6. Notes on financial instruments

(1) Matters concerning the status of financial products

① Financial product policy

Our policy is to manage funds through highly secure financial assets such as deposits, and to raise funds through bank loans and corporate bond issuance. We do not engage in derivative transactions except for hedging purposes.

② Details and risks of financial products

Accounts receivable, which are operating receivables, and leasehold and guarantee deposits, which are other monetary receivables, are exposed to the credit risk of business partners.

Trade payables, such as accounts payable and other accounts payable, have payment due dates within six months.

Loans, corporate bonds, and lease obligations are intended to raise funds necessary for M&A and capital investment, and the final repayment date is within a maximum of five years after the fiscal year-end.

③ Risk management system for financial products

a Credit risk management (risk related to counterparty non-performance of contracts)

The Group regularly monitors the status of its major business partners and manages collection dates and balances on a monthly basis by implementing appropriate credit management for each counterparty, while also working to identify and mitigate early the risk of non-collection due to a deterioration in financial conditions, etc.

b Managing Liquidity Risk Related to Funding (the risk of not being able to make payments on due dates)

The Group manages liquidity risk by creating and updating cash flow plans in a timely manner and by maintaining liquidity on hand.

(2) Matters concerning the market value of financial instruments

The carrying amount on the consolidated balance sheet, market value, and the difference between them as of September 30, 2025 are as follows:

(Unit: 1,000 yen)

|                                                                                   | Amount<br>recorded on the<br>consolidated<br>balance sheet | Market Value | Difference |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|--------------|------------|
| ① Deposit and guarantee                                                           | 217,789                                                    | 142,793      | △74,996    |
| Total assets                                                                      | 217,789                                                    | 142,793      | △74,996    |
| ① Corporate bonds<br>(Including corporate bonds due to mature<br>within one year) | 15,000                                                     | 14,795       | △204       |

|                                                                                |         |         |         |
|--------------------------------------------------------------------------------|---------|---------|---------|
| ② Long-term borrowings<br>(Including long-term borrowings due within one year) | 580,437 | 570,176 | △10,260 |
| ③ Lease obligations<br>(including those due to be repaid within one year)      | 62,241  | 61,108  | △1,132  |
| Total liabilities                                                              | 657,678 | 646,080 | △11,597 |

- (※) 1. Cash and deposits, accounts receivable, contract assets, accounts payable, and other accounts payable are omitted because their market value, which can be settled in cash or in the short term, approximates their book value. In addition, items whose amounts on the consolidated balance sheets are immaterial are also omitted.

2. Scheduled redemption amount of monetary claims after the closing date

(Unit: 1,000 yen)

|                                                                                 | Within one year | Over 1 year<br>Within 5 years | Over 5 years<br>Within 10 years | Over 10 years |
|---------------------------------------------------------------------------------|-----------------|-------------------------------|---------------------------------|---------------|
| Accounts receivable                                                             | 212,489         | —                             | —                               | —             |
| Long-term loans<br>(including long-term loans due to be repaid within one year) | 1,249           | 5,144                         | 6,757                           | 11,648        |
| Deposit and guarantee                                                           | 31,998          | —                             | —                               | 185,791       |
| Total                                                                           | 245,736         | 5,144                         | 6,757                           | 197,439       |

3. Scheduled repayment amounts of corporate bonds, long-term borrowings and lease obligations after the closing date

(Unit: 1,000 yen)

|                      | Within one year | Over 1 year<br>Within 5 years | Over 5 years<br>Within 10 years | Over 10 years |
|----------------------|-----------------|-------------------------------|---------------------------------|---------------|
| Corporate bonds      | 15,000          | —                             | —                               | —             |
| Long-term borrowings | 274,428         | 306,009                       | —                               | —             |
| Lease obligations    | 15,039          | 47,201                        | —                               | —             |
| Total                | 304,467         | 353,210                       | —                               | —             |

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

The market values of financial instruments are classified into the following three levels depending on the observability and significance of the inputs used to calculate the market values.

Level 1 Market Value: Of the inputs used to calculate observable market value, market value calculated using quoted prices formed in active markets

for assets or liabilities that are the subject of the calculation of market value.

Level 2 Market Value: Market value calculated using observable inputs for calculating market value other than Level 1 inputs

Level 3 Market Value: Market value calculated using unobservable market value inputs

- ① Financial instruments recorded on the consolidated balance sheet at market value  
Not applicable.

- ② Financial instruments other than those recorded on the consolidated balance sheet at market value

(Unit: 1,000 yen)

|                         | Market Value |         |         |         |
|-------------------------|--------------|---------|---------|---------|
|                         | Level 1      | Level 2 | Level 3 | Total   |
| ① Deposit and guarantee | —            | 142,793 | —       | 142,793 |
| Total assets            | —            | 142,793 | —       | 142,793 |
| ① Corporate bonds       | —            | 14,795  | —       | 14,795  |
| ② Long-term borrowings  | —            | 570,176 | —       | 570,176 |
| ③ Lease obligations     | —            | 61,108  | —       | 61,108  |
| Total liabilities       | —            | 646,080 | —       | 646,080 |

(Note) A description of the valuation techniques used to determine the fair value and the inputs used to determine the fair value

Asset ① Deposit and guarantee

Security deposits and guarantee money are calculated using the discounted present value method based on interest rates on government bonds, etc., based on a reasonably estimated schedule for the repayment of security deposits, and are classified as Level 2 fair value.

Liability ① Corporate bonds (including bonds due to mature within one year)

The market value of the bonds is calculated by discounting the total amount of principal and interest at a rate that takes into account the remaining term and credit risk of the bonds, and is classified as a Level 2 market value.

② Long-term borrowings (including long-term borrowings due within one year)

The fair value of long-term borrowings is calculated based on the present value of the total principal and interest amounts divided by period, discounted at the interest rate expected to apply if similar new borrowings were made, and is classified as Level 2 fair value.

③ Lease obligations

The fair value of lease obligations is calculated based on the present value of the total amount of principal and interest discounted at the interest rate expected to apply if similar new lease transactions were to be conducted, and is classified as Level 2 fair value.

7. Notes on revenue recognition

(1) Disaggregated information on revenues from contracts with customers

The breakdown of revenue from contracts with customers is as follows:

(Unit: 1,000 yen)

|                                       | Medical and nursing care cloud platform business | Healthy lifespan extension business | Solution development business | Amount recorded on consolidated financial statements |
|---------------------------------------|--------------------------------------------------|-------------------------------------|-------------------------------|------------------------------------------------------|
| Net sales                             |                                                  |                                     |                               |                                                      |
| Kanamic Cloud Services                | 2,997,067                                        | —                                   | —                             | 2,997,067                                            |
| Platform Services                     | 474,066                                          | —                                   | —                             | 474,066                                              |
| Other services                        | 111,740                                          | —                                   | —                             | 111,740                                              |
| Healthy lifespan extension services   | —                                                | 1,187,551                           | —                             | 1,187,551                                            |
| Solution Services                     | —                                                | —                                   | 730,360                       | 730,360                                              |
| Revenue from contracts with customers | 3,582,874                                        | 1,187,551                           | 730,360                       | 5,500,786                                            |
| Other Revenues                        | —                                                | —                                   | —                             | —                                                    |
| Sales to external customers           | 3,582,874                                        | 1,187,551                           | 730,360                       | 5,500,786                                            |

(2) Fundamental information for understanding revenue

As stated in "1. Notes on important matters that form the basis for preparing consolidated financial statements (4) Accounting policy matters ④ Revenue and expense recognition standards"

(3) Information to understand the amount of revenue for the current consolidated fiscal year and the next consolidated fiscal year and thereafter

① Balances of contract assets and contract liabilities, etc.

The breakdown of receivables and contract liabilities arising from contracts with customers is as follows:

|                                           |                      |
|-------------------------------------------|----------------------|
| Receivables from contracts with customers | 212,489 thousand JPY |
| Contract Assets                           | 2,248 thousand JPY   |
| Contract Liabilities                      | 290,087 thousand JPY |

② Transaction price allocated to remaining performance obligations

For the fiscal year ended March 31, 2019, the balance of unsatisfied performance obligations with expected contract periods exceeding one year was not material in

monetary terms and therefore has been omitted. In addition, there is no material amount not included in the transaction price of consideration arising from contracts with customers.

8. Notes regarding per share information

|                          |           |
|--------------------------|-----------|
| (1) Net assets per share | 97.97 JPY |
| (2) Net income per share | 23.42 JPY |

## 9. Notes regarding business combinations

### Business combination through acquisition

At the Board of Directors meeting held on October 29, 2024, the Company resolved to acquire shares in THE WORLD MANAGEMENT PTE LTD (headquartered in Singapore) and make it a wholly owned subsidiary. The Company then entered into a share transfer agreement on the same day and acquired all shares on November 29, 2024.

#### (1) Overview of the business combination

##### ① Name of the acquired company and its business activities

|                              |                              |
|------------------------------|------------------------------|
| Name of the acquired company | THE WORLD MANAGEMENT PTE LTD |
| Business details             | IT consulting business       |

##### ② Main reasons for the business combination

THE WORLD MANAGEMENT PTE LTD (hereinafter "TWM") is a Singapore-based IT consulting company. TWM provides implementation consulting and maintenance services for back-end systems, primarily for sales management, inventory management, and accounting management, to many companies in Singapore. By combining TWM's back-end systems with our group's front-end system development capabilities, we will be able to provide comprehensive IT systems to TWM's clients and other companies in Singapore. Furthermore, several of TWM's clients are involved in nursing care businesses and medical clinics. We believe that TWM's client base will be a major driving force in helping us provide even higher value-added services as a healthcare and health tech company. We also plan to expand into Southeast Asia, including ASEAN countries, from our base in Singapore.

##### ③ Business combination date

|                                             |
|---------------------------------------------|
| November 29, 2024 (share acquisition date)  |
| December 31, 2024 (deemed acquisition date) |

##### ④ Legal form of business combination: Acquisition of shares in exchange for cash

##### ⑤ Name of the combined company THE WORLD MANAGEMENT PTE LTD

##### ⑥ Acquired voting rights ratio 100%

##### ⑦ Main reasons for deciding on the acquiring company

The Company will acquire all shares in exchange for cash.

#### (2) The period of the acquired company's performance included in the consolidated income statement for the current consolidated fiscal year

From January 1, 2025 to September 30, 2025

#### (3) Acquisition cost of the acquired company and breakdown by type of consideration

|                                                                        |                   |                                         |
|------------------------------------------------------------------------|-------------------|-----------------------------------------|
| Acquisition price                                                      | Cash and deposits | 5,000,000 SGD (approx. 565,850,000 JPY) |
| Acquisition cost                                                       |                   | 5,000,000 SGD (approx. 565,850,000 JPY) |
| Reference: Exchange rate: 1 SGD = 113.17 JPY (as of November 29, 2024) |                   |                                         |



(4) Details and amounts of major acquisition-related costs

Advisory fees and commissions      45,782 thousand JPY

(5) Amount of goodwill generated, cause of generation, amortization method and amortization period

① Amount of goodwill incurred      413,456 thousand JPY

② Cause

This excess profitability is expected to come primarily from the streamlining of indirect operations in the regions where THE WORLD MANAGEMENT PTE LTD provides IT consulting services.

③ Amortization method and amortization period

Equally-divided amortization over 10 years

(6) Amount of assets and liabilities assumed on the date of business combination and their main breakdown

|                          |                             |
|--------------------------|-----------------------------|
| Current assets           | 237,524 thousand JPY        |
| <u>Fixed assets</u>      | <u>1,897 thousand JPY</u>   |
| <u>Total Assets</u>      | <u>239,421 thousand JPY</u> |
| Current liabilities      | 70,143 thousand JPY         |
| <u>Fixed liabilities</u> | <u>184 thousand JPY</u>     |
| <u>Total Liabilities</u> | <u>70,328 thousand JPY</u>  |

10. Notes regarding significant subsequent events  
Not applicable.

## Statement of changes in shareholders' equity

( From October 1, 2024 to  
September 30, 2025 )

(Unit: 1,000 yen)

|                                                            | Shareholders' Equity |                    |                          |                     |                                                                       |                            |
|------------------------------------------------------------|----------------------|--------------------|--------------------------|---------------------|-----------------------------------------------------------------------|----------------------------|
|                                                            | Share<br>Capital     | Capital surplus    |                          | Retained earnings   |                                                                       |                            |
|                                                            |                      | Capital<br>reserve | Total capital<br>surplus | Earnings<br>reserve | Other retained<br>earnings<br>Retained<br>earnings<br>carried forward | Total retained<br>earnings |
| Opening balance                                            | 192,060              | 132,060            | 132,060                  | 220                 | 4,056,425                                                             | 4,056,645                  |
| Changes during the period                                  |                      |                    |                          |                     |                                                                       |                            |
| Dividends of surplus                                       | —                    | —                  | —                        | —                   | △308,472                                                              | △308,472                   |
| Net income                                                 | —                    | —                  | —                        | —                   | 1,065,375                                                             | 1,065,375                  |
| Net changes in items<br>other than shareholders'<br>equity | —                    | —                  | —                        | —                   | —                                                                     | —                          |
| Total changes for the<br>period                            | —                    | —                  | —                        | —                   | 756,902                                                               | 756,902                    |
| Ending balance                                             | 192,060              | 132,060            | 132,060                  | 220                 | 4,813,328                                                             | 4,813,548                  |

|                                                            | Shareholders' Equity |                                  | Total net assets |
|------------------------------------------------------------|----------------------|----------------------------------|------------------|
|                                                            | Treasury stock       | Total<br>shareholders'<br>equity |                  |
| Opening balance                                            | △404,938             | 3,975,827                        | 3,975,827        |
| Changes during the period                                  |                      |                                  |                  |
| Dividends of surplus                                       | —                    | △308,472                         | △308,472         |
| Net income                                                 | —                    | 1,065,375                        | 1,065,375        |
| Net changes in items<br>other than shareholders'<br>equity | —                    | —                                | —                |
| Total changes for the<br>period                            | —                    | 756,902                          | 756,902          |
| Ending balance                                             | △404,938             | 4,732,730                        | 4,732,730        |

## Individual Notes Table

### 1. Notes on matters related to significant accounting policies

#### (1) Asset valuation standards and methods

##### ① Securities

- Affiliated company shares                      Moving average cost method
- Affiliated company investments              Moving average cost method

##### ② Inventory

- Finished goods ..... Cost method based on the specific cost method (balance sheet values are calculated by writing down book value due to decline in profitability)
- Stockpiles ..... Last purchase cost method (balance sheet value calculated by writing down book value due to decline in profitability)

#### (2) Fixed asset depreciation methods

##### ① Tangible fixed assets... The straight-line method is used. However, the declining-balance method is used for building fixtures and vehicles acquired before March 31, 2016.

· The main useful lives are as follows:

|                               |             |
|-------------------------------|-------------|
| Building                      | 10~15 years |
| Vehicles                      | 4~6 years   |
| Tools, furniture and fixtures | 3~8 years   |

##### ② Intangible fixed assets The straight-line method is used.

The amortization periods are as follows:

|                             |                               |
|-----------------------------|-------------------------------|
| Software (for in-house use) | 5 years (internal use period) |
|-----------------------------|-------------------------------|

#### (3) Standards for converting assets and liabilities denominated in foreign currencies into Japanese currency

Foreign currency receivables and payables are converted into Japanese yen at the spot exchange rate on the closing date of the fiscal year, and exchange differences are recorded as profit or loss.

#### (4) Provisions

##### ① Allowance for doubtful accounts

.....To prepare for losses due to bad debts, we record an estimated unrecoverable amount based on the historical bad debt rate for general receivables, and for specific receivables such as those with a high probability of default, we consider the collectibility of each individual receivable.

##### ② Bonus reserve ..... In order to provide for the payment of bonuses to employees,

the amount to be borne by the current fiscal year out of the estimated payment amount is recorded.

(5) Revenue and expense recognition standards

Our company primarily provides services related to the provision of information sharing platforms in the fields of medical care, nursing care, and health, as well as healthcare platforms. For these platform-related services, we have a performance obligation to provide services based on service agreements with customers. For system implementation services, since the performance obligation is to provide system implementation support, including data migration, we deem the performance obligation to be satisfied at the time the service is provided and recognize revenue. For system and facility usage fees, we deem the performance obligation to be satisfied by providing the usage environment in accordance with the contract period and recognize revenue over a certain period.

2. Notes regarding changes in accounting policies

(Application of the "Accounting Standards for Corporate Tax, Resident Tax, and Enterprise Tax, etc.")

We have applied the "Accounting Standard for Corporate Taxes, Inhabitant Taxes, Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standards") and other standards from the beginning of the fiscal year under review.

With regard to the amendments to the accounting classification of corporate taxes, etc., we have followed the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso to Paragraph 65-2(2) of the "Guidance on Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022).

Please note that this change in accounting policy has no impact on the financial statements.

### 3. Notes on accounting estimates

The items recorded in the financial statements for the current fiscal year based on accounting estimates that may have a significant impact on the financial statements for the next fiscal year are as follows:

#### 1 Impairment of fixed assets

##### (1) Amount included in the financial statements for the current fiscal year

|                         |                      |
|-------------------------|----------------------|
| Tangible fixed assets   | 87,040 thousand JPY  |
| Intangible fixed assets | 662,426 thousand JPY |

##### (2) Information about the content of significant accounting estimates for identified items

If there are indications of impairment of a fixed asset, the Company assesses whether or not it is necessary to recognize an impairment loss based on the future cash flows to be obtained from the asset or asset group. Although the Company carefully considers whether or not it is necessary to recognize an impairment loss and identifies indications of impairment and whether or not it is necessary to recognize an impairment loss, if there are changes in the conditions or assumptions on which the estimate is based due to changes in the market environment or the Company's business situation, it may become necessary to treat the impairment loss.

#### 2 Valuation of shares in affiliated companies

##### (1) Amount included in the financial statements for the current fiscal year

|                           |                        |
|---------------------------|------------------------|
| Affiliated company shares | 1,382,132 thousand JPY |
|---------------------------|------------------------|

##### (2) Information about the content of significant accounting estimates for identified items

The Company will record impairment losses if the actual value of shares in affiliated companies at the end of the fiscal year has declined significantly and there is no prospect of recovery. The possibility of recovery is judged based on the business plans of the affiliated companies in question, but this may be affected by fluctuations in uncertain future economic conditions. In addition, if there are changes in the conditions or assumptions on which the estimated amount is based, there is a possibility that impairment losses will be required.

4. Notes to the Balance Sheet

- (1) Accumulated depreciation of tangible fixed assets      312,081 thousand JPY
- (2) Monetary claims and liabilities to affiliated companies (excluding those displayed separately)
  - Short-term monetary claims      3,516 thousand JPY
  - Long-term monetary claims      — thousand JPY
  - Short-term monetary obligations      18,474 thousand JPY
  - Long-term financial obligations      — thousand JPY
- (3) Guaranteed debt

With Urban Fit Co., Ltd. as the guarantor, we have provided a debt guarantee for rent for 10 real estate lease agreements (current total monthly rent is 19,291,000 JPY, with remaining contract terms ranging from less than 1 year to 20 years) and a debt guarantee for corporate bonds (outstanding debt of 15,000,000 JPY).

With Ruby Development Co., Ltd. as the guarantor, we have provided a debt guarantee for money loan agreements (outstanding debt of 30,012,000 JPY).



5. Notes to the income statement

Transaction volume with affiliated companies

Transaction volume from business transactions 144,275 thousand JPY

Transaction volume other than business transactions 32,215 thousand JPY

6. Notes to the Statement of Changes in Equity

Number of treasury shares as of the end of the current fiscal year

| Types of shares       | Beginning of the current fiscal year | Increment | Decrement | End of current fiscal year |
|-----------------------|--------------------------------------|-----------|-----------|----------------------------|
| Common stock (shares) | 674,706                              | —         | —         | 674,706                    |

7. Notes on tax-effect accounting

Breakdown of main causes of deferred tax assets and deferred tax liabilities

Deferred tax assets

|                                 |                            |
|---------------------------------|----------------------------|
| Bonus reserve                   | 11,023 thousand JPY        |
| Allowance for doubtful accounts | 7,057 "                    |
| Accrued expenses                | 1,664 "                    |
| Unpaid business tax             | 13,479 "                   |
| Depreciation                    | 385 "                      |
| Asset Retirement Obligations    | 8,579 "                    |
| Others                          | 6,605 "                    |
| Total deferred tax assets       | <u>48,795 thousand JPY</u> |

Deferred tax liabilities

|                                                                |                            |
|----------------------------------------------------------------|----------------------------|
| Retirement costs corresponding to asset retirement obligations | <u>△370 thousand JPY</u>   |
| Total deferred tax liabilities                                 | <u>△370 thousand JPY</u>   |
| Net deferred tax assets                                        | <u>48,424 thousand JPY</u> |

(Note) Adjustments to the amounts of deferred tax assets and deferred tax liabilities due to changes in corporate tax rates, etc.

As a result of the passage of the "Act to Partially Amend the Income Tax Act, etc." (Act No. 13 of 2025) by the Diet on March 31, 2025, a "Special Defense Corporation Tax" will be levied from fiscal years beginning on or after April 1, 2026. In accordance with this, the effective statutory tax rate has been changed to calculate deferred tax assets and deferred tax liabilities related to temporary differences, etc. that are expected to be resolved from fiscal years beginning on or after October 1, 2026.

The impact of this tax rate change is immaterial.

8. Notes regarding related party transactions

Subsidiary

| Type       | Name of company etc.                  | Ownership (or ownership) ratio of voting rights, etc. | Related Party Relationships       | Transaction details          | Transaction amount (thousand JPY) | Subjects                                                    | Ending balance (thousand JPY) |
|------------|---------------------------------------|-------------------------------------------------------|-----------------------------------|------------------------------|-----------------------------------|-------------------------------------------------------------|-------------------------------|
| Subsidiary | Urban Fit Co., Ltd.                   | Direct 100%                                           | Financial assistance              | Lending of funds (Note 1)    | 250,000                           | Long-term loans to affiliated companies due within one year | 300,000                       |
|            |                                       |                                                       | Debt guarantees                   | Collection of funds (Note 1) | 254,166                           |                                                             |                               |
|            |                                       |                                                       | Interest receipt (Note 1)         |                              | 8,215                             |                                                             |                               |
|            |                                       |                                                       | System development contracts      | Debt guarantees (Note 2)     | 34,291                            | Long-term loans to affiliated companies                     | 590,833                       |
|            |                                       |                                                       | Equipment rental                  | System development (Note 3)  | 8,580                             |                                                             |                               |
|            |                                       |                                                       | Interlocking director positions   | Equipment rental (Note 3)    | 837                               | Accounts receivable                                         | 786                           |
|            |                                       |                                                       | Employee secondment               | Management guidance fees     | 12,000                            | Other current assets                                        | 1,630                         |
|            |                                       |                                                       |                                   |                              |                                   |                                                             |                               |
| Subsidiary | Ruby Development Co., Ltd.            | Direct 100%                                           | Debt Guarantee                    | Debt Guarantee (Note 2)      | 30,012                            | Accounts receivable                                         | 1,100                         |
|            |                                       |                                                       | System Development Outsourcing    | System Development (Note 3)  | 38,432                            | Accounts payable                                            | 5,967                         |
|            |                                       |                                                       | Interlocking Officers             | Management Guidance Fees     | 12,000                            | Non-trade payables                                          | 3,579                         |
| Subsidiary | Kanamic (Dalian) Technology Co., Ltd. | Direct 100%                                           | System development outsourcing    | System Development (Note 3)  | 96,425                            | Accounts payable                                            | 2,959                         |
|            |                                       |                                                       | Interlocking director positions   |                              |                                   | Non-trade payables                                          | 5,968                         |
| Subsidiary | THE WORLD MANAGEMENT PTE LTD          | Direct 100%                                           | Concurrent positions as directors | —                            | —                                 | —                                                           | —                             |

- (Notes)
1. Interest rates for loans are determined taking into consideration market interest rates, etc.
  2. Debt guarantees serve as guarantees for real estate lease agreements, corporate bonds, and loans.
  3. Transaction amounts for system development and equipment rental are determined after price negotiations taking into consideration market prices, etc.

9. Notes on revenue recognition

Fundamental information for understanding revenue

As stated in "1. Notes on matters related to significant accounting policies (5) Revenue and expense recognition standards."

|                                           |           |
|-------------------------------------------|-----------|
| 10. Notes regarding per share information |           |
| (1) Net assets per share                  | 99.73 JPY |
| (2) Net income per share                  | 22.45 JPY |

11. Notes regarding significant subsequent events  
Not applicable.