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(Securities code 3964)

March 2, 2026

(Date of commencement of electronic provision:
February 27, 2026)

To Shareholders with Voting Rights:

Shinichiro Fujisaki
Representative Director and President & CEO
AUCNET INC.
5-8 Kita-Aoyama 2-chome,
Minato-ku, Tokyo

**NOTICE OF
THE 18TH ANNUAL GENERAL SHAREHOLDERS MEETING**

You are cordially invited to attend the 18th Annual General Shareholders Meeting of AUCNET INC. (the “Company”) to be held as described below.

In convening this General Shareholders Meeting, the Company electronically provides information, and such matters to be provided electronically are posted as “Notice of the 18th Annual General Shareholders Meeting” on the website on the Internet indicated below.

Instead of attending the meeting, you can exercise your voting rights by either of the methods described on page 7 of the Japanese version. Please review the Reference Documents for the General Shareholders Meeting and cast your vote by 6 p.m. on Monday, March 23, 2026 Japan time.

The Company’s website
<https://ir.aucnet.co.jp/en/ir/stock/meeting.html>

In addition to the above website, matters to be provided electronically are also posted on the website on the Internet indicated below.

Tokyo Stock Exchange’s website
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website indicated above, enter the Company’s name or securities code and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and refer to the information.

- 1. Date and Time:** Tuesday, March 24, 2026 at 10 a.m. Japan time (reception starts at 9:30 a.m.)
- 2. Place:** Cerulean Tower Ballroom, B2F in Cerulean Tower Tokyu Hotel located at 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 18th Fiscal Year (January 1, 2025 – December 31, 2025) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the Company's 18th Fiscal Year (January 1, 2025 – December 31, 2025)

Proposals to be resolved

Proposal No. 1: Election of Seven (7) Directors (excluding Directors Who are Audit & Supervisory Committee Members)

Proposal No. 2: Election of Two (2) Directors Who are Audit & Supervisory Committee Members

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form.
 - The paper copy of the matters to be provided electronically sent to the shareholders who have requested it does not include the following matters pursuant to provisions of laws and regulations as well as Article 15 of the Articles of Incorporation of the Company. Therefore, the paper copy is part of the documents that were audited by the Accounting Auditor and the Audit & Supervisory Committee when preparing their audit reports.
 - Matters Concerning Stock Acquisition Rights, etc. of the Company
 - Accounting Auditor
 - Company's Systems and Policies
 - Notes to the Consolidated Financial Statements
 - Notes to the Non-Consolidated Financial Statements
 - In the event of any updates to the matters to be provided electronically, the matters before the updates and the matters after the updates will be posted on each website mentioned above.
 - Should there be any significant changes in operations of the General Shareholders Meeting due to changes in conditions in the future, we will make an announcement on the Company's website (URL: <https://ir.aucnet.co.jp/en/ir.html>).
 - A dedicated space will be provided in the venue for shareholders in wheelchairs. Writing boards for communication will also be available.
- If you need assistance for guiding to the seats, communication in writing, etc., please let us know at the reception on the day of the General Shareholders Meeting.

Proposals and References

Proposal No. 1: Election of Seven (7) Directors (excluding Directors Who are Audit & Supervisory Committee Members)

The terms of office of all seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this General Shareholders Meeting. Accordingly, the election of seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members) is proposed.

The Audit & Supervisory Committee did not provide any opinion about this proposal.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows.

No.	Name		Positions and responsibilities	Attendance at the Board of Directors meetings
1	Kiyotaka Fujisaki	Reappointment	Chairperson, Director	21 out of 21 (100%)
2	Shinichiro Fujisaki	Reappointment	Representative Director and President & CEO In charge of all divisions	21 out of 21 (100%)
3	Katsuhiko Ichii	New appointment	Senior Managing Executive Officer DM, Business Development Planning Division DM, Lifestyle Products Division	—
4	Hiroki Taniguchi	Reappointment	Director Senior Managing Executive Officer & CFO DM, Corporate Management Division	21 out of 21 (100%)
5	Seiichiro Umeno	Reappointment Outside Independent	Outside Director	21 out of 21 (100%)
6	Toshio Maki	Reappointment Outside Independent	Outside Director	21 out of 21 (100%)
7	Megumi Tsukamoto	Reappointment Outside Independent	Outside Director	21 out of 21 (100%)

1	Career summary, positions and responsibilities
 <p>Kiyotaka Fujisaki Reappointment</p> <p>Date of birth December 18, 1952</p> <p>Number of shares of the Company held 313,970 shares</p> <p>Attendance at the Board of Directors meetings 21 out of 21 (100%)</p>	<p>February 1985 Director and General Manager, IT System Development Department, the Company</p> <p>October 1987 Managing Director</p> <p>March 1993 Senior Managing Director</p> <p>August 1993 Representative Director and President</p> <p>March 2010 President and Executive Officer</p> <p>March 2020 Representative Director and Chairman & CEO</p> <p>March 2023 Chairperson, Director (to present)</p> <p>Reasons for selection as a candidate for Director Mr. Kiyotaka Fujisaki has demonstrated strong leadership at the heart of management, made efforts to enhance the corporate value of the Group, and taken the initiative for management reform upon assuming office as the Representative Director of the Company. Based on his wealth of experience and achievements, the Company expects him to continue striving to enhance the corporate value of the Group and make appropriate decisions and supervise the execution of duties over important matters concerning overall management as a Director. Therefore, the Company renominated him as a candidate for Director.</p>
2	Career summary, positions and responsibilities
 <p>Shinichiro Fujisaki Reappointment</p> <p>Date of birth November 22, 1975</p> <p>Number of shares of the Company held 499,336 shares</p> <p>Attendance at the Board of Directors meetings 21 out of 21 (100%)</p>	<p>January 2011 Joined the Company</p> <p>January 2013 DGM, Automobile Business Headquarter</p> <p>January 2014 Executive Officer</p> <p>March 2014 Director</p> <p>January 2015 Senior DGM, New Business Division</p> <p>January 2016 Representative Director and President, AUCNET DIGITAL PRODUCTS INC.</p> <p>January 2017 Managing Executive Officer</p> <p>January 2019 Senior Managing Executive Officer DM, Automobile Business Division</p> <p>March 2020 Representative Director and President & COO President and Executive Officer (to present)</p> <p>March 2023 Representative Director and President & CEO (to present)</p> <p>January 2024 DM, Mobility & Energy Division</p> <p>Reasons for selection as a candidate for Director Mr. Shinichiro Fujisaki has led the Company's main businesses from a senior position, such as the automobile business, new business division, and digital product business, and has significantly contributed to business expansion. Based on his wealth of experience and achievements, the Company expects him to continue to play a role of leading the growth of the Company from a management perspective as Representative Director and President & CEO. Therefore, the Company renominated him as a candidate for Director.</p>

3	<p>Career summary, positions and responsibilities</p>
 <p>Katsuhiko Ichii New appointment</p> <p>Date of birth January 23, 1964</p> <p>Number of shares of the Company held 37,122 shares</p> <p>Attendance at the Board of Directors meetings —</p>	<p>July 1997 Joined KONAMI CO., LTD. (currently KONAMI GROUP CORPORATION)</p> <p>June 2002 Director, Konami Computer Entertainment Tokyo, Inc.</p> <p>August 2004 Joined CAPCOM CO., LTD.</p> <p>April 2005 Corporate Officer</p> <p>April 2006 Managing Corporate Officer</p> <p>April 2011 Executive Corporate Officer</p> <p>June 2011 Director and Executive Corporate Officer</p> <p>April 2015 CEO, CE EUROPE LTD.</p> <p>April 2017 Joined the Company Managing Executive Officer</p> <p>October 2017 Chairman, AUCNET HK LIMITED (to present)</p> <p>January 2019 Representative Director and President, AUCNET DIGITAL PRODUCTS INC. DM, Digital Products Business Division (currently Digital Products Business Headquarters) (to present)</p> <p>January 2023 Senior Managing Executive Officer (to present)</p> <p>January 2024 DM, Business Development Planning Division (to present)</p> <p>January 2026 DM, Lifestyle Products Division (to present)</p> <p>Significant concurrent position Chairman, AUCNET HK LIMITED</p> <p>Reasons for selection as a candidate for Director Mr. Katsuhiko Ichii has led the Digital Products Business and the Lifestyle Products Divisions from a senior position, and has significantly contributed to the Group's business expansion. By drawing on his wealth of experience and proven achievements to manage the Company, the Company expects him to lead further growth of the Group and make appropriate decisions and execute duties over important matters concerning overall management as a Director. Therefore, the Company nominated him as a candidate for Director.</p>
4	<p>Career summary, positions and responsibilities</p>
 <p>Hiroki Taniguchi Reappointment</p> <p>Date of birth October 20, 1965</p> <p>Number of shares of the Company held 30,962 shares</p> <p>Attendance at the Board of Directors meetings 21 out of 21 (100%)</p>	<p>April 1988 Joined Universal Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>September 1994 Joined CHARLE CO., LTD.</p> <p>April 2003 General Manager, Accounting Department</p> <p>April 2008 Chairman and President, Charle (Shanghai) International Trading Co., Ltd.</p> <p>April 2012 Executive Officer, CHARLE CO., LTD.</p> <p>June 2012 Director</p> <p>August 2014 Joined the Company Senior DGM, Administrative Management Division</p> <p>October 2019 Executive Officer DM, Corporate Management Division (to present)</p> <p>January 2021 Managing Executive Officer</p> <p>March 2021 Director (to present)</p> <p>January 2022 Managing Executive Officer & CFO</p> <p>January 2023 Senior Managing Executive Officer & CFO (to present)</p> <p>Reasons for selection as a candidate for Director Mr. Hiroki Taniguchi has adequately fulfilled a supervisory role for management as a manager of the Corporate Management Division, and has made efforts to strengthen the Company's overall business structure and promote financial and other strategies. By drawing on his high level of expertise and experience to manage the Company, the management structure may be further strengthened, and the Company expects him to continue to make appropriate decisions and execute duties over important matters concerning overall management as a Director. Therefore, the Company renominated him as a candidate for Director.</p>

5	Career summary, positions and responsibilities
	<p>April 1989 Registered as an attorney-at-law Joined Tokyo Yaesu Law Offices</p> <p>August 1990 Joined Masuda & Ejiri</p> <p>January 1995 Registered as a New York State attorney</p> <p>March 2006 Outside Director, the Company (until March 2008)</p> <p>April 2007 Partner, Nagashima Ohno & Tsunematsu (to present)</p> <p>March 2010 Outside Corporate Auditor, VeriSign Japan K.K.</p> <p>March 2016 Outside Director, the Company (to present)</p> <p>April 2017 Executive member, Committee on the Companies Act (Mainly in Relation to Corporate Governance), Legislative Council of the Ministry of Justice</p> <p>June 2019 Outside Auditor, SPARX Group Co., Ltd.</p>
<p>Seiichiro Umeno Reappointment Outside Independent</p> <p>Date of birth September 1, 1961</p> <p>Number of shares of the Company held —</p> <p>Attendance at the Board of Directors meetings 21 out of 21 (100%)</p>	<p>Reasons for selection as a candidate for Outside Director and summary of expected roles</p> <p>Mr. Seiichiro Umeno has abundant expertise and experience as an attorney-at-law. Based on his wealth of expertise and experience, he is fulfilling his duties as an Outside Director. The Company expects him to continue to play an adequate role as an Outside Director from an independent standpoint, and therefore renominated him as a candidate for Outside Director. Although he has not been involved in corporate management except as an Outside Director, based on the above reasons, he is expected to adequately perform duties as Outside Director of the Company.</p>
6	Career summary, positions and responsibilities
	<p>April 2004 Executive Officer and General Manager, “au” Service & Product Planning Division, “au” Business Sector, KDDI CORPORATION</p> <p>April 2008 Representative Director and President, CHUBU TELECOMMUNICATIONS CO., INC.</p> <p>April 2013 Representative Director, Chairman & Co-CEO, Jupiter Telecommunications Co., Ltd. (currently JCOM Co., Ltd.)</p> <p>January 2014 Representative Director, President & Co-CEO</p> <p>April 2017 Representative Director, Chairman & Co-CEO</p> <p>June 2019 Representative Director and Chairman, CHUBU TELECOMMUNICATIONS CO., INC.</p> <p>June 2020 Board Member, Chuo University (to present)</p> <p>March 2021 Outside Director, the Company (to present)</p> <p>July 2021 Provisional Corporate Auditor, MEDIA SEEK INC.</p> <p>October 2021 Outside Corporate Auditor</p> <p>December 2021 Outside Director, Catalyna Inc. (currently Cotofure Inc.)</p>
<p>Toshio Maki Reappointment Outside Independent</p> <p>Date of birth June 28, 1955</p> <p>Number of shares of the Company held —</p> <p>Attendance at the Board of Directors meetings 21 out of 21 (100%)</p>	<p>Reasons for selection as a candidate for Outside Director and summary of expected roles</p> <p>Mr. Toshio Maki has served in expanding communication businesses and network services for many years and also has abundant experience as a corporate manager. The Company expects him to continue to provide professional advice on the Company’s business from a medium- to long-term perspective and from an independent standpoint as an Outside Director, based on his wealth of experience and deep insight, and thus contribute to enhancement of the corporate value of the Company. Therefore, the Company renominated him as a candidate for Outside Director.</p>

7	Career summary, positions and responsibilities	
 <p>Megumi Tsukamoto Reappointment Outside Independent</p> <p>Date of birth June 9, 1962</p> <p>Number of shares of the Company held —</p> <p>Attendance at the Board of Directors meetings 21 out of 21 (100%)</p>	April 1985	Joined IBM Japan, Ltd.
	July 1997	Seconded to Public Interest Incorporated Association KEIZAI DOYUKAI (Japan Association of Corporate Executives)
	August 1999	Returned to IBM Japan, Ltd., assigned to Government and Regulatory Affairs team
	April 2003	Asia Pacific Leader, Governmental Programs, Intellectual Property & Standard Policy Team, IBM Corporation Executive, Government and Regulatory Affairs, IBM Japan, Ltd.
	October 2008	Member, Governmental Programs Global Leadership Team, IBM Corporation General Manager, Government and Regulatory Affairs, IBM Japan, Ltd.
	November 2015	Operating Director; Director, Global Government and Corporate Affairs Japan, Caterpillar Japan KK
	December 2017	Representative Operating Director; Director, Global Government and Corporate Affairs Japan, Caterpillar Japan LLC
March 2022	President, General Incorporated Association Digital Society Forum (to present) Executive Director, National University Corporation Niigata University (to present)	
March 2023	Outside Director, the Company (to present)	
June 2023	External Board Member, TAKASAGO INTERNATIONAL CORPORATION (to present)	
	Reasons for selection as a candidate for Outside Director and summary of expected roles	
	Ms. Megumi Tsukamoto has many years of experience at companies in the IT field as well as abundant global experience at international companies and deep insight as a corporate manager. The Company expects her to continue to provide appropriate advice from an independent standpoint as an Outside Director, based on her wealth of experience and deep insight, and thus contribute to further enhancement of the supervisory functions. Therefore, the Company renominated her as a candidate for Outside Director.	

- Notes:
1. There are no special interests between the candidates and the Company.
 2. There are no special interests between AUCNET HK LIMITED, where Mr. Katsuhiko Ichii serves as Chairman, and the Company.
 3. CEO, COO, and CFO stand for Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer, respectively.
 4. DM and DGM stand for Division Manager and Deputy General Manager, respectively.
 5. Messrs. Seiichiro Umeno and Toshio Maki and Ms. Megumi Tsukamoto are candidates for Outside Directors.
 6. The Company has designated Messrs. Seiichiro Umeno and Toshio Maki and Ms. Megumi Tsukamoto as Independent Director in accordance with the stipulations of Tokyo Stock Exchange, Inc. and submitted a notification to the said Exchange. If this proposal is approved, the Company plans to continue their designation as Independent Director.
 7. The Company has entered into agreements with Messrs. Seiichiro Umeno and Toshio Maki and Ms. Megumi Tsukamoto to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the above agreements with them to limit their liability.
 8. The Company has concluded a Directors and Officers Liability Insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed and each candidate assumes office as Director, each candidate will be an insured person under the insurance contract stipulated in Article 430-3 of the Companies Act.

The insurance contract covers damage that may be incurred as a result of the responsibilities assumed by Directors in the execution of their duties, or any liability claims made against them in connection with those responsibilities. However, there are certain exemptions such as in the case where damages from knowingly committed acts of violation against laws and regulations are not covered by the insurance.

9. Mr. Seiichiro Umeno will have served as Outside Director for ten (10) years at the conclusion of this Annual General Shareholders Meeting.
10. Mr. Toshio Maki will have served as Outside Director for five (5) years at the conclusion of this Annual General Shareholders Meeting.
11. Ms. Megumi Tsukamoto will have served as Outside Director for three (3) years at the conclusion of this Annual General Shareholders Meeting.
12. Mr. Seiichiro Umeno was an Outside Director of the Company in the past.
13. The number of shares of the Company held does not include shares held by the Aucnet Group Executive Shareholding Association.

Proposal No. 2: Election of Two (2) Directors Who are Audit & Supervisory Committee Members

The terms of office of Mr. Shunji Sato and Ms. Michi Handa, Directors who are Audit & Supervisory Committee Members, will expire at the conclusion of this General Shareholders Meeting. Accordingly, the election of two (2) Directors who are Audit & Supervisory Committee Members is proposed.

The Audit & Supervisory Committee has given its consent to this proposal.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows.

No.	Name		Positions and responsibilities	Attendance at the Board of Directors meetings
1	Shunji Sato	Reappointment	Director (Audit & Supervisory Committee Member)	21 out of 21 (100%)
2	Michi Handa (Michi Sasano)	Reappointment Outside Independent	Outside Director (Audit & Supervisory Committee Member)	21 out of 21 (100%)

1	Career summary, positions and responsibilities
	<p>April 1983 Joined Orient Finance Co., Ltd. (currently Orient Corporation)</p> <p>June 2014 Executive Officer</p> <p>July 2017 Joined the Company Managing Executive Officer</p> <p>January 2018 Senior GM, Business Management Division</p> <p>March 2018 Director</p> <p>January 2019 DM, Business Management Division</p> <p>January 2020 DM, Customer Communication Division</p> <p>January 2022 Managing Executive Officer & CCO</p> <p>March 2024 Director (Audit & Supervisory Committee Member) (to present)</p>
<p>Shunji Sato Reappointment</p> <p>Date of birth March 3, 1961</p> <p>Number of shares of the Company held 29,936 shares</p> <p>Attendance at the Board of Directors meetings 21 out of 21 (100%)</p>	<p>Reasons for selection as a candidate for Director who is an Audit & Supervisory Committee Member</p> <p>Mr. Shunji Sato has many years of experience in guiding and supervising business execution as the person responsible for overseeing business and has deep insight into the Company's business as the person responsible for a division in charge of the management of the Company's business. Based on these extensive achievements and experience, the Company expects him to fulfill a role in auditing and supervising the Group's overall management as an Audit & Supervisory Committee Member. Therefore, the Company nominated him as a candidate for Director who is an Audit & Supervisory Committee Member.</p>
2	Career summary, positions and responsibilities
	<p>March 1998 Registered as a certified public accountant</p> <p>September 1998 Joined KPMG LLP New York Office</p> <p>February 2003 Joined KPMG AZSA LLC</p> <p>February 2006 Established Biz Consulting K.K. Representative Director and President</p> <p>June 2008 Representative Director and Vice President, Control Solutions International K.K. (currently Control Solutions K.K.)</p> <p>January 2009 Representative Director and President (to present)</p> <p>June 2019 Outside Director (Audit & Supervisory Committee Member), TOA CORPORATION (to present)</p> <p>March 2022 Outside Director (Audit & Supervisory Committee Member), the Company (to present)</p>
<p>Michi Handa (Michi Sasano) Reappointment Outside Independent</p> <p>Date of birth October 19, 1970</p> <p>Number of shares of the Company held —</p> <p>Attendance at the Board of Directors meetings 21 out of 21 (100%)</p>	<p>Significant concurrent position Representative Director and President, Control Solutions K.K.</p> <p>Reasons for selection as a candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles</p> <p>Ms. Michi Handa possesses a wealth of expert knowledge and experience as a certified public accountant and tax accountant, and also serves as the manager of a consulting company specializing in risk management, internal audit, compliance and related fields. Based on this abundant knowledge and experience, the Company expects her to be fully capable of auditing the execution of duties by Directors as an Audit & Supervisory Committee Member. Therefore, the Company renominated her as a candidate for Outside Director who is an Audit & Supervisory Committee Member.</p>

- Notes:
1. There are no special interests between the candidates and the Company.
 2. CCO stands for Chief Customer Officer.
 3. The name under which Ms. Michi Handa is registered as a certified public accountant is shown in parentheses.
 4. Ms. Michi Handa is a candidate for Outside Director who is an Audit & Supervisory Committee Member.
There are no special interests between Control Solutions K.K., where Ms. Michi Handa serves as Representative Director and President, and the Company.
 5. The Company has designated Ms. Michi Handa as an Independent Director/Auditor in accordance with the stipulations of Tokyo Stock Exchange, Inc. and submitted a notification to the said Exchange. If this proposal is approved, the Company plans to continue her designation as an Independent Director/Auditor.
 6. The Company has entered into an agreement with Ms. Michi Handa to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act. If her reelection is approved, the Company plans to continue the above agreement with her to limit her liability.
 7. The Company has concluded a Directors and Officers Liability Insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed and each candidate assumes office as Director who is an Audit & Supervisory Committee Member, each candidate will be an insured person under the insurance contract stipulated in Article 430-3 of the Companies Act. The insurance contract covers damage that may be incurred as a result of the responsibilities assumed by Directors who are Audit & Supervisory Committee Members in the execution of their duties, or any liability claims made against them in connection with those responsibilities. However, there are certain exemptions such as in the case where damages from knowingly committed acts of violation against laws and regulations are not covered by the insurance.
 8. Ms. Michi Handa will have served as Outside Director who is an Audit & Supervisory Committee Member for four (4) years at the conclusion of this Annual General Shareholders Meeting.

(Reference) Skills Matrix (expected situation after this General Shareholders Meeting)

	Management experience	New businesses	Finance and accounting	Legal affairs, compliance and risk management	Global experience	IT/DX	Sustainability (ESG)
Kiyotaka Fujisaki	○	○			○	○	
Shinichiro Fujisaki	○	○			○		○
Katsuhiko Ichii	○	○	○		○	○	
Hiroki Taniguchi	○		○	○	○		○
Seiichiro Umeno				○	○		
Toshio Maki	○					○	
Megumi Tsukamoto	○			○	○	○	○
Shunji Sato	○			○			
Michi Handa	○		○	○	○		
Mikito Nagai	○		○	○			

Skills	Definition
Management experience	Knowledge of top management, such as directors and executives (CEO, CFO, etc.) Knowledge necessary for judging and determining the strategic policy and direction of the Aucnet Group
New businesses	Knowledge to create and drive new businesses based on insights into future social changes and the results of those insights Knowledge to promote innovation and explore new areas for the sustainable growth of the Aucnet Group
Finance and accounting	Knowledge of financial accounting and capital policy Knowledge to understand business conditions based on business performance and performance indicators and raise issues Knowledge to understand the status of resource allocation and raise issues in order to balance growth investment and shareholder returns
Legal affairs, compliance and risk management	Knowledge of law, compliance and risk management Knowledge to understand the status of the Company's risk control and raise issues
Global experience	Knowledge of global business, international business experience and management of overseas companies Knowledge to make decisions from a global perspective
IT/DX	Knowledge of technology trends in cutting-edge fields such as the IT and digital field Knowledge to promote company-wide business process improvement through IT utilization and DX
Sustainability (ESG)	Knowledge to formulate measures for and drive the expansion of the Aucnet Group's circular economy business from the perspective of sustainability (ESG) Knowledge to directly promote and drive participation in TCFD, etc. and information dissemination as an enterprise emphasizing sustainability Knowledge to strategically formulate non-financial disclosure of environmental, social, and governance information in order to enhance evaluation of corporate value

Note: The above list does not represent all of the knowledge and experience possessed by each candidate.

1. Overview of the Company Group

(1) Business progress and results

The Group has undertaken the task of establishing a circular market in line with our sustainability policy, “Circulating valuable goods on a global scale ~ Circulation Engine.” As a company that contributes to a sustainable society by creating a system to efficiently circulate valuable goods in the market, the Group works to further improve its social and economic value.

In the medium-term management plan, Blue Print 2027, announced in February 2025, with the aim of shaping the future of the circular economy with our partners worldwide, we set the long-term target of Gross Circulation Value (GCV) of 1 trillion yen and the medium-term quantitative targets of 1) EBITDA of 10 billion yen, 2) ROE of 15-20%, and 3) a dividend payout ratio of 40% or higher. To achieve these targets, we accelerated sustainable growth based on stable business foundations and further expanded the management base for the next stage.

As a result of promoting business in line with such plans, for the fiscal year ended December 31, 2025, the Group’s net sales were ¥64,139,920 thousand (up 14.7% from the previous fiscal year), operating profit was ¥9,517,806 thousand (up 35.9% from the previous fiscal year), ordinary profit was ¥9,521,733 thousand (up 32.1% from the previous fiscal year), and profit attributable to owners of parent was ¥5,921,726 thousand (up 32.0% from the previous fiscal year). While company-wide one-time costs related to the 40th anniversary measures were incurred, a strong performance in the Lifestyle Products segment contributed to these results.

Performance results by business segment are as follows.

(Lifestyle Products segment)

The Lifestyle Products segment comprises the Digital Product Business and Fashion Resale Business.

Digital Product Business

The Digital Product Business provides auctions for used digital products, including used smartphones and used PCs, and services pertaining to distribution, including those targeting consumers.

Through continued efforts to strengthen collaboration with domestic suppliers and enhance our buying power, the number of units sold and the transaction amount significantly exceeded the previous year's figures and remained buoyant. Additionally, we focused on engaging active buyers to invigorate auctions and strengthened asset value recovery operations for pre-owned devices.

Fashion Resale Business

The Fashion Resale Business provides auctions primarily for pre-owned luxury brand items such as bags, watches, precious metals, and clothing, as well as services pertaining to distribution, including those targeting consumers. From the beginning of the second quarter of the fiscal year ended December 31, 2024, Defactostandard, Ltd. and JOYLAB, inc. have been included in the Company’s scope of consolidation, and the results of the two companies have been included in those of the Company’s.

The Company conducted an absorption-type merger effective July 1, 2025, with the Company’s wholly-owned subsidiary, Defactostandard, Ltd., as the absorbed company and the Company’s wholly-owned subsidiary, GALLERY RARE Ltd., as the surviving company. By integrating resources, expertise, and channels held by the two companies, the merger aims to maximize business synergies. Although the merger is between equals, procedurally, GALLERY RARE Ltd. was designated as the surviving company, and its trade name was changed to CircLuxe Inc. after the merger.

In the BtoB business, although the average unit price of items sold decreased, the number of items listed and the number of items sold at auctions increased owing to the increased number of members through digital marketing and demand for inventory liquidation, in addition to the continued growth of the market, and as a result, the transaction amount remained at the previous year’s level. Additionally, profitability improved due to a partial revision of the auction commission fees system.

In the business targeting consumers, the transaction amount showed a softening trend due to factors including the closure of some stores and the impact of the U.S. tariff policy. Meanwhile, we undertook organizational restructuring to enhance group synergies and promoted the integration of asset value recovery centers.

As a result, for the fiscal year under review, net sales were ¥45,208,634 thousand (up 17.5% from the previous fiscal year), and operating profit was ¥8,393,795 thousand (up 56.5% from the previous fiscal year).

(Mobility & Energy segment)

The Mobility & Energy segment comprises the Automobile Business and Motorcycle Business.

Automobile Business

The Automobile Business provides used vehicle auctions (*1), shared inventory market (*2), live relay broadcast auctions (*3), proxy bidding service (*4), used vehicle inspection service (*5), and other services.

In the Japanese automotive sector, which has close connections with our business, total new vehicle registrations (*6) increased 3.3% year on year to 4.56 million units in the fiscal year ended December 31, 2025. The total number of used vehicle registrations (*7) decreased 0.2% year on year to 6.48 million units, and the number of used vehicles listed at auctions around Japan (*8) increased 6.8% year on year to 8.01 million units. The total number of used vehicles sold at auctions (*8) increased 4.1% year on year to 5.49 million units.

Demand for used vehicles remained consistently high and the number of vehicles sold increased across our own auctions, the shared inventory market, live relay broadcast auctions, and proxy bidding service. In addition, the average unit price of vehicles sold increased, leading to an increase in the transaction amount. On the other hand, expenses were incurred in connection with the release of the new core system “BASE” (continuing from the second quarter) and the membership website “AUCNET CARS” (continuing from the third quarter).

Demand for the inspection service for a used vehicle listing platform remained high, and the number of used vehicles inspected increased. As a result, the used vehicle inspection service performed strongly.

Motorcycle Business

The Motorcycle Business provides used motorcycle auctions (*1), shared inventory market (*2), proxy bidding service (*4), used vehicle inspection service (*5), rental service, and subscription service targeting individuals.

The transaction amount increased owing to the increases in the number of used vehicles listed at auctions by major domestic dealers and the number of auctions won by exporters as well as the rising average unit price of vehicles sold.

As a result, for the fiscal year under review, net sales were ¥16,122,770 thousand (up 9.7% from the previous fiscal year) and operating profit was ¥3,464,344 thousand (down 5.9% from the previous fiscal year).

- (*1) The used car and used motorcycle auctions are real-time, members-only online auctions run by the Company.
- (*2) The shared inventory market is a system that allows Aucnet Group member sellers to share inventory with other members online. The inventory remains at the seller’s premises while other members access it via the online system.
- (*3) The live relay broadcast auctions use an online live-link system that enables real-time remote access to participate at physical auction sites, through partnerships between AUCNET and the physical auction sites.
- (*4) The proxy bidding service is an agency service provided by i-Auc, Inc. to buy, sell, settle payment for and arrange for transportation of used cars and used motorcycles at auctions on behalf of its members.

- (*5) The used vehicle inspection service and related inspection skills training services are provided by AIS INC.
- (*6) Based on statistics compiled by Japan Automobile Dealers Association
- (*7) Based on statistics compiled by Japan Automobile Dealers Association and Japan Light Motor Vehicle and Motorcycle Association
- (*8) Based on the 2025 U-Car Full Data Book and Export Quotation Book

Others

The Others segment comprises the agricultural business, circular commerce business, and other businesses.

In the agricultural business, we operate online auctions and physical markets for flowers, and produce and sell phalaenopsis orchids. In the circular commerce business, we provide services that support partners in creating secondary distribution businesses.

For the fiscal year under review, net sales (including inter-segment net sales) were ¥3,317,726 thousand (up 8.6% from the previous fiscal year), and operating loss was ¥371,759 thousand (the operating loss for the previous fiscal year was ¥362,368 thousand).

Transaction results

Contents		Fiscal year	The 17th fiscal year (From January 1, 2024 to December 31, 2024)	The 18th fiscal year (From January 1, 2025 to December 31, 2025)	YoY
Lifestyle Products segment					
Digital Product Business	Transaction amount (Million yen)		49,003	83,927	+71.3%
	Number of units sold (Unit)		1,658,721	2,549,758	+53.7%
	Number of members		2,037	2,103	+3.2%
Fashion Resale Business	BtoB business	Transaction amount (Million yen) (*1)	52,017	52,608	+1.1%
		Number of items listed (Item)	1,274,771	1,517,061	+19.0%
		Number of items sold (Item)	848,756	956,584	+12.7%
		Number of members	5,871	6,883	+17.2%
	Business targeting C	Transaction amount (Million yen) (*1)	17,848	19,199	+7.6%
Mobility & Energy segment					
Automobile Business	Auction related	Transaction amount (Million yen)	499,499	560,097	+12.1%
		Number of vehicles sold (Unit)	524,057	553,090	+5.5%
	Membership fees	Number of members	15,501	16,056	+3.6%
	Inspection fees	Number of used vehicles inspected (Unit) (*2)	1,396,305	1,580,222	+13.2%
Motorcycle Business	Auction related	Transaction amount (Million yen)	10,872	12,965	+19.3%
		Number of vehicles sold (Unit)	29,679	33,270	+12.1%
	Membership fees	Number of members	2,622	2,569	-2.0%
Others					
Others	Transaction amount (Million yen)		12,228	11,585	-5.3%

(*1) Include the transaction amounts of Defactostandard Ltd. and JOYLAB, inc. since the second quarter of 2024, which the Company acquired

(*2) Total number of used cars and used motorcycles inspected

(2) Capital investment

The Company made capital investment in the total amount of ¥1,643 million in the fiscal year under review. Major investments include construction of internal system infrastructure and renewal of the auction system.

(3) Financing

The Company used its own funds for capital investment, etc. in the fiscal year under review.

(4) Business transfer, absorption-type split, or incorporation-type split

Not applicable.

(5) Transfer of business from other companies

Not applicable.

(6) Succession of rights and obligations concerning the business of other corporations, etc., through absorption-type mergers or absorption-type splits

At the Board of Directors meeting held on September 24, 2025, the Company resolved to absorb and merge its wholly-owned subsidiaries: AUCNET MOTORCYCLE INC., AUCNET AGRI BUSINESS INC., AUCNET CONSUMER PRODUCTS INC., and AUCNETMEDICAL INC. The absorption-type merger was conducted effective December 31, 2025.

(7) Acquisition or disposal of shares and other equity interests or stock acquisition rights, etc. of other companies

Not applicable.

(8) Management policy, business environment, issues to be addressed, etc.

1. Management policy

In accordance with its corporate philosophy that emphasizes “authenticity,” the Group endeavors to

contribute to development of the industry and enhancement of social life through the pursuit of “genuine service.” Based on this philosophy, the Group has vigorously promoted business development, capitalizing on its core competence comprising “operational expertise,” “information reliability,” “optimal systems,” and “membership-based network.” Aiming for further growth by expanding the scope in the future, we are actively making entry into overseas markets in addition to the domestic market to expand our business.

2. Business environment

Whereas the gradual economic recovery is expected amid improvements concerning employment and incomes, there is also a need for continued monitoring of the price trend, the trend of the U.S. trade policy, and fluctuations in financial and capital markets, etc.

3. Issues to be addressed

■ Promotion of the medium-term management plan, Blue Print 2027

With the aim of shaping the future of the circular economy with our partners worldwide, we will accelerate sustainable growth based on stable business foundations and further expand the management base for the next stage to achieve the medium-term management plan, Blue Print 2027.

In view of the latest performance results, we have made partial revisions to the medium-term management plan, Blue Print 2027, which covers the three-year period from 2025 to 2027 as follows.

Vision		
Working with partners worldwide to shape the future of the circular economy.		
Long-term target		
Gross Circulation Value (GCV)		1 trillion yen
Medium-term quantitative targets (2027)		
EBITDA*	ROE	Dividend payout ratio
10 billion yen	15-20%	40% or higher
↓	↓	↓
13.5 billion yen	15-20%	50% or higher

*EBITDA = Operating profit + Depreciation + Amortization of goodwill + Profit (loss) of equity-method affiliates (before goodwill amortization)

[Long-term target]

GCV of 1 trillion yen (no change)

We position our unique indicator, Gross Circulation Value (GCV), as one of our key management indicators and are monitoring our economic and environmental impact. Given the future expansion of the reused goods market, we aim at GCV of 1 trillion yen as a long-term target by expanding circular distribution, leveraging our advantage as an SDGs-focused company.

[Medium-term quantitative targets]

1) EBITDA of 13.5 billion yen (changed)

- Lifestyle Products segment

In the Digital Product Business, we aim to achieve an increase in the number of units sold by capturing demand related to GIGA School devices and enhancing sourcing. In the Fashion Resale Business, we aim to increase the number of items listed and the number of items sold by strengthening BtoB auctions and expand transaction volume by strengthening promotion of businesses targeting consumers.

- Mobility & Energy segment

We aim to achieve increase market share in used car auctions by enhancing convenience of the membership websites and increase the number of used vehicles inspected by strengthening the inspection system.

- M&A strategy

By strengthening our structure for executing M&As and our post-merger management structure, we will implement M&As and engage in alliances targeting synergies with existing and peripheral businesses, in order to achieve business expansion centered on BtoB, aiming to make a reliable contribution to the EBITDA target.

2) ROE of 15-20% (no change)

We have set ROE of 15-20% as a metric and aim to maintain it until 2027. We aim to achieve growth through aggressive investment while being conscious of the cost of capital, thereby achieving sustainable enhancement of corporate value.

3) Dividend payout ratio of 50% or higher (changed)

We will pay dividends of surplus twice a year, an interim dividend and a year-end dividend, based on a consolidated dividend payout ratio of 50% or higher, while securing internal reserves for future business development, strengthening of the management structure, capital investment, etc.

(9) Trends in assets and income

1) Trends in assets and income of the Group

(Thousand yen)

Fiscal year \ Item	The 15th fiscal year (From January 1, 2022 to December 31, 2022)	The 16th fiscal year (From January 1, 2023 to December 31, 2023)	The 17th fiscal year (From January 1, 2024 to December 31, 2024)	The 18th fiscal year (From January 1, 2025 to December 31, 2025)
Net sales	40,455,750	43,303,979	55,910,315	64,139,920
Ordinary profit	6,699,838	6,755,781	7,207,758	9,521,733
Profit attributable to owners of parent	4,346,059	4,368,973	4,485,496	5,921,726
Basic earnings per share (Yen)	79.74	87.89	94.22	129.85
Total assets	37,348,660	37,664,151	44,040,655	50,781,752
Net assets	22,911,231	22,310,994	26,166,242	26,622,589
Net assets per share (Yen)	431.12	468.41	542.04	580.82

- Notes:
1. Basic earnings per share is calculated using the average number of issued and outstanding shares during the fiscal year.
 2. Net assets per share are calculated using the number of issued and outstanding shares at the end of the fiscal year.
 3. The Company conducted a share split at a ratio of two shares for every one common share of the Company on April 1, 2025. Basic earnings per share and net assets per share are calculated based on the assumption that the share split was conducted at the beginning of the 15th fiscal year.
 4. The shares of the Company held by the Board Benefit Trust (“BBT-RS”) recorded as treasury shares under shareholders’ equity are included in the treasury shares to be deducted in calculating the number of issued and outstanding shares at the end of the fiscal year and the average number of shares during the fiscal year for the purpose of calculating net assets per share and basic earnings per share. Please note that for the fiscal year under review, the number of shares of the Company held by BBT-RS, which were deducted for the purpose of calculating net assets per share, is 645,960 shares, and the average number of shares of the Company held by BBT-RS during the fiscal year under review, which were deducted for the purpose of calculating basic earnings per share, is 674,951 shares.

2) Trends in assets and income of the Company

(Thousand yen)

Fiscal year \ Item	The 15th fiscal year (From January 1, 2022 to December 31, 2022)	The 16th fiscal year (From January 1, 2023 to December 31, 2023)	The 17th fiscal year (From January 1, 2024 to December 31, 2024)	The 18th fiscal year (From January 1, 2025 to December 31, 2025)
Net sales	15,832,067	16,294,674	18,458,403	23,745,231
Ordinary profit	6,135,672	7,218,043	3,424,490	7,672,919
Profit	4,769,072	6,136,481	2,547,497	6,998,664
Basic earnings per share (Yen)	87.50	123.45	53.51	153.47
Total assets	26,961,884	29,385,129	34,282,110	41,706,635
Net assets	15,728,131	17,126,615	18,774,987	20,233,956
Net assets per share (Yen)	301.18	362.00	392.94	446.07

- Notes:
1. Basic earnings per share is calculated using the average number of issued and outstanding shares during the fiscal year.
 2. Net assets per share are calculated using the number of issued and outstanding shares at the end of the fiscal year.
 3. The Company conducted a share split at a ratio of two shares for every one common share of the Company on April 1, 2025. Basic earnings per share and net assets per share are calculated based on the assumption that the share split was conducted at the beginning of the 15th fiscal year.
 4. The shares of the Company held by the Board Benefit Trust (“BBT-RS”) recorded as treasury shares under shareholders’ equity are included in the treasury shares to be deducted in calculating the number of issued and outstanding shares at the end of the fiscal year and the average number of shares during the fiscal year for the purpose of calculating net assets per share and basic earnings per share. Please note that for the fiscal year under review, the number of shares of the

Company held by BBT-RS, which were deducted for the purpose of calculating net assets per share, is 645,960 shares, and the average number of shares of the Company held by BBT-RS during the fiscal year under review, which were deducted for the purpose of calculating basic earnings per share, is 674,951 shares.

(10) Significant subsidiaries

1) Significant subsidiaries

Company name	Capital	Ratio of voting rights	Principal business
AIS Inc.	¥100,000 thousand	82.0%	Inspection and evaluation of used cars and used motorcycles
i-Auc, Inc.	¥100,000 thousand	100.0%	Proxy exhibiting and bidding service for auctions of used cars and used motorcycles
AUC FINANCIAL PARTNERS INC.	¥10,000 thousand	100.0%	Provision of warranty service-related products
AUCNET DIGITAL PRODUCTS USA, LLC.	US\$100 thousand	100.0%	Strategic base for the U.S. smartphone business
JBTV, Inc.	¥100,000 thousand	100.0%	Provision of communication, operation/maintenance and BPO services
AUCNET HK LIMITED	US\$3,201 thousand	100.0%	Strategic base for China and Southeast Asia
Aucnet USA, LLC.	US\$16,500 thousand	100.0%	Strategic base for the U.S.
MENERGIA INC.	¥100,000 thousand	98.9%	Provision of medical information video content
AUCNET CONSUMER PRODUCTS USA, LLC.	US\$1,000 thousand	100.0%	Distribution of pre-owned luxury brand items
Kinuta Flower Auction CO. LTD	¥100,000 thousand	100.0%	Operation of auctions of flowers
CircLuxe Inc.	¥40,000 thousand	100.0%	Purchase and sale of brand apparel goods
GRAND BOUQUET OTAKI LIMITED	¥100,000 thousand	100.0%	Production, purchasing, sales, import and export of flowers and agricultural products
AUCNET Europe ApS	EUR 7,362	100.0%	Distribution of pre-owned luxury brand items
JOYLAB, inc.	¥60,000 thousand	100.0%	Purchase and sale of alcoholic beverages
AUCNET ASIA-PACIFIC PTE. LTD.	US\$600 thousand	100.0%	Operation of auctions of pre-owned luxury brand items

Notes: 1. The ratio of voting rights includes indirect shareholdings.

2. During the fiscal year under review, Defactostandard, Ltd. ceased to exist as a result of the absorption-type merger with GALLERY RARE Ltd. as the surviving company and has therefore been excluded from the significant subsidiaries. The trade name of GALLERY RARE Ltd. was changed to CircLuxe Inc.

3. During the fiscal year under review, AUCNET IBS INC. resolved to dissolve as of June 30, 2025 and completed liquidation as of September 30, 2025.

4. During the fiscal year under review, AUCNET MOTORCYCLE INC., AUCNET AGRI BUSINESS INC., AUCNET CONSUMER PRODUCTS INC., and AUCNETMEDICAL INC. ceased to exist as a result of the absorption-type merger with the Company as the surviving company and have therefore been excluded from the significant subsidiaries.

2) Matters concerning specified wholly-owned subsidiaries

Not applicable.

3) Equity-method companies

Company name	Capital	The Company's equity ratio	Principal business
Blanco Japan Inc.	¥10,000 thousand	20.0%	Sales of data erasure software and related services
MOTA, Inc.	¥100,000 thousand	21.0%	Digital transformation businesses in automotive and real estate fields

(11) Principal business

As a market designing company for circular distribution, the Company provides services pertaining to online auctions of used cars, used digital devices, pre-owned luxury brand items, flowers, used motorcycles, used medical equipment, etc. and to distribution.

(12) Employees

1) Employees of the Group

Number of employees	Increase (decrease) from previous consolidated fiscal year-end
1,119 persons	59 persons

Note: The number of employees excludes temporary employees (dispatched workers, part-time workers and non-regular workers).

2) Employees of the Company

Number of employees	Increase (decrease) from previous fiscal year-end	Average age	Average length of service
470 persons	134 persons	41.6 years old	9.6 years

Notes: 1. The number of employees excludes temporary employees (dispatched workers, part-time workers and non-regular workers).
 2. The main reason for the increase in the number of employees was the absorption-type merger with AUCNET MOTORCYCLE INC., AUCNET AGRI BUSINESS INC., AUCNET CONSUMER PRODUCTS INC., and AUCNETMEDICAL INC.

(13) Principal business locations

Head Office	5-8 Kita-Aoyama 2-chome, Minato-ku, Tokyo
Hokkaido Branch Office	2-1-14 Shintomichonishi, Kitahiroshima-shi, Hokkaido
Tohoku Branch Office	2-1-61 Kakyoin, Aoba-ku, Sendai-shi, Miyagi
Shutoken Branch Office	5-8 Kita-Aoyama 2-chome, Minato-ku, Tokyo
Chubu Branch Office	1-22 Aoi 1-chome, Higashi-ku, Nagoya-shi, Aichi
Kansai Branch Office	2-30 Toyotsu-cho, Suita-shi, Osaka
Seibu Branch Office	1095-6 Kamiiwata Ogori-shi, Fukuoka

2. Status of Shares (as of December 31, 2025)

- (1) Total number of shares authorized to be issued 110,000,000 shares
- (2) Total number of issued and outstanding shares 48,026,400 shares (including 2,020,121 treasury shares)
- (3) Number of shareholders 5,997 persons
- (4) Major shareholders

Shareholder name	Number of shares	Shareholding ratio
FLEX CORPORATION	18,709,860 shares	40.67%
Blue Peak, Inc.	4,842,940 shares	10.53%
GOLDMAN SACHS & CO. REG	2,623,100 shares	5.70%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,747,800 shares	3.80%
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	1,699,574 shares	3.69%
GOLDMAN SACHS INTERNATIONAL	1,559,200 shares	3.39%
NAMAI ASSET MANAGEMENT INC	1,400,000 shares	3.04%
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	972,186 shares	2.11%
Orient Corporation	832,800 shares	1.81%
Aucnet Group Employee Shareholding Association	697,810 shares	1.52%

- Notes: 1. The Company is excluded from the above list of major shareholders although it holds 2,020,121 treasury shares. Shareholding ratio is calculated after deducting treasury shares.
2. The Company has introduced the Board Benefit Trust (BBT-RS), and Custody Bank of Japan, Ltd. (Trust E Account) holds 645,960 shares, which are not included in the treasury shares stated above.
3. FLEX CORPORATION, Blue Peak, Inc. and NAMAI ASSET MANAGEMENT INC are asset management companies of the founding family.
4. In the Report of Possession of Large Volume (Report on Change) submitted for public viewing on August 6, 2025, VARECS Partners Limited stated that it held a total of 5,040,600 shares of the Company (shareholding ratio of 10.18%) as of July 30, 2025. However, it has not been included among the major shareholders listed above as the Company has not been able to confirm actual share ownership as of December 31, 2025.

(5) Shares delivered as consideration for the execution of duties during the fiscal year under review

Category	Number of shares	Number of recipients of share delivery
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	34,440 shares	4 persons

(6) Other important matters concerning shares

- 1) Based on the resolution of the Board of Directors meeting held on February 14, 2025, the Company repurchased its shares in accordance with the provisions of its Articles of Incorporation pursuant to Article 459, Paragraph 1 of the Companies Act, as indicated below.

Class of shares to be purchased	Common shares of the Company
Total number of shares purchased	1,430,000 shares
Total purchase value	¥3,533,530,000
Date of purchase	February 18, 2025
Method of purchase	Purchase through off-auction own share repurchase trading on the Tokyo Stock Exchange (ToSTNeT-3)

- 2) Based on the resolution of the Board of Directors meeting held on February 14, 2025, the Company conducted a share split at a ratio of two shares for every one common share of the Company on April 1, 2025. As a result, the total number of issued and outstanding shares increased by 24,763,200 shares to 49,526,400 shares.

- 3) Based on the resolution of the Board of Directors meeting held on February 14, 2025, the Company disposed of its treasury shares to grant shares through the employee shareholding association, as indicated below.

Class of shares to be disposed of	Common shares of the Company
Number of shares disposed of	193,925 shares
Disposal price	¥1,335 per share
Total disposal value	¥258,889,875
Date of disposal	April 16, 2025

Note: The Company conducted a share split at a ratio of two shares for every one common share of the Company on April 1, 2025. Therefore, the number of shares to be disposed of and the disposal value resolved on February 14, 2025 were adjusted by the share split ratio.

- 4) Based on the resolution of the Board of Directors meeting held on April 22, 2025, the Company disposed of its treasury shares, as indicated below, in order to grant shares.

Class of shares to be disposed of	Common shares of the Company
Total number of shares disposed of	10,800 shares
Total disposal value	¥13,176,000
Date of disposal	May 14, 2025

- 5) Based on the resolution of the Board of Directors meeting held on May 27, 2025, the Company disposed of its treasury shares, as indicated below, in order to grant shares.

Class of shares to be disposed of	Common shares of the Company
Total number of shares disposed of	4,000 shares
Total disposal value	¥5,800,000
Date of disposal	June 16, 2025

- 6) Based on the resolution of the Board of Directors meeting held on August 26, 2025, the Company disposed of its treasury shares, as indicated below, in order to grant shares.

Class of shares to be disposed of	Common shares of the Company
Total number of shares disposed of	4,000 shares
Total disposal value	¥7,384,000
Date of disposal	September 29, 2025

- 7) Based on the resolution of the Board of Directors meeting held on December 23, 2025, the Company cancelled its treasury shares, as indicated below. As a result, the total number of issued and outstanding shares decreased by 1,500,000 shares to 48,026,400 shares.

Class of shares to be cancelled	Common shares of the Company
Total number of shares cancelled	1,500,000 shares
Date of cancellation	December 30, 2025

- 8) At the Board of Directors meeting held on February 13, 2026, the Company resolved to conduct a share split at a ratio of two shares for every one common share held by shareholders listed or recorded in the final shareholder register on the record date of March 31, 2026.

The total number of issued and outstanding shares as of April 1, 2026, the effective date of this resolution, is expected to be 96,052,800 shares.

In line with the share split effective April 1, 2026, pursuant to Article 184, Paragraph 2 of the Companies Act, Article 6 of the Company's Articles of Incorporation will be amended effective April 1, 2026, to increase the total number of shares authorized to be issued to 220,000,000 shares, an increase of 110,000,000 shares.

4. Company Officers

(1) Name, etc. of Directors

Name		Positions, responsibilities, and significant concurrent positions
Kiyotaka Fujisaki		Chairperson, Director
Shinichiro Fujisaki		Representative Director and President & CEO In charge of all divisions DM, Mobility & Energy Division
Masayasu Takigawa		Director, Senior Managing Executive Officer DM, Business Management Division
Hiroki Taniguchi		Director, Senior Managing Executive Officer & CFO DM, Corporate Management Division
Seiichiro Umeno	Outside Independent	Director
Toshio Maki	Outside Independent	Director
Megumi Tsukamoto	Outside Independent	Director
Shunji Sato		Director (Audit & Supervisory Committee Member)
Michi Handa	Outside Independent	Director (Audit & Supervisory Committee Member) Representative Director and President, Control Solutions K.K.
Mikito Nagai	Outside Independent	Director (Audit & Supervisory Committee Member)

- Notes:
1. Mr. Seiichiro Umeno, Mr. Toshio Maki, Ms. Megumi Tsukamoto, Ms. Michi Handa and Mr. Mikito Nagai are Outside Directors.
 2. The Company has designated Mr. Seiichiro Umeno, Mr. Toshio Maki, Ms. Megumi Tsukamoto, Ms. Michi Handa and Mr. Mikito Nagai as Independent Directors/Auditors in accordance with the stipulations of the Tokyo Stock Exchange and submitted a notification to the said Exchange.
 3. Mr. Ikuo Kaminishi retired from the position of Director (Audit & Supervisory Committee Member) at the conclusion of the Annual General Shareholders Meeting held on March 25, 2025.
 4. Mr. Mikito Nagai newly assumed office as Director (Audit & Supervisory Committee Member) at the Annual General Shareholders Meeting held on March 25, 2025.
 5. Director who is an Audit & Supervisory Committee Member, Ms. Michi Handa is a certified public accountant and has considerable knowledge of finance and accounting.
 6. There are no special interests between Control Solutions K.K., where Ms. Michi Handa serves as Representative Director and President, and the Company.
 7. The Company appointed Mr. Shunji Sato as a full-time Director who is an Audit & Supervisory Committee Member, aiming at strengthening audit and supervisory functions of the Audit & Supervisory Committee, and enabling information gathering from Directors (excluding Directors who are Audit & Supervisory Committee Members), information sharing at important internal meetings, and sufficient cooperation between the Internal Audit Department and the Audit & Supervisory Committee.

8. Changes in positions, responsibilities and significant concurrent positions of Directors after the end of the fiscal year under review are as follows.

(Date of change: January 1, 2026)

Name	Positions, responsibilities, and significant concurrent positions	
	Before change	After change
Shinichiro Fujisaki	Representative Director and President & CEO In charge of all divisions DM, Mobility & Energy Division	Representative Director and President & CEO In charge of all divisions
Masayasu Takigawa	Director, Senior Managing Executive Officer DM, Business Management Division	Director

(2) Summary of liability limitation agreement

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Outside Directors to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act.

The maximum liability amount under this agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(3) Summary of Directors and Officers Liability Insurance contract

The Company has concluded a Directors and Officers Liability Insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may be incurred as a result of the responsibilities assumed by Directors and others in the execution of their duties, or any liability claims made against them in connection with those responsibilities. However, there are certain exemptions such as in the case where damages from knowingly committed acts of violation against laws and regulations are not covered by the insurance. The scope of insured parties under the insurance contract is shown below. Relevant insurance premiums are paid entirely by the Company.

- Directors, Executive Officers, etc. of the Company and the Company's subsidiaries

(4) Compensation, etc. to Directors

1) Matters concerning the policy on determining the contents of compensation, etc. for individual Directors

The Company's policy for determining the contents of compensation and other payments to individual Directors was resolved at the Board of Directors meeting held on February 19, 2021, after deliberation by the Nomination & Compensation Committee.

a. Basic policy

The Company's basic policy regarding compensation for Directors is to establish a compensation system linked to shareholder profits that functions adequately as an incentive to strive for the sustainable enhancement of corporate value, and determine compensation for individual Directors at an appropriate level based on their duties. Specifically, compensation consists of a basic compensation as fixed compensation, and performance-linked compensation. Directors who are Audit & Supervisory Committee Members and other Outside Directors receive only a basic compensation in view of the nature of their duties.

b. Policy on determining amounts of individual compensation, etc. concerning basic compensation (monetary compensation) (including policy on determining timing and conditions for providing compensation, etc.)

Basic compensation for Directors consists of monthly fixed compensation, determined upon comprehensive consideration of factors such as position, responsibilities, experience, the Company's business results, the level of salaries for employees, and trends among other companies.

c. Policy on determining contents and amounts or method used to calculate numbers for performance-linked compensation and non-monetary compensation, etc. (including policy on determining timing and conditions for providing compensation, etc.)

Performance-linked compensation and non-monetary compensation, etc. are composed of (1) bonuses as monetary compensation to reward short-term contribution, reflecting the degree to which consolidated operating profit targets have been achieved as the results for each fiscal year; (2) restricted stock (restriction period: three years) as non-monetary compensation, etc. to reward medium-term contribution to the sustainable enhancement of corporate value, in addition to the degree of contribution for each fiscal year; and (3) Board Benefit Trust (BBT-RS) as non-monetary compensation, etc. based on the degree of long-term contribution, where points are granted during each Director's term of office in accordance with factors such as position, duties, and performance, and shares are delivered at the time of retirement in accordance with the number of points awarded. The amount or number is determined by establishing a certain number of months that becomes a payment standard value for monthly fixed compensation based on the achievement rate of consolidated operating profit targets in each fiscal year and determining an amount or number calculated in accordance with the levels of quantitative and qualitative performance evaluation indicators by each individual. The amounts or the numbers are determined by the Board of Directors based on the recommendations of the Nomination & Compensation Committee and the compensation is paid or delivered at a predesignated time each year. The relative proportions of each type of compensation are determined by the Board of Directors based on the recommendations of the Nomination & Compensation Committee, with reference to benchmark compensation levels, etc. at other companies of a similar scale to the Company in related industries and sectors. The standard proportions of basic compensation, performance-linked

compensation (bonuses), and performance-linked compensation (non-monetary compensation, etc.) are set at approximately 6:2:2.

2) Resolutions by General Shareholders Meetings on compensation, etc. for Directors

Total compensation for Directors (excluding Audit & Supervisory Committee Members) of the Company, including monthly compensation and bonuses, not exceeding ¥500 million per year (including up to ¥100 million per year for Outside Directors, but not including salary received by Directors as employees) was approved at the 8th Annual General Shareholders Meeting held on March 29, 2016. The Company had eight Directors (excluding Audit & Supervisory Committee Members) at the time of the resolution by that General Shareholders Meeting (of which, two were Outside Directors). A partial revision was made to the performance-linked stock compensation plan at the 16th Annual General Shareholders Meeting held on March 26, 2024 and the previous performance-linked stock compensation plan (Board Benefit Trust (BBT) Plan) and the restricted-stock compensation plan (RS Plan) were integrated as the performance-linked stock compensation plan, “Board Benefit Trust-Restricted Stock (BBT-RS).” It is determined that the upper limit of the points to be granted to Directors under the Plan is 60,000 points for each fiscal year and the maximum number of the Company’s shares to be acquired under BBT-RS is 180,000 shares. The Company had four Directors (excluding Audit & Supervisory Committee Members) at the time of the resolution by that General Shareholders Meeting. Compensation for Directors who are Audit & Supervisory Committee Members not exceeding ¥100 million per year was approved at the 8th Annual General Shareholders Meeting held on March 29, 2016. The Company had three Directors who were Audit & Supervisory Committee Members at the time of the resolution by that General Shareholders Meeting.

3) Delegation of decisions on the contents of compensation, etc. for individual Directors

Decisions on the specific amounts of basic compensation for individual Directors are delegated to Representative Director and President & CEO, President and Executive Officer Shinichiro Fujisaki by resolution of the Board of Directors, based on the recommendations of the Nomination & Compensation Committee. The reason for this delegation of authority is that the Representative Director and President is in the most appropriate position to evaluate each Director’s quantitative and qualitative performance while maintaining a broad perspective over the whole of the Company’s operating environment, business condition, and performance. The Nomination & Compensation Committee deliberates on the amount of basic compensation for each Director, the amounts of bonuses based on each Director’s degree of achievement of targets for the fiscal year, the number of shares of restricted stock to be allotted as non-monetary compensation, and the performance coefficients used for the Board Benefit Trust (BBT-RS), followed by the submission of recommendations to the Board of Directors.

4) Reason why the contents of individual Directors’ compensation, etc. for the fiscal year under review are judged by the Board of Directors to be in accordance with the determination policy

The details of individual Directors’ compensation, etc. for the fiscal year under review were determined through the process described in 3) above. Therefore, the Board of Directors deems them to be in accordance with the policy on determining compensation, etc. for individual Directors.

5) Total amount and other details of compensation, etc. for Directors

Category	Total amount of compensation, etc. (Thousand yen)	Total amount of compensation, etc. by type (Thousand yen)			Number of eligible Directors (Persons)
		Basic compensation	Performance-linked compensation	Non-monetary compensation	
Directors (excluding Audit & Supervisory Committee Members) [of which, Outside Directors]	288,788 [20,550]	158,550 [20,550]	66,300 [—]	63,938 [—]	7 [3]
Directors (Audit & Supervisory Committee Members) [of which, Outside Directors]	31,058 [15,300]	29,700 [15,300]	— [—]	1,358 [—]	4 [3]
Total	319,846	188,250	66,300	65,296	11

- Notes: 1. Bonuses are paid to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) as performance-linked compensation. The performance indicator selected as the basis for calculating the performance-linked compensation paid is consolidated operating profit. The reason why these measures were selected as performance indicators is that they are deemed to reflect overall business results and represent eventual profits. The status of the Company's consolidated operating profit for the fiscal year under review is shown in 1. (1) Business Progress and Results.
2. Non-monetary compensation includes provision for share-based remuneration of ¥18,618 thousand recorded based on the performance-linked stock compensation plan for five Directors (excluding Outside Directors) and restricted stock compensation of ¥46,678 thousand.

(5) Outside Officers

1) Relationship between companies where officers hold significant concurrent positions and the Company
Please refer to (1) Name, etc. of Directors above.

There are no important transactions or other relationships between the companies where Outside Directors hold concurrent positions and the Company.

2) Relationship with specified related business operator such as major customers

Not applicable.

3) Main activities for the fiscal year under review

Name	Title	Main activities
Seiichiro Umeno	Outside Director	Participated in 21 of 21 meetings (100%) of the Board of Directors during the fiscal year under review; provided opinions as necessary mainly by drawing on his expertise as an attorney-at-law.
Toshio Maki	Outside Director	Participated in 21 of 21 meetings (100%) of the Board of Directors during the fiscal year under review; provided opinions as necessary mainly on overall management by drawing on his insight into corporate management and experience accumulated through communications and network business operations.
Megumi Tsukamoto	Outside Director	Participated in 21 of 21 meetings (100%) of the Board of Directors during the fiscal year under review; provided opinions as necessary mainly by drawing on her experience and knowledge accumulated through work at companies in the IT field and overseas companies and her insight into corporate management.
Michi Handa	Outside Director (Audit & Supervisory Committee Member)	Participated in 21 of 21 meetings (100%) of the Board of Directors and 15 of 15 meetings (100%) of the Audit & Supervisory Committee during the fiscal year under review; provided opinions as necessary mainly by drawing on her expertise as a certified public accountant.
Mikito Nagai	Outside Director (Audit & Supervisory Committee Member)	Participated in 16 of 16 meetings (100%) of the Board of Directors and 10 of 10 meetings (100%) of the Audit & Supervisory Committee after assuming office as Outside Director during the fiscal year under review; provided opinions as necessary mainly by drawing on his experience and knowledge accumulated through his service in financial business and his insight into corporate management.

4) Amount of compensation, etc. received from the Company's subsidiaries as Officer for the fiscal year under review

Not applicable.

5) Opinions about matters described in the Business Report

Not applicable.

Consolidated Balance Sheets

(As of December 31, 2025)

(Thousand yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	40,642,763	Current liabilities	21,797,554
Cash and deposits	23,104,387	Accounts payable - trade	949,015
Notes and accounts receivable - trade, and contract assets	1,967,398	Due to auction members	15,161,139
Due from auction members	6,456,355	Income taxes payable	2,317,939
Inventories	4,410,473	Provision for bonuses	946,699
Consumption taxes refund receivable	2,872,999	Other	2,422,759
Other	1,986,626		
Allowance for doubtful accounts	(155,477)		
Non-current assets	10,138,989	Non-current liabilities	2,361,608
Property, plant and equipment	1,939,732	Retirement benefit liability	850,233
Buildings and structures, net	694,289	Provision for share-based remuneration	214,115
Land	789,881	Other	1,297,260
Other	455,561	Total liabilities	24,159,163
Intangible assets	2,764,735	Net assets	
Software	2,563,241	Shareholders' equity	25,861,581
Goodwill	194,880	Share capital	1,807,303
Other	6,612	Capital surplus	2,778,816
Investments and other assets	5,434,521	Retained earnings	24,264,293
Investment securities	1,957,501	Treasury shares	(2,988,831)
Deferred tax assets	1,807,274	Accumulated other comprehensive income	484,492
Other	1,989,903	Valuation difference on available- for-sale securities	155,533
Allowance for doubtful accounts	(320,157)	Foreign currency translation adjustment	249,918
		Remeasurements of defined benefit plans	79,040
		Non-controlling interests	276,514
		Total net assets	26,622,589
Total assets	50,781,752	Total liabilities and net assets	50,781,752

Note: Figures of less than one thousand yen have been truncated.

Consolidated Statements of Income

(January 1, 2025 - December 31, 2025)

(Thousand yen)

Description	Amount	
Net sales		64,139,920
Cost of sales		37,145,071
Gross profit		26,994,848
Selling, general and administrative expenses		17,477,042
Operating profit		9,517,806
Non-operating income		
Interest income	32,319	
Dividend income	78,862	
Subsidy income	26,673	
Other	95,271	233,126
Non-operating expenses		
Interest expenses	250	
Share of loss of entities accounted for using equity method	31,080	
Foreign exchange losses	180,355	
Other	17,512	229,199
Ordinary profit		9,521,733
Extraordinary income		
Gain on sale of non-current assets	265	
Gain on sale of investment securities	504,720	
Gain on step acquisitions	16,166	
Other	8,902	530,054
Extraordinary losses		
Loss on sale and retirement of non-current assets	22,685	
Impairment loss	986,200	
Other	63,958	1,072,844
Profit before income taxes		8,978,942
Income taxes-current	3,359,982	
Income taxes-deferred	(441,828)	2,918,153
Profit		6,060,788
Profit attributable to non-controlling interests		139,062
Profit attributable to owners of parent		5,921,726

Note: Figures of less than one thousand yen have been truncated.

Consolidated Statements of Changes in Equity

(January 1, 2025 - December 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,807,303	4,491,088	20,518,859	(1,589,978)	25,227,272
Changes during period					
Dividends of surplus			(2,176,292)		(2,176,292)
Profit attributable to owners of parent			5,921,726		5,921,726
Purchase of treasury shares				(3,533,530)	(3,533,530)
Cancellation of treasury shares		(1,645,755)		1,645,755	—
Disposal of treasury shares		(68,136)		488,921	420,784
Increase (decrease) in retained earnings due to change in scope of consolidation		1,620			1,620
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,712,271)	3,745,434	(1,398,853)	634,309
Balance at end of period	1,807,303	2,778,816	24,264,293	(2,988,831)	25,861,581

Note: Figures of less than one thousand yen have been truncated.

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	406,191	246,699	18,806	671,697	267,272	26,166,242
Changes during period						
Dividends of surplus					(108,000)	(2,284,292)
Profit attributable to owners of parent						5,921,726
Purchase of treasury shares						(3,533,530)
Cancellation of treasury shares						—
Disposal of treasury shares						420,784
Increase (decrease) in retained earnings due to change in scope of consolidation						1,620
Net changes in items other than shareholders' equity	(250,657)	3,219	60,234	(187,204)	117,241	(69,962)
Total changes during period	(250,657)	3,219	60,234	(187,204)	9,241	456,346
Balance at end of period	155,533	249,918	79,040	484,492	276,514	26,622,589

Note: Figures of less than one thousand yen have been truncated.

Non-Consolidated Balance Sheets

(As of December 31, 2025)

(Thousand yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	28,922,550	Current liabilities	20,632,734
Cash and deposits	12,417,396	Accounts payable - trade	709,888
Accounts receivable - trade and contract assets	651,866	Due to auction members	14,664,264
Due from auction members	4,760,630	Short-term loans payable to subsidiaries and associates	1,902,000
Inventories	231,815	Accounts payable - other	567,377
Prepaid expenses	1,054,838	Accrued expenses	292,467
Advances paid	107,542	Income taxes payable	1,697,203
Short-term loans receivable from subsidiaries and associates	7,050,000	Deposits received	80,099
Consumption taxes refund receivable	2,554,320	Unearned revenue	12,211
Income taxes refund receivable	20,398	Provision for bonuses	687,725
Other	257,016	Other	19,497
Allowance for doubtful accounts	(183,275)		
Non-current assets	12,784,084	Non-current liabilities	839,944
Property, plant and equipment	581,447	Provision for retirement benefits	199,850
Buildings	238,908	Provision for share-based remuneration	214,115
Vehicles	972	Other	425,978
Tools, furniture and fixtures	341,567		
Intangible assets	2,166,198	Total liabilities	21,472,679
Software	2,162,490	Net assets	
Other	3,708	Shareholders' equity	20,078,422
Investments and other assets	10,036,438	Share capital	1,807,303
Investment securities	759,392	Capital surplus	4,248,514
Shares of subsidiaries and associates	6,565,632	Legal capital surplus	4,248,514
Investments in capital of subsidiaries and associates	605,580	Other capital surplus	—
Long-term loans receivable from employees	1,112	Retained earnings	17,011,436
Claims provable in bankruptcy, claims provable in rehabilitation and other	78,891	Other retained earnings	17,011,436
Long-term prepaid expenses	52,238	Retained earnings brought forward	17,011,436
Deferred tax assets	1,207,939	Treasury shares	(2,988,831)
Lease and guarantee deposits	565,047	Valuation and translation adjustments	155,533
Other	298,277	Valuation difference on available-for-sale securities	155,533
Allowance for doubtful accounts	(97,673)	Total net assets	20,233,956
Total assets	41,706,635	Total liabilities and net assets	41,706,635

Note: Figures of less than one thousand yen have been truncated.

Non-Consolidated Statements of Income

(January 1, 2025 - December 31, 2025)

(Thousand yen)

Description	Amount	
Net sales		23,745,231
Cost of sales		11,043,283
Gross profit		12,701,948
Selling, general and administrative expenses		7,328,697
Operating profit		5,373,250
Non-operating income		
Interest income	62,029	
Dividend income	2,295,512	
Other	110,053	2,467,594
Non-operating expenses		
Interest expenses	13,172	
Provision of allowance for doubtful accounts	26,000	
Foreign exchange losses	123,869	
Other	4,885	167,926
Ordinary profit		7,672,919
Extraordinary income		
Gain on sale of investment securities	504,720	
Gain on extinguishment of tie-in shares	1,967,921	
Gain on liquidation of subsidiaries and associates	41,410	2,514,052
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	1,285,579	
Other	168,726	1,454,305
Profit before income taxes		8,732,665
Income taxes-current	1,795,284	
Income taxes-deferred	(61,283)	1,734,001
Profit		6,998,664

Note: Figures of less than one thousand yen have been truncated.

Non-Consolidated Statements of Changes in Equity

(January 1, 2025 - December 31, 2025)

(Thousand yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at beginning of period	1,807,303	4,248,514	285,388	4,533,903	13,617,568	13,617,568
Changes during period						
Dividends of surplus					(2,176,292)	(2,176,292)
Profit					6,998,664	6,998,664
Purchase of treasury shares						
Cancellation of treasury shares			(1,645,755)	(1,645,755)		
Disposal of treasury shares			(68,136)	(68,136)		
Transfer from retained earnings brought forward to other capital surplus			1,428,503	1,428,503	(1,428,503)	(1,428,503)
Net changes in items other than shareholders' equity						
Total changes during period	—	—	(285,388)	(285,388)	3,393,868	3,393,868
Balance at end of period	1,807,303	4,248,514	—	4,248,514	17,011,436	17,011,436

Note: Figures of less than one thousand yen have been truncated.

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,589,978)	18,368,796	406,191	406,191	18,774,987
Changes during period					
Dividends of surplus		(2,176,292)			(2,176,292)
Profit		6,998,664			6,998,664
Purchase of treasury shares	(3,533,530)	(3,533,530)			(3,533,530)
Cancellation of treasury share	1,645,755	—			—
Disposal of treasury shares	488,921	420,784			420,784
Transfer from retained earnings brought forward to other capital surplus		—			—
Net changes in items other than shareholders' equity			(250,657)	(250,657)	(250,657)
Total changes during period	(1,398,853)	1,709,626	(250,657)	(250,657)	1,458,968
Balance at end of period	(2,988,831)	20,078,422	155,533	155,533	20,233,956

Note: Figures of less than one thousand yen have been truncated.