

Annual Securities Report

This document is a paper version of the Annual Securities Report submitted to the Financial Services Agency via the EDINET (Electronic Disclosure for Investors' NETwork) system.

Sansan, Inc.

(E34960)

Note:	This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
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Filed Document	Annual Securities Report
Applicable Law	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
Filed to	Director-General of the Kanto Local Finance Bureau
Filing Date	August 19, 2026
Fiscal Year	The 19th Term (from June 1, 2025 to May 31, 2026)
Company Name	Sansan <i>Kabushiki Kaisha</i>
Company Name in English	Sansan, Inc.
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Place for Public Inspection	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part One: Company Information

I. Overview of Company

1 Key financial data

(1) Summary of consolidated financial data

Fiscal term		15th term	16th term	17th term	18th term	19th term
Fiscal year ended		May 31, 2022	May 31, 2023	May 31, 2024	May 31, 2025	May 31, 2026
Net sales	(Millions of yen)	20,420	25,510	33,878	43,202	53,761
Ordinary profit	(Millions of yen)	968	122	1,224	2,743	8,170
Profit (loss) attributable to owners of parent	(Millions of yen)	857	(141)	953	424	6,778
Comprehensive income	(Millions of yen)	(658)	(63)	924	374	6,913
Net assets	(Millions of yen)	12,093	13,190	14,772	16,040	21,094
Total assets	(Millions of yen)	26,292	31,200	37,592	47,984	54,958
Net assets per share	(Yen)	95.59	100.95	111.30	118.29	158.56
Basic earnings (loss) per share	(Yen)	6.87	(1.13)	7.59	3.36	53.58
Diluted earnings per share	(Yen)	6.77	–	7.47	3.30	53.02
Equity-to-asset ratio	(%)	45.4	40.6	37.3	31.2	36.4
Return on equity	(%)	7.0	–	7.1	2.9	38.8
Price earnings ratio	(Times)	148.4	–	213.0	599.1	31.3
Cash flows from operating activities	(Millions of yen)	3,123	3,848	5,483	9,651	9,641
Cash flows from investing activities	(Millions of yen)	(1,014)	1,364	(3,180)	(2,550)	(608)
Cash flows from financing activities	(Millions of yen)	909	523	1,431	(654)	(3,367)
Cash and cash equivalents at end of period	(Millions of yen)	15,245	20,985	24,729	31,172	36,849
Number of employees		1,205	1,399	1,899	2,235	2,336
[Separately, average number of temporary employees]	(Persons)	[449]	[557]	[726]	[924]	[783]

- Notes:
1. Diluted earnings per share for the 16th term are not described here because, although there are potentially dilutive shares, basic loss per share was recorded.
 2. By resolution at the Board of Directors meeting held on October 8, 2021, the Company implemented a 4-for-1 stock split on December 1, 2021. However, net assets per share, basic earnings (loss) per share and diluted earnings per share were calculated on the assumption that said splitting of shares had been made at the beginning of the 15th term.
 3. The returns on equity for the 16th term have not been disclosed since losses attributable to owners of parent were recorded.
 4. The price earnings ratio for the 16th term has not been disclosed since losses attributable to owners of parent were recorded.
 5. The number of employees represents the number of employed persons (including contract employees). For the number of temporary employees (including part-timers), the annual average number of staff is shown in parentheses and is excluded from the above number.
 6. The Company recorded a loss on valuation of investment securities as an extraordinary loss in the recording of a loss attributable to owners of parent in the 16th term.

(2) Key financial data of reporting company

Fiscal term		15th term	16th term	17th term	18th term	19th term
Fiscal year ended		May 31, 2022	May 31, 2023	May 31, 2024	May 31, 2025	May 31, 2026
Net sales	(Millions of yen)	20,057	24,926	32,519	41,246	51,599
Ordinary profit	(Millions of yen)	1,651	533	1,443	2,885	8,287
Profit (loss)	(Millions of yen)	1,429	(473)	1,151	620	6,472
Share capital	(Millions of yen)	6,426	6,582	6,774	7,203	7,358
Total number of issued shares	(Shares)	124,963,596	125,410,584	125,835,416	126,516,452	126,800,600
Net assets	(Millions of yen)	13,128	13,352	15,046	16,524	22,705
Total assets	(Millions of yen)	27,202	31,124	37,386	47,766	55,829
Net assets per share	(Yen)	103.92	102.82	114.50	123.06	171.99
Dividends per share		—	—	—	—	2.50
[Interim dividends per share]	(Yen)	[—]	[—]	[—]	[—]	[—]
Basic earnings (loss) per share	(Yen)	11.45	(3.78)	9.16	4.92	51.17
Diluted earnings per share	(Yen)	11.28	—	9.02	4.83	50.63
Equity-to-asset ratio	(%)	47.7	41.4	38.5	32.6	38.9
Return on equity	(%)	11.1	—	8.4	4.1	34.8
Price earnings ratio	(Times)	89.1	—	176.3	409.7	32.8
Payout ratio	(%)	—	—	—	—	4.9
Number of employees		1,166	1,317	1,698	1,961	2,077
[Separately, average number of temporary employees]	(Persons)	[443]	[549]	[719]	[914]	[771]
Total shareholder return	(%)	49.4	82.8	78.3	97.6	81.3
[Comparison benchmark: TOPIX]	(%)	[99.5]	[110.8]	[144.2]	[145.7]	[205.8]
Highest share price	(Yen)	3,085 [14,570]	1,970	1,985	2,614	2,211
Lowest share price	(Yen)	876 [7,940]	804	1,070	1,566	994

- Notes:
1. Dividends per share and payout ratio from the 15th term to the 18th term have not been disclosed because dividends were not paid.
 2. Diluted earnings per share for the 16th term are not described here because, although there are potentially dilutive shares, basic loss per share was recorded.
 3. By resolution at the Board of Directors meeting held on October 8, 2021, the Company implemented a stock split at a ratio 4-for-1 on December 1, 2021. However, net assets per share, basic earnings (loss) per share and diluted earnings per share were calculated on the assumption that said splitting of shares had been made at the beginning of the 15th term.
 4. The returns on equity for the 16th term have not been disclosed since losses were recorded.
 5. The price earnings ratio for the 16th term has not been disclosed since losses attributable to owners of parent were recorded.
 6. The number of employees represents the number of employed persons (including contract employees). For the number of temporary employees (including part-timers), the annual average number of staff is shown in parentheses and is excluded from the above number.
 7. The highest share price and the lowest share price are those on the First Section of the Tokyo Stock Exchange up to April 3, 2022 and those on the Prime Market of the Tokyo Stock Exchange from April 4, 2022.
 8. Total shareholder returns and comparison benchmarks were calculated with those as at the end of the 14th term as the baseline.
 9. The Company recorded a loss on valuation of investment securities as an extraordinary loss in the recording of a loss in the 16th term.

10. The Company implemented a stock split at a ratio of 4-for-1 on December 1, 2021. The share prices for the 15th term represent the highest share price and the lowest share price after the stock split, and the highest share price and the lowest share price before the stock split are shown in parentheses.

2 History

Month/year	Overview
June 2007	SAN SAN, Inc (now Sansan, Inc.) founded at Ichigaya Tamachi, Shinjuku-ku, Tokyo for the purpose of providing business card management services.
September 2007	Started provision of Link Knowledge (currently Sansan, the sales AX solution)
October 2008	Relocated head office to Yonbancho, Chiyoda-ku, Tokyo
November 2010	Relocated head office to Kudanminami, Chiyoda-ku, Tokyo
February 2012	Started provision of Eight, a business card app
April 2013	Raised approximately 500 million yen through third-party allocation of new shares
August 2013	Changed the service name from Link Knowledge to Sansan
August 2013	Broadcast first Sansan TV commercial “Menshiki Ari (acquainted with them)”
March 2014	Relocated head office to Jingumae, Shibuya-ku, Tokyo and changed legal name to Sansan, Inc.
May 2014	Raised approximately 1.4 billion yen through third-party allocation of new shares
October 2015	Established a subsidiary Sansan Global Pte. Ltd. (now a consolidated subsidiary) in Singapore
January 2016	Raised approximately 2.0 billion yen through third-party allocation of new shares
July 2017	Raised approximately 4.2 billion yen through third-party allocation of new shares
December 2018	Raised approximately 3.0 billion yen through third-party allocation of new shares
June 2019	Listed on the Mothers Section of the Tokyo Stock Exchange and raised approximately 2.1 billion yen through a public offering of shares
July 2019	Raised approximately 4.7 billion yen through third-party allocation of new shares
May 2020	Started provision of Bill One, the accounting AX solution
January 2021	Change in stock market listing to the First Section of the Tokyo Stock Exchange
January 2022	Started provision of Contract One, the contract management AX solution
April 2022	Transitioned to the Prime Market of the Tokyo Stock Exchange
March 2023	Made CREATIVE SURVEY INC. (now Ninout, Inc., a consolidated subsidiary) a subsidiary
April 2023	Established Sansan Global Development Center, Inc. (now a consolidated subsidiary) in the Philippines
June 2023	Made Institute of Language Understanding Inc. (now a consolidated subsidiary) a subsidiary
April 2024	Established a subsidiary Sansan Global (Thailand) Co., Ltd. (now a consolidated subsidiary) in Thailand
January 2026	Made EDOA Corp. (now Eight Career, Inc., a consolidated subsidiary) a subsidiary

3 Description of business:

The Group has two reportable segments by business type, Sansan/Bill One Business and Eight Business, with seven consolidated subsidiaries as of the end of the fiscal year ended May 31, 2026 (the “fiscal year under review”). Minor other services outside the reportable segments are included in Others.

Under the mission of “Turning encounters into innovation” and the vision of “Become business infrastructure,” the Company group (the “Group”) provides AI transformation (AX) solutions that reshape how people work. By combining cloud software with technology and human-powered operations, the Group accurately digitizes unstructured and analog information generated from corporate activities—such as business cards, invoices, and contracts—thereby enabling greater efficiency in business processes and more advanced utilization of data. Specifically, the Company operates the Sansan/Bill One Business, which includes sales AX solution Sansan and accounting AX solution Bill One, and the Eight Business, which includes B2C and B2B services based on the business card app Eight. The following two businesses are the same as the segment classifications listed in “V. Accounting 1 Consolidated financial statements and other information (1) Notes to consolidated financial statements.”

(1) Sansan/Bill One Business

The Sansan/Bill One Business provides sales AX solution Sansan and accounting AX solution Bill One to corporate clients.

1) Sansan

Based on the concept of “The contact database that maximizes your business,” Sansan is a solution allowing users to build a proprietary database by combining a variety of users’ contact information with corporate information, thereby uncovering sales opportunities and reducing costs through data utilization.

Users can view more than 3.3 million items of corporate information, including not only companies with which they have contact on Sansan, but also companies with which they have no current contacts. In addition to business cards, users can also store, integrate, and visualize a variety of contact information with customers on Sansan, including information of inquires via e-mails and website and online meeting records. By combining such corporate information and contact information with AI-driven features, data can be used for planning and executing more sophisticated sales strategies to maximize sales outcome of the entire organization.

The price model includes three editions depending on available features: Lite, Standard, and Advanced. AI-driven features are built in the Standard and higher-tier editions. Set around a basic plan intended for company-wide use, the monthly usage fee is the license fee calculated based on the corporate size and application use, plus scanner rental and other fees. In addition, when the service is introduced, additional services such as data conversion of large numbers of business cards stored in paper form and introduction support are provided for a fee.

2) Bill One

Based on the concept of “Redefine the unnecessary. Transform how your company works,” Bill One is a solution designed to make everyday operations faster and boost productivity by streamlining organization-wide workflows involving vouchers in invoice receipt, expense reimbursement, and accounts receivable management, for fast monthly closing.

The core service, Bill One Invoice Receive helps promote efficiency in invoice-related operations and speed up management decision-making by enabling centralized cloud-based management of all invoices in various formats (paper, PDF, etc.). Paper invoices are received by the Bill One scanning service center on behalf of the customer and converted into accurate data in a short period of time. Invoices in PDF format, etc. are also converted to data after Bill One receives them via email. Invoice information is managed centrally in a highly searchable database, allowing users to visualize and control costs, create sales opportunities, and maximize future revenue opportunities. In addition, the service can be integrated with other third-party services such as accounting systems. The Company also supports corporate accounting operations by enhancing features through leveraging AI, as well as by providing a variety of value-added services, such as Bill One Expense, which is an expense reimbursement solution utilizing the Bill One Business Card corporate card, and Bill One Accounts Receivable, which visualizes billing information in real time and streamlines accounts receivable management.

The price model includes three editions depending on available features: Lite, Standard, and Advanced. AI-driven features for Bill One Invoice Receive are built in the Standard and higher-tier editions. The price model consists of an initial fee, which includes installation support by a dedicated consultant, and a monthly fee calculated based on the number of invoices converted to data.

3) Others

Others mainly include operating results of Contract One, the contract management AX solution, and Ninout, Inc., a group company. Contract One is a solution that builds a database for centralizing contracts in all formats—including paper, PDF, and electronic—and enables control over contract terms based on the concept of “Control your profits with the contract database.” Ninout, Inc. mainly provides Ask One, the AI interface that turns every touchpoint into a revenue opportunity.

(2) Eight Business

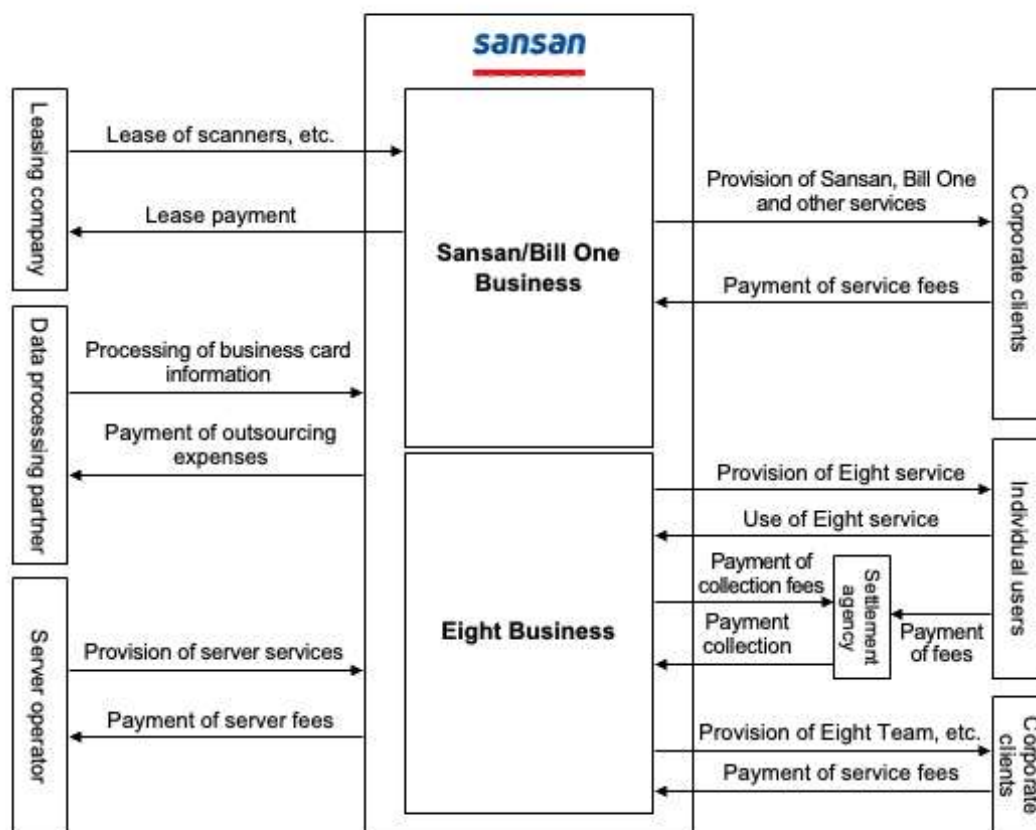
The Eight Business provides B2C and B2B services based on Eight, a business card app.

The Eight app is geared toward individual users, rather than companies, and offers basic features, such as virtual card exchange and business card management, for free of charge, enabling users to accurately digitize business card data about themselves and the people with whom they exchange business cards by simply scanning them, and to easily manage and search their connections in the cloud.

By scanning their own business card, users can first create their own page on Eight that accurately reflects their affiliation, title, etc. Next, by scanning business cards of those with whom they have exchanged business cards, the business card information is accurately converted into data, which can then be managed and searched in the cloud. In addition, users can receive notifications when changes are made to the business cards of those with whom they are connected on Eight, allowing them to obtain information on their recent activities.

The business model is based on providing paid services to both individuals (B2C) and companies (B2B). B2C service offers Eight Premium that allows for the use of premium contact management features. B2B service mainly offers participation at business events that attract Eight users and generate exhibition fees from exhibiting companies, Eight Team, business card management services for small and medium-sized enterprises, and Eight Career Design, the recruitment-related service.

[Business structure chart]



Note: Services with minor impacts on consolidated results are omitted in the business structure chart. Furthermore, reportable segments have been presented for businesses.

4 Subsidiaries and associates

Company name	Address	Share capital	Description of principal business	Ratio of voting rights holding (held) (%)	Related details
Consolidated subsidiaries					
Sansan Global Pte. Ltd.	Singapore	S\$5,620 thousand	Sansan/Bill One Business	100.0	Sales operations and marketing services agency for the Company's products Interlocking officers
Sansan Global Development Center, Inc.	Philippines	PHP10,000 thousand	Sansan/Bill One Business	100.0	Development of the Company's products Interlocking officers
Sansan Global (Thailand) Co., Ltd.	Thailand	THB10,000 thousand	Sansan/Bill One Business	100.0	Consulting services for the Company's products Interlocking officers
Ninout, Inc. (Notes 4&5)	Minato-ku, Tokyo	JPY100 million	Sansan/Bill One Business	100.0	—
Institute of Language Understanding Inc.	Tokushima-shi, Tokushima	JPY58 million	Other	65.8	—
Eight Career, Inc. (Note 6)	Shibuya-ku, Tokyo	JPY35 million	Eight Business	100.0	—
1 other entity					

- Notes:
- Names of segments are provided in the "Description of principal business" of the consolidated subsidiaries.
 - None of the companies file Securities Registration Statements or Annual Securities Reports.
 - On April 1, 2026, the Company transferred all shares of logmi, Inc., which was the Company's consolidated subsidiary in the previous fiscal year. Therefore, logmi, Inc. is excluded from consolidated subsidiaries.
 - The Company acquired additional shares of Ninout, Inc. on July 31, 2025. As a result, the ratio of voting rights of Ninout, Inc. held by the Company increased from 63.1% to 100.0%.
 - This company was balance sheet insolvent as of May 31, 2026, with its liabilities exceeding its assets by ¥168 million.
 - On January 30, 2026, the Company acquired shares of EDOA Corp., making it a consolidated subsidiary of the Company. Subsequently, on May 12, 2026, EDOA Corp. changed its name to Eight Career, Inc.

II. Status of Business

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

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

Matters related to future developments in this text are based on judgements made by the Group at the time this report was submitted.

(1) Basic policy of corporate management

As its corporate philosophy, the Group has established its mission of "Turning encounters into innovation" and its vision to "Become business infrastructure." To realize this mission and vision, the Group is developing cloud-based solutions that promote AI transformation (AX) and reshape how people work, leading to encounters with people and companies that become business opportunities, and it believes that the promotion of these business activities will contribute to solving social issues and eventually maximize shareholder value and corporate value of the Group.

(2) Key management indicators and medium-term financial policy

The Group's medium-term financial policy for the fiscal year ending May 31, 2027 to the fiscal year ending May 31, 2029 sets out the achievement of growth both in net sales and adjusted operating profit (Note 1). For net sales, which is the most important management indicator, the Group has set the policy of achieving an average annual growth rate (CAGR) of 16% to 20% over the period. For adjusted operating profit, the Group has set the policy of achieving an adjusted operating profit margin of 25% to 30% by the fiscal year ending May 31, 2029 by maintaining high growth while making investments for sales growth across each business.

Notes: 1. Adjusted operating profit: Operating profit + Share-based payment expenses + Expenses that arise in conjunction with business combinations (amortization of goodwill and amortization of intangible assets)

(3) Medium- to long-term corporate management strategy

The Group's businesses and business domains have the following characteristics, and medium- to long-term management strategies are formulated based on these characteristics.

1) Business structure that yields growth with the widespread adoption of AI as a tailwind

The Group contributes to customers' productivity gains by providing services with the aim of solving issues arising in day-to-day operations in sales, accounting, legal, and other areas. These services are characterized by structuring and storing company-specific primary information, such as information on contact with customers, understandings reached during contract negotiation processes, and billing details, as accurate business data in the course of using these services.

The Group recognizes that company-specific data is vitally important for a company to maximally harness the value of generative AI. Therefore, the Group believes that each service provided by the Group has structural advantages not only in its ability to improve the productivity in day-to-day operations but also in its potential to function as a business data infrastructure for leveraging generative AI.

2) Wide-ranging market opportunities and high market shares in key services

Amid the continued global expansion of AI-related investments, the global market for business process transformation utilizing AI is expected to grow from approximately USD0.4 trillion in 2025 to approximately USD1.7 trillion by 2030 (Note 2). In Japan as well, corporate demand for improving and enhancing business processes through the use of AI continues to rise, and the AI systems market is forecast to expand from ¥1.3 trillion in 2024 to ¥4.1 trillion by 2029 (Note 3).

The Group also believes that documents such as business cards, invoices, and contracts for which the Group offers services are still used on many occasions on a daily basis in paper form, leaving significant room for operational efficiency and effective utilization. Regarding the potential market for each service, Sansan holds the number one market share of 85.8% (Note 4) of the B2B business card management service market in terms of net sales, but the number of Sansan users accounts for only about 5% (Note 5) of the total working population in Japan as of the end of May 2026, and the Group believes there is vast room for development. Next, Bill One captured the number one market share of 49.0% (Note 6) in the online invoice receiving solution market in terms of net sales, but as of the end of May 2026, the coverage was less than 1% (Note 5) of all companies in Japan, and the Group believes there is vast room for development.

Notes: 2. Based on Artificial Intelligence (AI) in Digital Transformation Global Market Report 2026 (The Business Research Company)

3. Based on Japan AI Systems Forecast (surveyed by IDC Japan)

4. Based on Latest Trends in Business Card Management Services in Sales Support DX 2026 (January 2026, surveyed by Seed Planning, in Japanese)

5. The denominator, the total number of companies and employees in Japan, is calculated based on the 2021 Economic Census for Business Activity by the Ministry of Internal Affairs and Communications.

6. Deloitte Tohmatsu MIC Economic Research Institute, "The Market of Online Invoice Receiving Solution Continues to Grow at a High Rate" (MIC IT Report, December 2025)

3) Mechanisms and technology to achieve 99.9% accuracy in digitizing analog information

The digitization accuracy of analog information in each of the Group's services contributes to the essential quality and competitiveness of services provided, and the common strength of the businesses is having the mechanisms and technology to achieve 99.9% digitization accuracy. In the Group, analog information is digitized through a combination of technology, which is constantly evolving through machine learning and other means, and manpower. Since its founding, the Group has digitized business cards and other vast amounts of analog information, and in doing so, has built systems capable of accurately and efficiently digitizing large amounts of information. This technological capability and proprietary mechanisms are the source of the Group's competitiveness, and the Group is pursuing the development of new technologies and operational improvements in order to improve the quality and competitiveness of its services. In addition, the Group is now working to further streamline operations by leveraging proprietary generative AI technology that the Group has developed in-house.

4) Highly stable financial and revenue model

The billing model for main solutions is centered on a subscription (monthly billing) model. It is a highly stable revenue model that can be expected to generate continuous business growth. The monthly churn rate for services has averaged less than 1.0% over the last 12 months, and the Group views this as a highly stable model with continuous business growth potential because it is easy to promote the maximization of customer LTV (lifetime value) by working to increase sales per subscription.

Specific management strategies of the Group are as follows.

(i) Growth of the Sansan/Bill One Business

Sansan, Bill One, and Contract One are services that target a wide range of companies regardless of industry or business category, and there remains significant potential for further customer acquisition. With respect to each service, the Group aims for further growth by enhancing AI-driven features with a view to expanding the value it will provide, while also promoting the acquisition of new customers and encouraging greater utilization among existing customers through strengthening its sales infrastructure.

(ii) Growth of the Eight Business

The Group aims for further growth by leveraging the Eight network, which has a large number of registered users, to strengthen monetization of B2B services such as business events and recruitment-related services.

(iii) Utilization of M&A

The Group will work to create synergies by promoting measures to increase the corporate value of each Group company while effectively utilizing the Group's resources and know-how. In addition, it has positioned the use of M&A as one of its important growth strategies and will continue to actively consider this option.

(4) Priority business and financial issues to be addressed

In pursuing the management strategies outlined above, the following are the main issues that must be addressed by the Group.

1) Recruiting and training outstanding talent and ensuring diversity

For the Group to achieve sustainable growth, it is crucial that it hire talented professionals with diverse career backgrounds, and then improve its sales, development and managerial structures. The Group will strive to ensure diversity of its people while establishing work environments and arrangements that substantially fuel employee motivation for talented professionals who share an understanding of the Group's corporate philosophy and business activities. Taking into account changes in the business environment driven by the rapid adoption of generative AI, the Group has positioned AI-driven organization development as a key management strategy and has been promoting AI utilization and human resource strategies in tandem.

2) Continuous strengthening of the management system against security risks

Given that the Group handles substantial volumes of important information assets such as personal information through services it provides, it is crucial that it continuously strengthen its system for managing information. The Group continues to take the utmost care to safeguard information with measures including strict management of information assets based on its Information Security Policy and Policy on Personal Information Protection. In addition, taking into account the rapid adoption of generative AI, the Group has formulated the Internal Guideline for AI Usage and disseminated it to all officers and employees, thereby strengthening measures against the information leakage risk and the risk of misinformation arising from the use of AI. The Group will persist in its efforts to strengthen and put in place its in-house systems and management approaches going forward.

3) Enhancing technological strengths

As technology to accurately convert analog information into data is the wellspring of the Group's competitive strengths and acts as a common platform underpinning growth of the various services, the Group believes it is important to continuously improve and strengthen this technology. The Group has achieved high-quality data conversion by combining various proprietary technologies developed in-house with human capabilities. More recently, it has been working to further improve efficiency by integrating its own proprietary generative AI into these processes.

2 Policy and initiatives related to sustainability

The Group's approach to sustainability and its initiatives are as follows.

Matters related to future developments in this text are based on judgements made by the Group at the end of period of the fiscal year under review.

(1) General sustainability initiatives

The Group believes that helping to resolve social issues through its business activities contributes to the building of a sustainable society, and in turn opens the way to sustainable growth for the Group and to enhancements in the Group's corporate value. While taking into account such factors as the operating environment, the state of management, and the stage of the business, the Group promotes activities for achieving sustainability through collaboration and cooperation with all of its stakeholders. Based on these concepts, the Group identifies material issue candidates by referencing international guidelines and stakeholder perspectives, and the Board of Directors evaluates their significance for both society and management. Social issues that are closely related to the Group's business are then designated as material issues (priority issues) and reflected in the management strategy. Following resolutions by the Board of Directors in August 2022 and August 2023, the Group has been promoting initiatives linked to its long-term targets for the fiscal year ending May 31, 2030.

Process for identifying material issues

(i) Selecting candidates for material issues	In addition to referring to international guidelines and rules, such as the goals and targets contained within the SASB (Sustainability Accounting Standards Board) standards and the SDGs (Sustainable Development Goals), industry trends and the perspectives of ESG rating agencies are also taken into consideration in identifying issues that are highly relevant to the Group. Furthermore, material issue candidates are selected from both external and management perspectives through discussions and other communication between Directors of the Company and institutional investors.
(ii) Assessing the importance of issues	The issues selected in (i) are each assessed along two axes. One is the importance of the issue to society (stakeholders) in terms of achieving a sustainable society, and the other is the importance of the issue in terms of achieving the Group's vision and driving the growth of the business. These assessments are conducted by all Directors individually, incorporating expertise and diverse perspectives to visualize the prioritization of the issues.
(iii) Discussions and decisions by the Board of Directors	The results of the assessments conducted in (ii) are discussed and deliberated by the Board of Directors, which identifies material issues. The content of the identified material issues is reflected in strategic initiatives under the oversight of the Directors who serve as material issue owners. At the Board of Directors meeting held in August 2022, 10 material issues were identified and organized into 5 areas. Subsequently, at the Board of Directors meeting held in August 2023, long-term quantitative targets for the fiscal year ending May 31, 2030 were formulated.

5 priority areas and 10 material issues

Priority areas	
(1)	Balance Security and Convenience Besides convenience, we also implement measures to ensure that our employees maintain data privacy and information security, thereby providing society with a highly safe and stable service. Material issues 1. Provide safe and stable infrastructure services 2. Ensure robust protection of data privacy and information security
(2)	Transform Work Through Innovative AX Solutions To become business infrastructure, we will leverage our strengths in digitization to develop and provide innovative AX solutions that substantively improve social and economic productivity. Material issues 3. Promote AX solutions that improve productivity 4. Create innovative business infrastructure
(3)	Respect Employee Diversity and Producing Innovation To produce innovation that helps solve business challenges through the power of encounters, we promote creation and provision of opportunities and environments for our diverse workforce to succeed. Material issues 5. Promote recruitment, development, and success of human resources 6. Promote diversity, equity and inclusion
(4)	Establish a Firm Management Structure to Support Rapid Business Growth To support our growth under a multiproduct structure, we will reinforce our management structure by strengthening corporate governance and ensuring compliance. Material issues 7. Strengthen corporate governance 8. Ensure compliance
(5)	Conserve the Environment Through Business We will promote environmental conservation by addressing climate change issues through our business activities, including advancing AX, supporting paperless work, and introducing environmentally friendly services. Material issues 9. Address climate change issues 10. Use natural capital efficiently

1) Governance

A Director of the Company is assigned responsibility as the material issue owner for each of the material issues identified by the Group, and meetings are held twice a year under their supervision to consider response measures and the details of initiatives. Matters that contribute to achieving sustainability, including consideration of these details, are reported to and subsequently supervised by the Board of Directors on an annual basis, and material issues are deliberated and determined by the Board of Directors.

Meetings with material issue owners

Priority areas	Officers (material issue owners)	Main agenda
(1) Balance Security and Convenience	Director, Executive Officer, CISO, DPO Kenji Shiomi	• Consideration of revisions to the Privacy Policy • Current status and issues in cybersecurity
(2) Transform Work Through Innovative AX Solutions	Director, Executive Officer, COO Kei Tomioka	• Outlook for user growth • Issues in promoting the digitization of analog processes

Priority areas	Officers (material issue owners)	Main agenda
(3) Respect Employee Diversity and Producing Innovation	Director, Executive Officer, CHRO, CAXO Yuta Ohma	• Organization of issues related to human resource strategies taking into account the progress in the use of AI • Current status analysis on recruitment of new graduates and personnel development • Organization of issues related to promoting recruitment through referrals • Consideration of measures for promoting diversity, equity and inclusion
(4) Establish a Firm Management Structure to Support Rapid Business Growth	Director, Executive Officer, CFO Muneyuki Hashimoto	• Recognition of current status and organization of issues in the Director remuneration system • Composition of the Board of Directors and the Nomination and Remuneration Advisory Committee • Promotion of disclosure on the compliance systems, policies related thereto, and details of training
(5) Conserve the Environment Through Business	Representative Director & CEO, CPO Chikahiro Terada	• Outlook for the number of uses of paperless functions • Measures for reducing GHG emissions and achieving carbon neutrality

2) Strategy

Directors serving as material issue owners in the Group take responsibility for promoting various initiatives related to the 5 priority areas and 10 material issues that have been identified. In each area, analyses are conducted on risks and opportunities, and their impact on our business model and value chain and financial impact, and the results are reflected in measures aimed at achieving the targets for the fiscal year ending May 31, 2030.

Note that quantitative information is currently not provided for the financial impact because it is uncertain whether each risk is materialized and it is difficult to classify and identify the amount of impact due to the combined effects of multiple factors.

Priority areas		Impact on our business model and value chain	Financial impact
(1) Balance Security and Convenience	Risks	As the Group provides services that handle customers' important information assets, events such as personal information leaks or system failures, whether caused by natural disasters, unauthorized access, internal negligence, or other causes, may result in loss of customer trust and exposure to legal risks. Furthermore, the addition of various functions and other enhancements may necessitate the implementation of more advanced information security measures.	• Decrease in net sales due to reduced reliability • Incurrence of costs associated with a claim for damages or recovery costs, arising from an information leak or a system failure
	Opportunities	By providing highly reliable services that achieve both convenience and security under advanced information security measures, the Group may be able to expand its customer base and improve the rate of continued service use. In addition, having advanced approaches to legal compliance and privacy protection can enhance the Group's reputation and contribute to acquiring new customers.	• Increase in net sales due to improved reliability

Priority areas		Impact on our business model and value chain	Financial impact
(2) Transform Work Through Innovative AX Solutions	Risks	If the Group falls behind in responding to changes in technological trends or customer needs, its services may lose competitiveness, leading to customer attrition or the obsolescence of its offerings. In addition, if the productivity gains expected from the use of the Group's services are not sufficiently realized, this may affect the acquisition of new customers as well as the decisions of existing customers on continued service use.	• Decrease in net sales due to lower competitiveness • Increase in development costs for responding to technological innovations
	Opportunities	By providing innovative services and functions that lead to workstyle transformation and productivity improvement, the social value of each service may increase, potentially driving further business growth. In addition, if the Group's services come to function as part of the foundation for society and businesses, this may contribute to the realization of more sustainable growth.	• Increase in net sales due to improved service value
(3) Respect Employee Diversity and Producing Innovation	Risks	If the acceptance of diversity and the fostering of an inclusive organizational culture are insufficient, employee retention may decline, potentially impairing the productivity and creativity of the organization. A decline in employee engagement could lead to an increase in employee turnover, which in turn may raise recruitment and training costs. Furthermore, inadequate responses to various forms of harassment and other similar misconduct could give rise to reputational risks.	• Decrease in net sales due to reduced development capabilities • Increase in recruiting and training expenses
	Opportunities	By developing an environment in which a diverse workforce can thrive, it becomes possible to generate creative innovation and respond to a wide range of customer needs, thereby enhancing the Company's competitiveness. In addition, by maintaining and improving employee engagement, an organizational culture can be fostered in which each individual can leverage their strengths, potentially leading to the further acquisition of talented personnel.	• Increase in net sales due to creation of new services • Decrease in recruiting and training expenses
(4) Establish a Firm Management Structure to Support Rapid Business Growth	Risks	If the governance structure and internal controls fail to keep pace with the rapid business growth, inappropriate decision-making or violations of laws and regulations, and other similar issues could occur, which may have a serious impact on the Company's business operations and social credibility. In addition, if awareness of compliance is not sufficiently instilled amid the rapid expansion of the organization, the effectiveness of internal controls could be diminished.	• Decrease in net sales due to impaired reliability • Incurrence of costs for responding to a compliance violation incident
	Opportunities	Establishing an appropriate governance structure can serve as a firm and robust management structure that supports prompt and sound decision-making and may lead to the sustainable growth of the business. In addition, ensuring the transparency and reliability of the governance structure can facilitate constructive dialogue with various stakeholders and may contribute to the enhancement of corporate value over the medium to long term.	• Increase in net sales due to improved reliability • Securement of stable financing framework due to enhanced transparency

Priority areas		Impact on our business model and value chain	Financial impact
(5) Conserve the Environment Through Business	Risks	If measures for decarbonization, the circular economy, and other related initiatives are insufficient, evaluations from stakeholders, including customers and investors, may deteriorate, leading to a decline in the competitiveness of each service. In addition, costs associated with climate change countermeasures could increase.	• Decrease in net sales due to reduced reliability • Increase in energy-related costs
	Opportunities	Providing services and functions that help reduce environmental impact may increase customer preference for the Company's services, potentially leading to further business growth. In addition, implementing appropriate climate change countermeasures could reduce future costs and contribute to improving the Company's profit margin.	• Increase in net sales due to the acquisition of new demand • Decrease in energy-related costs

3) Risk management

The Group perceives risks related to addressing sustainability to be synonymous with or closely related to risks that could have a significant impact on management and the business, and it analyzes and identifies them as part of its company-wide risk management activities. Details of risks etc., are presented in “II. Status of Business 3. Business risks.”

4) Metrics and targets

The Group has set metrics in relation to material issues for sustainability, as well as targets for the fiscal year ending May 31, 2030 as follows, and monitors progress towards them.

Priority areas	Material issues	Metrics and targets for fiscal year ending May 31, 2030	Results for fiscal year ended May 31, 2026	Year-on-year change
(1)	1. Provide safe and stable infrastructure services	Number of major incidents: 0	0	—
	2. Ensure robust protection of data privacy and information security	Proportion of those qualified as Protection of Individual Information Person: maintained at 80% or higher	87.6%	(3.0) pts.
(2)	3. Promote AX solutions that improve productivity	Number of items converted from analog to digital information using our solutions: 500 million	320 million	+19.7%
	4. Create innovative business infrastructure	Number of users of our solutions: 20 million people	11.29 million people	+15.2%
(3)	5. Promote recruitment, development, and success of human resources	Proportion of recruitment through referrals: 35% Unipos posting rate: 80%	10.0% 50.9%	(2.1) pts. (8.6) pts.
	6. Promote diversity, equity and inclusion	Ratio of female employees in management positions: 30% or higher Ratio of female employees: 45% or higher	19.9% 36.2%	(0.3) pts. (0.8) pts.
(4)	7. Strengthen corporate governance	Ratio of female Directors: 30% or higher	20.0%	—
	8. Ensure compliance	Number of significant compliance violations: 0 Proportion of employees receiving compliance-related training: 100%	0 100%	— —

Priority areas	Material issues	Metrics and targets for fiscal year ending May 31, 2030	Results for fiscal year ended May 31, 2026	Year-on-year change
(5)	9. Address climate change issues	Scope 1+2: carbon neutral	166 t-CO ₂	(56.0)%
	10. Use natural capital efficiently	Number of uses of paperless functions in our services: 120 million	30 million	+33.0%

Notes: 1. Due to the current difficulty in obtaining the numerical results necessary to calculate consolidated results, these figures are based on the non-consolidated results of Sansan, Inc. and cover 96.0% (percentage of non-consolidated net sales to consolidated net sales) of our business scope as of fiscal year ended May 31, 2026.

2. “Protection of Individual Information Person” is the name of a certification provided by the All Japan Information Learning Promotion Association.

3. Results for the Company’s solutions are aggregated for Sansan, Bill One, Contract One and Eight.

4. Unipos is a service centered on the peer bonus[®] system provided by Unipos, Inc.

5. The scope used to calculate the ratio of female employees in management positions includes employees one level below the section manager level.

6. Scope 1 is calculated by aggregating direct GHG emissions from the offices and facilities owned by the Company. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office.

(2) Initiatives to address climate change issues

Regarding climate change, the Group determines and oversees business risks and opportunities under an appropriate system. In raising the ability to respond to issues, the Group aims, for example, at stable economic development and securing the foundations for people’s livelihoods, and the Group sees this as a vital initiative in advancing the transition to a low-carbon economy. Based on this idea, the Group has expressed support for the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD) and makes disclosures based on this framework as follows.

1) Governance

Under the supervision of the Representative Director & CEO, the IR & Sustainability Department and the Finance & Accounting Department assess risks and opportunities related to climate change, review countermeasures by means such as scenario analysis, and compile the results of GHG emissions and the progress of measures toward carbon neutrality on a semi-annual basis. Matters that include the foregoing, as well as various metrics relating to climate change and business risks and opportunities are received and supervised in annual reports by the Board of Directors. Business strategies and plans are then decided upon after duly considering the important matters.

2) Strategy

The Group views risks and opportunities posed by climate change as a key factor of its management strategies and recognizes that sustainable business growth is premised on the enhancement of capabilities to respond and adapt to climate change. Based on this mindset, the Group has identified “Address climate change issues” as a material issue to be addressed with priority. To examine this material issue, the Group mainly uses scenarios including the Intergovernmental Panel on Climate Change (IPCC)’s Shared Socioeconomic Pathways to analyze business environments in which temperature increases are limited to 1.5°C (SSP1-1.9) or below 2°C (SSP1-2.6), as well as those in which 4°C increases (SSP5-8.5). After analyzing the scenarios, the Group identify the business risks, opportunities and countermeasures as shown in the table below.

The analysis covers all businesses of the Group, with short-term analysis covering from the present until the end of 2026, medium-term analysis covering until 2030, and long-term analysis covering until 2050. Profit impact is shown as small for cases with an annual impact of less than 1 billion yen, medium for cases with an impact between 1 billion yen and less than 3 billion yen, and large for cases with an impact of 3 billion yen or more.

(i) Business risk identification

Type		Scenario analysis			Business risks	Time frame	Profit impact (annual)	Countermeasures
Transitional risk	Market	Transition from paper to digital resources	1.5°C/ below 2°C scenario	Increasing environmental awareness across society, the use of various paper-based business tools is gradually declining, while the utilization of digital information and tools is expanding.	The frequency and importance of utilization of some functions of the service that digitizes paper business cards, invoices, contracts, and other documents to improve productivity may decrease.	Medium term	Small	Provide added value equal to or greater than the value of digitizing analog information by expanding highly convenient functions centered on the use of digital information and enhancing its value as a platform.
			4°C scenario	Although the transition from paper-based to digital is gradual, demand for digital information and tools remains sustained as a means of responding to disasters, pandemics, and other such situations.			Small	
		Use of clean energy	1.5°C/ below 2°C scenario	Social demand and requirement for the use of clean energy will increase, and various energy prices are soaring. Additionally, the increased global warming is resulting in an increased cooling load for information and communication equipment.	Increases in server prices and various energy prices such as electricity, which are essential for the business centered on a SaaS-type business model, will lead to higher operating expenses.	Medium to long term	Small to medium	Reduce costs by optimizing procurement of necessary resources and materials, including servers and electricity, and improve efficiency by implementing energy-saving measures to reduce energy use.
			4°C scenario	The slow pace of the transition to clean energy is leading to relatively low power generation costs, but some costs will rise due to increased demand for air conditioning during extreme heat.			Small	

Type		Scenario analysis			Business risks	Time frame	Profit impact (annual)	Countermeasures
Transitional risk	Law and regulation	Rise in carbon tax rates	1.5°C/ below 2°C scenario	Many countries and regions will tighten regulations on GHG emissions, and new carbon taxes and higher tax rates will be introduced as carbon pricing.	The expenses associated with tax burdens, as well as the cost of purchasing non-fossil fuel certificates and credits for carbon offsetting, may increase.	Medium to long term	Small	Reduce tax burdens and carbon offset costs by increasing the use of renewable energy and improving energy efficiency through the implementation of energy saving.
			4°C scenario	Institutional measures and social acceptance regarding GHG emissions do not make sufficient progress, and carbon taxes as carbon pricing, along with their rates, remain on a gradual upward trend.			Small	
Physical risk	Acute	Rising frequency of natural disasters	1.5°C/ below 2°C scenario	The frequency of natural disasters increases gradually.	Flooding the servers and digitalization centers responsible for tasks such as digitizing paper invoices, leading to service disruptions, as well as the damage to the stored documents of service user companies, resulting in a decline in the service value.	Medium to long term	Small to medium	As part of the business continuity plan (BCP), ensure service continuity during natural disasters by using multiple servers for system redundancy, decentralizing important service operation sites, and preparing manuals for emergencies.
			4°C scenario	Natural disasters such as torrential rains and floods that cause extensive damage are becoming more severe and more frequent.			Small to large	

(ii) Business opportunity identification

Type	Scenario analysis			Business opportunities	Time frame	Profit impact (annual)	Countermeasures
Products and services	Transition from paper to digital resources	1.5°C/ below 2°C scenario	Growing environmental awareness across society will increase demand for services that help curb the use of paper resources. In addition, there will be rapid growth in the need to introduce digital information and tools for the purpose of improving operational efficiency.	The demand for the various AX services, which are equipped with functions to curb the use of paper while improving the efficiency of various workflows through the use of digital information, may expand.	Medium to long term	Small to large	Enhance the value provided to users by expanding highly convenient functions centered on the use of digital information, and stimulate further demand by strengthening the sales and marketing activities.
		4°C scenario	With environmental awareness across society remaining at a limited level and corporate actions confined to the scope of improving operational efficiency, demand for digital information and tools will expand only gradually.			Small	

3) Risk management

In consultation with the directors in charge of each field, the IR & Sustainability Department, and the Finance & Accounting Department, the Group conducts scenario analyses to identify climate-related business risks and opportunities, assesses their importance, calculates their financial impact, and reviews countermeasures. These matters are next reported annually to the Board of Directors, which decides on business strategies and plans after considering important matters including the risks and countermeasures. Important climate change-related risks are also integrated and managed with the results of company-wide risk analyses conducted through internal audits etc.

4) Metrics and targets

The Group has selected GHG emissions as a climate change-related assessment metric. The table below shows actual GHG emissions for the fiscal year under review. The Group has set a carbon neutrality target by 2030 as part of our reduction goals for Scope 1 and Scope 2 emissions and is working on various measures including the utilization of clean energy. to achieve these targets

For the fiscal year under review, the total of Scope 1 and Scope 2 emissions reduced significantly due to factors such as the relocation of our office to a building that provides electricity derived from renewable energy sources in November 2024. In addition, the Group continues to comprehensively consider the establishment of Scope 3 reduction targets, taking into account a variety of internal and external factors.

Item	Unit	Fiscal year ended May 31, 2026	Year-on-year change
Scope 1	t-CO ₂	0	—
Scope 2 (location-based)	t-CO ₂	164	(55.9)%
Scope 2 (market-based)	t-CO ₂	166	(56.0)%
Scope 1 and 2 (market-based)	t-CO ₂	166	(71.1)%
Scope 3	t-CO ₂	34,101	(20.3)%
Scope 1, 2 and 3 (market-based)	t-CO ₂	34,267	(21.0)%
Scope 1, 2 and 3 emissions intensity (per net sale)	t-CO ₂ / hundred million yen	156.9	+57.5%

- Notes: 1. Due to the current difficulty in obtaining the numerical results necessary to calculate consolidated results, these figures are based on the non-consolidated results of Sansan, Inc. and cover 96.0% (percentage of non-consolidated net sales to consolidated net sales) of our business scope as of fiscal year ended May 31, 2026.
2. Scope 1 is calculated by aggregating direct GHG emissions from the offices and facilities owned by the Company. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office. Scope 3 is calculated by aggregating the GHG emissions of the entire value chain (Categories 1 through 15), excluding Scope 1 and Scope 2. Historical figures have been updated in line with refinements to calculation methods and the scope covered.

(3) Initiatives on investments in human resources

1) Governance

Taking into account changes in the business environment driven by the rapid adoption of generative AI, the Group has positioned AI-driven organization development as a key management strategy and has been promoting AI utilization and human resource strategies in tandem, with responsibility assigned to a Director/Executive Officer/CHRO/Chief AI Transformation Officer (CAXO) in overall charge of domains of human resources and the promotion of AI utilization. Directly under the CHRO/CAXO, the Human Resources Department responsible for recruitment, training, organization development, system design, and labor matters and the department of promoting AI utilization across the Company coordinate with each other to implement human resource strategies. The Group has adopted a structure in which Human Resource Business Partners (HRBPs) are assigned to each business division to connect strategic requirements of business with the human resources function.

Initiatives on investments in human resources, including consideration of these details, are reported to and subsequently supervised by the Board of Directors on a regular basis, and material issues are deliberated and determined by the Board of Directors. In the process of reporting to the Board of Directors, the following information is shared on a regular basis: the progress in core KPIs; the implementation status of priority measures such as recruitment, training, and Diversity, Equity & Inclusion; and the evaluation of the current status with respect to the medium- to long-term targets. If necessary, the Board of Directors reviews human resource strategies and determines whether to make an additional investment. Furthermore, the Nomination and Remuneration Advisory Committee deliberates on the development of senior executives who will be in charge of human resource strategies, as well as on succession plans.

2) Strategy

In achieving sustainable business growth and new value creation, the Group positions human resources as one of the most important management capitals, and it is crucial that the Group embraces diversity of human resources and establishes work environments that substantially fuel employee motivation for each of employees with diverse career backgrounds. Under such concepts, the Group has selected promotion of recruitment, training and active participation of human resources and promotion of diversity, equity and inclusion as material issues to work on preferentially, and is implementing initiatives in the following five areas.

In addition, the Group has established the new medium-term financial policy for the period from the 20th term to the 22nd term, aiming to achieve growth in net sales and adjusted operating profit. To implement this policy, the Group believes that securement of talented professionals and productivity improvement driven by transformation of operations through AI are key management challenges to achieve sustainable business growth.

In light of these requirements on the management strategy, the Group aims to continuously secure and develop talent who will undertake responsibilities for future business growth. To this end, the Group has established a Talent Pipeline from recruitment to training, assignment, and promotion, which is a framework for continuously securing and developing talent who will undertake responsibilities for future business growth. The Group actively promotes the recruitment of new graduates as one of initiatives to realize the above, and reviews treatment on an ongoing basis to maintain and improve its competitiveness in talent acquisition.

(i) Recruitment of talented professionals

As part of its important growth strategy, the Group continues to strengthen its recruitment of human resources. The number of employees on a consolidated basis was 2,336 persons as of the end of the fiscal year under review, and various organizations such as development, sales and back offices consist of human resources with diverse backgrounds. In the recruitment, the Group places importance not only on a high level of expertise and skills but also on a mission-driven attitude that shares an understanding of the Group's corporate philosophy. Based on this policy, the Group principally implements the following initiatives.

Name	Description
Promotion of the recruitment of new graduates	The Group actively promotes the recruitment of new graduates to continuously secure talent who is expected to deliver high-added value early by learning in an AI-driven environment. The Group is working to acquire diverse talent who identifies with the Group's corporate philosophy by fostering better mutual understanding before joining through an internship and other events.

Name	Description
Promotion of referral hiring	The Group believes that the more closely a candidate's personal aspirations align with the corporate philosophy—including the mission, vision, and values—the more likely they are to thrive after joining the Company. Based on this belief, the Group places strong emphasis on referral hiring, enhancing company-wide initiatives through an incentive program for employee referrals and by sharing successful cases via internal digital signage.
Establishment of HRBP (Human Resource Business Partner) organization	HRBPs are assigned to each business division to provide end-to-end support, from formulating recruitment plans to conducting interviews and following up with prospective hires. By working in close collaboration with on-site teams, this structure enables refinement of personnel requirements and facilitates early onboarding.

(ii) Promotion of training and active participation of human resources

The Group principally implements the following initiatives in order to foster the autonomous growth of each employee and establish an environment in which they can fully demonstrate their capabilities, thereby leading to enhancing the overall performance of the organization and creating new values.

Name	Description
Adoption of Mission Grade System	We have adopted a Mission Grade System for personnel evaluation, which determines the level of job authority, responsibility, and treatment according to different grades. These grades are determined based on performance and future expectations, leveraging growth for each individual.
Objectives and Key Results (OKRs) and 360-degree evaluation system	For HR evaluations, we assess individual contributions to the organization based on Objectives and Key Results (OKRs), which are set quarterly in the organization. In addition, we implement a semi-annual 360-degree evaluation to comprehensively incorporate feedback not only from direct supervisors but also from colleagues the employee works with and relevant personnel in other departments. These measures promote employee growth and strengthen overall organizational performance.
SCOP (Sansan Culture Onboarding Program)	We implement an initial training program called SCOP for new employees. Over the six months following their assignment, they are provided with a monthly opportunity for dialogue on the corporate philosophy to deepen their understanding of the organizational culture and support their early integration.
Top Gun (development program for new graduates)	We implement Top Gun, a results-focused training program for new graduates in general positions, over approximately six months after they join the Company. Working in teams, they tackle actual business challenges and take ownership of the entire process—from developing strategies to conducting negotiations, closing deals, and providing support—thereby fostering practical skills and a strong sense of ownership early on. Employees from business departments act as managers to work alongside them, supporting the consolidation of their understanding of our corporate culture and business operations.
Katachi discussion	We provide opportunities for all employees to discuss the corporate philosophy, and facing the Company's values and culture is an important opportunity from the perspective of growth of individuals and an increase in productivity.
Coacher and Career Talk	We provide Coacher, a one-on-one coaching program conducted by qualified in-house coaches, and Career Talk, a meeting program designed to address career-related issues in a specialized manner, to support individual self-reflection and behavioral change. These initiatives enhance employee autonomy, foster a sense of growth, and support medium- to long-term career development.
Generative AI utilization program	We implement an onboarding program on generative AI for all employees, and, through initiatives such as sharing use cases and supporting AI utilization in each department, we promote the integration of AI in all job categories and improve operational efficiency.

Name	Description
Strength Matching	Based on career summaries and personality assessment results, we have introduced a system called Strength Matching, which enables employees to share their strengths and behavioral characteristics with one another. Each employee's strengths are visualized and shared via the human resource management system, contributing to enhanced cross-departmental communication, improved management accuracy, and strengthened placement of the right people in the right positions.
Unipos	We strive to instill the company culture and improve employee engagement through visualization of internal appreciation cases by utilizing a platform involving all employees centered on the peer bonus® system.
Engagement survey	We conduct engagement survey of permanent employees and contract employees once a month, and utilize an analysis of the responses in self-management and organizational management, formulation of company-wide internal systems and measures, etc.
Yoriai	With the aim of fostering internal interaction and generating new ideas and collaborations, we have introduced a meal and beverage subsidy program called Yoriai. Through initiatives such as free drinks in the office and meal subsidies for teams, the program creates diverse opportunities for communication.

(iii) Promotion of diversity, equity and inclusion

The market the Group targets consists of companies across all kinds of industries and business categories. Human resources with diverse backgrounds are indispensable for our organization to understand and solve customer issues. Under the policy to aggressively recruit and promote outstanding talents regardless of certain attributes such as career background, gender, age and cultural background, the Group provides all employees fair opportunities for assessment and promotion. The Group will ensure that our assessment practices remain fair and independent of certain attributes through monitoring each term while strengthening initiatives to create diverse role models to demonstrate career paths. In addition, the Group provides support with the purpose of striking a balance between careers and life events, such as childbirth, childcare, and caregiving. While ensuring these equitable opportunities, the Group is also making efforts to provide support that takes into account challenges specific to personal attributes, including gender, nationality, and disability.

a. Promotion of active participation of women

For supporting active participation of women, the Group supports women to improve their mental and physical health and alleviate their anxiety, which are stemming from women-specific health issues such as menstruation and PMS, by subsidizing the cost of low-dose birth control pills and through a consultation desk with doctors. The Group has also established "We (Women's Empowerment)," a career support community for female employees, and provides external programs that give them opportunities to individually consult with and seek advice from external female leaders as to their careers. Through these initiatives, the Group presents role models, provides learning opportunities, fosters networks inside and outside the Group, and supports the promotion of women into managerial roles, thereby supporting their diverse career development.

b. Promotion of active participation of foreign employees

In being oriented to proactive overseas business development, the Group reinforces recruitment of employees with a foreign citizenship, and endeavors to foster corporate culture of achieving missions while embracing diversity by creating opportunities for interaction between foreign employees at overseas offices and Japanese employees in Japan to stimulate communications.

c. Employment of people with disability

With regard to the employment of people with disability, they play roles directly related to our business through operations such as data conversion for our services Sansan, Bill One, and Contract One. The Group makes efforts to expand opportunities for people with disability to work and opportunities for them to actively participate by enhancing onboarding programs that take into account the unique characteristics of their disabilities.

(iv) Occupational health, safety and well-being

The Group is striving to develop an environment where employees can feel secure to work in good health. Specifically, the Group is committed to developing an environment where all employees can continue to demonstrate their abilities and performance with peace of mind, while maintaining good mental and physical health. To this happen, the Group complies with laws and regulations, implements measures to prevent health hazards, and introduces and operates various measures to maintain and promote health and well-being.

(v) Human rights

The Group considers respect for human rights to be an extremely important element in aiming to develop and expand its business not only in Japan but also globally. The Group has established its Basic Policy on Human Rights as a guideline for promoting respect for human rights with approval of the Board of Directors, and the details of the Basic Policy have been disseminated to officers and employees and also disclosed on the Company's website.

3) Risk management

The Group perceives risks related to human resources to be synonymous with or closely related to risks that could have a significant impact on management and the business, and it analyzes and identifies them as part of its company-wide risk management activities. Details of risks etc., are presented in "II. Status of Business 3. Business risks, etc."

4) Metrics and targets

With regard to initiatives on investments in human resources, the Group has mainly set appraisal metrics as follows, and monitors the progress. In addition, for certain metrics, the Group has established targets for the fiscal year ending May 31, 2030.

Material issues	Metrics (targets for fiscal year ending May 31, 2030)	Results for fiscal year ended May 31, 2026	Year-on-year change
Promote recruitment, development, and success of human resources	Proportion of recruitment through referrals (35%)	10.0%	(2.1) pts.
	Annual training hours	244,989 hours	+3.9%
	Annual training days per employee	15.3 days	(6.7)%
	Total number of participants in internal coaching	757 persons	(0.3)%
	Unipos posting rate (80%)	50.9%	(8.6) pts.
	Number of appreciation posts in Unipos	51,151 posts	(16.7)%
	Response rate for engagement survey	77.4%	(1.4) pts.
	Investments in measures for interaction among employees	¥38 million	+52.0%
Promote diversity, equity and inclusion	Ratio of female employees in management positions (30% or higher)	19.9%	(0.3) pts.
	Ratio of female employees (45% or higher)	36.2%	(0.8) pts.
	Ratio of foreign employees	6.5%	(0.5) pts.
	Ratio of employment of people with disability	2.8%	(0.1) pts.

- Notes: 1. Due to the current difficulty in obtaining the numerical results necessary to calculate consolidated results, these figures are based on the non-consolidated results of Sansan, Inc. and cover 96.0% (percentage of non-consolidated net sales to consolidated net sales) of our business scope as of fiscal year ended May 31, 2026.
2. Training hours represent the non-consolidated result, obtained by aggregating training hours spent for dissemination of our culture and philosophy, compliance and other statutory training, skills training, rank-specific training, and career support. Annual training days per employee are calculated by converting eight hours to one day and using the average number of employees at each month-end.
3. The scope used to calculate the ratio of female employees in management positions includes employees one level below the section manager level.
4. The ratio of foreign employees was calculated from the Company and its subsidiaries consisting of Sansan Global Pte. Ltd., Sansan Global Development Center, Inc., and Sansan Global (Thailand) Co., Ltd.
5. The ratio of employment of people with disability was calculated by replacing the period with the accounting period that ends on March 31 (from April to March of the following year).

(4) Initiatives on information security

1) Governance

The Group recognizes that the strict management of all information assets handled through its business activities and the respect for privacy are part of its corporate social responsibility, and also constitute an indispensable management structure for the Group's sustainable growth and enhancement of corporate value. Based on this recognition, the Group has appointed a Director of the Company in charge of the information security division as Chief Information Security Officer (CISO), Data Protection Officer (DPO), and Personal Information Protection Manager.

In addition, the Group has established an Information Security Department as a specialized division, building a monitoring and analysis framework through the functions of the Computer Security Incident Response Team (CSIRT) and the in-house Security Operation Center (SOC) operating 24 hours a day, 365 days a year.

This Director regularly reports the status of addressing risks to the Executive Committee to facilitate prompt decision-making at the management level, as well as the progress of core KPIs and the status of implementing priority measures to the Board of Directors. The Board of Directors oversees the above matters by receiving these reports, deliberates and makes decisions on important matters among them, and if necessary, reviews countermeasures and determines whether to make an additional investment.

2) Strategy

Services provided by the Company handle important information assets such as business cards, invoices, and contracts. Therefore, our business operations require us to maintain a high level of security and reliability. Based on this mindset, the Group has identified "Provide safe and stable infrastructure services" and "Ensure robust protection of data privacy and information security" as material issues to be addressed with priority and implements initiatives in the following six areas.

(i) Establishment and objectives of regulations

We are strengthening our management systems by developing various regulations and guidelines to address risks such as information leakage and cyberattacks. The Basic Regulations for the Protection of Personal Information stipulate the handling of personal information in compliance with JIS Q 15001, and we have also established regulations on the management of information systems and information assets. In addition, to ensure that information assets are properly and safely managed and effectively utilized, we have formulated rules on the technical safety management of information systems and product security guidelines for each service. All regulations are reviewed annually to keep them up-to-date and ensure their effectiveness.

(ii) Education on information security

To enhance company-wide security awareness, all officers and employees are required to acquire Protection of Individual Information Person qualification. In addition, information security and personal information protection training is provided to all officers and employees upon hiring and annually thereafter. Furthermore, the Director provides monthly updates on security, sharing the latest risks and initiatives. Information assets are classified according to their level of confidentiality, with management measures and handling procedures defined based on the risks associated with each category. To ensure thorough implementation of these rules, security committee members are appointed from among officers and employees to conduct mutual audits.

(iii) Ensuring and developing security personnel

We are strengthening the recruitment and development of personnel capable of proactively implementing advanced security measures. Specifically, we recruit human resources with specialized security knowledge and skills both domestically and globally. In addition, we select persons within the Company who have outstanding expertise in specific areas and provide them with expert-led training to develop their expertise. Furthermore, some engineers who provide services seek to strengthen their security awareness and response capabilities through practical work. We also encourage employees to obtain advanced security certifications designated by the Company and promote knowledge acquisition through self-learning.

(iv) Defense system against threats

We have built a robust system to support defense and monitoring activities, as well as the framework that underpins them, in order to appropriately combat threats to complicated cybersecurity and information security and to provide safe and secure services. We have adopted a defense-in-depth architecture including network communication control, and have established a system that uses our SOC to promptly investigate and respond to abnormalities detected with EDR (Endpoint Detection and Response) installed in each terminal. In addition, the Product Security Team is working to bolster security consistently from the development stage of each service. We also have set up CSIRT and developed a system to ensure immediate response to an incident.

Name	Description
24/7 monitoring activities	We work with in-house teams and external vendors to conduct 24/7 monitoring activities against cyberattacks and make quick investigation and response of abnormalities when detecting them. We also conduct monitoring activities to prevent unauthorized access to internal information equipment.

Name	Description
Conducting regular vulnerability assessments and penetration testing	We test and strengthen the security levels for each service and our systems by having hackers from outside agencies conduct intentional cyberattacks on our company. Penetration testing is also conducted in the internal environment and training for targeted attack emails and BCP (Business Continuity Plan) is provided to our officers and employees.

(v) Technical initiatives

We implement a variety of security measures, including vulnerability assessments, which third-party organizations and specialized in-house departments perform.

Name	Description
Encryption of transmissions	All external transmissions to our data center are highly encrypted using user-authenticated HTTPS.
Images deleted from device after scanning	After business cards, invoices, and other paper documents are scanned, the image data is deleted from the device.
High service availability	All our servers are load-balanced through multiplexed network equipment. Services can be promptly restored in the event of a failure. Additionally, our data centers are redundantly configured to minimize the risk of service outages in the event of a disaster.
Adopting zero trust security	By adopting zero trust security across the Company and applying zero-trust-based management measures to access to information assets to be protected, we are establishing an environment that allow us to work safely both inside and outside the internal network.

(vi) System to address risks

We have established a system to prepare for the materialization of information security-related risks, based on the following perspectives.

Name	Description
Risk assessment and management	We manage risks by quantitatively calculating the likelihood of risks and its impact on our technologies and businesses and classifying the severity of risks into five levels.
System for responding to incidents and addressing vulnerabilities	We have established a system in which when we find or detect an incident or a vulnerability, the Information Security Department initially deals with such incident or vulnerability as the CSIRT, followed by CISO's final decision and instructions on actions to be taken. Serious cases are promptly reported to the Executive Committee and the Board of Directors.
Fostering of a speak-up culture	We have clearly stated a culture that promotes reporting regardless of severity, as well as a mindset of not blaming a reporting person, and developed an environment where employees can make reports without feeling intimidated.
Building of cyber resilience	We manage, monitor, and protect our information assets and have established the Incident Response Guideline in order to ensure business continuity and quick recovery even in the event of cyberattacks and system failures. Through these measures, we have built an end-to-end system from prevention to detection, troubleshooting, recovery and learning.

3) Risk management

The Group perceives risks related to privacy and information security to have a significant impact on management and the business, and it analyzes and identifies them as part of its company-wide risk management activities. Details of company-wide risks are presented in "II. Status of Business 3. Business risks, etc."

For information security risks, we have established the standard for risk assessment to perform systematic risk assessment and management. First, we quantitatively assess the likelihood and impact of risks from the perspectives of threats and

vulnerabilities, and classify the severity of risks based on the results. We then determine whether each classified risk is acceptable and, where necessary, implement appropriate controls.

4) Metrics and targets

With regard to initiatives on data privacy and information security, the Group has mainly set appraisal metrics as follows, and monitors the progress. In addition, for certain metrics, the Group has established targets for the fiscal year ending May 31, 2030.

Material issues	Metrics (targets for fiscal year ending May 31, 2030)	Results for fiscal year ended May 31, 2026	Year-on-year change
Provide safe and stable infrastructure services	Number of major incidents: 0	0	—
Ensure robust protection of data privacy and information security	Proportion of those qualified as Protection of Individual Information Person: maintained at 80% or higher	87.6%	(3.0) pts.
	Total participation time for privacy and information security-related training	5,930 hours	+5.5%

3 Business risks

Managerial and business risks of the Group include those related to information security, such as handling of personal information and improvement of systems, since it provides services in which it handles important information of companies including business cards and invoices. In addition, there are highly uncertain risks such as rapid technological innovations including generative AI and user behavior change. To these risks, we strive to establish a management system and countermeasures and work to reinforce the management structure to support the rapid growth of the business.

(1) Risk management

For risks that may have a significant impact on management, the Group stays aware of the probability of their occurrence and establishes a risk management structure and methods to respond to the risks. Furthermore, the Group either prevents them from manifesting themselves or respond to them if they become a reality, in light of changes in the environment surrounding its businesses.

1) Identification and analysis processes of risks

The Group makes an internal audit plan in accordance with the internal audit regulations, and each department regularly reviews risks in the internal audit process and prepares risk assessment matrix that complies assessment of risks extracted annually and its countermeasure plan. The Internal Auditing Department aggregates data of the risk assessment matrix prepared by each department and reports to the Board of Directors, thereby establishing a system that enables the Company to respond to company-wide risks promptly and comprehensively.

2) Incident guidelines

In case of any occurrence of incidents related to provision of services such as disasters, accidents, unauthorized access and vulnerability matters, each department has established guidelines on structure, chain of command, judgment criteria and response procedures for incidents. Specifically, incidents are classified from three perspectives of confidentiality, integrity and availability, and a degree of priority is given to responses to each risk. Then a decision-maker for judgment on and responses to incidents at each department is appointed.

(2) Major risks

The following shows matters that may have a material impact on judgment of investors, among matters that may affect the Group's businesses, status of finance and accounting, etc. The Group's policy is to strive to stay aware of these potential risks and to either prevent them from manifesting themselves or respond to them if they become a reality. However, it believes that investment decisions on the Group's shares need to be made after careful consideration is given to this section together with other descriptions in this document.

Of the following descriptions, matters related to the future were judged by the Group as at the filing date of this document and contain uncertainty, and therefore they may differ from actual results.

For each risk's frequency of occurrence and profit impact, the Internal Auditing Department conducts a company-wide assessment based on risk analysis information collected and aggregated from each department. The frequency of occurrence is assessed on a five-point scale (1: extremely low, 5: extremely high), while the profit impact is assessed by estimating the potential monetary effect on the Company should the risk materialize, and is categorized as small for less than 1 billion yen per year, medium for 1 billion yen or more but less than 3 billion yen per year, and large for 3 billion yen or more per year.

Category	Item	Description of risks	Frequency of occurrence	Profit impact (annual)	Responses
Information security risk	(1) Handling of personal information	Unauthorized access from the outside with a malicious intention, and internal leak, loss, alteration or abuse of customer information by intention or negligence	2	Small	- Establishment and operation of a personal information protection management system - Obtaining Privacy Mark certification - Obtaining ISO/IEC 27001, ISO/IEC27017, and ISO/IEC 27701 certifications - Registration in the ISMAP-LIU Cloud Service List - Requiring all officers and employees to obtain the qualification of Personal Information Protection Specialist - Collection of information on new legal regulations in Japan and overseas, and implementation of necessary countermeasures - Thorough legal compliance, and safe management of outsourcing contractors
	(2) AI	- Unintended learning or external transmission of personal or confidential information as a result of using AI - Impact of misinformation or biased outputs generated by AI on the service quality	3	Medium	- Formulation of the Internal Guideline for AI Usage and dissemination of the Guideline across the Group - Implementation of AI risks-related training for all officers and employees
	(3) Equipment and network stability	Obstacles posed to the Group's equipment and use of network due to natural disasters such as fire and earthquake, external breakage, system failures due to human errors, or any other unanticipated events	2	Small	- Distribution of load to multiple servers and regular backups - Establishment of a real-time access log check function and a system to immediately give notice of any software failure - Recovery training assuming the time of failure occurrence
Service risk	(4) Service failures, etc.	- Occurrence of various bugs in applications, software and systems - Detection of any critical bug that poses an obstacle to business operation - Delay in response to incidents and insufficient follow-up with existing customers - Failures resulting from unexpected cyberattacks	2	Small	- Building and maintenance of the highly reliable development structure - Formulating and implementing of incident guidelines for services - Building of cyber resilience

Category	Item	Description of risks	Frequency of occurrence	Profit impact (annual)	Responses
External environment risk	(5) Cloud business	- Significant downturn in demand for cloud services themselves - Introduction of new regulations on Internet use	2	Small	- Creation of new value offered - Proactive adoption of new technologies such as AI - Protection of intellectual property rights through patent acquisition, etc. - Promotion of the acquisition of external technologies and know-how through M&A, and capital and business alliances - Collection of information on Internet-related legal regulations, etc. as well as extraction of issues and implementation of solutions
	(6) Responding to technological innovations	- Delay in responding to generative AI and other technological innovations, etc. - Incurrence of unexpected development expenses, etc.	4	Medium	
	(7) Competition	- Decline in competitiveness of existing services due to the advent of a competitive service or alternative solution using AI - Intensified competition due to appearance of any other company's service with a revolutionary concept	4	Medium	
	(8) Natural disasters	Delay or suspension of business due to large-scale natural disasters including earthquakes and typhoons	1	Small	Establishment of BCP manual
Investment risk	(9) Upfront investments in advertising, promotions, and product development	- Large increase in expenditures due to changes in the policy and plans for advertising and promotions - Losses incurred due to service withdrawal	2	Small	- Monitoring of cost-effectiveness of advertising and promotions - Monitoring of product development
	(10) Investments such as corporate acquisitions and purchase of investment securities	- Delay in a business plan after an acquisition or investment - Impairment losses incurred on investment securities	3	Medium	- Implementation of sufficient due diligence for target companies - Thorough monitoring and follow-ups for target companies
	(11) System infrastructure investments	Unexpected additional investment in hardware and software for stable operation of services	2	Small	- Thorough monitoring of access from the outside - Design of appropriate system infrastructure investment according to the business expansion

Category	Item	Description of risks	Frequency of occurrence	Profit impact (annual)	Responses
Personal risk	(12) Establishment of management control system	• Delay in establishment of the business structure and the internal management structure according to the business size • Delay in delivery due to inadequate monitoring of external contractors and an insufficient business structure	2	Small	• Thorough development of the internal management structure in line with increases in operations and employees • Establishment of an information management system with external contractors
	(13) Training and securing human resources	• Shortfall in excellent human resources • Delay in securing sales staff and loss of them • Decline in productivity and increase in employee turnover due to inadequate attention to harassment and diversity	2	Small	• Recruitment of excellent human resources • Improvement of productivity by promoting AI utilization • Strengthening of the structure by internally fostering personnel, etc. • Development of the working environment
	(14) Dependence on specific individuals	• Occurrence of any event that brings difficulties for Chikahiro Terada, Representative Director, to continue operations	1	Small	• Creation of a structure that does not excessively depend on him • Mutual information sharing among executives and strengthening of the management organization
Legal risk	(15) Laws and regulations	• Impact of enactment of new privacy-related regulations, laws regulating internet-related business operators, developments in AI-related laws and regulations, and relevant laws, etc. applicable in line with the expansion of the business environment in Japan and overseas	2	Small	• Collection of information on legal regulations, etc. as well as extraction of issues and implementation of solutions
	(16) Intellectual property right infringement, etc.	• A claim for damage or injunction request from a third party on the grounds of infringement of patent right or trademark right • A third party's infringement of intellectual property rights held by the Group	1	Small	• Implementation of survey on intellectual property right infringement via patent firms • Patent applications and registrations • Implementation of legal actions
Overseas risk	(17) Launching overseas	• Occurrence of risks specific to overseas that are difficult to address • Delay in monetarization of the overseas business	2	Small	• Collection of information on regions where the Group has developed its businesses as well as extraction of issues and implementation of solutions • Formulation of appropriate business plans
Financial risk	(18) Credit	• Restrictions on financing due to a decline in credit • Increasing difficulty in securing settlement funds due to the rapid expansion of credit card services	2	Small	• Maintenance of creditworthiness through ongoing dialogue and disclosure of information to capital markets • Diversification of funding sources • Development of a robust financial base to prepare for the risk of uncollectible receivables
Other	(19) Granting incentives	• Dilution of value of shares held by existing shareholders through exercise of stock options issued (Note)	1	Small	• Design of stock options with adequate consideration of the market environment, impact on existing shareholders, etc.

Note: As of July 31, 2026, the number of potentially dilutive shares arising from stock options (including those resolved for issuance by that date) was 3,430,732 shares, equivalent to 2.7% of the total number of issued shares.

4 Management analysis of financial position, operating results, and status of cash flows

(1) Explanation of operating results, etc.

An overview of the Group's financial position, operating results, and status of cash flows ("Operating Results, etc.") are as follows.

1) Analysis of operating results

Consolidated financial results for the fiscal year ended May 31, 2026 (the "fiscal year under review") are as follows.

(Millions of yen, unless otherwise noted)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026	Year-on-year change
Net sales	43,202	53,761	+24.4%
Gross profit	37,410	47,263	+26.3%
Adjusted operating profit	3,555	8,427	+137.0%
Ordinary profit	2,743	8,170	+197.8%
Profit attributable to owners of parent	424	6,778	—

In the fiscal year under review, backed by the positive order situation, the Group engaged in strengthening the sales structure for Sansan and Bill One, aiming for further growth of net sales. In Eight Business, the Group worked to further expand revenue from the business event and recruitment-related services.

Consequently, results were solid in the fiscal year under review, with net sales and gross profit increasing 24.4% and 26.3%, respectively, year on year (with a gross profit margin of 87.9%). Adjusted operating profit and ordinary profit respectively increased by 137.0% and 197.8% year on year, driven by solid net sales growth, an improvement in gross profit margin, and a decline in the personnel expense ratio, despite continued investments for medium-term growth, including increased television advertising. Profit attributable to owners of parent increased significantly year on year, due to the recording of gain on sales of shares of subsidiaries and affiliates.

Results by segment are as follows.

(i) Sansan/Bill One Business

Results for Sansan/Bill One Business in the fiscal year under review are as follows.

(Millions of yen, unless otherwise noted)			
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026	Year-on-year change
Net sales (Note 1)	37,785	46,847	+24.0%
Sansan	26,766	31,089	+16.2%
Sansan recurring sales	25,136	29,141	+15.9%
Sansan other sales	1,629	1,947	+19.5%
Bill One	9,790	13,679	+39.7%
Others	1,229	2,078	+69.1%
Adjusted operating profit	3,581	8,340	+132.9%
Sansan			
Number of subscriptions	10,701 subscriptions	12,199 subscriptions	+14.0%
Monthly recurring sales per subscription	¥210 thousand	¥208 thousand	(1.0)%
Last 12 months average of monthly churn rate (Note 2)	0.49%	0.55%	+0.06 pts.
Bill One			
MRR (Note 3)	913	1,231	+34.9%
Number of paid subscriptions	3,932 subscriptions	5,188 subscriptions	+31.9%
Monthly recurring sales per paid subscription	¥232 thousand	¥237 thousand	+2.2%
Last 12 months average of monthly churn rate (Note 2)	0.33%	0.34%	+0.01 pts.

- Notes:
1. The sum of sales to external customers and intersegment sales or transfers
 2. Ratio of decrease in MRR resulting from subscription cancellations to MRR for existing subscriptions for each service
 3. Monthly Recurring Revenue

a. Sansan

The Group worked on strengthening the sales structure mainly through personnel development, as well as on strengthening AI-driven features. As a result, the number of subscriptions increased 14.0% year on year, and the monthly recurring sales per subscription decreased 1.0% year on year, against a backdrop of steady progress in acquiring small- and medium-sized new subscriptions. Furthermore, the last 12 months average of monthly churn rate was 0.55%, an increase of 0.06 percentage points year on year, maintaining a churn rate as low as less than 1%.

As a result, net sales in Sansan increased 16.2% year on year, of which recurring sales (fixed revenue) were up 15.9% year on year and other sales were up 19.5% year on year.

b. Bill One

The Group worked on strengthening the sales structure with a focus on hiring and developing personnel, as well as on enhancing AI-driven features. As a result, growth continued with the number of paid subscriptions and the monthly recurring sales per paid subscription increasing 31.9% year on year and 2.2% year on year, respectively. Furthermore, the last 12 months average of monthly churn rate was 0.34%, up 0.01 percentage points year on year, maintaining a churn rate as low as less than 1%.

c. Others

The Group worked to strengthen the sales structure and enhance the functionality of Contract One by leveraging the strengths and knowledge cultivated through existing services, with the aim of expanding sales. In addition, Ninout, Inc. undertook initiatives such as strengthening the sales of Ask One.

As a result, net sales of others were up 69.1% year on year.

As a result of these efforts, net sales increased 24.0% year on year and adjusted operating profit increased 132.9% year on year in Sansan/Bill One Business.

(ii) Eight Business

Results for Eight Business in the fiscal year under review are as follows.

(Millions of yen, unless otherwise noted)			
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026	Year-on-year change
Net sales (Note 4)	5,051	6,720	+33.0%
B2C services	402	446	+10.8%
B2B services	4,649	6,274	+35.0%
Adjusted operating profit	63	237	+273.2%
Eight			
Number of subscriptions for Eight Team	5,451 subscriptions	6,111 subscriptions	+12.1%

Notes: 4. The sum of sales to external customers and intersegment sales or transfers

a. B2C services

The Group successfully acquired users. As a result, net sales from B2C services increased 10.8% year on year.

b. B2B services

Contracts for Eight Team, a business card management service, grew steadily, up 12.1% year on year. The number of business events held increased year on year, supported by a strengthened personnel structure. In addition, for the recruitment-related services, performance was strong, and the Company acquired the shares of EDOA Corp., which operates a recruitment agency business, making it a group company, and changed its company name to Eight Career, Inc.

As announced on February 6, 2026, through an absorption-type company split, the Company succeeded to logmi Business, operated by its consolidated subsidiary logmi, Inc., and transferred all shares of logmi, Inc. to Uzabase, Inc. With that, logmi, Inc. has been excluded from the scope of consolidation since April 2026.

As a result, net sales from B2B services increased 35.0% year on year.

As a result of these efforts, net sales and adjusted operating profit in Eight Business increased 33.0% and 273.2%, respectively, year on year.

2) Analysis of financial position

	(Millions of yen)		
	As of May 31, 2025	As of May 31, 2026	Year-on-year change
Total assets	47,984	54,958	+6,973
Total liabilities	31,943	33,864	+1,920
Total net assets	16,040	21,094	+5,053
Total liabilities and net assets	47,984	54,958	+6,973

Assets

Total assets at the end of the fiscal year under review were ¥54,958 million, up ¥6,973 million from the end of the previous fiscal year. This was primarily due to increases of ¥5,833 million in cash and deposits, ¥2,277 million in other current assets, ¥586 million in prepaid expenses, and ¥250 million in software, which were partially offset by decreases of ¥1,486 million in investment securities and ¥379 million in deferred tax assets.

Liabilities

Total liabilities at the end of the fiscal year under review were ¥33,864 million, up ¥1,920 million from the end of the previous fiscal year. This was primarily due to increases of ¥4,019 million in advances received mainly as a result of receiving a lump-sum payment for the contract term from customers, ¥902 million in income taxes payable, ¥812 million in current portion of long-term borrowings, ¥674 million in accrued consumption taxes, and ¥351 million in provision for bonuses, which were partially offset by decreases of ¥2,301 million in provision for loss on share sale contract, ¥1,759 million in long-term borrowings, and ¥434 million in other non-current liabilities.

Net assets

Net assets at the end of the fiscal year under review were ¥21,094 million, up ¥5,053 million from the end of the previous fiscal year. This was primarily due to increases of ¥154 million in share capital as a result of the exercise of share acquisition rights and ¥6,778 million in retained earnings due to the recording of profit attributable to owners of parent, which were partially offset by a decrease of ¥1,277 million in capital surplus as a result of the additional acquisition of shares of subsidiaries and an increase of ¥741 million in treasury shares.

3) Analysis of cash flows

	(Millions of yen)		
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026	Year-on-year change
Cash flows from operating activities	9,651	9,641	(10)
Cash flows from investing activities	(2,550)	(608)	–
Cash flows from financing activities	(654)	(3,367)	–
Cash and cash equivalents at end of period	31,172	36,849	+5,676

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review totaled ¥36,849 million, an increase of ¥5,676 million compared with the end of the previous fiscal year (up 18.2% year on year). This increase includes the effect of foreign exchange fluctuations of ¥11 million on net cash.

The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities totaled ¥9,641 million (compared with ¥9,651 million provided in the previous fiscal year).

The main factors for the increase in net cash were the recording of profit before income taxes of ¥9,375 million, increases of ¥4,044 million in advances received, ¥680 million in accrued consumption taxes, ¥357 million in provision for bonuses; and the recording of non-cash expenses of ¥902 million in depreciation, as well as impairment losses of ¥231 million. The main factors for the decrease in net cash were an increase in other assets of ¥2,374 million, gain on sales of shares of subsidiaries and affiliates of ¥1,436 million, income taxes paid of ¥1,383 million, an increase of ¥560 million in prepaid expenses, and decreases of ¥456 million in trade payables and ¥209 million in other liabilities.

Cash flows from investing activities

Net cash used in investing activities totaled ¥608 million (compared with ¥2,550 million used in the previous fiscal year).

This was primarily due to cash outflows from purchase of investment securities of ¥2,816 million, purchase of intangible assets of ¥675 million, payments of leasehold deposits of ¥509 million, and purchase of property, plant and equipment of ¥202 million, which were partially offset by cash inflows from proceeds from sale of investment securities of ¥2,157 million and proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of ¥1,538 million.

Cash flows from financing activities

Net cash used in financing activities totaled ¥3,367 million (compared with ¥654 million used in the previous fiscal year).

This was primarily due to cash outflows from purchase of shares of subsidiaries not resulting in change in scope of consolidation of ¥1,465 million, repayments of long-term borrowings of ¥1,194 million, and purchase of treasury shares of ¥741 million, which were partially offset by cash inflows from proceeds from issuance of shares of ¥263 million.

4) Production, orders, and sales results

a. Production results

The Group does not disclose figures related to production results as there are no activities pertinent to production related to the services provided.

b. Order results

The Group omits figures related to order results due to the short period between order and provision of services.

c. Sales results

By segment, sales results for external customers during the fiscal year under review is as follows.

Name of segment	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026	Year-on-year change
Sansan/Bill One Business (Millions of yen)	37,773	46,812	123.9%
Eight Business (Millions of yen)	5,039	6,700	133.0%
Others (Millions of yen)	389	248	63.6%
Total (Millions of yen)	43,202	53,761	124.4%

Note: Sales results by major business partner and the percentage of total sales by major business partner are omitted because no business partner makes up 10% or more of the total sales results.

(2) Analysis and considerations related to status of operating results, etc. from management perspective

Recognition and analysis/considerations related to the status of operating results, etc. of the Company from management perspective are as follows. Matters related to future developments in this text is based on judgements made at the time this report was submitted.

1) Assumptions used for major accounting policies and estimates

The consolidated financial statements of the Group are prepared based on the accounting standards recognized as generally fair and appropriate in Japan. Upon preparation of the consolidated financial statements, important accounting policies are listed in “V. Accounting, 1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements (Basis of preparation of consolidated financial statements).”

Of the accounting estimates used in the preparation of the consolidated financial statements and the assumptions used in the estimates, the important estimates and assumptions are listed in “V. Accounting, 1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements (Significant accounting estimates).”

2) Recognition, analysis, and considerations related to operating results, etc. for the fiscal year under review

Recognition, analysis, and considerations related to operating results, etc. are listed in “(1) Explanation of operating results”

3) Capital sources and liquidity

The Group executes active advertising activities to raise awareness and expand the number of users. In the future, it plans to continue such advertising investments. A certain percentage of the Group capital demand is advertising investments. In principle, the Group secures necessary capital from owned treasury, financing from financial institutions, and equity financing, etc. Furthermore, there is no special policy on priority of capital procurement methods. The Group plans to make flexible considerations based on the amount and use of the required capital.

4) Major factors impacting operating results

Please see “3. Business risks” for major factors impacting operating results.

5) Issue awareness by management and future policies

Please see “1. Management policy, management environment, and issues to be addressed” for issue awareness by management and future policies.

5 Important contracts

Transfer of Shares in Unipos Inc.

At the extraordinary meeting of the Board of Directors held on May 22, 2025, the Company resolved to transfer to Link and Motivation Inc. (“LMI”) the common and preferred shares of Unipos Inc. (“Unipos”) held by the Company, as well as the preferred shares to be acquired from Development Bank of Japan Inc. (“DBJ”) under a shareholders’ agreement. The share transfer was completed on July 1, 2025.

Reason for Entering into the Share Transfer Agreement:

As of May 19, 2021, the Company entered into a capital and business alliance agreement with Unipos, with the future possibility in mind of making Unipos a consolidated subsidiary if its service “Unipos” achieves a certain scale of growth. Under this framework, we have explored various collaborative initiatives such as enhancing the value of mutual services through integration of our service “Sansan” with “Unipos,” coordinating sales activities, and collaborating with the advertising services offered under our Eight Business. However, both companies have mutually agreed that it would be difficult to implement the originally envisioned business alliance and to generate expected synergies, due to differences in service development priorities, changes in business structures and our respective service offerings, and other factors. Under these circumstances, the Company has entered into a share transfer agreement with LMI regarding all the common and preferred shares of Unipos held by the Company, with the aim of improving asset efficiency. In addition, based on these conclusions, we have decided to terminate the capital and business alliance with Unipos.

Reason for Acquiring Preferred Shares from DBJ:

As of May 19, 2021, the Company has entered into a shareholders’ agreement with DBJ regarding the preferred shares of Unipos. In considering the planned transfer of Unipos’ shares to LMI, the Company carefully examined various conditions from the perspective of economic rationality. As a result, we have decided, pursuant to the shareholders’ agreement, to exercise the call option at this point to acquire all the preferred shares of Unipos held by DBJ, and subsequently to transfer all of the common and preferred shares of Unipos held by the Company to LMI.

These transactions described above were subject to the following conditions: (i) the approval of the proposal regarding the share exchange agreement for making Unipos a wholly owned subsidiary of LMI at the annual general meeting of shareholders of Unipos held on June 27, 2025, and (ii) the approval of the partial amendment to the Articles of Incorporation concerning changes in the terms of the preferred stock of Unipos at the same annual general meeting of shareholders and at the class meeting of holders of preferred stock of Unipos held on the same day.

Transfer of Certain Operations to the Company from Its Subsidiary Through a Company Split (a Simplified Absorption-Type Company Split) and Transfer of Shares of a Consolidated Subsidiary

The Company decided that logmi Business operated by logmi, Inc. (“logmi”), its consolidated subsidiary, would be succeeded to the Company through an absorption-type company split and that the Company would transfer all shares of logmi to Uzabase, Inc. (“Uzabase”). The Company concluded a share transfer agreement with Uzabase, and the share transfer was completed on April 1, 2026.

6 Research and development activities

Not applicable.

III. Information About Facilities

1 Overview of capital expenditures

Total amount of capital expenditures for the fiscal year under review amounted to ¥829 million. Major investments included ¥202 million for office interior construction and acquisition of equipment, etc. and ¥577 million for the development of software for services in the Sansan Business and the Eight Business.

For the fiscal year under review, there were no retirements, sales, or other changes of significant facilities.

2 Major facilities

The Group's major facilities are as follows.

(1) Reporting company

As of May 31, 2026

Name of office (Location)	Name of segment	Type of facility	Carrying amount				Number of employees (Persons)
			Building (Millions of yen)	Software (Millions of yen)	Others (Millions of yen)	Total (Millions of yen)	
Shibuya head office (Shibuya-ku, Tokyo)	Sansan/Bill One Business, Eight Business, Corporate (shared)	Facility for operation	1,643	748	455	2,846	1,860 (565)

- Notes: 1. Of the carrying amount, "Others" include tools, furniture and fixtures, and leased assets.
2. The number of employees represents the number of employed persons (including contract employees). For the number of temporary employees (including part-timers), the annual average number of staff is shown in parentheses and is excluded from the above number.
3. The head office is a rental property, and the annual rent is ¥1,539 million.

(2) Subsidiaries in Japan
No applicable facilities.

(3) Subsidiaries outside Japan
No applicable facilities.

3 Planned addition, retirement, and other changes of significant facilities

(1) Planned addition and other changes of significant facilities
Not applicable.

(2) Planned retirement and other changes of significant facilities
Not applicable.

IV. Information About Reporting Company

1 Company's shares, etc.

(1) Total number of shares

1) Authorized shares

Class	Total number of authorized shares (shares)
Common shares	470,800,000
Total	470,800,000

2) Issued shares

Class	Number of issued shares as of fiscal year end May 31, 2026	Number of issued shares as of filing date August 19, 2026	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Common shares	126,800,600	126,833,956	Tokyo Stock Exchange (Prime Market)	These are shares with full voting rights, which are standard shares of the Company with no limits on rights. Number of shares in a trading unit is 100 shares.
Total	126,800,600	126,833,956	—	—

Note: "Number of issued shares as of filing date" does not include the number of shares issued through the exercise of share acquisition rights between August 1, 2026 and the filing date of this Annual Securities Report.

(2) Share acquisition rights
1) Description of stock-option system

A. 3rd Share Acquisition Rights

Date of resolution	January 9, 2019
Category and number of recipients (Persons)	Employees of the Company: 399 Directors of the Company's subsidiaries: 2 Employees of the Company's subsidiaries: 2
Number of share acquisition rights (Units)*	78,077 [75,704] (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 312,308 [302,816] (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥850 (Notes 2 & 3)
Exercise period of share acquisition rights*	From February 1, 2021 to January 8, 2029
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥850 Amount credited to paid-in capital: ¥425
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. As for matters changed by the end of the month before the filing date (July 31, 2026), descriptions as at the end of the month before the filing date are provided in brackets, and other matters have not changed from the descriptions as of the last day of the fiscal year.

Notes: 1. The number of shares to be acquired upon exercise of one share acquisition right (hereinafter the "Number of Granted Shares") is four common shares of the Company. The Number of Granted Shares shall be adjusted according to the following formula in the event that, after the allotment date of the share acquisition rights (hereinafter the "Allotment Date"), the Company conducts a stock split (including the gratis allotment of common shares of the Company; the same shall apply hereinafter) or a stock consolidation of common shares of the Company.

$$\begin{array}{ccccc} \text{Number of Granted Shares} & & \text{Number of Granted Shares} & & \text{Ratio of stock split} \\ \text{after adjustment} & = & \text{before adjustment} & \times & \text{(or stock consolidation)} \end{array}$$

In addition, after the Allotment Date of the share acquisition rights, in the case where the Company conducts a merger, a company split, a share exchange, or a share transfer (hereinafter, collectively, "merger, etc."), and where the Company conducts a gratis allotment of shares, or other cases where the above adjustment of the Number of Granted Shares is required, the Number of Granted Shares may be adjusted within a reasonable range. However, the adjustment up to the above is made only to the Number of Granted Shares for the share acquisition rights that have not been exercised at that time, among the share acquisition rights, and any fraction less than one share arising from the adjustment shall be rounded down to the nearest share.

2. If the Company conducts a stock split or a stock consolidation of common shares of the Company after the Allotment Date of the share acquisition rights, the above exercise price shall be adjusted by the following formula according to the ratio of the stock split or stock consolidation, and any fraction less than ¥1 arising from the adjustment shall be rounded up to the nearest yen.

$$\begin{array}{ccccc} \text{Exercise price after} & & \text{Exercise price} & & 1 \\ \text{adjustment} & = & \text{before adjustment} & \times & \text{Ratio of stock split (or stock consolidation)} \end{array}$$

3. If the Company conducts issuance of new shares or disposal of treasury shares as for common shares of the Company at a lower price than the fair value after allotment of the share acquisition rights (excluding cases of conversion or exercise of securities to be converted or convertible to common shares of the Company, or share acquisition rights (including those attaching to bonds with share acquisition rights) that allow the holders to demand delivery of common shares of the Company), the above exercise price shall be adjusted according to the following formula, and any fraction less than ¥1 arising from the adjustment shall be rounded up to the nearest yen.

$$\begin{array}{ccccc} & & \text{Number of shares} & \times & \text{Amount to be paid in} \\ & & \text{newly issued} & & \text{per share} \\ \text{Exercise price} & = & \text{Exercise price} & \times & \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid in}}{\text{Fair value per share before issue of new shares}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}} \\ \text{after adjustment} & & \text{before adjustment} & & \end{array}$$

In the above formula, the “Number of shares already issued” shall be the amount calculated by deducting the number of treasury shares related to common shares held by the Company from the total number of issued common shares of the Company. In addition, if treasury shares related to common shares of the Company are disposed of, the “Number of shares newly issued” shall be replaced with the “Number of treasury shares disposed of.” Furthermore, after the Allotment Date, in the case where the Company conducts a merger, etc., or other cases where the above adjustment of the exercise price is required, the exercise price may be adjusted within a reasonable range, taking into account conditions for the merger, etc., conditions for the gratis allotment of shares, and other factors.

4. Exercise conditions of share acquisition rights
 - (1) The person to whom the share acquisition rights are allotted (hereinafter the “Share Acquisition Rights Holder”) must, at the time of exercise of the share acquisition rights, be holding the position of Director, Audit & Supervisory Board Member, or employee of the Company or a subsidiary of the Company. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.
 - (2) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.
 - (3) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
5. Matters concerning transfer of share acquisition rights

Transfer of share acquisition rights requires approval by resolution from the Board of Directors of the Company.
6. Provisions for acquisition of share acquisition rights
 - (1) In the event of a merger agreement in which the Company becomes a dissolved company, a split agreement or a split plan in which the Company becomes a split company, or a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, which is approved by a general meeting of shareholders (or by a resolution of the Board of Directors if no approval is required by a general meeting of shareholders), the Company may acquire all or part of the share acquisition rights without any charge upon the arrival of a date to be separately specified by its Board of Directors. When acquiring a part of the share acquisition rights, the part of the share acquisition rights to be acquired shall be determined by a resolution of the Company’s Board of Directors.
 - (2) In the event that the exercise of the share acquisition rights becomes impossible pursuant to the provisions set forth in (Note 4) above prior to the exercise by the Share Acquisition Rights Holder, the Company may acquire the share acquisition rights without any charge.
7. Treatment of share acquisition rights in organizational restructuring

If the Company conducts a merger (limited to the case where the Company is extinguished through the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter, collectively, “organizational restructuring”), share acquisition rights of a Stock Company listed in Article 236, paragraph (1), item (viii), (a) through (e) of the Companies Act (hereinafter the “Restructured Company”) are each delivered to the Share Acquisition Rights Holder of the share acquisition rights remaining on the effective date of the organizational restructuring (hereinafter the “remaining share acquisition rights”) based on the following policy in each case. In this case, the remaining share acquisition rights shall be extinguished, and the Restructured Company shall newly issue share acquisition rights. However, this shall apply only if it is stipulated in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that the Restructured Company shall deliver share acquisition rights.

 - (1) The number of share acquisition rights to be granted by the Restructured Company

The same number of share acquisition rights as the number of the share acquisition rights held by the Share Acquisition Rights Holder of the remaining share acquisition rights is delivered.
 - (2) Class of Restructured Company’s shares to be acquired upon exercise of share acquisition rights

The class of the shares shall be common shares of the Restructured Company.
 - (3) Number of Restructured Company’s shares to be acquired upon exercise of share acquisition rights

The number shall be decided pursuant to (Note 1) above, after consideration of the terms and conditions of the organizational restructuring.
 - (4) Value of property to be contributed when share acquisition rights are exercised

The subject of the contribution to be made on the exercise of each share acquisition right shall be monies, and their value shall be the amount calculated by multiplying the exercise price after the restructuring, which is derived by adjusting the exercise price stipulated in (Note 2) and (Note 3) above in view of conditions, etc. of the organizational restructuring, by the number of Restructured Company’s shares to be acquired upon exercise of share acquisition rights determined in accordance with (Note 7) (3) above.
 - (5) Exercise period of share acquisition rights

It shall be from the later of start date of the exercise period of the share acquisition rights or the effective date of the organizational restructuring to the expiration date of the exercise period of the share acquisition rights.
 - (6) Matters related to increase in share capital and legal capital surplus upon issuance of shares through exercising the share acquisition rights

The amount of an increase in share capital upon issuance of shares through exercising the share acquisition rights shall be half of the maximum amount of increase of share capital, etc., which is calculated in accordance with Article 17, paragraph (1) of the Regulation on Corporate Accounting, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen. In this case, the amount

- of an increase in legal capital surplus shall be the amount of the above maximum amount of increase of share capital, etc. less the amount of the increase in share capital.
- (7) Restrictions on assignment of share acquisition rights
For restriction on the acquisition by transfer, approval by resolution of the Board of Directors of the Restructured Company shall be required.
 - (8) Other conditions for exercising share acquisition rights
Shall be decided pursuant to (Note 4) above.
 - (9) Reasons and conditions for acquisition of share acquisition rights
Shall be decided pursuant to (Note 6) above.
 - (10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

B. 4th Share Acquisition Rights

Date of resolution	January 9, 2019
Category and number of recipients (Persons)	(Note 9)
Number of share acquisition rights (Units)*	175,870 [173,754] (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 703,480 [695,016] (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥850 (Notes 2 & 3)
Exercise period of share acquisition rights*	From September 1, 2020 to January 30, 2029
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥850 Amount credited to paid-in capital: ¥425
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. As for matters changed by the end of the month before the filing date (July 31, 2026), descriptions as at the end of the month before the filing date are provided in brackets, and other matters have not changed from the descriptions as of the last day of the fiscal year.

- Notes:
1. Same as Note 1 of the 3rd Share Acquisition Rights.
 2. Same as Note 2 of the 3rd Share Acquisition Rights.
 3. Same as Note 3 of the 3rd Share Acquisition Rights.
 4. Exercise conditions of share acquisition rights

- (1) The person to whom the share acquisition rights are allotted (hereinafter the “trustee”) may not exercise the share acquisition rights, and except as otherwise provided in the offering memorandum, only the person to whom the share acquisition rights are granted by the trustee (hereinafter the “Share Acquisition Rights Holder”) may exercise the share acquisition rights.
- (2) The Share Acquisition Rights Holder may exercise the share acquisition rights only if segment profit of the Sansan Business of the Company exceeds ¥3,150 million based on the Company’s statement of income (when the consolidated statement of income is prepared, consolidated statement of income) in any fiscal year between the fiscal year ended May 31, 2020 and the fiscal year ended May 31, 2022. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company’s Board of Directors.
- (3) Notwithstanding (2) above, the Share Acquisition Rights Holder may not exercise all the remaining share acquisition rights, if each event listed below occurs between the Allotment Date of the share acquisition rights and the expiration date of the exercise period.
 - (a) Case where issuance of common shares of the Company, etc. at a price lower than the price calculated by multiplying the exercise price stipulated in (Note 2) and (Note 3) above by 50% (any fraction less than ¥1 being rounded up to the nearest yen) is conducted (excluding cases where the amount to be paid in is “particularly favorable” as stipulated in Article 199, paragraph (3) and Article 200, paragraph (2) of the Companies Act, cases where the issuance, etc. is due to allotment to shareholders, and other cases where the issuance, etc. is conducted at a price that is considered different from the share value of common shares).
 - (b) In the case where common shares of the Company to be acquired upon exercise of the share acquisition rights are not listed on any financial instruments exchange in Japan, when trading or any other transaction at a price lower than the price calculated by multiplying the exercise price stipulated in (Note 2) and (Note 3) above by 50% (any fraction less than ¥1 being rounded up to the nearest yen) is conducted (excluding cases where the transaction is conducted at a price that is considered significantly lower than the share value at the time of the transaction for special reasons such as capital policy purposes).
 - (c) In the case where common shares of the Company to be acquired upon exercise of the share acquisition rights are listed on any financial instruments exchange in Japan, when the closing price in ordinary

transactions of common shares of the Company is lower than the price calculated by multiplying the exercise price stipulated in (Note 2) and (Note 3) above by 50% (any fraction less than ¥1 being rounded up to the nearest yen).

- (d) In the case where common shares of the Company to be acquired upon exercise of the share acquisition rights are not listed on any financial instruments exchange in Japan, when the amount of shares valued by a third-party evaluation organization, etc. using methods such as the DCF method and the comparable company analysis method is lower than the price calculated by multiplying the exercise price stipulated in (Note 2) and (Note 3) above by 50% (any fraction less than ¥1 being rounded up to the nearest yen) (however, if the amount of shares valued is presented in a certain range, the Company's Board of Directors shall judge whether this paragraph applies, through consultation with the third-party evaluation organization, etc.).
 - (4) The Share Acquisition Rights Holder is required to remain a Director, employee or adviser of the Company or its subsidiary/affiliate, or an external cooperator of an outsourcing contractor, etc. until the holder exercises the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.
 - (5) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.
 - (6) Pledging of share acquisition rights, or the creation of security interests shall not be permitted.
 - (7) The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
 - (8) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.
 - 5. Same as Note 5 of the 3rd Share Acquisition Rights.
 - 6. Same as Note 6 of the 3rd Share Acquisition Rights.
 - 7. Same as Note 7 of the 3rd Share Acquisition Rights.
 - 8. The share acquisition rights were issued with compensation at ¥17 per one share acquisition right. Based on ¥850 of issuance price and ¥425 of amount credited to paid-in capital in the case where shares are issued through exercise of share acquisition rights, the issuance price shall be ¥855 reflecting the carrying amount per share of the share acquisition rights at the time of exercise, and amount credited to paid-in capital shall be ¥428 as a result of addition of ¥3, which is half of the maximum amount of increase of share capital, etc. (any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen), in accordance with Article 17, paragraph (1), item (i) of the Regulation on Corporate Accounting.
 - 9. Chikahiro Terada, Representative Director & CEO, established a "share acquisition rights trust" with Takanori Kushida, a tax accountant, as the trustee (hereinafter the "Trust (4th Share Acquisition Rights)") as of January 30, 2019 based on the resolution at the Extraordinary General Meeting of Shareholders held on January 9, 2019 for the purpose of granting an incentive for the medium- to long-term enhancement of corporate value to current and future executives and employees, etc. of the Group and retaining outstanding talents. For the Trust (4th Share Acquisition Rights), the Company issued the 4th Share Acquisition Rights (resolution at the Extraordinary General Meeting of Shareholders on January 9, 2019) on January 31, 2019 pursuant to the Companies Act.
- The Trust (4th Share Acquisition Rights) is to distribute 534,611 units of the 4th Share Acquisition Rights granted to Takanori Kushida, a tax accountant, (equivalent to four shares per unit) to the Group's executives and employees, etc. according to future achievements. Unlike the existing incentive plan using share acquisition rights, this scheme enables us to determine the size of distribution of an incentive at some future point in time based on assessment of future achievement for the Group's executives and employees, etc. to even further reward individuals' efforts, and to also distribute share acquisition rights to the Group's executives and employees, etc. who will be hired in the future. Any person to which the 4th Share Acquisition Rights are distributed may exercise the share acquisition rights in accordance with the provisions of the prospectus for the 4th Share Acquisition Rights and the agreement for treatment. The Trust (4th Share Acquisition Rights) consists of the three agreements (from A to C), and the outline is as follows.

Name	Share acquisition rights trust (Trust for Share Acquisition Rights Issued at Market Price®)
Trustor	Chikahiro Terada
Date of trust agreement	January 30, 2019
Type of trust and number of share acquisition rights*	(A) 318,903 units (B) 107,854 units (C) 107,854 units
Delivery date	(A) Business day following the day on which two years have passed from the date of execution of the agreement (however, if six months have not passed from the listing of the Company's shares on a financial instruments exchange on the said day, business day following the day on which six months have passed from the listing of the shares on a financial instruments exchange) (B) Business day following the day on which three years have passed from the date of execution of the agreement (however, if one and a half years have not passed from the listing of the Company's shares on a financial instruments exchange on the said day, business day following the day on which one and a half years have passed from the listing of the shares on a financial instruments exchange) (C) Business day following the day on which four years have passed from the date of execution of the agreement (however, if two and a half years have not passed from the listing of the Company's shares on a financial instruments exchange on the said day, business day following the day on which two and a half years have passed from the listing of the shares on a financial instruments exchange)
Object of trust	318,903 units of the 4th Share Acquisition Rights (equivalent to four shares per unit) on (A) 107,854 units of the 4th Share Acquisition Rights (equivalent to four shares per unit) on (B) 107,854 units of the 4th Share Acquisition Rights (equivalent to four shares per unit) on (C)
Eligibility requirements for beneficiaries	Of the Group's executives and employees, etc., persons who satisfy certain conditions stipulated in the Company's guidelines and others shall be beneficiary candidates, and the persons who are designated by the Company and determined to be beneficiaries pursuant to the provisions of the trust agreement for the Trust (4th Share Acquisition Rights) shall be beneficiaries. Distribution of the 4th Share Acquisition Rights to beneficiary candidates is separated into two types: 1) base points and 2) scores of the external evaluation committee, and determined by the evaluation committee in accordance with rules prescribed in the Company's guidelines, and others. 1) Granting based on base points As for executives and employees, etc., performance evaluation is made for the role and contributions expected on the date of execution of the agreement, or at the time of joining the company for future executives and employees, etc., to grant points, and distribution is made according to the points. 2) Granting based on scores of the external evaluation committee As for executives and employees, etc., the level of special contribution and internal and external impact of organizations and individuals are evaluated to grant points, and distribution is made according to the points.

- * For the Trust (4th Share Acquisition Rights), distribution is made as follows to the Group's executives and employees, etc. upon the arrival of the expiration date of the trust period for each trust type.
- (A) Two Directors of the Company, 383 employees of the Company, and three employees of the Company's subsidiaries
 - (B) 106 employees of the Company, 12 Directors and employees of the Company's subsidiaries
 - (C) Four Directors of the Company, 10 employees of the Company, three employees of the Company's subsidiaries, and three subcontractors of the Company

C. 5th Share Acquisition Rights

Date of resolution	July 14, 2020
Category and number of recipients (Persons)	Directors of the Company: 6 Executive Officers of the Company: 12
Number of share acquisition rights (Units)*	202 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 80,800 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,338 (Notes 2 & 3)
Exercise period of share acquisition rights*	From September 1, 2021 to August 25, 2030
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,338 Amount credited to paid-in capital: ¥669
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. The number of shares to be acquired upon exercise of one share acquisition right (hereinafter the “Number of Granted Shares”) is 400 common shares of the Company. The Number of Granted Shares shall be adjusted according to the following formula in the event that, after the allotment date of the share acquisition rights (hereinafter the “Allotment Date”), the Company conducts a stock split (including the gratis allotment of common shares of the Company; the same shall apply hereinafter) or a stock consolidation of common shares of the Company.

$$\begin{array}{ccccc} \text{Number of Granted Shares} & & \text{Number of Granted Shares} & & \text{Ratio of stock split} \\ \text{after adjustment} & = & \text{before adjustment} & \times & \text{(or stock consolidation)} \end{array}$$

In addition, after the Allotment Date of the share acquisition rights, in the case where the Company conducts a merger, a company split, a share exchange, or a share transfer (hereinafter, collectively, “merger, etc.”), and other cases where the above adjustment of the Number of Granted Shares is required, the Number of Granted Shares may be adjusted within a reasonable range. However, the adjustment up to the above is made only to the Number of Granted Shares for the share acquisition rights that have not been exercised at that time, among the share acquisition rights, and any fraction less than one share arising from the adjustment shall be rounded down to the nearest share.

2. Same as Note 2 of the 3rd Share Acquisition Rights.
3. Same as Note 3 of the 3rd Share Acquisition Rights.
4. Exercise conditions of share acquisition rights
 - (1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights only if the amount of net sales in the Company’s consolidated statement of income for the fiscal year ended May 31, 2021 has exceeded ¥16,034 million.
In determining the net sales amount, there are events, such as changes in the applicable accounting standards and the acquisitions of companies, which can have a major impact on the business results of the Company. In the event that the Board of Directors determines that it is not appropriate to make a judgment based on actual figures, the Company will eliminate the effect of the acquisition of a company, etc. within a reasonable range, and it shall be deemed possible to adjust the actual figures used for judgment. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company’s Board of Directors.
 - (2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.
 - (3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.
 - (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
 - (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.
 - (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.
5. Same as Note 5 of the 3rd Share Acquisition Rights.
6. Same as Note 6 of the 3rd Share Acquisition Rights.
7. Same as Note 7 of the 3rd Share Acquisition Rights.

8. The share acquisition rights were issued with compensation at ¥71,500 per one share acquisition right. Based on ¥1,338 of issuance price and ¥669 of amount credited to paid-in capital in the case where shares are issued through exercise of share acquisition rights, the issuance price shall be ¥1,517 reflecting the carrying amount per share of the share acquisition rights at the time of exercise, and amount credited to paid-in capital shall be ¥759 as a result of addition of ¥90, which is half of the maximum amount of increase of share capital, etc. (any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen), in accordance with Article 17, paragraph (1), item (i) of the Regulation on Corporate Accounting.

D. 6th Share Acquisition Rights

Date of resolution	July 14, 2021
Category and number of recipients (Persons)	Directors of the Company: 6 Executive Officers of the Company: 13
Number of share acquisition rights (Units)*	175 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 70,000 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥2,093 (Notes 2 & 3)
Exercise period of share acquisition rights*	From September 1, 2022 to August 23, 2031
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥2,093 Amount credited to paid-in capital: ¥1,047
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 5th Share Acquisition Rights.

2. Same as Note 2 of the 3rd Share Acquisition Rights.

3. Same as Note 3 of the 3rd Share Acquisition Rights.

4. Exercise conditions of share acquisition rights

- (1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights only if the amount of net sales in the Company’s consolidated statement of income for the fiscal year ended May 31, 2022 has exceeded ¥20,386 million.

In determining the net sales amount, there are events, such as changes in the applicable accounting standards and the acquisitions of companies, which can have a major impact on the business results of the Company. In the event that the Board of Directors determines that it is not appropriate to make a judgment based on actual figures, the Company will eliminate the effect of the acquisition of a company, etc. within a reasonable range, and it shall be deemed possible to adjust the actual figures used for judgment. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company’s Board of Directors.

- (2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.

- (3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

- (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

- (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

- (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5. Same as Note 5 of the 3rd Share Acquisition Rights.

6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

8. The share acquisition rights were issued with compensation at ¥109,000 per one share acquisition right. Based on ¥2,093 of issuance price and ¥1,047 of amount credited to paid-in capital in the case where shares are issued through exercise of share acquisition rights, the issuance price shall be ¥2,366 reflecting the carrying amount per share of the share acquisition rights at the time of exercise, and amount credited to paid-in capital shall be ¥1,184 as a result of addition of ¥137, which is half of the maximum amount of increase of share capital, etc. (any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen), in accordance with Article 17, paragraph (1), item (i) of the Regulation on Corporate Accounting.

E. 7th Share Acquisition Rights

Date of resolution	July 14, 2022
Category and number of recipients (Persons)	Employees of the Company: 138 Employee of the Company's subsidiary: 1
Number of share acquisition rights (Units)*	2,584 [2,430] (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 258,400 [243,000] (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,021 (Notes 2 & 3)
Exercise period of share acquisition rights*	From July 15, 2024 to July 14, 2032
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,021 Amount credited to paid-in capital: ¥511
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. As for matters changed by the end of the month before the filing date (July 31, 2026), descriptions as at the end of the month before the filing date are provided in brackets, and other matters have not changed from the descriptions as of the last day of the fiscal year.

Notes: 1. The number of shares to be acquired upon exercise of one share acquisition right (hereinafter the "Number of Granted Shares") is 100 common shares of the Company. The Number of Granted Shares shall be adjusted according to the following formula in the event that, after the allotment date of the share acquisition rights (hereinafter the "Allotment Date"), the Company conducts a stock split (including the gratis allotment of common shares of the Company; the same shall apply hereinafter) or a stock consolidation of common shares of the Company.

$$\begin{array}{ccccc} \text{Number of Granted Shares} & & \text{Number of Granted Shares} & \times & \text{Ratio of stock split} \\ \text{after adjustment} & = & \text{before adjustment} & & \text{(or stock consolidation)} \end{array}$$

In addition, after the Allotment Date of the share acquisition rights, in the case where the Company conducts a merger, a company split, a share exchange, or a share transfer (hereinafter, collectively, "merger, etc."), or other cases where the above adjustment of the Number of Granted Shares is required, the Number of Granted Shares may be adjusted within a reasonable range. However, the adjustment up to the above is made only to the Number of Granted Shares for the share acquisition rights that have not been exercised at that time, among the share acquisition rights, and any fraction less than one share arising from the adjustment shall be rounded down to the nearest share.

2. Same as Note 2 of the 3rd Share Acquisition Rights.
3. Same as Note 3 of the 3rd Share Acquisition Rights.
4. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the "Share Acquisition Rights Holder") may exercise their share acquisition rights if the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (July 14, 2032) exceeds ¥2,344.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\begin{array}{ccccc} \text{Share price after adjustment} & = & \text{Share price before adjustment} & \times & \frac{1}{\text{Ratio of stock split}} \\ & & & & \text{(or stock consolidation)} \end{array}$$

- (2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.
- (3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.
- (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
- (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
- (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.
5. Same as Note 5 of the 3rd Share Acquisition Rights.
6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

F. 8th Share Acquisition Rights

Date of resolution	July 14, 2022
Category and number of recipients (Persons)	Directors of the Company: 5 Executive Officers of the Company: 15
Number of share acquisition rights (Units)*	1,313 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 131,300 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,021 (Notes 2 & 3)
Exercise period of share acquisition rights*	From September 1, 2023 to September 1, 2032
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,021 Amount credited to paid-in capital: ¥511
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 7th Share Acquisition Rights.

2. Same as Note 2 of the 3rd Share Acquisition Rights.

3. Same as Note 3 of the 3rd Share Acquisition Rights.

4. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights only if the amount of net sales in the Company’s consolidated statement of income for the fiscal year ended May 31, 2023 exceeds ¥25,265 million.

In determining the net sales amount, there are events, such as changes in the applicable accounting standards and the acquisitions of companies, which can have a major impact on the business results of the Company. In the event that the Board of Directors determines that it is not appropriate to make a judgment based on actual figures, the Company will eliminate the effect of the acquisition of a company, etc. within a reasonable range, and it shall be deemed possible to adjust the actual figures used for judgment. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company’s Board of Directors.

(2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.

(3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

(4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

(5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5. Same as Note 5 of the 3rd Share Acquisition Rights.

6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

8. The share acquisition rights were issued with compensation at ¥12,500 per one share acquisition right. Based on ¥1,021 of issuance price and ¥511 of amount credited to paid-in capital in the case where shares are issued through exercise of share acquisition rights, the issuance price shall be ¥1,146 reflecting the carrying amount per share of the share acquisition rights at the time of exercise, and amount credited to paid-in capital shall be ¥574 as a result of addition of ¥63, which is half of the maximum amount of increase of share capital, etc. (any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen), in accordance with Article 17, paragraph (1), item (i) of the Regulation on Corporate Accounting.

G. 9th Share Acquisition Rights

Date of resolution	August 30, 2022
Category and number of recipients (Persons)	Directors of the Company: 5
Number of share acquisition rights (Units)*	2,524 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 252,400 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,269 (Notes 2 & 3)
Exercise period of share acquisition rights*	From August 31, 2024 to August 30, 2032
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,269 Amount credited to paid-in capital: ¥635
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 7th Share Acquisition Rights.

2. Same as Note 2 of the 3rd Share Acquisition Rights.

3. Same as Note 3 of the 3rd Share Acquisition Rights.

4. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (August 30, 2032) exceeds ¥2,344.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

(2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.

(3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

(4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

(5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5. Same as Note 5 of the 3rd Share Acquisition Rights.

6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

H. 10th Share Acquisition Rights

Date of resolution	July 13, 2023
Category and number of recipients (Persons)	Employees of the Company: 57
Number of share acquisition rights (Units)*	851 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 85,100 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,552.5 (Notes 2 & 3)
Exercise period of share acquisition rights*	From July 14, 2025 to July 13, 2033
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,552.5 Amount credited to paid-in capital: ¥777
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 7th Share Acquisition Rights.

2. Same as Note 2 of the 3rd Share Acquisition Rights.

3. Same as Note 3 of the 3rd Share Acquisition Rights.

4. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (July 13, 2033) exceeds ¥3,987.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

(2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.

(3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

(4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

(5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5. Same as Note 5 of the 3rd Share Acquisition Rights.

6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

I. 11th Share Acquisition Rights

Date of resolution	July 13, 2023
Category and number of recipients (Persons)	Directors of the Company: 5 Executive Officer of the Company: 11
Number of share acquisition rights (Units)*	1,260 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 126,000 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,552.5 (Notes 2 & 3)
Exercise period of share acquisition rights*	From September 13, 2024 to September 12, 2033
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,552.5 Amount credited to paid-in capital: ¥777
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 7th Share Acquisition Rights.

2. Same as Note 2 of the 3rd Share Acquisition Rights.

3. Same as Note 3 of the 3rd Share Acquisition Rights.

4. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights only if the amount of net sales in the Company’s consolidated statement of income for the fiscal year ended May 31, 2024 exceeds ¥33,164 million.

In determining the net sales amount, there are events, such as changes in the applicable accounting standards and the acquisitions of companies, which can have a major impact on the business results of the Company. In the event that the Board of Directors determines that it is not appropriate to make a judgment based on actual figures, the Company will eliminate the effect of the acquisition of a company, etc. within a reasonable range, and it shall be deemed possible to adjust the actual figures used for judgment. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company’s Board of Directors.

(2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.

(3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

(4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

(5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5. Same as Note 5 of the 3rd Share Acquisition Rights.

6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

8. The share acquisition rights were issued with compensation at ¥14,000 per one share acquisition right. Based on ¥1,552.5 of issuance price and ¥777 of amount credited to paid-in capital in the case where shares are issued through exercise of share acquisition rights, the issuance price shall be ¥1,692.5 reflecting the carrying amount per share of the share acquisition rights at the time of exercise, and amount credited to paid-in capital shall be ¥847 as a result of addition of ¥70, which is half of the maximum amount of increase of share capital, etc. (any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen), in accordance with Article 17, paragraph (1), item (i) of the Regulation on Corporate Accounting.

J. 12th Share Acquisition Rights

Date of resolution	August 29, 2023
Category and number of recipients (Persons)	Directors of the Company: 4
Number of share acquisition rights (Units)*	1,448 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 144,800 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1
Exercise period of share acquisition rights*	From August 30, 2026 to August 29, 2033
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	(Note 2)
Exercise conditions of share acquisition rights*	(Note 3)
Matters concerning transfer of share acquisition rights*	(Note 4)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 6)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 7th Share Acquisition Rights.

2. The amount of an increase in share capital upon issuance of shares through exercising the share acquisition rights shall be half of the maximum amount of increase of share capital, etc., which is calculated in accordance with Article 17, paragraph (1) of the Regulation on Corporate Accounting, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen. In this case, the amount of an increase in legal capital surplus shall be the amount of the above maximum amount of increase of share capital, etc. less the amount of the increase in share capital.

3. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (August 29, 2033) exceeds ¥2,344.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

(2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.

(3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

(4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

(5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

4. Same as Note 5 of the 3rd Share Acquisition Rights.

5. Same as Note 6 of the 3rd Share Acquisition Rights.

6. Treatment of share acquisition rights in organizational restructuring

If the Company conducts a merger (limited to the case where the Company is extinguished through the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter, collectively, “organizational restructuring”), share acquisition rights of a Stock Company listed in Article 236, paragraph (1), item (viii), (a) through (e) of the Companies Act (hereinafter the “Restructured Company”) are each delivered to the Share Acquisition Rights Holder of the share acquisition rights remaining on the effective date of the organizational restructuring (hereinafter the “remaining share acquisition rights”) based on the following policy in each case. In this case, the remaining share acquisition rights shall be extinguished, and the Restructured Company shall newly issue share acquisition rights. However, this shall apply only if it is stipulated in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that the Restructured Company shall deliver share acquisition rights.

- (1) The number of share acquisition rights to be granted by the Restructured Company
The same number of share acquisition rights as the number of the share acquisition rights held by the Share Acquisition Rights Holder of the remaining share acquisition rights is delivered.
- (2) Class of Restructured Company's shares to be acquired upon exercise of share acquisition rights
The class of the shares shall be common shares of the Restructured Company.
- (3) Number of Restructured Company's shares to be acquired upon exercise of share acquisition rights
The number shall be decided pursuant to (Note 1) above, after consideration of the terms and conditions of the organizational restructuring.
- (4) Value of property to be contributed when share acquisition rights are exercised
The subject of the contribution to be made on the exercise of each granted share acquisition right shall be monetary, and the value of this shall be the amount obtained by multiplying the price of ¥1 per share of the Restructured Company that can be granted by exercising the share acquisition right, by the number of the Restructured Company's shares to be acquired upon exercise of the share acquisition right, which is determined in accordance with (3) above.
- (5) Exercise period of share acquisition rights
It shall be from the later of start date of the exercise period of the share acquisition rights or the effective date of the organizational restructuring to the expiration date of the exercise period of the share acquisition rights.
- (6) Matters related to increase in share capital and legal capital surplus upon issuance of shares through exercising the share acquisition rights
The amount of an increase in share capital upon issuance of shares through exercising the share acquisition rights shall be half of the maximum amount of increase of share capital, etc., which is calculated in accordance with Article 17, paragraph (1) of the Regulation on Corporate Accounting, and any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen. In this case, the amount of an increase in legal capital surplus shall be the amount of the above maximum amount of increase of share capital, etc. less the amount of the increase in share capital.
- (7) Restrictions on assignment of share acquisition rights
For restriction on the acquisition by transfer, approval by resolution of the Board of Directors of the Restructured Company shall be required.
- (8) Other conditions for exercising share acquisition rights
Shall be decided pursuant to (Note 3) above.
- (9) Reasons and conditions for acquisition of share acquisition rights
Shall be decided pursuant to (Note 5) above.
- (10) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

K. 13th Share Acquisition Rights

Date of resolution	July 11, 2024
Category and number of recipients (Persons)	Employees of the Company: 102
Number of share acquisition rights (Units)*	1,850 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 185,000 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,783 (Notes 2 & 3)
Exercise period of share acquisition rights*	From July 12, 2026 to July 11, 2034
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,783 Amount credited to paid-in capital: ¥892
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 7th Share Acquisition Rights.

2. Same as Note 2 of the 3rd Share Acquisition Rights.

3. Same as Note 3 of the 3rd Share Acquisition Rights.

4. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (July 11, 2034) exceeds ¥3,987.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

(2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.

(3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

(4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

(5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5. Same as Note 5 of the 3rd Share Acquisition Rights.

6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

L. 15th Share Acquisition Rights

Date of resolution	September 17, 2024
Category and number of recipients (Persons)	Executive Officers of the Company: 3
Number of share acquisition rights (Units)*	228 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 22,800 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥2,303 (Notes 2 & 3)
Exercise period of share acquisition rights*	From September 18, 2026 to September 17, 2034
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥2,303 Amount credited to paid-in capital: ¥1,152
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 7th Share Acquisition Rights.

2. Same as Note 2 of the 3rd Share Acquisition Rights.

3. Same as Note 3 of the 3rd Share Acquisition Rights.

4. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (September 17, 2034) exceeds ¥3,987.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

(2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.

(3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

(4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

(5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5. Same as Note 5 of the 3rd Share Acquisition Rights.

6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

M. 16th Share Acquisition Rights

Date of resolution	November 19, 2024
Category and number of recipients (Persons)	Employees of the Company: 4
Number of share acquisition rights (Units)*	159 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 15,900 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,986 (Notes 2 & 3)
Exercise period of share acquisition rights*	From November 20, 2026 to November 19, 2034
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,986 Amount credited to paid-in capital: ¥993
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

Notes: 1. Same as Note 1 of the 7th Share Acquisition Rights.

2. Same as Note 2 of the 3rd Share Acquisition Rights.

3. Same as Note 3 of the 3rd Share Acquisition Rights.

4. Exercise conditions of share acquisition rights

(1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (November 19, 2034) exceeds ¥3,987.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

(2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.

(3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.

(4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.

(5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5. Same as Note 5 of the 3rd Share Acquisition Rights.

6. Same as Note 6 of the 3rd Share Acquisition Rights.

7. Same as Note 7 of the 3rd Share Acquisition Rights.

N. 17th Share Acquisition Rights

Date of resolution	July 14, 2025
Category and number of recipients (Persons)	Executive Officers and employees of the Company: 172 Directors, Executive Officers, and employees of the Company's subsidiaries: 7
Number of share acquisition rights (Units)*	5,543 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 554,300 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥2,010 (Notes 2 & 3)
Exercise period of share acquisition rights*	From July 15, 2027 to July 14, 2035
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥2,010 Amount credited to paid-in capital: ¥1,005
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

- Notes:
1. Same as Note 1 of the 7th Share Acquisition Rights.
 2. Same as Note 2 of the 3rd Share Acquisition Rights.
 3. Same as Note 3 of the 3rd Share Acquisition Rights.
 4. Exercise conditions of share acquisition rights

- (1) Persons who have received an allotment of the share acquisition rights (hereinafter the "Share Acquisition Rights Holder") may exercise their share acquisition rights if the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (July 14, 2035) exceeds ¥3,987.
However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

- (2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary of the Company as Director, Audit & Supervisory Board Member, Executive Officer or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.
- (3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.
- (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
- (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
- (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.
5. Same as Note 5 of the 3rd Share Acquisition Rights.
6. Same as Note 6 of the 3rd Share Acquisition Rights.
7. Same as Note 7 of the 3rd Share Acquisition Rights.

O. 18th Share Acquisition Rights

Date of resolution	September 16, 2025
Category and number of recipients (Persons)	Directors of the Company: 5
Number of share acquisition rights (Units)*	1,940 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 194,000 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,943 (Notes 2 & 3)
Exercise period of share acquisition rights*	From August 27, 2027 to August 26, 2035
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,943 Amount credited to paid-in capital: ¥972
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

- Notes:
1. Same as Note 1 of the 7th Share Acquisition Rights.
 2. Same as Note 2 of the 3rd Share Acquisition Rights.
 3. Same as Note 3 of the 3rd Share Acquisition Rights.
 4. Exercise conditions of share acquisition rights

- (1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (August 26, 2035) exceeds ¥3,987.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

- (2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary of the Company as Director, Audit & Supervisory Board Member, Executive Officer or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.
- (3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.
- (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
- (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.
- (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.
5. Same as Note 5 of the 3rd Share Acquisition Rights.
6. Same as Note 6 of the 3rd Share Acquisition Rights.
7. Same as Note 7 of the 3rd Share Acquisition Rights.

P. 19th Share Acquisition Rights

Date of resolution	September 16, 2025
Category and number of recipients (Persons)	Directors of the Company: 5
Number of share acquisition rights (Units)*	1,147 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 114,700 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,943 (Notes 2 & 3)
Exercise period of share acquisition rights*	From September 17, 2027 to August 26, 2035
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,943 Amount credited to paid-in capital: ¥972
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the last day of the fiscal year (May 31, 2026) is provided. There was no change in these matters as at the end of the month before the filing date (July 31, 2026).

- Notes:
1. Same as Note 1 of the 7th Share Acquisition Rights.
 2. Same as Note 2 of the 3rd Share Acquisition Rights.
 3. Same as Note 3 of the 3rd Share Acquisition Rights.
 4. Exercise conditions of share acquisition rights

- (1) Persons who have received an allotment of the share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) may exercise their share acquisition rights, up to the limit of the ratio set forth in (2) if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (August 26, 2035) exceeds ¥3,987 and the conditions set forth in (2) are satisfied. However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

- (2) The Share Acquisition Rights Holders may exercise 50% of their share acquisition rights only if the amount of net sales in the Company’s consolidated statement of income for the fiscal year ending May 31, 2027 has exceeded ¥61,518 million or the amount of adjusted operating profit therein has exceeded ¥11,073 million, and may exercise 100% of their share acquisition rights only if both the net sales amount has exceeded ¥61,518 million and the adjusted operating profit amount has exceeded ¥11,073 million. In determining the net sales amount and the adjusted operating profit amount, there are events, such as changes in the applicable accounting standards and the acquisitions of companies, which can have a major impact on the business results of the Company. In the event that the Board of Directors determines that it is not appropriate to make a judgment based on actual figures, the Company will eliminate the effect of the acquisition of a company, etc. within a reasonable range, and it shall be deemed possible to adjust the actual figures used for judgment. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company’s Board of Directors.
- (3) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary of the Company as Director, Audit & Supervisory Board Member, Executive Officer or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Company’s Board of Directors.
- (4) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.
- (5) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
- (6) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.
- (7) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.
5. Same as Note 5 of the 3rd Share Acquisition Rights.
6. Same as Note 6 of the 3rd Share Acquisition Rights.
7. Same as Note 7 of the 3rd Share Acquisition Rights.
8. The share acquisition rights were issued with compensation at ¥4,800 per one share acquisition right. Based on ¥1,943 of issuance price and ¥972 of amount credited to paid-in capital in the case where shares are issued through exercise of share acquisition rights, the issuance price shall be ¥1,991 reflecting the carrying amount

per share of the share acquisition rights at the time of exercise, and amount credited to paid-in capital shall be ¥996 as a result of addition of ¥24, which is half of the maximum amount of increase of share capital, etc. (any fraction less than ¥1 arising as a result of the calculation shall be rounded up to the nearest yen), in accordance with Article 17, paragraph (1), item (i) of the Regulation on Corporate Accounting.

Q. 20th Share Acquisition Rights

Date of resolution	July 13, 2026
Category and number of recipients (Persons)	Executive Officers and employees of the Company: 103 A Director and an employee of the Company's subsidiaries: 2
Number of share acquisition rights (Units)*	2,128 (Note 1)
Class, description and number of shares to be acquired upon exercise of share acquisition rights (Shares)*	Common shares: 212,800 (Note 1)
Amount to be paid upon exercise of share acquisition rights (Yen)*	¥1,723 (Notes 2 & 3)
Exercise period of share acquisition rights*	From July 14, 2028 to July 13, 2036
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights (Yen)*	Issuance price: ¥1,723 Amount credited to paid-in capital: ¥862
Exercise conditions of share acquisition rights*	(Note 4)
Matters concerning transfer of share acquisition rights*	(Note 5)
Matters concerning the grant of the share acquisition rights in association with an organizational restructuring*	(Note 7)

* Description as of the date of resolution of issue (July 13, 2026) is provided.

- Notes:
1. Same as Note 1 of the 7th Share Acquisition Rights.
 2. Same as Note 2 of the 3rd Share Acquisition Rights.
 3. Same as Note 3 of the 3rd Share Acquisition Rights.
 4. Exercise conditions of share acquisition rights

- (1) Persons who have received an allotment of the share acquisition rights (hereinafter the "Share Acquisition Rights Holder") may exercise their share acquisition rights if the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the Allotment Date of the share acquisition rights to the end of the period of exercise of the rights (July 13, 2036) exceeds ¥3,987.

However, in the event of a stock split or stock consolidation after the Allotment Date, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\text{Share price after adjustment} = \text{Share price before adjustment} \times \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

- (2) The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary of the Company as Director, Audit & Supervisory Board Member, Executive Officer or employee at the time of exercising the share acquisition rights. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.
- (3) In the event that the Share Acquisition Rights Holder dies, the inheritance of the share acquisition rights shall not be permitted.
- (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
- (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
- (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.
5. Same as Note 5 of the 3rd Share Acquisition Rights.
6. Same as Note 6 of the 3rd Share Acquisition Rights.
7. Same as Note 7 of the 3rd Share Acquisition Rights.

2) Shareholder rights plans

Not applicable.

3) Share acquisition rights for other uses

Not applicable.

(3) Exercise of bonds with share acquisition rights with exercise price revision clause, etc.

Not applicable.

(4) Changes in total number of issued shares, share capital, etc.

Month/date/year	Increase (decrease) in total number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Increase (decrease) in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Increase (decrease) in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
June 1 to November 30, 2021 (Note 1)	31,684	31,215,329	63	6,376	63	4,116
December 1, 2021 (Note 2)	93,645,987	124,861,316	—	6,376	—	4,116
January 1 to May 31, 2022 (Note 3)	102,280	124,963,596	50	6,426	50	4,166
From June 1, 2022 to May 31, 2023 (Note 4)	446,988	125,410,584	155	6,582	155	4,322
From June 1, 2023 to May 31, 2024 (Note 5)	424,832	125,835,416	192	6,774	192	4,514
From June 1, 2024 to May 31, 2025 (Note 6)	681,036	126,516,452	429	7,203	429	4,944
From June 1, 2025 to May 31, 2026 (Note 7)	284,148	126,800,600	154	7,358	154	5,099

- Notes: 1. Between June 1, 2021 and November 30, 2021, the total number of issued shares increased by 31,684 shares, and share capital and legal capital surplus each increased by ¥63 million due to the exercise of share acquisition rights.
2. Due to the 4-for-1 stock split.
3. Between January 1, 2022 and May 31, 2022, the total number of issued shares increased by 102,280 shares, and share capital and legal capital surplus each increased by ¥50 million due to the exercise of share acquisition rights.
4. Between June 1, 2022 and May 31, 2023, the total number of issued shares increased by 446,988 shares, and share capital and legal capital surplus each increased by ¥155 million due to the exercise of share acquisition rights.
5. Between June 1, 2023 and May 31, 2024, the total number of issued shares increased by 424,832 shares, and share capital and legal capital surplus each increased by ¥192 million due to the exercise of share acquisition rights.
6. Between June 1, 2024 and May 31, 2025, the total number of issued shares increased by 681,036 shares, and share capital and legal capital surplus each increased by ¥429 million due to the exercise of share acquisition rights.
7. Between June 1, 2025 and May 31, 2026, the total number of issued shares increased by 284,148 shares, and share capital and legal capital surplus each increased by ¥154 million due to the exercise of share acquisition rights.
8. Between June 1, 2026 and the end of the month before the filing date (July 31, 2026), the total number of issued shares increased by 33,356 shares, and share capital and legal capital surplus each increased by ¥21 million due to the exercise of share acquisition rights.

(5) Shareholding by shareholder category

As of May 31, 2026

Category	Shareholding status (Number of shares per share unit: 100 shares)								Shares less than one unit (Shares)
	Public sector	Financial institutions	Financial instruments business operators	Other corporations	Foreign investors		Individuals, etc.	Total	
					Companies, etc.	Individuals			
Number of shareholders (Persons)	–	12	32	71	242	100	10,999	11,456	–
Number of shares held (Units)	–	103,263	54,719	335,755	485,553	743	287,428	1,267,461	54,500
Shareholding ratio (%)	–	8.15	4.31	26.49	38.31	0.06	22.68	100.00	–

Note: Of treasury shares of 662,658 shares, 6,626 units are included in “Individuals, etc.” and 58 shares are included in “Shares less than one unit.”

(6) Major shareholders

As of May 31, 2026

Name or designation	Address	Number of shares held (Shares)	Ratio of shares held to total number of shares issued (excluding treasury shares) (%)
CNK, Inc.	Midtown East 4F, 9-7-2, Akasaka Minato-ku, Tokyo	32,809,100	26.01
ICHIGO TRUST PTE. LTD. (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	1 NORTH BRIDGE ROAD, 06-08 HIGH STREET CENTRE, SINGAPORE 179094 (3-11-1 Nihombashi, Chuo-ku, Tokyo)	13,746,500	10.90
Chikahiro Terada	Suginami-ku, Tokyo	8,201,800	6.50
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	7,971,200	6.32
Kei Tomioka	Meguro-ku, Tokyo	4,215,428	3.34
Morgan Stanley MUFG Securities Co., Ltd.	OTEMACHI FINANCIAL CITY SOUTH TOWER, 1-9-7 Otemachi, Chiyoda-ku, Tokyo	2,993,451	2.37
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (SHINAGAWA INTERCITY Tower A, 2-15-1 Konan, Minato-ku, Tokyo)	2,560,387	2.03
PERSHING-DIV. OF DLJ SECS. CORP. (Standing proxy: Citibank, N.A., Tokyo Branch)	ONE PERSHING PLAZA JERSEY CITY NEW JERSEY U.S.A (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	2,500,000	1.98
Kenji Shiomi	Shinjuku-ku, Tokyo	2,218,800	1.76
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (SHINAGAWA INTERCITY Tower A, 2-15-1 Konan, Minato-ku, Tokyo)	2,091,918	1.66
Total	–	79,308,584	62.87

- Notes: 1. Of the number of shares held in The Master Trust Bank of Japan, Ltd. (Trust account) above, the number of shares related to trust activities is 3,229,500 shares.
These shares are broken down to 229,600 shares of the portion included in pension trusts and 2,999,900 shares of the portion included in investment trusts.
2. A Statement of Large-Volume Holdings (Statement of Changes) which was made available for public inspection as of September 6, 2021 shows that Pleiad Investment Advisors Limited held the following shares as of August 31, 2021. However, since the Company cannot confirm the number of shares that said company actually held as of May 31, 2026, the said company is not included in the above status of major shareholders.
The description of the Statement of Large-Volume Holdings (Statement of Changes) is as follows.
Although the Company implemented a stock split of common shares at a ratio of 4-for-1 on December 1, 2021, the following number of shares, etc. held shows the number of shares before the stock split.

Name or designation	Address	Number of shares, etc. held (Shares)	Holding ratio of share certificates, etc. (%)
Pleiad Investment Advisors Limited	26th Floor, Asia Pacific Centre, 8 Wyndham Street, Central, Hong Kong	Shares: 1,029,091	3.30

3. A Statement of Large-Volume Holdings (Statement of Changes) which was made available for public inspection as of September 7, 2021 shows that T. Rowe Price Japan, Inc. held the following shares as of August 31, 2021. However, since the Company cannot confirm the number of shares that said company actually held as of May 31, 2026, the said company is not included in the above status of major shareholders. The description of the Statement of Large-Volume Holdings (Statement of Changes) is as follows. Although the Company implemented a stock split of common shares at a ratio of 4-for-1 on December 1, 2021, the following number of shares, etc. held shows the number of shares before the stock split.

Name or designation	Address	Number of shares, etc. held (Shares)	Holding ratio of share certificates, etc. (%)
T. Rowe Price Japan, Inc.	10th Floor, GranTokyo South Tower, 1-9-2 Marunouchi, Chiyoda-ku, Tokyo	Shares: 1,077,847	3.46

4. A Statement of Large-Volume Holdings (Statement of Changes) which was made available for public inspection as of August 22, 2023 shows that FIL Investments (Japan) Limited held the following shares as of August 15, 2023. However, since the Company cannot confirm the number of shares that said company actually held as of May 31, 2026, the said company is not included in the above status of major shareholders. The description of the Statement of Large-Volume Holdings (Statement of Changes) is as follows.

Name or designation	Address	Number of shares, etc. held (Shares)	Holding ratio of share certificates, etc. (%)
FIL Investments (Japan) Limited	7-7-7 Roppongi, Minato-ku, Tokyo	Shares: 3,595,000	2.87

5. A Statement of Large-Volume Holdings (Statement of Changes) which was made available for public inspection as of April 23, 2026 shows that Greenoaks Capital Partners LLC held the following shares as of April 16, 2026. However, since the Company cannot confirm the number of shares that said company actually held as of May 31, 2026, the said company is not included in the above status of major shareholders. The description of the Statement of Large-Volume Holdings (Statement of Changes) is as follows.

Name or designation	Address	Number of shares, etc. held (Shares)	Holding ratio of share certificates, etc. (%)
Greenoaks Capital Partners LLC	4 Orinda Way, Suite 200-C, Orinda, CA, USA	Shares: 6,186,500	4.88

6. A Statement of Large-Volume Holdings which was made available for public inspection as of May 20, 2026 shows that Wellington Management Company LLP and its joint holders Wellington Management Japan Pte Ltd and Wellington Management Singapore Pte. Ltd. held the following shares as of May 15, 2026. However, since the Company cannot confirm the number of shares that these companies actually held as of May 31, 2026, they are not included in the above status of major shareholders. The description of the Statement of Large-Volume Holdings is as follows.

Name or designation	Address	Number of shares, etc. held (Shares)	Holding ratio of share certificates, etc. (%)
Wellington Management Company LLP	280 Congress Street Boston, Massachusetts 02210, USA	Shares: 377,838	0.30
Wellington Management Japan Pte Ltd	Palace Building 7F, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo	Shares: 4,747,088	3.74
Wellington Management Singapore Pte Ltd	8 Marina Boulevard, #03-01, Tower 1, Marina Bay Financial Centre, Singapore 018981	Shares: 1,318,032	1.04
Total	—	Shares: 6,442,958	5.08

7. ICHIGO TRUST PTE. LTD. has become a new major shareholder.

(7) Voting rights
1) Issued shares

As of May 31, 2026

Category	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with no voting rights	—	—	—
Shares with restricted voting rights (Treasury shares, etc.)	—	—	—
Shares with restricted voting rights (Other)	—	—	—
Shares with full voting rights (Treasury shares, etc.)	Common shares 662,600	—	—
Shares with full voting rights (Other)	Common shares 126,083,500	1,260,835	—
Shares less than one unit	Common shares 54,500	—	—
Total number of issued shares	126,800,600	—	—
Aggregate voting rights of all shareholders	—	1,260,835	—

Note: “Shares less than one unit” includes 58 shares held in the name of the Company.

2) Treasury shares, etc.

As of May 31, 2026

Name of shareholder	Address of shareholder	Number of shares held in own name (Shares)	Number of shares held in others' names (Shares)	Total number of shares held (Shares)	Ratio of shares held to total number of shares issued (%)
Sansan, Inc.	1-1 Sakuragaoka-cho, Shibuya-ku, Tokyo	662,600	—	662,600	0.52
Total	—	662,600	—	662,600	0.52

2 Acquisition and disposal of treasury shares

[Class of shares, etc.] Acquisition of common shares that falls under Article 155, item (iii) and (vii) of the Companies Act

(1) Acquisitions by resolution of General Meeting of Shareholders
Not applicable.

(2) Acquisitions by resolution of Board of Directors

Category	Number of shares (Shares)	Total amount (Yen)
Resolution by the Board of Directors (May 19, 2026) (Acquisition period: From May 20, 2026 to June 30, 2026)	2,000,000	2,000,000,000
Treasury shares acquired before the fiscal year under review	—	—
Treasury shares acquired during the fiscal year under review	520,000	741,821,000
Total number and value of remaining shares subject to the resolution	1,480,000	1,258,179,000
Percentage of un-exercised portion as of the last day of the fiscal year under review (%)	74.00	62.91
Treasury shares acquired during the period	811,600	1,258,105,495
Ratio of un-exercised acquisition as of the date of filing (%)	33.42	0.00

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

Category	Number of shares (Shares)	Total amount (Yen)
Treasury shares acquired during the fiscal year under review	87	110,487
Treasury shares acquired during the period	4	5,876

Note: The treasury shares acquired during the period (from June 1, 2026 to the filing date of the Annual Securities Report) does not include shares acquired through the acquisition of common shares that falls under Article 155, item (vii) of the Companies Act between August 1, 2026 and the filing date of this Annual Securities Report.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	Fiscal year under review		Current period	
	Number of shares (Shares)	Total amount disposed (Yen)	Number of shares (Shares)	Total amount disposed (Yen)
Acquired treasury shares offered to third parties	—	—	—	—
Acquired treasury shares disposed of through cancellation	—	—	—	—
Acquired treasury shares transferred for mergers, share exchanges, share issuance, or company splits	—	—	—	—
Other	—	—	—	—
Number of treasury shares held	662,658	—	1,474,262	—

Note: The number of treasury shares held during the period (from June 1, 2026 to the filing date of the Annual Securities Report) does not include shares acquired through the acquisition of common shares that falls under Article 155, item (iii) and (vii) of the Companies Act between August 1, 2026 and the filing date of this Annual Securities Report.

3 Dividend policy

The Company recognizes the importance of properly returning profits to shareholders and has accordingly adopted a basic policy of providing stable shareholder returns while ensuring a balance with internal reserves. In implementing shareholder returns, the Company refers to the distributable amount and comprehensively considers its financial condition, capacity for growth investment, market environment, stock price level, and other factors. For the time being, the Company intends to position the acquisition of treasury shares as the primary means of shareholder return while considering the optimal combination with dividends.

As a result of achieving stable and continuous business growth to date, the Company is now judged to be in a phase where profit growth is structurally accelerating. Based on these circumstances, the Company has decided to pay a dividend for the first time for the fiscal year under review.

To enhance shareholder returns and as part of a flexible capital policy aimed at improving capital efficiency, the Company decided on the acquisition of treasury shares at the meeting of the Board of Directors held on May 19, 2026, and accordingly conducted the acquisition during the period from May 20, 2026 to June 18, 2026. Based on its financial condition, capacity for growth investment, stock price level, and other factors, the Company will consider acquiring treasury shares in a flexible manner.

With regard to dividends, the Company resolved at the meeting of the Board of Directors held on July 13, 2026 to pay ¥2.50 per share as a year-end dividend (the total dividend amount is ¥315 million). Going forward, as the Company is now in a phase where profit growth is structurally accelerating, the Company aims to increase the amount of shareholder returns in line with profit growth under its policy of implementing stable shareholder returns with a view to maximizing shareholder value over the medium to long term.

The Company's Articles of Incorporation states that "The dividend of surplus, etc., shall be determined in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, and, unless otherwise specified by law, will be determined by a resolution by the Board of Directors."

4 Corporate governance, etc.

(1) Overview of corporate governance

1) Basic views on corporate governance

Under the mission of “Turning encounters into innovation” and the vision of “Become business infrastructure,” the Company is developing businesses. The Company provides cloud-based solutions that promote AI transformation (AX) and reshape how people work, leading to encounters with people and companies that become business opportunities. Through this service, the Company will maximize sustainable corporate value and contribute to society while recognizing the importance of gaining the continued trust of all stakeholders.

Based on this recognition, the Company has adopted the system of a company with Audit & Supervisory Committee for the purpose of further improving its corporate governance and enhancing the soundness and transparency of management by reinforcing the supervisory function of the Directors. The Company will secure the transparency of management decision-making as well as the audit and supervision of business execution by having an Audit & Supervisory Committee. At the same time, the Company will establish an internal control system based on the Basic Policy on Internal Control Systems determined by the Board of Directors and ensure its thorough operation while striving to maintain and strengthen corporate governance.

2) System of corporate governance and reasons for adopting this system

A. Overview of the system of corporate governance

As of August 19, 2026 (the filing date of the Annual Securities Report), the Company’s system of corporate governance is as follows.

Board of Directors

The Board of Directors consists of seven Directors (including two Outside Directors and excluding those who are Audit & Supervisory Committee Members) and three Directors who are Audit & Supervisory Committee Members (all of them are Outside Directors), totaling ten Directors (five full-time Directors and five Outside Directors). The Company has invited as Outside Directors persons such as those with experience as a director at other companies and legal experts with a detailed knowledge of corporate legal affairs and compliance, as well as persons with expertise in finance and accounting to utilize their insights on corporate management based on their wealth of business experience. In addition, we promote the establishment of a system to conduct management decision-making from a broader perspective while supervising management as well as auditing and overseeing the performance of Directors’ duties from an objective and professional perspective.

In order to conduct effective and prompt decision-making, the Board of Directors holds a regular Board of Directors meeting once a month in principle, as well as holding extraordinary meetings as needed.

The Board of Directors discusses and makes decisions on management plans and other important matters, receives reports from Executive Directors, and supervises the status of business execution, in accordance with laws and regulations and the Articles of Incorporation.

Chairperson:	Chikahiro Terada, Representative Director & CEO
Composition of members:	Director Kei Tomioka, Director Kenji Shiomi, Director Yuta Ohma, Director Muneyuki Hashimoto, Director Tohru Akaura (Outside Director), Director Shigemiki Komori (Outside Director), Director who is an Audit & Supervisory Committee Member Maki Suzuki (Outside Director), Director who is an Audit & Supervisory Committee Member Toko Shiotsuki (Outside Director), Director who is an Audit & Supervisory Committee Member Tsunehiro Shirota (Outside Director)

* The Company has proposed “Election of Seven Directors (Excluding Those Who Are Audit & Supervisory Committee Members)” and “Election of Two Directors Who Are Audit & Supervisory Committee Members” as agenda items for resolution at the Annual General Meeting of Shareholders scheduled to be held on August 20, 2026. If these proposals are approved and adopted, and if the proposals to be submitted to the meeting of the Board of Directors scheduled to be held immediately after the said Annual General Meeting of Shareholders are approved, there will be no change in the composition of the above Board of Directors.

Executive Committee

The Company has established the Executive Committee as an advisory body for business execution to develop a system that contributes to the appropriate and prompt execution of business by the Board of Directors and officers in charge, etc. The Executive Committee consists of all full-time Directors and officers in charge and meets as necessary. The Committee operates with an awareness of the mobility and flexibility of business execution and decision-making, for example, by inviting people other than its members for certain advisory matters.

Chairperson: Chikahiro Terada, Representative Director & CEO

Composition of members: Director Kei Tomioka, Director Kenji Shiomi, Director Yuta Ohma, Director Muneyuki Hashimoto

- * The Company has proposed “Election of Seven Directors (Excluding Those Who Are Audit & Supervisory Committee Members)” as an agenda item for resolution at the Annual General Meeting of Shareholders scheduled to be held on August 20, 2026. If this proposal is approved and adopted, and if the proposals to be submitted to the meeting of the Board of Directors scheduled to be held immediately after the said Annual General Meeting of Shareholders are approved, there will be no change in the composition of the above Executive Committee.

Audit & Supervisory Committee

The Company’s Audit & Supervisory Committee comprises three Directors who are Audit & Supervisory Committee Members. All Committee Members are Outside Directors. Directors who are Audit & Supervisory Committee Members include attorneys, persons with knowledge of finance and accounting, and persons with experience in corporate management. Thus, the Company has established a structure in which management supervision is conducted from the standpoint of each Committee member’s professional ethics.

Directors who are Audit & Supervisory Committee Members express opinions on Directors’ execution of business at meetings of the Board of Directors and other meetings.

The Audit & Supervisory Committee monitors the vision of governance and its operational status. In order to audit and supervise the everyday activities of the Directors, including the Directors’ performance of duties, the Audit & Supervisory Committee implements audits based on the audit plan and holds meetings of the Audit & Supervisory Committee once a month while convening meetings with the Internal Auditing Department and Financial Auditors, and sharing information necessary for auditing.

Chairperson: Director who is an Audit & Supervisory Committee Member Maki Suzuki (Outside Director)

Composition of members: Director who is an Audit & Supervisory Committee Member Toko Shiotsuki (Outside Director),
Director who is an Audit & Supervisory Committee Member Tsunehiro Shiota (Outside Director)

- * The Company has proposed “Election of Two Directors Who Are Audit & Supervisory Committee Members” as an agenda item for resolution at the Annual General Meeting of Shareholders scheduled to be held on August 20, 2026. If this proposal is approved and adopted, and if the proposals to be submitted to the meeting of the Audit & Supervisory Committee scheduled to be held immediately after the said Annual General Meeting of Shareholders are approved, there will be no change in the composition of the above Audit & Supervisory Committee.

Nomination and Remuneration Advisory Committee

In order to strengthen the functions of the Board of Directors pertaining to nomination, remuneration, etc. of Directors as well as the independence, objectivity and accountability of the Board of Directors, the Company obtains appropriate involvement of Independent Outside Directors including from the perspective of diversity, such as gender, and skills in nomination, remuneration, etc. of Directors.

The Nomination and Remuneration Advisory Committee consists of three or more members appointed by resolution of the Board of Directors. In order to ensure the independence of the committee, Independent Outside Directors make up a majority, and the chairperson is selected from the committee members who are Independent Outside Directors, and elected by resolution of the committee.

The Nomination and Remuneration Advisory Committee deliberates in advance matters related to the nomination of Directors, appointment and dismissal of Directors, remuneration of Directors (excluding those who are Audit & Supervisory Committee Members) and other matters for which the Board of Directors seeks advice, and provides reports to the Board of Directors. The Board of Directors is decided by the Board of Directors based on the details of a report from the Nomination and Remuneration Advisory Committee.

Committee chair: Director who is an Audit & Supervisory Committee Member Maki Suzuki (Outside Director)
Composition of members: Director Tohru Akaura (Outside Director), Director Shigemiki Komori (Outside Director)

* The Company has proposed “Election of Seven Directors (Excluding Those Who Are Audit & Supervisory Committee Members)” and “Election of Two Directors Who Are Audit & Supervisory Committee Members” as agenda items for resolution at the Annual General Meeting of Shareholders scheduled to be held on August 20, 2026. If these proposals are approved and adopted, and if the proposals to be submitted to the meetings of the Board of Directors scheduled to be held immediately after the said Annual General Meeting of Shareholders are approved, there will be no change in the composition of the above Nomination and Remuneration Advisory Committee.

Internal audits

The Company's Internal Auditing Department is an entity placed directly under the Representative Director & CEO to ensure independence from other departments executing business, and reports audit results to the Representative Director & CEO, the Audit & Supervisory Committee, and the Board of Directors.

The Internal Auditing Department cooperates with the Audit & Supervisory Committee and the Financial Auditor and shares the information necessary for auditing, thereby enhancing the effectiveness of each audit.

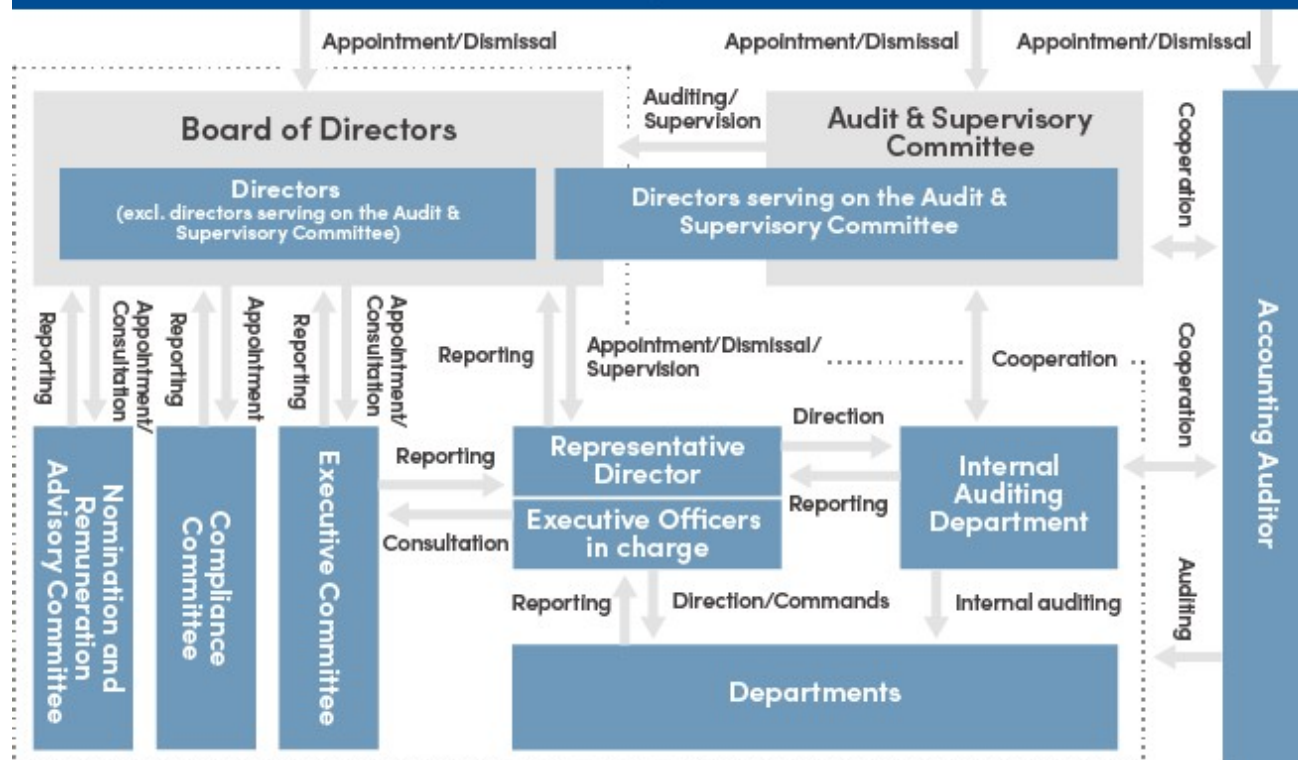
B. Reasons for adopting this system

The Company has judged that the current corporate governance structure is a corporate governance system that can realize the strengthening of the Board of Directors decision-making and supervisory functions and the acceleration of business execution, and has adopted the current structure for the establishment of a corporate governance structure that will realize transparent and fair management as well as swift decision-making.

C. Relationship between the Company's organization and internal control

The Company's corporate governance structure is as shown in the diagram below.

General Meeting of Shareholders



3) Status of the preparedness of the internal control system

The Company strives to maintain and enhance corporate governance by the establishment and strict operation of an internal control system based on the Basic Policy on Internal Control System, which was determined by the Board of Directors.

A. System to ensure that the execution of duties by Directors and employees complies with laws and regulations as well as the Articles of Incorporation (System for strict compliance with laws and regulations and the Articles of Incorporation)

- Directors and employees carry out appropriate corporate activities based on high ethical standards and comply with laws and regulations and internal rules such as the Articles of Incorporation in accordance with the Company's corporate philosophy and code of conduct, "The Katachi of Sansan."
- Establish the Compliance Committee to oversee the compliance systems, with the Representative Director & CEO as the person who has the ultimate responsibility for compliance, and while determining policies and measures related to compliance, monitor the progress of such policies and measures and promote compliance.
- Develop rules for a Whistle-Blower System, and strive to ensure awareness and compliance with the rules to prevent illegal, inappropriate or unethical behavior by Directors, employees, etc., and to detect issues at an early stage, implement corrective measures and prevent recurrence.
- Establish the Internal Auditing Department, an independent entity under the direct supervision of the Representative Director & CEO, and implement audits based on internal audit regulations to verify if execution of business operations is being conducted based on laws and regulations, the Articles of Incorporation, and internal and other rules while at all times strive to make improvements when issues are discovered.

B. System for storage and management of information related to execution of duties by Directors (Information storage and management system)

- The Company shall appropriately prepare, store and manage documents, business forms, various information such as records made in an electronic format based on the Rules on Information Asset Management, after classifying according to level of confidentiality.
- Directors may access these documents and records at any time.

C. Rules and other systems for managing risk of loss (Risk management system)

- Appropriately manage a host of potential risks in the Company's business activities through the establishment of internal rules and a response system.
- For risks identified at each department through the execution of business operations, internal audit process, etc., assess the risks from the perspective of the frequency of occurrence and impact level, and strive to prevent and early detect risks.
- Due to the nature of the Company's business, give utmost priority to the appropriate handling of personal information, appoint a person in charge of personal information protection, and make efforts to minimize the risks associated with the management of personal information by establishing internal rules centered on a set of basic regulations for the protection of personal information.
- Reduce information security risks by appointing a chief information security officer with responsibility and authority for information security risks and risk management and establishing rules on management of information systems.
- Establish a system for promptly and appropriately reporting, managing and responding in the event that an incident occurs or any kind of risk arises. Directors shall immediately report to the Audit & Supervisory Committee in the event of an incident or any kind of risk arising that may cause a major loss to the Company.

D. System to ensure that the duties of the Directors are being carried out efficiently (System for securing efficiency)

- In accordance with laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors, hold regular meetings of the Board of Directors once a month and convene extraordinary meetings of the Board of Directors as needed in order to discuss and make decisions on management plans and other important matters, receive reports from Executive Directors, and supervise the status of business execution.
- In order to realize agile execution of business operations based on the decisions and delegations of the Board of Directors, we have established an executive committee consisting of executive directors and others, and through the development and operation of the executive officer system and organizational regulations, establish suitable and efficient decision-making and business-execution systems, and clarifying areas of responsibility and authority related to corporate organs, organizational structures and positions.

E. System to ensure the properness of business operations of the corporate group composed of the Company and its subsidiaries (Internal control of corporate group)

- The Company and its subsidiaries, which comprise the Sansan Group, have held up a policy to carry out appropriate corporate activities based on high ethical standards and to comply with policies and rules applied group-wide, their respective corporate philosophy and code of conduct as well as applicable laws and regulations and internal rules, such as the Articles of Incorporation, and endeavor to develop fair and responsible business to contribute to sustainable growth of the Sansan Group.
- As the basic policy for involvement in management of its subsidiaries, the Company has established the Rules on Management of Subsidiaries and maintains a system in which group governance can function, such as concluding business management agreements with the subsidiaries for establishing systems that require the Company's approval or reporting to the Company regarding important matters in business operations of the subsidiaries.
- The Internal Auditing Department implements regular audits in order to verify if the business operations of the Company and its subsidiaries are in compliance with laws and regulations, the Articles of Incorporation, internal rules, and other regulations.

- F. Internal control system for financial reporting (System to ensure properness of financial reporting)
- In order to secure the properness of financial reporting of the Company and its subsidiaries, the Company shall develop and appropriately operate internal rules, including the Basic Policy on Internal Controls Related to Financial Reporting, based on the Financial Instruments and Exchange Act and other laws and regulations in Japan and overseas that apply to the Company and its subsidiaries.
 - Develop and operate a monitoring system for financial reporting and establish a system for timely and appropriate reporting when internal control system problems or defects are identified through the monitoring system.
 - In terms of information infrastructure, effective and efficient use of the internal control system is made for financial reporting and the Company shall respond appropriately with respect to general control and application control of that structure.
- G. Matters related to the Office that assists the duties of the Audit & Supervisory Committee, matters related to the independence of members of that Office, and matters on ensuring the practicability of instructions to those members (Establishing an Office and Office member for the Audit & Supervisory Committee) (Independence of the Office member for the Audit & Supervisory Committee) (Ensuring practicability of instructions to the Office member of the Audit & Supervisory Committee)
- Establish an Office under the direct control of the Audit & Supervisory Committee and an Office member is designated to assist the duties of the Committee's members on a full time basis.
 - The supervisory authority over that Office member is to belong exclusively to the Audit & Supervisory Committee and the appointment, transfer, performance evaluation, disciplinary action, and other matters regarding the member require the approval of, and prior notification to, the Audit & Supervisory Committee.
- H. System for submitting reports to the Audit & Supervisory Committee, which includes the system for Directors and employees to report to the Audit & Supervisory Committee (System for reporting to the Audit & Supervisory Committee)
- Directors and employees shall promptly inform the Audit & Supervisory Committee of any matter that may have a significant impact on the Company and the implementation status of internal audits as well as legal matters, and provide necessary reports and information in response to requests from the Audit & Supervisory Committee.
 - Ensure that there is an appropriate reporting system in accordance with the rules for a Whistle-Blower System. The Company shall not treat any Director or employee unfavorably on the basis of said Director or employee using the System to give a report.
- I. Other systems for ensuring the effectiveness of audits by the Audit & Supervisory Committee (Systems for ensuring the effectiveness of audits by the Audit & Supervisory Committee)
- The Company ensures the efficiency and effectiveness of audits by having an Audit & Supervisory Committee member or an Office member of the Audit & Supervisory Committee attend meetings of the Board of Directors or other important meetings and gather information necessary for the audits.
 - The Representative Director & CEO shall meet regularly with the Audit & Supervisory Committee and Financial Auditor to exchange opinions and communicate effectively.
 - The Audit & Supervisory Committee shall meet regularly with the Financial Auditor to exchange opinions, as well as exchange information with auditing organizations at all times, such as by receiving the audit plan and reports on the results of auditing from the Internal Auditing Department.
 - The operation status of the Whistle-Blower System and other compliance systems shall be regularly reported to the Audit & Supervisory Committee.
 - Payments of reasonable costs incurred in the process of executing the duties of the Audit & Supervisory Committee member shall be addressed upon a request for payment.

In addition to the above, the Company shall conduct fair and responsible corporate activities through the formulation of the basic policy regarding prevention of bribery and corruption and the basic policy regarding anti-social forces, as well as securing and maintaining a compliance structure through the dissemination and implementation of such policies inside and outside the Company.

4) Summary of details of limited liability agreements

In accordance with Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with its Outside Directors to limit their liability for damages under Article 423, paragraph (1) of said Act. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for under laws and regulations.

5) Outline of the content of indemnification agreements entered into with officers, etc.

The Company has entered into indemnification agreements with Directors (excluding those who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members as provided for under Article 430-2, paragraph (1) of the Companies Act, under which the Company shall indemnify them for the expenses provided for in item (i) and the loss provided for in item (ii) of said paragraph to the extent provided for in laws and regulations. However, in order to ensure that the appropriateness of the execution of duties by the Company's officers is not impaired by said indemnification agreement, the following items are not covered by the indemnification.

- Portion of litigation expenses that exceeds the amount of expenses normally required
- If the Company is to compensate for damages, etc., in the event that the indemnified Director (below, the "indemnified person") is liable to the Company under Article 423, paragraph (1) of the Companies Act, the portion of the damages, etc. that relates to such liability
- All of the damages, etc. for which the indemnified person is liable due to his/her malicious intent or gross negligence in performing his/her duties

In addition, even after the Company has paid compensation to the indemnified person, the indemnified person shall return all or part of the compensation to the Company in the following cases.

- All of the compensated expenses, etc., if it is found that the indemnified person has performed his/her duties for the purpose of gaining unjust benefits for him/herself or a third party or causing damage to the Company
- If it is found that all or part of the expenses, etc. compensated under this agreement cannot be compensated, the portion of the compensated expenses, etc. that cannot be compensated under this agreement
- In the event that the indemnified person receives compensation from an insurer in accordance with an insurance contract that the Company concludes with an insurer, which promises that the insurer will cover the damages that may arise due to the indemnified person assuming responsibility for the execution of his/her duties or receiving a claim related to the pursuit of such responsibility, and which names the indemnified person as the insured, the portion of expenses, etc. for which compensation was received

6) Outline of the contents of the directors and officers liability insurance policy the Company has entered into, that names the Director or officer as the insured

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured includes Directors (excluding those who are Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, Executive Officers, and Directors of subsidiaries of the Company (the "Officers, etc."). By resolution of the Board of Directors, the insureds do not bear any of the insurance premiums. Under this insurance policy, the insured will be compensated for the damages and litigation expenses incurred by the insured as a result of a claim for damages arising from the insured's conduct as an officer of the Company or its subsidiaries. However, in order to ensure that the appropriateness of the execution of duties by the insured is not impaired, the following cases are not covered.

- Cases in which the Company or its Officers, etc. have illegally obtained profits or benefits
- Actions taken with the full knowledge that they are in violation of laws and regulations or the Company's internal regulations, etc.

7) Number of Directors

The Company's Articles of Incorporation stipulate that the number of Directors (excluding those who are Audit & Supervisory Committee Members) shall be eight or less. The Articles of Incorporation stipulate that the number of Directors who are Audit & Supervisory Committee Members shall be five or less.

8) Requirements for resolutions for the election of Directors (excluding those who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members

The Company stipulates in its Articles of Incorporation that resolutions for the election of Directors shall distinguish between Directors who are Audit & Supervisory Committee Members and those Directors who are not, and that shareholders who hold one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights shall be in attendance, and that resolutions shall be passed with a majority of such voting rights.

In addition, the Articles of Incorporation stipulate that cumulative voting shall not be used for the election of Directors.

9) Requirements for special resolutions at the General Meeting of Shareholders

Regarding the requirements for special resolutions at the General Meeting of Shareholders stipulated in Article 309, paragraph (2) of the Companies Act, the Articles of Incorporation stipulate that shareholders who hold one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights shall be in attendance, and that such resolutions shall be passed with two-thirds or more of such voting rights. The purpose of this is to allow the General Meeting of Shareholders to proceed smoothly, by relaxing the quorum required for special resolutions at the General Meeting of Shareholders.

10) Organization determining dividends of surplus etc.

The Company's Articles of Incorporation stipulate that matters stipulated in each item of Article 459, paragraph (1) of the Companies Act, such as dividends of surplus, shall be determined by a resolution of the Board of Directors and not by a resolution of the General Meeting of Shareholders, unless otherwise stipulated by laws and regulations. The purpose of this is to agilely return profits to shareholders, by having the Board of Directors exercise the authority to distribute dividends of surplus.

11) Specific efforts for the elimination of anti-social forces

The Company, in its basic policy regarding anti-social forces, stipulates that it shall never associate with anti-social forces or groups, and we have never associated with anti-social forces to date.

We conduct thorough checks on business partners when initiating transactions and when renewing contracts. In addition to including statements and guarantees to the effect that a business partner is not an anti-social force, the content of contractual documents such as service agreements and business alliance agreements also makes it possible to cancel the contract even if the business partner is discovered to be an anti-social force after the fact. In addition, we have established internal rules regarding the elimination of anti-social forces, and we conduct regular reviews of our business partners.

12) Regarding the system for managing subsidiaries and affiliates

The Company has established the Rules on Management of Subsidiaries with the aim of ensuring the appropriateness of the business operations of the entire Group that consists of the Company and its subsidiaries, and we are in the process of establishing a system for group governance to function, such as concluding business management agreements with subsidiaries based on said Rules.

13) Basic policy regarding the control of the Company

The Company believes that those who control decisions regarding financial and operational policy should strive to concentrate business resources in a manner that maximizes corporate value and augments the Company's mutual interests with its shareholders with the aim of consistently achieving sustainable growth.

Whereas the Company has not adopted anti-takeover measures at this point in time, we will continue to review matters flexibly while monitoring changes with respect to social affairs and other circumstances.

14) Activities of the Board of Directors

During the fiscal year under review, the Company held 13 meetings of the Board of Directors, and the attendance record for each Director is as follows.

Name	Number of times attended	Attendance ratio
Chikahiro Terada	13 times	100%
Kei Tomioka	13 times	100%
Kenji Shiomi	13 times	100%
Yuta Ohma	13 times	100%
Muneyuki Hashimoto	13 times	100%
Tohru Akaura	13 times	100%
Taro Saito	2 times	67%
Shigemiki Komori	10 times	100%
Maki Suzuki	13 times	100%
Toko Shiotsuki	13 times	100%
Tsunehiro Shiota	13 times	100%

- Notes:
1. The attendance record for Taro Saito states his attendance up to August 26, 2025, when he resigned due to the expiration of his term of office.
 2. The attendance record for Shigemiki Komori states his attendance after he assumed office on August 26, 2025.

Major matters deliberated at the Board of Directors during the fiscal year under review were as follows.

- Matters for deliberation as stipulated by law
- Matters concerning management plans and business strategies
- Matters concerning organizational restructuring, division of duties, and important personnel changes
- Matters concerning financial results, business performance, and investments and loans
- Matters concerning compliance and governance
- Matters concerning sustainability, etc.

15) Activities of the Nomination and Remuneration Advisory Committee

During the fiscal year under review, the Company held 5 meetings of the Nomination and Remuneration Advisory Committee, and the attendance record for each Committee Member is as follows.

Name	Number of times attended	Attendance ratio
Maki Suzuki	5 times	100%
Tohru Akaura	5 times	100%
Taro Saito	2 times	100%
Shigemiki Komori	3 times	100%
Yuta Ohma	2 times	100%

- Notes:
1. The attendance records for Taro Saito and Yuta Ohma state their attendance up to August 26, 2025, when they concluded their service as committee members.
 2. The attendance record for Shigemiki Komori states his attendance after he assumed office of committee member on August 26, 2025.

Major matters deliberated at the Nomination and Remuneration Advisory Committee during the fiscal year under review were as follows.

- Matters concerning policies and procedures for nominating Directors
- Matters concerning the selection of director candidates for the 18th Annual General Meeting of Shareholders
- Matters concerning policies for determining the remuneration etc. of Directors (excluding those who are Audit & Supervisory Committee Members), decision procedures, and individual remuneration, etc.
- Matters concerning the remuneration level of Directors (excluding those who are Audit & Supervisory Committee Members)
- Matters concerning the proposal for remuneration of Directors (excluding those who are Audit & Supervisory Committee Members) for the 18th Annual General Meeting of Shareholders
- Matters concerning the composition of the Nomination and Remuneration Advisory Committee after the 18th Annual General Meeting of Shareholders

(2) Officers

1) List of Officers

- A. As of August 19, 2026 (the filing date of the Annual Securities Report), the status of the Company's officers is as follows.

Eight men and two women (20.0% of officers are women)

Title	Name	Date of birth	Career summary	Term of office	Number of shares held (Shares)
Representative Director & CEO Executive Officer, CEO and CPO	Chikahiro Terada	December 29, 1976	April 1999 May 2001 February 2006 June 2007 Joined Mitsui & Co., Ltd. Worked for Mitsui Comtek Corp. in Silicon Valley Seconded as General Manager of Corporate Management Department of Mitsui Bussan Secure Directions, Inc. Assumed office as Representative Director & CEO of the Company (current position)	(Note 3)	8,201,800
Director Executive Officer and COO Executive in charge of the Sansan Division, Bill One Division and Contract One Division	Kei Tomioka	May 26, 1976	April 1999 June 2007 June 2021 Joined Oracle Corporation Japan Assumed office as Director of the Company (current position) Outside Director of Fringe81 Co., Ltd. (currently Unipos Inc.)	(Note 3)	4,215,428
Director Executive Officer, CISO and DPO Executive in charge of the Technology Division and Eight Business	Kenji Shiomi	August 12, 1970	April 1994 December 2000 April 2005 June 2006 June 2007 Joined Bussan System Integration Co. Ltd. (currently MITSUI KNOWLEDGE INDUSTRY CO., LTD.) Seconded to Mitsui & Co., Ltd., Mitsui Comtek Corp. Joined Wisdom Networks Co., Ltd. President of United Portal Co., Ltd. Assumed office as Director of the Company (current position)	(Note 3)	2,218,800
Director Executive Officer, CHRO and CAXO Executive in charge of the Human Resources Division	Yuta Ohma	September 27, 1983	April 2006 October 2008 February 2010 August 2019 Joined WORKPORT, inc. Director of Blast Co., Ltd. Joined the Company Assumed office as Director of the Company (current position)	(Note 3)	154,312
Director Executive Officer and CFO Executive in charge of the Corporate Division	Muneyuki Hashimoto	January 10, 1982	April 2004 September 2008 January 2013 November 2017 August 2020 June 2021 Joined Lehman Brothers Japan Inc. Joined Barclays Capital Securities Japan Limited Joined DBJ Investment Advisory Co., Ltd. Joined the Company Assumed office as Director of the Company (current position) Outside Director of Fringe81 Co., Ltd. (currently Unipos Inc.)	(Note 3)	183,292

Title	Name	Date of birth	Career summary	Term of office	Number of shares held (Shares)
Director	Tohru Akaura	August 7, 1968	April 1991 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.) October 1999 General Partner of Incubate Capital Partners March 2000 Outside Director of S-Pool, Inc. (current position) June 2005 Outside Director of jig.jp Co., Ltd. (current position) August 2007 Director of the Company September 2010 Representative Director of Incubate Fund KK (current position) October 2014 Outside Audit & Supervisory Board Member of Double Standard Inc. August 2015 Director (Audit & Supervisory Committee Member) of the Company December 2017 External Director of ispace, inc. (current position) June 2021 Outside Director of Double Standard Inc. (current position) August 2024 Assumed office as Director of the Company (current position)	(Note 3)	1,734,500
Director	Shigemiki Komori	April 7, 1958	April 1982 Joined Yokogawa Hewlett-Packard, Ltd. (currently Hewlett Packard Japan, G.K.) March 2014 Representative Director and Senior Executive Vice President of Hewlett-Packard Japan, Ltd. (currently Hewlett Packard Japan, G.K.) April 2015 Senior Executive Vice President of Salesforce.com Co., Ltd. (currently Salesforce Japan Co., Ltd.) April 2021 Founder and Representative Director of KRM Corporation (current position) February 2024 Vice Chairman of the Board of Salesforce Japan Co., Ltd. February 2025 President and Representative Director of THEMIX Green, Inc. (current position) March 2025 Director and CSO of Knowledge Work Inc. (current position) August 2025 Assumed office as Director of the Company (current position)	(Note 3)	—
Director (Audit & Supervisory Committee Member)	Maki Suzuki	July 4, 1977	October 2003 Registered with the Tokyo Bar Association July 2009 Joined TMI Associates Registered with the New York State Bar Association October 2017 Joined Shintaro Sato Law Office (current position) February 2021 Registered with the Daini Tokyo Bar Association August 2022 Assumed office as Director (Audit & Supervisory Committee Member) of the Company (current position) June 2023 Outside Director, Audit & Supervisory Committee Member of nms Holdings Corporation December 2023 Outside Audit & Supervisory Board Member of T. HASEGAWA CO., LTD. (current position)	(Note 4)	—

Title	Name	Date of birth	Career summary	Term of office	Number of shares held (Shares)
Director (Audit & Supervisory Committee Member)	Toko Shiotsuki	January 9, 1973	April 1996 Joined Japan Airlines Co., Ltd. October 1999 Passed the second exam for certified public accountants July 2000 Standing Auditor of CyberAgent, Inc. March 2007 Juris Doctor, The University of Tokyo School of Law December 2017 Director (Full-time Audit and Supervisory Committee member) of CyberAgent, Inc. (current position) August 2021 Assumed office as Director (Audit & Supervisory Committee Member) of the Company (current position)	(Note 5)	—
Director (Audit & Supervisory Committee Member)	Tsunehiro Shiota	September 22, 1982	April 2005 Joined Lehman Brothers Japan Inc. December 2008 Joined Barclays Capital Securities Japan Limited August 2012 Joined Evernote Corporation May 2014 Vice President, Analytics of Evernote Corporation January 2016 Vice President, Business Operations and Strategy of Evernote Corporation September 2016 Partner of WiL, LLC August 2024 Assumed office as Director (Audit & Supervisory Committee Member) of the Company (current position) December 2024 Founder and Representative Director of El Camino Real Inc. (currently Alto Inc.) (current position)	(Note 4)	—
Total					16,708,132

- Notes: 1. Tohru Akaura, Shigemiki Komori, Maki Suzuki, Toko Shiotsuki, and Tsunehiro Shiota are Outside Directors.
2. The system of the Company's Audit & Supervisory Committee is as follows.
Committee chair Maki Suzuki, Committee Member Toko Shiotsuki, Committee Member Tsunehiro Shiota
3. From the conclusion of the Annual General Meeting of Shareholders held on August 26, 2025 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended May 31, 2026.
4. From the conclusion of the Annual General Meeting of Shareholders held on August 27, 2024 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended May 31, 2026.
5. From the conclusion of the Annual General Meeting of Shareholders held on August 26, 2025 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending May 31, 2027.

- B. We have proposed “Election of Seven Directors (Excluding Those Who Are Audit & Supervisory Committee Members)” and “Election of Two Directors Who Are Audit & Supervisory Committee Members” as agenda items for resolution at the Annual General Meeting of Shareholders scheduled to be held on August 20, 2026. If these proposals are approved and adopted, the status and terms of office of the Company’s officers are expected to be as follows. Please note that the titles and other relevant information of officers stated herein reflect the resolutions expected to be adopted at the Board of Directors meeting to be held immediately after the said Annual General Meeting of Shareholders.

Eight men and two women (20.0% of officers are women)

Title	Name	Date of birth	Career summary	Term of office	Number of shares held (Shares)
Representative Director & CEO Executive Officer, CEO and CPO	Chikahiro Terada	December 29, 1976	As stated in A. above	(Note 3)	8,201,800
Director Executive Officer and COO Executive in charge of the Sansan Division, Bill One Division and Contract One Division	Kei Tomioka	May 26, 1976	As stated in A. above	(Note 3)	4,215,428
Director Executive Officer, CISO and DPO Executive in charge of the Technology Division and Eight Business	Kenji Shiomi	August 12, 1970	As stated in A. above	(Note 3)	2,218,800
Director Executive Officer, CHRO and CAXO Executive in charge of the Human Resources Division	Yuta Ohma	September 27, 1983	As stated in A. above	(Note 3)	154,312
Director Executive Officer and CFO Executive in charge of the Corporate Division	Muneyuki Hashimoto	January 10, 1982	As stated in A. above	(Note 3)	183,292
Director	Tohru Akaura	August 7, 1968	As stated in A. above	(Note 3)	1,734,500
Director	Shigemiki Komori	April 7, 1958	As stated in A. above	(Note 3)	–
Director (Audit & Supervisory Committee Member)	Maki Suzuki	July 4, 1977	As stated in A. above	(Note 4)	–
Director (Audit & Supervisory Committee Member)	Toko Shiotsuki	January 9, 1973	As stated in A. above	(Note 5)	–
Director (Audit & Supervisory Committee Member)	Tsunehiro Shiota	September 22, 1982	As stated in A. above	(Note 4)	–
Total					16,708,132

- Notes: 1. Tohru Akaura, Shigemiki Komori, Maki Suzuki, Toko Shiotsuki, and Tsunehiro Shiota are Outside Directors.
2. The system of the Company’s Audit & Supervisory Committee is as follows.
Committee chair Maki Suzuki, Committee Member Toko Shiotsuki, Committee Member Tsunehiro Shiota
3. From the conclusion of the Annual General Meeting of Shareholders held on August 20, 2026 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending May 31, 2027.
4. From the conclusion of the Annual General Meeting of Shareholders scheduled to be held on August 20, 2026 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending May 31, 2028.
5. From the conclusion of the Annual General Meeting of Shareholders held on August 26, 2025 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending May 31, 2027.

2) Outside Officers

As of the filing date, the Company has appointed two Outside Directors (excluding those who are Audit & Supervisory Committee Members) and three Outside Directors who are Audit & Supervisory Committee Members, for a total of five Outside Directors under the Companies Act. Outside Directors (excluding those who are Audit & Supervisory Committee Members) provide appropriate decision-making and management supervision as well as managerial advice from an objective and professional perspective. Meanwhile, Outside Directors who are Audit & Supervisory Committee Members provide appropriate decision-making supervision, audit and supervise the Directors' execution of their duties, and offer their opinions on overall management by utilizing their high level of expertise and wealth of experience.

In addition, as one means to continuously increase corporate value, the Company has a basic policy of appointing independent officers from among Outside Directors who have voting rights at the Board of Directors, after having determined that they are persons with no potential conflicts of interest with general shareholders. Based on this policy, we have selected all five Outside Directors of the Company as independent officers. Although we have not established any particular standards or policies regarding the independence of Outside Directors, we have appointed them by taking into account the standards for independent officers established by the Tokyo Stock Exchange, Inc. Outside Director Tohru Akaura, Outside Director Shigemiki Komori, and Outside Director who is an Audit & Supervisory Committee Member Maki Suzuki attend the Nomination and Remuneration Advisory Committee, and involve themselves from an objective standpoint in matters related to the nomination, appointment and dismissal of Directors and the remuneration of Directors (excluding those who are Audit & Supervisory Committee Members). In addition, our policy is to create an environment in which independent officers are able to fulfill the roles expected of them by working closely with other officers and sharing information about the Company.

Personal, capital, and business relationships as well as other interests between Outside Directors and the Company are as follows.

- A. Outside Director Tohru Akaura, as the Representative Director of Incubate Fund KK, possesses many years of professional experience in the venture capital business, together with a wealth of experience as a director of other companies, and has cultivated broad insights through these experiences. The Company has appointed him in the anticipation that he will provide appropriate decision-making and management supervision and offer managerial advice on general management and corporate investment from an objective and professional perspective as an independent officer. A business relationship exists between Incubate Fund KK, where he serves as Representative Director, and the Company relating to the Company's services. However, the amount of those transactions for both parties is immaterial (less than 1% of the Company's sales) and falls within a range where no conflict of interest with general shareholders may arise. Accordingly, the Company has determined that there are no concerns over his independence as Outside Director. Other than the above, there are no personal, capital, or business relationships, or other interests between him and the Company.
- B. Outside Director Shigemiki Komori held key executive positions, including representative director, at the Japanese subsidiaries of multiple global IT companies. He possesses extensive experience in sales strategy, organizational management, and the promotion of sales digital transformation (DX) in the enterprise business and the software business, as well as broad insight through these experiences. The Company has appointed him in anticipation that he will provide appropriate decision-making and management supervision and offer managerial advice on sales strategy and organizational operation from an objective and professional perspective as an independent officer. A business relationship exists between KRM Corporation, where he serves as Representative Director, and the Company relating to a consulting agreement for sales strategy. However, the annual amount of those transactions is less than ¥5 million. A business relationship exists between Knowledge Work Inc., where he serves as Director and CSO, and the Company relating to the Company's services and services provided by that company. However, the amount of those transactions for both parties is immaterial (less than 1% of the Company's sales). Since the amounts involved in these transactions fall within a range where no conflict of interest with general shareholders may arise. Accordingly, the Company has determined that there are no concerns over his independence as Outside Director. Other than the above, there are no personal, capital, or business relationships, or other interests between him and the Company.
- C. Outside Director who is an Audit & Supervisory Committee Member Maki Suzuki has experience as an outside officer at other companies and has gained specialist knowledge in corporate legal affairs and compliance, etc., as well as a wealth of insight in judicial precedents, in her career as an attorney. The Company has appointed her in the anticipation that she will provide important opinions on the Company's management, including diversity, in addition to auditing and supervising the Directors' performance of their duties as an independent officer. There are no personal, capital, or business relationships, or other interests between her and the Company.
- D. Outside Director who is an Audit & Supervisory Committee Member Toko Shiotsuki has degrees as a junior accountant and a doctor of jurisprudence (professional), and has extensive experience in business companies, including serving as a Director (full-time Audit & Supervisory Committee member) of a listed company by leveraging her broad insight in accounting, auditing and legal affairs. The Company has appointed her in the anticipation that she will provide important opinions on the Company's management, including diversity, in addition to auditing and supervising the Directors' performance of their duties as an independent officer. There are no personal, capital, or business relationships, or other interests between her and the Company.
- E. Outside Director who is an Audit & Supervisory Committee Member Tsunehiro Shirota has extensive experience and broad insight, having been involved in domestic and cross-border M&A deals, fundraising, and startup investments at U.S. securities firms and global funds, as well as serving as a vice president of a U.S. software company. The Company has appointed him in the anticipation that he will provide important opinions, including perspectives of investment, finance, and corporate governance, on the Company's management as well as audit and supervise the Directors' performance of their duties as an independent officer. There are no personal, capital, or business relationships, or other interests between him and the Company.

The Company has proposed "Election of Seven Directors (Excluding Those Who Are Audit & Supervisory Committee Members)" and "Election of Two Directors Who Are Audit & Supervisory Committee Members" as agenda items for resolution

at the Annual General Meeting of Shareholders scheduled to be held on August 20, 2026. If these proposals are approved and adopted, Outside Directors Tohru Akaura and Shigemiki Komori will be reappointed, and Outside Directors who are Audit & Supervisory Committee Members Maki Suzuki and Tsunehiro Shirota will be reappointed. As a result, the Company will elect a total of five Outside Directors under the Companies Act, consisting of two Outside Directors (excluding those who are Audit & Supervisory Committee Members) and three Outside Directors who are Audit & Supervisory Committee Members. In addition, if the proposals to be submitted to the meeting of the Board of Directors scheduled to be held immediately after the said Annual General Meeting of Shareholders are approved, all five Outside Directors will be designated as independent officers, and Outside Director Tohru Akaura, Outside Director Shigemiki Komori, and Outside Director who is an Audit & Supervisory Committee Member Maki Suzuki will be appointed as members of the Nomination and Remuneration Advisory Committee.

3) Mutual cooperation between supervision or audits by Outside Directors and internal audits, audits by the Audit & Supervisory Committee, and financial audits, and the relationship with the internal control department
Outside Directors supervise general management by receiving necessary information from the Office under the Board of Directors, the Office under the Audit & Supervisory Committee, and the Office under the Nomination and Remuneration Advisory Committee, and by offering meaningful opinions from an objective and professional perspective as independent officers at meetings of the Board of Directors. In addition, as necessary and appropriate, the Company exchanges opinions with Directors who are Audit & Supervisory Committee Members, the Financial Auditor, and the Internal Auditing Department in order to promote collaboration.

As described in “(3) Audits” below, we believe that there is sufficient cooperation between the supervision or audits by Outside Directors who are Audit & Supervisory Committee Members and audits by the Audit & Supervisory Committee and financial audits, as well as with the internal control department.

(3) Audits

1) Audit & Supervisory Committee's audits

The Company's Audit & Supervisory Committee consists of three members, Maki Suzuki, Toko Shiotsuki, and Tsunehiro Shiota, all of whom are Outside Directors, and is chaired by Maki Suzuki, an Outside Director (independent officer). Based on the Audit & Supervisory Committee's guidelines, the Audit & Supervisory Committee carries out audit operations in line with auditing standards, auditing policies, the Audit Plan, auditing methods, etc. decided by the Audit & Supervisory Committee. Maki Suzuki, an Outside Director who is a member of the Audit & Supervisory Committee, is a qualified attorney, and the Company has appointed her in the anticipation that she will offer recommendations and advice on the Company's legal affairs from her standpoint as an expert. Outside Director Toko Shiotsuki, who is also an Audit & Supervisory Committee member, has degrees as a junior accountant and a doctor of jurisprudence (professional), and has extensive knowledge of finance and accounting. Outside Director Tsunehiro Shiota, who is also an Audit & Supervisory Committee member, has been involved in M&A deals, fundraising, and startup investments at U.S. securities firms and global funds, and has extensive knowledge of finance and accounting.

In addition, the Company has proposed "Election of Two Directors Who Are Audit & Supervisory Committee Members" as an agenda item for resolution at the Annual General Meeting of Shareholders scheduled to be held on August 20, 2026. If this proposal is approved and adopted, and if the proposals to be submitted to the meeting of the Audit & Supervisory Committee scheduled to be held immediately after the said Annual General Meeting of Shareholders are approved, there will be no change in the composition of the above Audit & Supervisory Committee.

The Company has assigned an Office member dedicated to support the smooth execution of duties by the Audit & Supervisory Committee. Since reports and information are provided in a timely manner in response to requests from the Audit & Supervisory Committee through said Office member's participation in major meetings and inspection of important documents, etc., and an environment in which audit duties can be sufficiently carried out using the internal control system is in place, we have not appointed a full-time Audit & Supervisory Committee member.

With respect to the Company's initiatives addressing material sustainability issues, the Board of Directors has received reports, and the Audit and Supervisory Committee has conducted confirmation through hearings with the relevant departments.

During the fiscal year under review, the Company held 13 meetings of the Audit & Supervisory Committee, and the attendance record for each Audit & Supervisory Committee Member is as follows.

Name	Number of times attended	Attendance ratio
Maki Suzuki	13 times	100%
Toko Shiotsuki	13 times	100%
Tsunehiro Shiota	13 times	100%

Regarding specific matters deliberated by the Audit & Supervisory Committee, deliberations, reports and discussions were held on the following matters.

- Audit policy, audit plan
- Formation of opinions on the nomination and remuneration of Directors (excluding those who are Audit & Supervisory Committee Members)
- Consent regarding election proposals of Directors who are Audit & Supervisory Committee Members
- Audit of Directors' execution of duties
- Audit of the internal control system
- Evaluation results of the Board of Directors' effectiveness
- Preparation of audit reports
- Evaluation and reappointment or non-reappointment of the Financial Auditor, and consent regarding the remuneration for the Financial Auditor
- Exchange of opinions with the Internal Auditing Department and reporting of internal audit plans and internal audit results
- Status of operation of compliance/whistle-blower system
- Status of initiatives on material sustainability issues and related matters

The Audit & Supervisory Committee checks whether the Company's internal control systems are being established and operated appropriately, receives regular reports on the comprehensive implementation status of audits from the Internal Auditing Department, and shares information at the meeting of the Audit & Supervisory Committee. Furthermore, in order to foster sufficient communication and deepen mutual awareness between Audit & Supervisory Committee Members and the Representative Director & CEO, they exchange opinions under the theme of significant auditing issues, etc.

By attending meetings of the Board of Directors, etc., each Audit & Supervisory Committee Member receives information regarding the status of business execution, and by giving their opinions regarding this, audits and monitors the legality and suitability, and ensures appropriate business execution.

In addition, the Audit & Supervisory Committee monitors and verifies whether the Financial Auditors maintain their independence and implement appropriate audits, and receives reports from the Financial Auditors regarding the performance of their duties and requests explanations when necessary. Moreover, the Audit & Supervisory Committee receives notification from the Financial Auditors regarding steps to improve the "systems for ensuring that the performance of the duties is being carried out properly" (as enumerated in each item of Article 131 of the Regulation on Corporate Accounting) in compliance with the "Quality Control Standard for Audit" (adopted by the Business Accounting Council), etc., and requests explanations when necessary.

2) Internal audits

The Company has established the Internal Auditing Department as an entity under the direct supervision of the Representative Director and conducts planned and systematic internal audits. The Internal Auditing Department consists of one head and two

staff members. Internal audits are conducted by the head and staff member of the Internal Auditing Department, along with internal auditors appointed by the head of the Internal Auditing Department, under the following framework.

Internal audits cover the Group's compliance with laws and regulations, the Articles of Incorporation, and internal and other rules governing its business activities; the development and operation of the compliance systems; the reasonableness and effectiveness of operations for achieving management objectives; and the management and safeguarding of various assets. The objective of internal auditing is to examine and evaluate the effectiveness of internal controls established and operated at the Group, and to point out matters that require improvement and offer advice toward making improvement.

We establish an audit plan to ensure that all of our business sites, departments, and subsidiaries in Japan and overseas are subject to audits at least once every three years, and conduct internal audits accordingly. We also conduct annual audits for business operations necessary for obtaining and maintaining business licenses and international standards certifications, etc.

The Internal Auditing Department formulates an annual audit plan in collaboration with the Audit & Supervisory Committee and conducts audits after receiving the approval of the Representative Director. Audit results are summarized monthly and reported to the Representative Director and the Audit & Supervisory Committee. For areas requiring improvement, corrective instructions are issued to the audited departments, and the status of improvements is monitored before being reported again to the Representative Director and the Audit & Supervisory Committee. In addition, a comprehensive audit report is submitted to the Board of Directors once a year.

The Internal Auditing Department cooperates with the Audit & Supervisory Committee and the Financial Auditor and shares information necessary for auditing.

3) Financial audits

a. Name of audit firm
KPMG AZSA LLC

b. Period continuously audited
Twelve years

c. Certified public accountants who performed the audit
Takemitsu Nemoto
Shinichiro Tozuka

The number of years continuously audited is omitted because it is less than seven years for all of them.

d. Composition of assistants involved in the audit:

Assistants involved in the audit of the Company consist of 19 certified public accountants and 28 other persons.

e. Policy and reasons for selecting audit firm

The Company does not have a policy for selecting Financial Auditors, but makes its decision based on the number of audit days, personnel allocation, and verification and evaluation of the audit performance of the previous fiscal year.

f. Evaluation of the audit firm by the Audit & Supervisory Committee

The Company's Audit & Supervisory Committee evaluates the audit firm. In conducting this evaluation, the Audit & Supervisory Committee monitors and verifies whether the Financial Auditors maintain their independence and implement appropriate audits, and receives reports from the Financial Auditors regarding the performance of their duties and requests explanations when necessary. In addition, regarding the systems to ensure the proper execution of duties, the Audit & Supervisory Committee receives notifications that the "Quality Control Standard for Audit" (adopted by the Business Accounting Council on October 28, 2005), etc. is being followed, and requests explanations. Based on the above, the Audit & Supervisory Committee has evaluated the performance of duties by the audit firm in accordance with the evaluation items in the "Practical Guidelines for Corporate Auditors, etc. Regarding the Establishment of Criteria for Evaluation and Selection of Financial Auditors" (adopted by the Japan Audit & Supervisory Board Members Association on November 10, 2015), and has not found any problems.

g. Change of audit firm

The Company's audit firm is scheduled to change as follows.

The 19th term (From June 1, 2025 to May 31, 2026)	(Consolidated, Non-consolidated):	KPMG AZSA LLC
The 20th term (From June 1, 2026 to May 31, 2027)	(Consolidated, Non-consolidated):	Ernst & Young ShinNihon LLC

Matters presented in an Extraordinary Report are as follows.

(1) Name of the auditing certified public accountants, etc. to be appointed or retired

1) Name of the auditing certified public accountants, etc. to be appointed
Ernst & Young ShinNihon LLC

2) Name of the auditing certified public accountants, etc. to be retired
KPMG AZSA LLC

(2) Scheduled date of change

August 20, 2026

(3) Date of appointment of the retiring auditing certified public accountants, etc.

August 26, 2014

(4) Opinions, etc. in audit reports, etc. prepared by the retiring auditing certified public accountants, etc. in the last three years

Not applicable.

(5) Reasons and background for the change

The term of office of the accounting auditor, KPMG AZSA LLC, will expire at the conclusion of the 19th Annual General Meeting of Shareholders scheduled to be held on August 20, 2026. Although the accounting auditor has a sufficient system to ensure that accounting audits are conducted appropriately and properly, in light of the number of years of continuous audits, the Company considered multiple audit firms, including the current accounting auditor. As a result, the Company determined that Ernst & Young ShinNihon LLC is suitable as our accounting auditor, as the Company expects audits from a new perspective, and the Company has comprehensively considered the firm's expertise, independence, quality control system, and scale.

(6) Opinions on the reasons and background for the change in (5)

1) Opinions of the retiring auditing certified public accountants, etc.

The Company has received a response stating that there are no particular opinions.

2) Opinions of the Audit and Supervisory Committee

The Company has determined that it is appropriate.

4) Details etc. of remuneration for audits

A. Details of remuneration for auditing certified public accountants, etc.

(Millions of yen)

Category	Previous fiscal year		Fiscal year under review	
	Remuneration based on audit and attestation services	Remuneration based on services other than auditing	Remuneration based on audit and attestation services	Remuneration based on services other than auditing
Reporting company	35	—	42	—
Consolidated subsidiaries	—	—	—	—
Total	35	—	42	—

Notes: 1. In addition to the above, the Company paid additional remuneration of ¥3 million in the previous fiscal year relating to the audit for the fiscal year before the previous fiscal year.
2. In addition to the above, the Company paid additional remuneration of ¥8 million in the fiscal year under review relating to the audit for the previous fiscal year.

B. Remuneration for the same network (KPMG member firms) as auditing certified public accountants, etc. (excluding (A))

Previous fiscal year

Not applicable.

Fiscal year under review

Not applicable.

C. Remuneration based on other important audit and attestation services

Not applicable.

D. Policy for determining remuneration for audits

The Company's policy for determining remuneration for audits by auditing certified public accountants, etc. is determined by taking into consideration the audit plan, audit content, and number of audit days presented by the audit firm, and after obtaining the consent of the Audit & Supervisory Committee pursuant to Article 399, paragraph (1) of the Companies Act.

E. Reasons the Audit & Supervisory Committee agreed to the remuneration, etc. for the Financial Auditor

The Company's Audit & Supervisory Committee has, based on the "Practical Guidelines for Cooperation with Financial Auditors" published by the Japan Audit & Supervisory Board Members Association, checked and examined the details of the audit plan of the Financial Auditor, the status of the performance of duties by the Financial Auditor, and the basis for calculating remuneration estimates, and as a result, the Committee has agreed to them as provided for in Article 399, paragraph (1) of the Companies Act, because it believes that the remuneration, etc. for the Financial Auditor is appropriate and reasonable from the viewpoint of ensuring audit quality and independence of the Financial Auditor.

(4) Remuneration etc. of officers

- 1) Matters concerning the policy regarding the determination of the amount of remuneration, etc. for officers or the method for calculation thereof

Following consultation with the Nomination and Remuneration Advisory Committee, the Company made the decision regarding the policy for deciding the details of remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the fiscal year under review at a meeting of the Board of Directors based on the said Committee's report.

Remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the fiscal year under review consists of basic remuneration, which is a fixed monetary remuneration, performance-linked bonus as short-term incentive remuneration, stock options with share price conditions as medium- to long-term incentive remuneration and stock remuneration-type stock options. In consideration of their roles and duties, remuneration, etc. of Directors who are Audit & Supervisory Committee Members is limited to basic remuneration, which is fixed monetary remuneration.

The individual remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the fiscal year under review was deliberated by the Nomination and Remuneration Advisory Committee, the majority of whose members and chairperson are independent Outside Directors, from the perspective of ensuring objectivity and transparency, and a report was submitted stating that the details and decision process were in accordance with the relevant decision-making policy. The Board of Directors made decisions based on the content of the report, and therefore, the Company judges that the details thereof are in accordance with the said policy.

The details of the decision policy regarding the details of individual remuneration, etc. of Directors for the fiscal year under review are as follows.

- a. Policy for determining the amount or calculation method of individual remuneration, etc. of Directors regarding basic remuneration (fixed monetary remuneration) and performance-linked remuneration

As individual monetary remuneration, etc. of Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors), the Company shall pay basic remuneration (fixed monetary remuneration) and performance-linked bonuses as short-term incentive remuneration for improving business performance in each fiscal year. The Company shall pay basic remuneration (fixed monetary remuneration) only to Outside Directors who are not Audit & Supervisory Committee Members.

The amount of individual basic remuneration for Directors who are not Audit & Supervisory Committee Members shall be updated and determined each fiscal year within the limits of the total amount of remuneration resolved at the General Meeting of Shareholders, taking into consideration the position and responsibilities and business execution status of each Director and the Company's performance and economic conditions, etc.

The amount of individual performance-linked bonuses for Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors) shall be updated and determined each fiscal year, taking into consideration each Director's position and responsibilities, etc. based on the degree of achievement against the performance targets for each fiscal year. In each fiscal year, the Company shall set a bonus base amount for each individual, which is the basis for calculation, and a payment coefficient based on the degree of achievement of performance targets, and the amount calculated by multiplying the bonus base amount by a payment coefficient ranging from 0% to 200% shall be paid. The performance target for each fiscal year shall be based on consolidated sales growth rate and adjusted operating profit, which are the most important management indicators of the Company. The ratio of the total bonus base amount to the total monetary remuneration shall be designed to be approximately 30%.

The amount of individual basic remuneration for Directors who are Audit & Supervisory Committee Members shall be determined by consultation of all Audit & Supervisory Committee Members within the limits of the total amount of remuneration resolved at the General Meeting of Shareholders.

- b. Introduction and decision policy for non-monetary remuneration

With regard to individual remuneration, etc. of Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors), stock options with share price conditions and stock remuneration-type stock options may be granted as medium- to long-term incentive remuneration. The ratio of these stock options to basic remuneration shall be decided and appropriate limits and conditions shall be set based on the business environment, remuneration level at other companies, etc. in order to make the stock options incentives that encourage the maximization of Directors' performance and willingness to contribute in addition to appropriate risk taking as a result of the further strengthening of the link with shareholder value.

The Stock Options to be granted as individual remuneration, etc. to Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors) from the fiscal year ending May 2026 onward shall set forth a malus clause. This clause enables all or part of unexercised stock options granted to a Director to be forfeited in specific cases by determination of the Board of Directors following consultation with the Nomination and Remuneration Advisory Committee. Such specific cases include a serious violation against laws and regulations or internal rules of the Company caused by the relevant Director or in an area in charge of said Director.

The introduction of a non-monetary remuneration plan as other individual remuneration, etc. of Directors shall require a resolution of the Board of Directors. When introducing such a remuneration plan, the Board of Directors shall determine the details of the plan, the policy for determining the amount (calculation method), and the ratio of each form of remuneration that constitutes the individual remuneration, etc. based on the details of a report from the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

- c. Policy for determining the level, timing of payment/granting, and conditions of remuneration, etc. to Directors

Remuneration for Directors shall be designed with reference to the remuneration levels of companies of similar business size and in related industries and business categories, using the officers' remuneration database of an external research organization.

Among the remuneration, etc. for Directors, fixed remuneration shall be paid monthly, and the performance-linked bonus shall be paid in a lump sum at a certain time each year. In addition, stock options with share price conditions and stock remuneration-type stock options shall take into consideration the timing of payment/granting, conditions, etc. based on stock options granted in the past, number of years in office, etc.

This shall not apply in cases where expenses to be paid as remuneration are separately incurred.

d. Matters concerning the decisions on remuneration, etc.

Individual remuneration, etc. of Directors who are not Audit & Supervisory Committee Members shall be decided at a meeting of the Board of Directors based on the details of a report from the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

In the event of issuing stock options with share price conditions and stock remuneration-type stock options for Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors), a resolution of the General Meeting of Shareholders shall be obtained, and details of the proposal for the General Meeting of Shareholders shall be determined at a meeting of the Board of Directors based on a report of the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

Activities of the Board of Directors in the process of determining remuneration etc. for Directors for the fiscal year under review are as follows.

July 24, 2025	Resolved to determine performance indicators for performance-linked bonuses, to determine the ratio of the total performance-linked bonus to total monetary remuneration, and to revise the policy for determining remuneration, etc., including a malus clause for stock options to be granted as non-monetary remuneration, for Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors)
August 26, 2025	Resolved to determine the amount of individual remuneration, etc. for Directors (excluding those who are Audit & Supervisory Committee Members)
September 16, 2025	Resolved to issue stock options with share price conditions for Directors (excluding those who are Audit & Supervisory Committee Members)

2) Total amount of remuneration, etc. for each officer category, total amount of remuneration, etc. by type, and number of officers to whom it is applicable

Officer category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of applicable officers (Number of persons)
		Fixed remuneration	Performance-linked bonuses	Stock option	
Director (excluding persons who are Audit & Supervisory Committee Members and Outside Directors)	367	175	113	78	5
Outside Director (including Audit & Supervisory Committee Members)	30	30	—	—	6

- Notes: 1. The above table includes one Outside Director who retired as Director (excluding persons who are Audit & Supervisory Committee Members) at the conclusion of the 18th Annual General Meeting of Shareholders held on August 26, 2025.
2. The performance targets, the basis for calculating the amount of performance-linked bonuses, are based on a consolidated sales growth rate and an adjusted operating profit target achievement rate, the important management indicators for the Company. The consolidated sales growth rate was 24.4% and the adjusted operating profit target achievement rate was 117.7% for the fiscal year under review. The calculation method for the amount of performance-linked bonuses for the fiscal year under review is as follows:

$$\begin{aligned} \text{Amount of performance-linked bonus} = & \text{bonus base amount} \times \text{payment coefficient (1)} \times \text{benchmark weight 75\%} \\ & + \text{bonus base amount} \times \text{payment coefficient (2)} \times \text{benchmark weight 25\%} \end{aligned}$$

Payment coefficient (1)

Consolidated sales growth rate	Payment coefficient
26% or more	200%
25% or more	170%
24% or more	160%
23% or more	150%
22% or more	80%
21% or more	50%
20% or more	30%
Under 20%	0%

Payment coefficient (2)

Adjusted operating profit target achievement rate	Payment coefficient
110% or more	200%
105% or more	150%
100% or more	120%
95% or more	75%
90% or more	50%
Under 90%	0%

3. The column “Stock option” shows the amount of expenses recorded in the fiscal year under review for share acquisition rights as stock options with share price conditions and stock remuneration-type stock options with share price conditions for Directors (excluding those who are Audit & Supervisory Committee Members).
4. The total annual amount of remuneration paid to Directors (excluding those who are Audit & Supervisory Committee Members) shall not exceed ¥500 million (including ¥50 million for Outside Directors), as resolved at the 17th Annual General Meeting of Shareholders held on August 27, 2024. The number of Directors (excluding those who are Audit & Supervisory Committee Members) at the conclusion of the said General Meeting of Shareholders was seven (including two Outside Directors).
5. The total annual amount of remuneration paid to Directors who are Audit & Supervisory Committee Members shall not exceed ¥50 million, as resolved at the Extraordinary General Meeting of Shareholders held on January 30, 2019. Number of Directors who are Audit & Supervisory Committee Members at the conclusion of said General Meeting of Shareholders was four.
6. The maximum amount of remuneration for share acquisition rights as stock remuneration-type stock options with share price conditions for Directors (excluding those who are Audit & Supervisory Committee Members) was resolved at the 16th Annual General Meeting of Shareholders held on August 29, 2023, separate from the maximum amount of remuneration mentioned in 4. above, to be up to ¥250 million (the total number of these share acquisition rights issued within one year from the date of the said General Meeting of Shareholders is limited to 3,000). Number of Directors (excluding those who are Audit & Supervisory Committee Members) at the conclusion of the said General Meeting of Shareholders was five. Details of share acquisition rights issued in the 17th term based on the resolution of the said General Meeting of Shareholders are described in “IV. Information About Reporting Company, 1 Company’s shares, etc., (2) Share acquisition rights, 1) Description of stock-option system, J. 12th Share Acquisition Rights.” The share price condition for these share acquisition rights stipulates that they may be exercised if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the allotment date of the share acquisition rights to the end of the period of exercise of the rights (August 29, 2033) exceeds ¥2,344. This share price condition was met during the fiscal year ended May 31, 2025.
7. The maximum amount of remuneration for share acquisition rights as stock options with share price conditions for Directors (excluding those who are Audit & Supervisory Committee Members) was resolved at the 18th Annual General Meeting of Shareholders held on August 26, 2025, separate from the maximum amount of remuneration mentioned in 4. and 6. above, to be up to ¥500 million (the total number of these share acquisition rights issued within one year from the date of the said General Meeting of Shareholders is limited to 6,500). Number of Directors (excluding Outside Directors and those who are Audit & Supervisory Committee Members) at the conclusion of the said General Meeting of Shareholders was five. Details of share acquisition rights issued in the 19th term based on the resolution of the said General Meeting of Shareholders are described in “IV. Information About Reporting Company, 1 Company’s shares, etc., (2) Share acquisition rights, 1) Description of stock-option system, O. 18th Share Acquisition Rights.”

3) Total amount of remuneration, etc. for each officer of the reporting company

Name	Total amount of remuneration (Millions of yen)	Officer category	Company category	Amount of remuneration by type (Millions of yen)		
				Fixed remuneration	Performance-linked bonuses	Stock option
Chikahiro Terada	102	Director	Reporting company	65	33	3

Note: Only Directors whose total remuneration, etc. exceeds ¥100 million are listed.

4) Important items from among the employee salary portion of an officer who concurrently serves as an employee
Not applicable.

5) Matters concerning incentives for Directors

To provide an incentive separate from the above remuneration system for Directors, the Company has introduced the Performance Target-linked Stock Acquisition Rights (Stock Options with Charge) for Directors (excluding those who are Audit & Supervisory Committee Members) of the Company, which aims to provide an incentive to improve the Company's shareholder value and corporate value over the medium- to long-term, on the condition that performance targets and other conditions are achieved. Directors (excluding those who are Audit & Supervisory Committee Members), may acquire such rights based on their own investment judgment.

5) Stock held

1) Criteria and approach to classification of investment stocks

Regarding the classification of investment stocks held for pure investment purposes and investment stocks held for purposes other than pure investment purposes, the Company classifies those investment stocks held solely for the purpose of profiting from fluctuations of stock value or dividends from stocks as investment stocks held for pure investment purposes, and classifies investment stocks other than the foregoing to be investment stocks held for purposes other than pure investment purposes.

2) Investment stocks held for purposes other than pure investment

- a. Holding policy, method of verifying the rationale behind the holdings, and details of verification by the Board of Directors, etc. regarding the suitability of holding each stock

When considering the acquisition of stock, the Company verifies the rationale for holding it and whether to hold it or not based on the matters specified below.

- Whether it will lead to the enhancement of the Company's corporate value in the medium to long term, such as there being business synergy, etc.
- Whether it will have a negative impact on the Company's financial soundness
- Whether the holding ratio and acquisition amount exceed the range deemed reasonably necessary

b. Number of issues and balance sheet amount

	Number of issues (Issues)	Total carrying amount on the balance sheet (Millions of yen)
Unlisted shares	13	397
Shares other than unlisted shares	1	234

(Issues whose number of shares increased in the fiscal year under review)

	Number of issues (Issues)	Total acquisition price related to the increase in the number of shares (Millions of yen)	Reason for the increase in the number of shares
Unlisted shares	2	67	To strengthen business partnership
Shares other than unlisted shares	—	—	—

(Issues whose number of shares decreased in the fiscal year under review)

	Number of issues (Issues)	Total selling price related to the decrease in the number of shares (Millions of yen)
Unlisted shares	3	2,124
Shares other than unlisted shares	1	32

- c. Information on the number of shares for each specified investment stock and deemed holding stock, carrying amount on the balance sheet, etc.

Issue name	Fiscal year under review	Previous fiscal year	Purpose of holding, summary of business partnership, etc., quantitative effect of holding and reasons for the increase in the number of shares	Whether or not the Company owns shares
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount on the balance sheet (Millions of yen)	Carrying amount on the balance sheet (Millions of yen)		
Unipos Inc. *1	—	366,200	(Purpose of holding) To strengthen business partnership.	None
	—	64	(Summary of business partnership) Sales support such as provision of sales and marketing know-how (Quantitative effect of holding) *2	
ULURU.CO., LTD	600,000	150,000	(Purpose of holding) To strengthen business partnership.	None
	234	227	(Summary of business partnership) Improvement of the added value of existing services and consideration of new business development through the use of each other's resources (Quantitative effect of holding) *2 The number of shares increased because of a stock split.	

*1 With respect to the shares of Unipos Inc., as stated in “II. Status of Business 5. Important contracts *Transfer of Shares in Unipos Inc.*,” they were transferred on July 1, 2025.

*2 Since it is difficult to quantitatively describe the effect of holding specific investment stocks, we will describe the method of verifying the rationale behind the holdings. Each term, the Company verifies the effects of holding individual stock, and confirms that all of the stock it holds are held for purposes that are in line with the holding policy.

- 3) Investment stocks held for pure investment purposes

Not applicable.

- 4) Investment stocks for which the purpose of holding was changed from pure investment to purposes other than pure investment during the fiscal year under review

Not applicable.

- 5) Investment stocks for which the purpose of holding was changed from purposes other than pure investment to pure investment during the fiscal year under review and the preceding four fiscal years

Not applicable.

5 Employees

(1) Basic policy on human resource strategies

The Group's basic policy on human resource strategies is presented in "II. Status of Business, 2 Policy and initiatives related to sustainability, (3) Initiatives on investments in human resources, 2) Strategy." Based on these human resource strategies, we determine employee salaries and compensation by comprehensively considering factors such as recruitment and retention of talented human resources, business performance and market trends, while also ensuring that employees' roles, abilities, and performance are appropriately reflected.

(2) Employees

(1) Consolidated companies

As of May 31, 2026

Name of segment	Number of employees (Persons)	
Sansan/Bill One Business	1,767	(690)
Eight Business	272	(47)
Reportable segments total	2,039	(737)
Corporate (shared)	297	(46)
Total	2,336	(783)

- Notes:
1. The number of employees represents the number of employed persons (including contract employees). For the number of temporary employees (including part-timers), the annual average number of staff is shown in parentheses and is excluded from the above number.
 2. The number of employees shown as Corporate (shared) represents the number of those who belong to departments that cannot be classified into any specific business segment as well as to the administrative department.

(2) Reporting company

As of May 31, 2026

Number of employees (Persons)	Average age (Years)	Average years of employment (Years)	Average annual salary (Millions of yen)	Year-on-year change in average annual salary (%)
2,077 (771)	32.1	3.4	8.1	3.8

Name of segment	Number of employees (Persons)	
Sansan/Bill One Business	1,601	(683)
Eight Business	221	(45)
Reportable segments total	1,822	(728)
Corporate (shared)	255	(43)
Total	2,077	(771)

- Notes:
1. The number of employees represents the number of employed persons (including contract employees). For the number of temporary employees (including part-timers), the annual average number of staff is shown in parentheses and is excluded from the above number.
 2. Average annual salary represents the figure for full-time employees of the Company and includes bonuses and supplemental wages.
 3. The number of employees shown as Corporate (shared) represents the number of those who belong to departments that cannot be classified into any specific business segment as well as to the administrative department.

(3) Labor union

Although a labor union has not been formed for the Group, the labor-management relations have been amicable.

(4) Description of share acquisition rights granted exclusively to employees and other personnel

The Company grants share acquisition rights to employees and other personnel. Description of the said share acquisition rights are presented in "IV. Information About Reporting Company, 1 Company's shares, etc., (2) Share acquisition rights, 1) Description of stock-option system."

- (5) Percentage of female employees in management positions, rate of male employees taking childcare leave, and gender wage gap for workers

1) Reporting company

For the fiscal year under review				
Percentage of female employees in management positions (%) (Note 1)	Rate of male employees taking childcare leave (%) (Note 2)	Gender wage gap for workers (%) (Note 3)		
		All workers	Of which, full-time employees	Of which, non-full-time employees
14.2	80.2	53.1	81.1	52.1

- Notes: 1. Calculated based on the provisions of “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015).
2. Calculated the rate of taking childcare leave in Article 71-6 item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) based on “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).
3. Calculated the ratio of female employees’ average annual wage to male employees’ average annual wage.

2) Consolidated subsidiaries

This information is omitted because the consolidated subsidiaries are not obligated to disclose the information pursuant to the provisions of “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015) and “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

V. Accounting

1. Method of preparing consolidated financial statements and non-consolidated financial statements

- (1) The Company's consolidated financial statements are prepared in accordance with the "Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976).
- (2) The Company's non-consolidated financial statements are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Order No. 59 of 1963, hereinafter referred to as "Regulation on Financial Statements").
In addition, the Company falls under the category of special company submitting financial statements, and prepares its non-consolidated financial statements in accordance with the provisions of Article 127 of the Regulation on Financial Statements.

2. Audit attestation

In accordance with the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, KPMG AZSA LLC has audited the consolidated financial statements for the fiscal year (from June 1, 2025 to May 31, 2026) and the non-consolidated financial statements for the fiscal year (from June 1, 2025 to May 31, 2026).

3. Special efforts to ensure the appropriateness of consolidated financial statements, etc.

The Company makes special efforts to ensure the appropriateness of its consolidated financial statements, etc. Specifically, in order to properly understand the details of accounting standards, etc. and establish a system that can appropriately respond to changes in accounting standards, etc., we participate in training sessions on changes in accounting standards, etc. held by audit firms and other external organizations, and hold discussions with audit firms as necessary.

1 Consolidated financial statements and other information

(1) Consolidated financial statements

1) Consolidated balance sheet

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	31,172	37,006
Accounts receivable - trade	*1 1,409	*1 1,438
Prepaid expenses	1,077	1,664
Other	1,742	4,019
Allowance for doubtful accounts	(9)	(39)
Total current assets	35,392	44,088
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,445	2,511
Accumulated depreciation	(450)	(700)
Buildings and structures, net	1,994	1,811
Other	1,041	1,131
Accumulated depreciation	(398)	(523)
Other, net	642	607
Total property, plant and equipment	2,637	2,419
Intangible assets		
Software	724	975
Goodwill	951	866
Other	0	—
Total intangible assets	1,675	1,841
Investments and other assets		
Investment securities	3,727	2,241
Leasehold deposits	2,063	2,251
Deferred tax assets	1,964	1,584
Other	523	595
Allowance for doubtful accounts	—	(64)
Total investments and other assets	8,278	6,608
Total non-current assets	12,591	10,869
Total assets	47,984	54,958

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	815	360
Current portion of long-term borrowings	938	1,751
Current portion of bonds payable	—	40
Accounts payable - other	2,708	2,594
Income taxes payable	1,100	2,003
Accrued consumption taxes	669	1,344
Advances received	*2 17,469	*2 21,489
Provision for bonuses	1,016	1,368
Provision for loss on share sale contract	2,301	—
Other	773	880
Total current liabilities	27,792	31,831
Non-current liabilities		
Bonds payable	—	70
Long-term borrowings	2,634	874
Provision for retirement benefits for directors (and other officers)	58	58
Retirement benefit liability	59	62
Deferred tax liabilities	—	2
Other	1,399	964
Total non-current liabilities	4,150	2,032
Total liabilities	31,943	33,864
Net assets		
Shareholders' equity		
Share capital	7,203	7,358
Capital surplus	4,800	3,522
Retained earnings	3,072	9,851
Treasury shares	(302)	(1,043)
Total shareholders' equity	14,775	19,688
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	97	200
Foreign currency translation adjustment	75	110
Total accumulated other comprehensive income	173	311
Share acquisition rights	973	1,011
Non-controlling interests	118	82
Total net assets	16,040	21,094
Total liabilities and net assets	47,984	54,958

2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Net sales	*1 43,202	*1 53,761
Cost of sales	5,791	6,497
Gross profit	37,410	47,263
Selling, general and administrative expenses	*2 34,609	*2 39,078
Operating profit	2,800	8,185
Non-operating income		
Interest income	16	75
Dividend income	5	1
Foreign exchange gains	3	—
Subsidy income	25	11
Other	17	20
Total non-operating income	67	109
Non-operating expenses		
Interest expenses	27	31
Commission expenses	5	5
Foreign exchange losses	—	13
Loss on investments in investment partnerships	39	28
Donations	15	10
Other	36	36
Total non-operating expenses	124	124
Ordinary profit	2,743	8,170
Extraordinary income		
Gain on reversal of share acquisition rights	36	32
Gain on sale of non-current assets	—	1
Gain on sale of investment securities	418	88
Gain on sales of shares of subsidiaries and affiliates	—	*3 1,436
Gain on reversal of provision for loss on share sale contract	—	15
Total extraordinary income	455	1,574
Extraordinary losses		
Loss on retirement of non-current assets	*4 47	*4 17
Head office relocation expenses	241	—
Loss on valuation of investment securities	*5 126	*5 50
Impairment losses	*6 43	*6 231
Provision for loss on share sale contract	*7 2,301	—
Loss on cancellation of treasury share acquisition rights	—	69
Total extraordinary losses	2,759	369
Profit (loss) before income taxes	439	9,375
Income taxes - current	1,031	2,269
Income taxes - deferred	(1,006)	330
Total income taxes	25	2,600
Profit (loss)	414	6,775
Profit (loss) attributable to non-controlling interests	(9)	(3)
Profit (loss) attributable to owners of parent	424	6,778

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Profit (loss)	414	6,775
Other comprehensive income		
Valuation difference on available-for-sale securities	(36)	103
Foreign currency translation adjustment	(3)	35
Total other comprehensive income	* (40)	* 138
Comprehensive income	374	6,913
Comprehensive income attributable to:		
Owners of parent	384	6,916
Non-controlling interests	(9)	(3)

3) Consolidated statement of changes in equity
Fiscal year ended May 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,774	4,371	2,648	(2)	13,792
Changes during period					
Issuance of new shares	429	429	—	—	858
Purchase of treasury shares	—	—	—	(299)	(299)
Profit (loss) attributable to owners of parent	—	—	424	—	424
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	429	429	424	(299)	982
Balance at end of period	7,203	4,800	3,072	(302)	14,775

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	134	79	213	638	128	14,772
Changes during period						
Issuance of new shares	—	—	—	—	—	858
Purchase of treasury shares	—	—	—	—	—	(299)
Profit (loss) attributable to owners of parent	—	—	—	—	—	424
Net changes in items other than shareholders' equity	(36)	(3)	(40)	335	(9)	285
Total changes during period	(36)	(3)	(40)	335	(9)	1,268
Balance at end of period	97	75	173	973	118	16,040

Fiscal year ended May 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,203	4,800	3,072	(302)	14,775
Changes during period					
Issuance of new shares	154	154	—	—	309
Purchase of treasury shares	—	—	—	(741)	(741)
Profit (loss) attributable to owners of parent	—	—	6,778	—	6,778
Change in ownership interest of parent due to transactions with non-controlling interests	—	(1,432)	—	—	(1,432)
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	154	(1,277)	6,778	(741)	4,913
Balance at end of period	7,358	3,522	9,851	(1,043)	19,688

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	97	75	173	973	118	16,040
Changes during period						
Issuance of new shares	—	—	—	—	—	309
Purchase of treasury shares	—	—	—	—	—	(741)
Profit (loss) attributable to owners of parent	—	—	—	—	—	6,778
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	(1,432)
Net changes in items other than shareholders' equity	103	35	138	37	(36)	140
Total changes during period	103	35	138	37	(36)	5,053
Balance at end of period	200	110	311	1,011	82	21,094

4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	439	9,375
Depreciation	940	902
Amortization of goodwill	131	131
Loss (gain) on sale and retirement of non-current assets	47	16
Impairment losses	43	231
Share-based payment expenses	573	110
Gain on reversal of share acquisition rights	(36)	(32)
Gain on reversal of provision for loss on share sale contract	—	(15)
Loss on cancellation of treasury share acquisition rights	—	69
Loss (gain) on sale of investment securities	(418)	(88)
Loss (gain) on sale of shares of subsidiaries and affiliates	—	(1,436)
Loss (gain) on valuation of investment securities	126	50
Loss (gain) on investments in investment partnerships	39	28
Increase (decrease) in allowance for doubtful accounts	(25)	87
Increase (decrease) in provision for bonuses	173	357
Increase (decrease) in provision for loss on share sale contract	2,301	—
Interest and dividend income	(21)	(77)
Interest expenses	27	31
Decrease (increase) in trade receivables	(126)	30
Decrease (increase) in prepaid expenses	(179)	(560)
Decrease (increase) in other assets	(343)	(2,374)
Increase (decrease) in trade payables	177	(456)
Increase (decrease) in accounts payable - other	969	(107)
Increase (decrease) in advances received	3,808	4,044
Increase (decrease) in accrued consumption taxes	20	680
Increase (decrease) in other liabilities	1,509	(209)
Other, net	(197)	189
Subtotal	9,981	10,978
Interest and dividends received	21	77
Interest paid	(27)	(31)
Income taxes paid	(324)	(1,383)
Net cash provided by (used in) operating activities	9,651	9,641
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,231)	(202)
Purchase of intangible assets	(470)	(675)
Purchase of investment securities	(400)	(2,816)
Proceeds from sale of investment securities	668	2,157
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (230)	*2 (196)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	*3 1,538
Payments of leasehold deposits	(33)	(509)
Proceeds from refund of leasehold deposits	783	199
Other, net	(635)	(103)
Net cash provided by (used in) investing activities	(2,550)	(608)

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Cash flows from financing activities		
Repayments of long-term borrowings	(907)	(1,194)
Proceeds from issuance of shares	642	263
Proceeds from issuance of share acquisition rights	14	5
Purchase of treasury shares	(299)	(741)
Purchase of treasury share acquisition rights	—	(69)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(1,465)
Other, net	(105)	(165)
Net cash provided by (used in) financing activities	(654)	(3,367)
Effect of exchange rate change on cash and cash equivalents	(3)	11
Net increase (decrease) in cash and cash equivalents	6,443	5,676
Cash and cash equivalents at beginning of period	24,729	31,172
Cash and cash equivalents at end of period	*1 31,172	*1 36,849

Notes to the consolidated financial statements

Basis of preparation of consolidated financial statements

1. Disclosure of scope of consolidation

Number of consolidated subsidiaries: 7

• Names of consolidated subsidiaries:

Sansan Global Pte. Ltd.
Sansan Global Development Center, Inc.
Sansan Global (Thailand) Co., Ltd.
Ninout, Inc.
Institute of Language Understanding Inc.
Eight Career, Inc.
One other company

Change in scope of consolidation

EDOA Corp. (currently Eight Career, Inc.) and one other company were included in the scope of consolidation for the fiscal year under review due to the acquisition of their shares.

In addition, logmi, Inc. was excluded from the scope of consolidation due to the sale of all its shares, and one other company was excluded from the scope of consolidation as the Company absorbed it in a merger.

2. Disclosure about application of equity method

Not applicable.

3. Disclosure about fiscal years, etc. of consolidated subsidiaries

The balance sheet date of all consolidated subsidiaries coincides with the balance sheet date of the consolidated financial statements of the Company.

4. Disclosure of accounting policies

(1) Accounting policy for measuring significant assets

A. Securities

Available-for-sale securities

Securities other than shares with no market price, etc.

Stated at the quoted market price. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of sales is determined using the moving-average method.

Shares with no market price, etc.

Stated at cost using the moving-average method

Investments in investment limited partnerships, etc.

Stated at the net amount equivalent to the Company's share of equity interest based on the most recent financial statements available according to the financial closing date stipulated in the partnership agreement. If the partnerships, etc. hold available-for-sale securities with valuation difference, the amount of valuation difference equivalent to the Company's share of equity interest is recorded as valuation difference on available-for-sale securities.

(2) Accounting policy for depreciation of significant assets

A. Property, plant and equipment (excluding leased assets)

Facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method, and other property, plant and equipment are depreciated using the declining-balance method.

B. Intangible assets (excluding leased assets)

Amortized using the straight-line method. Software for internal use is amortized using the straight-line method over its useful life as internally determined (three years).

C. Leased assets

Leased assets related to finance lease transactions that transfer ownership

Leased assets related to finance lease transactions that transfer ownership are depreciated by the same approach as the depreciation method applied to non-current assets owned by lessee.

Leased assets related to finance lease transactions that do not transfer ownership

Leased assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming the lease periods as useful lives without residual value.

(3) Accounting policy for significant deferred assets

Share issuance costs

Share issuance costs are fully recognized as expenses when incurred.

- (4) Accounting policy for significant provisions
- A. Allowance for doubtful accounts
To prepare for losses from bad debts, an estimated uncollectible amount is provided by using the historical rate of credit loss in the case of general receivables, or based on individual consideration of recoverability in the case of specific receivables such as highly doubtful receivables.
- B. Provision for bonuses
A reserve for the employee bonus payment is provided by recording the estimated amounts of the future payments attributed to the fiscal year under review.
- C. Provision for retirement benefits for directors (and other officers)
To provide for the payment of retirement benefits for directors (and other officers), certain consolidated subsidiaries record the amount of payment due as of the end of the fiscal year in accordance with their internal regulations.
- D. Provision for loss on share sale contract
In connection with the execution of contract to sell both currently held shares and those to be acquired in the future, we have recorded a provision for estimated losses in anticipation of potential losses that may arise from these transactions.
- (5) Accounting policy for retirement benefits
Application of the simplified method for small-sized companies, etc.
Certain consolidated subsidiaries apply the simplified method whereby retirement benefit obligations are measured at the amount of retirement benefits to be required for voluntary termination at the end of the fiscal year for the calculation of retirement benefit liability and retirement benefit expenses.
- (6) Method and period for amortization of goodwill
Goodwill is amortized over a ten-year period using the straight-line method.
- (7) Accounting policy for revenue and expense
- Sansan/Bill One Business
The services to be transferred over a certain period include sales AX service Sansan and cloud-based accounting AX solution Bill One, and as these main services are provided throughout the course of the contract period, revenue is recognized by apportioning the transaction price based on the contract with the client over the service provision period set forth in the contract.
In addition, for the pay as you go portion of Sansan business cards and Bill One invoice data conversion, the amount calculated in accordance with the number of subject business cards or invoices, and the unit price based on the contract is recognized as revenue.
- Eight Business
The services to be transferred over a certain period include B2C business card management service for individuals Eight Premium, B2B business card management service for companies Eight Team, as well as recruitment-related services and advertisement distribution services. As these are services that are provided over the course of the contract period, the total transaction price under the contract with the client for the service provision period prescribed in the contract is apportioned and recognized as revenue.
Goods or services that are to be transferred at one time include B2B recruitment-related services, advertising services, and various business event services.
In the event of an advertisement being created in the advertising service and provided to the client, revenue is recognized at the time the advertisement is transferred to the client. In addition, in the event business service, as goods or services are transferred to the client through the holding of an event, revenue is recognized on each occasion that an event is held.
- (8) Accounting policy for translation of significant foreign currency assets or liabilities into Japanese yen
Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing as of the consolidated balance sheet date, and differences arising from the foreign exchange are recognized as gains or losses. Assets and liabilities of the foreign subsidiaries are translated into Japanese yen at the spot exchange rate prevailing as of the consolidated balance sheet date, while revenues and expenses of foreign subsidiaries are translated into Japanese yen at the average exchange rate during the fiscal year under review. Differences arising from these translations are included in foreign currency translation adjustment under net assets.
- (9) Scope of cash and cash equivalents in consolidated statement of cash flows
Cash and cash equivalents in the consolidated statement of cash flows are comprised of cash in hand, demand deposits and short-term investments with terms of redemption or maturities of three months or less from the acquisition date, readily convertible into cash and are exposed to only an insignificant risk of fluctuations in value.

Significant accounting estimates

Recoverability of deferred tax assets

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

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Deferred tax assets (before offset)	2,046	1,709

(2) Other information to assist understanding of the content of estimates

Deferred tax assets have been calculated using estimates of the future timing at which taxable income will be generated and the amounts thereof based on business plans.

In estimating taxable income, the Company makes estimates based on certain assumptions regarding the external management environment and other external factors, as well the Group's budget and other internal factors, in particular major expense items such as net sales, personnel expenses, and advertising expenses.

(3) Effect on the consolidated financial statements for the next fiscal year

Those estimates may be affected by uncertain future changes in economic conditions, etc. If the timing at which taxable income is generated and the amounts thereof differ from the estimates, the amount of deferred tax assets recognized in the consolidated financial statements for the next fiscal year may be significantly affected.

Valuation of goodwill

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

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Goodwill	951	866
Impairment losses (goodwill)	43	226

(2) Other information to assist understanding of the content of estimates

For asset groups including goodwill, the Company assesses whether there are any indicators of impairment. This assessment is based on whether events have occurred, such as continuing negative profit or loss or cash flows from operating activities, changes in business operations or other circumstances that significantly reduce the recoverability of the assets, or a significant deterioration in the business environment. With respect to goodwill arising from the acquisition of subsidiaries, the Company assesses whether there are any indicators of impairment, taking into account the extent to which actual profit or loss from operating activities has met the relevant business plans. If an indicator of impairment is identified, the Company determines whether an impairment loss should be recognized by comparing the total undiscounted future cash flows expected to be generated by the asset group including goodwill with its carrying amount. The undiscounted future cash flows used in this assessment are estimated based on future business plans incorporating assumptions concerning factors such as the growth rate of net sales. If it is determined that recognition of impairment loss is necessary, the carrying amount of that goodwill is reduced to the recoverable amount and the amount of the reduction is recognized as the impairment loss. In the fiscal year under review, an impairment loss of ¥231 million was recorded for a asset group including goodwill for which a deterioration in estimated future cash flows was recognized.

(3) Effect on the consolidated financial statements for the next fiscal year

This estimate could be affected by such unpredictable changes as the business environment in the future, and if the conditions or assumptions underlying the estimate were to change, it may become necessary to recognize impairment loss in the consolidated financial statements in the next fiscal year.

Valuation of investment securities

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

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Investment securities (unlisted stocks)	2,320	397
Loss on valuation of investment securities	126	50
Provision for loss on share sale contract	907	—

(2) Other information to assist understanding of the content of estimates

As investment securities (unlisted stocks) have no market price as they are mainly invested to create synergies with existing business and expand business domain, they are carried at cost in the consolidated balance sheet. However, when the substantive value significantly decreases due to worsening of financial position of the issuing company, impairment accounting is applied, unless the recoverability of the substantive value is deemed possible, backed by sufficient evidence. For shares and other equity securities purchased at a higher price than the price on the basis of net assets per share by reflecting excess earning power and other factors of an investee at the time of purchase, the Company determines whether impairment accounting is applied or not by examining the substantive value taking into account excess earning power. When making a valuation of whether or not there is any decrease of excess earning power, the Company performs comparison between the business plan that was formulated upon investment and actual results, grasps the status of investment return, and considers the external economic environment, etc. to assess the

feasibility of future business plans. For the fiscal year under review, we recorded an impairment loss of ¥50 million on a security of a company whose excess earning power was determined to be impaired.

(3) Effect on the consolidated financial statements for the next fiscal year

In the event of changes in individual investment conditions due to market changes and unpredictable changes in economic and business underlying presumptions, recognition of loss on valuation of investment securities may be required in the consolidated financial statements for the next fiscal year.

Accounting standards not yet adopted

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

(1) Overview

As part of its efforts to align Japanese accounting standards with international standards, the Accounting Standards Board of Japan (ASBJ) has considered the development of accounting standards for leases, taking into account international accounting standards, that require lessees to recognize assets and liabilities for all leases. As a basic policy, the ASBJ sought to base the lease accounting standards on the single accounting model under IFRS 16. However, instead of incorporating all provisions of IFRS 16, the ASBJ issued lease accounting standards and related guidance that adopt only the principal requirements of IFRS 16, aiming to establish a simplified and practical framework that would generally not require significant adjustments when IFRS 16 is applied to individual financial statements.

In line with IFRS 16, leases are accounted for irrespective of whether they are classified as finance leases or operating leases. As the lessee's method of allocating lease-related expenses, a single accounting model is applied for all leases, under which depreciation charges for right-of-use assets and interest expenses on lease liabilities are recognized.

(2) Scheduled effective date

Effective as of the beginning of the fiscal year ending May 31, 2028.

(3) Impact of the adoption of the accounting standards

The impact on the consolidated financial statements resulting from the adoption of the Accounting Standards for Leases and related standards are currently being assessed.

Notes to consolidated balance sheet***1 Balance of receivables arising from contracts with customers**

Receivables arising from contracts with customers are included in “accounts receivable - trade.” The amount of receivables arising from contracts with customers is described in “1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements, Revenue recognition, (3) 1) Balance etc. of receivables arising from contracts with customers and contract liabilities.”

***2 Balance of contract liabilities arising from contracts with customers**

Contract liabilities arising from contracts with customers are included in “advances received.” The amount of contract liabilities is described in “1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements, Revenue recognition (3) 1) Balance etc. of receivables arising from contracts with customers and contract liabilities.”

Notes to consolidated statement of income***1 Revenue from contracts with customers**

Net sales are not described via categorization into revenue from contracts with customers and other revenue. The amount of revenue from contracts with customers is described in “1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements, Revenue recognition, (1) Information on disaggregation of revenue from contracts with customers.”

***2 The main expense items of selling, general and administrative expenses and their amounts are as follows.**

	(Millions of yen)	
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Salaries, allowances and bonuses	13,328	15,197
Advertising expenses	5,107	6,770
Provision for bonuses	1,016	1,368
Provision of allowance for doubtful accounts	(8)	91

***3 Gain on sales of shares of subsidiaries and affiliates**

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

Not applicable.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

The gain resulted from the transfer of all shares in logmi, Inc., which had been a consolidated subsidiary of the Company.

***4 The details of loss on retirement of non-current assets are as follows.**

	(Millions of yen)	
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Buildings and structures	1	0
Software	38	16
Others	7	1
Total	47	17

***5 Loss on valuation of investment securities**

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

Of the securities held by the Company that are classified as investment securities, impairment accounting was performed for one issue of unlisted stock due to its substantive value having declined significantly.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

Of the securities held by the Company that are classified as investment securities, impairment accounting was performed for two issues of unlisted stocks due to their substantive value having declined significantly.

***6 Impairment losses**

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

The Group recorded an impairment loss for the following asset group.

Location	Use	Type	Amount
—	Other	Goodwill	¥43 million

The Group determines asset groups primarily based on the type of services provided, considering, in principle, the nature of the business.

With respect to the goodwill associated with Diamond Corporate Data Services, Inc., a consolidated subsidiary, we recorded an impairment loss as an extraordinary loss, reducing the carrying amount to its recoverable amount due to

the inability to generate the initially expected earnings. The recoverable amount was measured based on value in use, and, as no future cash flows are expected, the amount was assessed as zero.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

The Group recorded an impairment loss for the following asset group.

Location	Use	Type	Amount
Institute of Language Understanding Inc. (Tokushima-shi, Tokushima)	Business assets	Buildings and structures	¥1 million
		Other	¥2 million
	Other	Goodwill	¥226 million

The Group determines asset groups primarily based on the type of services provided, considering, in principle, the nature of the business.

With respect to the business assets and goodwill associated with Institute of Language Understanding Inc., a consolidated subsidiary, we recorded an impairment loss as an extraordinary loss, reducing the carrying amount to its recoverable amount due to the inability to generate the initially expected earnings. The recoverable amount was measured based on value in use, and, as no future cash flows are expected, the amount was assessed as zero.

***7 Provision for loss on share sale contract**

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

A provision for loss on share sale contract was recorded to cover the anticipated loss arising from the sale of common and preferred shares of Unipos Inc. (hereinafter, “Unipos”) we hold, in connection with the share transfer agreement executed with Link and Motivation Inc. on May 22, 2025, pursuant to which we have agreed to sell our shares in Unipos Inc. The loss consists of (i) the loss related to the share sale contract for common and preferred shares in Unipos held by the Company as of May 31, 2025, and (ii) the loss related to the share sale contract for preferred shares in Unipos to be acquired from Development Bank of Japan Inc. (hereinafter, “DBJ”) pursuant to a shareholders’ agreement between the Company and DBJ. The breakdown of the amounts is as follows. Please note that we entered into a shareholders’ agreement dated May 2021 with DBJ regarding the preferred shares of Unipos, which provides for our acquisition of all of DBJ’s preferred shares in Unipos through exercising a call option.

The transfer of shares under the above share transfer agreement was executed as of July 1, 2025, and the loss incurred as a result of the transfer has been finalized.

(Millions of yen)

Loss related to the execution of the share sale contract for shares held (common shares)	31
Loss related to the execution of the share sale contract for shares held (common shares)	907
Loss related to the execution of the share sale contract for shares to be acquired from DBJ	1,362

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

Not applicable.

Notes to consolidated statement of comprehensive income

* Reclassification adjustments relating to other comprehensive income and amount of income taxes and tax effect

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Valuation difference on available-for-sale securities:		
Amount for the fiscal year under review	(46)	170
Reclassification adjustments	—	(15)
Before income taxes and tax effect adjustments	(46)	154
Amount of income taxes and tax effect	(9)	51
Valuation difference on available-for-sale securities	(36)	103
Foreign currency translation adjustment:		
Amount for the fiscal year under review	(3)	35
Foreign currency translation adjustment	(3)	35
Total other comprehensive income	(40)	138

Notes to consolidated statement of changes in equity

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

1. Class and total number of issued shares

	Number of shares at beginning of period (Shares)	Increased number of shares during period (Shares)	Decreased number of shares during period (Shares)	Number of shares at end of period (Shares)
Issued shares				
Common shares (Note 1)	125,835,416	681,036	—	126,516,452
Total	125,835,416	681,036	—	126,516,452
Treasury shares				
Common shares (Note 2)	871	141,700	—	142,571
Total	871	141,700	—	142,571

Notes: 1. The increase in common shares was due to the exercise of share acquisition rights.

2. The increase of 141,700 in treasury common shares was due to the acquisition of treasury shares pursuant to a resolution of the Board of Directors.

2. Matters concerning share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares to be acquired upon exercise of the share acquisition rights	Number of shares to be acquired upon exercise of the share acquisition rights (Shares)				Balance at end of period (Millions of yen)
			Beginning of period	Increase during period	Decrease during period	End of period	
Reporting company	4th share acquisition rights as stock options	—	—	—	—	—	3
	5th share acquisition rights as stock options	—	—	—	—	—	44
	6th share acquisition rights as stock options	—	—	—	—	—	95
	7th share acquisition rights as stock options	—	—	—	—	—	236
	8th share acquisition rights as stock options	—	—	—	—	—	101
	9th share acquisition rights as stock options	—	—	—	—	—	232
	10th share acquisition rights as stock options	—	—	—	—	—	11
	11th share acquisition rights as stock options	—	—	—	—	—	89
	12th share acquisition rights as stock options	—	—	—	—	—	115
	13th share acquisition rights as stock options	—	—	—	—	—	25
	14th share acquisition rights as stock options	—	—	—	—	—	14
	15th share acquisition rights as stock options	—	—	—	—	—	2
	16th share acquisition rights as stock options	—	—	—	—	—	1
Consolidated subsidiary	1st share acquisition rights as stock options	—	—	—	—	—	—
	4th share acquisition rights as stock options	—	—	—	—	—	—
	5th share acquisition rights as stock options	—	—	—	—	—	—
Total		—	—	—	—	—	973

Note: The first days of the exercise period for the 10th, 12th, 13th, 14th, 15th, and 16th share acquisition rights as stock options of the reporting company, and the first day of the exercise period for the 4th and 5th share acquisition rights as stock options of a consolidated subsidiary are yet to arrive.

3. Dividends

Not applicable.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

1. Class and total number of issued shares

	Number of shares at beginning of period (Shares)	Increased number of shares during period (Shares)	Decreased number of shares during period (Shares)	Number of shares at end of period (Shares)
Issued shares				
Common shares (Note 1)	126,516,452	284,148	—	126,800,600
Total	126,516,452	284,148	—	126,800,600
Treasury shares				
Common shares (Note 2)	142,571	520,087	—	662,658
Total	142,571	520,087	—	662,658

Notes: 1. The increase in common shares was due to the exercise of share acquisition rights.

2. Of the increase in treasury common shares, 520,000 shares was due to the acquisition of treasury shares pursuant to a resolution of the Board of Directors, while 87 shares was due to the buyback of shares less than one unit.

2. Matters concerning share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares to be acquired upon exercise of the share acquisition rights	Number of shares to be acquired upon exercise of the share acquisition rights (Shares)				Balance at end of period (Millions of yen)
			Beginning of period	Increase during period	Decrease during period	End of period	
Reporting company	4th share acquisition rights as stock options	—	—	—	—	—	2
	5th share acquisition rights as stock options	—	—	—	—	—	44
	6th share acquisition rights as stock options	—	—	—	—	—	90
	7th share acquisition rights as stock options	—	—	—	—	—	210
	8th share acquisition rights as stock options	—	—	—	—	—	101
	9th share acquisition rights as stock options	—	—	—	—	—	202
	10th share acquisition rights as stock options	—	—	—	—	—	9
	11th share acquisition rights as stock options	—	—	—	—	—	85
	12th share acquisition rights as stock options	—	—	—	—	—	180
	13th share acquisition rights as stock options	—	—	—	—	—	22
	15th share acquisition rights as stock options	—	—	—	—	—	2
	16th share acquisition rights as stock options	—	—	—	—	—	1
	17th share acquisition rights as stock options	—	—	—	—	—	30
	18th share acquisition rights as stock options	—	—	—	—	—	12
	19th share acquisition rights as stock options	—	—	—	—	—	12
Total		—	—	—	—	—	1,011

Note: The first days of the exercise period for the 10th, 12th, 13th, 15th, 16th 17th, 18th and 19th share acquisition rights as stock options of the reporting company are yet to arrive.

3. Dividends

Dividend payments whose record date is in the period but whose effective date is in the following period

Resolution	Class of shares	Dividend resource	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Meeting of the Board of Directors on July 13, 2026	Common shares	Retained earnings	315	2.5	May 31, 2026	August 4, 2026

Notes to consolidated statement of cash flows

- *1 Reconciliation of closing balance of cash and cash equivalents and the related account on the consolidated balance sheet

	(Millions of yen)	
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Cash and deposits	31,172	37,006
Time deposits with maturity over three months	—	(156)
Cash and cash equivalents	31,172	36,849

- *2 Major components of assets and liabilities of consolidated subsidiaries acquired by purchase of shares

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

The breakdown of assets and liabilities of Kaede IR Advisory Co., Ltd. (currently logmi, Inc.), which was newly consolidated due to the acquisition of shares, at the start of its consolidation, and the relationship between the acquisition cost of the company's shares and the expenses due to the acquisition of the shares (net amount) is as follows.

	(Millions of yen)
Current assets	86
Non-current assets	0
Goodwill	207
Current liabilities	(34)
Share acquisition amount	260
Cash and cash equivalents	(29)
Net: Expenses from acquisition	(230)

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

The breakdown of assets and liabilities of Eight Career, Inc. and one other company, which were newly consolidated due to the acquisition of shares, at the start of their consolidation, and the relationship between the acquisition cost of the companies' shares and the expenses due to the acquisition of the shares (net amount) is as follows.

	(Millions of yen)
Current assets	411
Non-current assets	95
Goodwill	531
Current liabilities	(234)
Non-current liabilities	(284)
Share acquisition amount	519
Cash and cash equivalents	(322)
Net: Expenses from acquisition	(196)

- *3 Major components of assets and liabilities of companies that ceased to be consolidated subsidiaries due to the sale of shares

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

Not applicable.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

The breakdown of assets and liabilities of logmi, Inc., which ceased to be a consolidated subsidiary due to the sale of its shares, at the sale, and the selling price and proceeds from the sale are as follows.

	(Millions of yen)
Current assets	185
Non-current assets	4
Goodwill	258
Current liabilities	(202)
Gain on sales of shares of subsidiaries and affiliates	1,436
Selling price of shares	1,681
Cash and cash equivalents	(143)
Net: Proceeds from sale	1,538

Lease transactions*Operating leases*

As lessee

Unexpired lease payments related to non-cancellable operating leases

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Within one year	1,562	2,037
Over one year	6,554	5,748
Total	8,117	7,786

Financial instruments

1. Matters relating to financial instruments

(1) Policies for financial instruments

The policy of the Group is to limit its investment of funds to short-term deposits, mainly those with no risk on loss of principal, and the Group does not make speculative transactions, including derivative transactions. Financing requirements shall be met by using the Company's own capital or borrowing funds from financial institutions.

(2) Details of financial instruments and their risks

Accounts receivable - trade, which refers to the amount owed to us through trade, are exposed to the credit risk of customers.

Investment securities are mainly shares of companies with which we have business relationships. Listed stocks are exposed to the risk of fluctuations in market prices, while unlisted stocks are exposed to the risk of impairment due to factors such as a deterioration in the financial condition of the investee companies.

Leasehold deposits are mainly leasehold deposits for the head office and exposed to the credit risk of lessors.

Accounts payable - trade and accounts payable - other classified as operating payables are all due within one year.

Long-term borrowings are mainly taken out to fund working capital requirements and the longest maturity from the date of the balance sheet is two years and seven months.

(3) System for managing risks associated with financial instruments

1) Credit risk management (risks associated with non-performance of contract by counterparties)

For accounts receivable-trade, which refers to the amount owed to us through trade, the Group will ensure that the Finance and Accounting Division will maintain regular contact with the business units regarding outstanding balances and status of payments for each customer, and make every effort to quickly identify and reduce collection concerns arising from the deterioration of our customers' financial status.

For investment securities, financial conditions of issuers are assessed on a regular basis.

For leasehold deposits, the responsible department monitors statuses as necessary to seek for an early identification of collectability concern in order to mitigate risk of non-performance caused by deteriorated financial condition of counterparties and other factors.

2) Management of liquidity risks associated with fund procurement (risks associated with non-repayment on due date)

The administrative division manages liquidity risk by preparing and renewing cash management plans in a timely manner while maintaining liquidity in hand.

(4) Supplemental information on fair values of financial instruments

The fair values of financial instruments include the value based on market prices and reasonably estimated values if there are no market prices. Because the calculation of the fair value of financial instruments incorporates variable factors, the values may vary in case where different assumptions, etc. are used.

2. Matters relating to fair value of financial instruments

The table below shows the amounts of financial instruments recorded in the consolidated balance sheet, their fair values and the differences between them. It should be noted that shares with no market price, etc., are not included in the table below. (Refer to (Note 1))

As of May 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Investment securities (*2)	312	312	—
Leasehold deposits	2,063	1,766	(296)
Total assets	2,375	2,078	(296)
Long-term borrowings (*3)	3,572	3,563	(8)
Total liabilities	3,572	3,563	(8)

(*1) “Cash and deposits,” “accounts receivable - trade,” “accounts payable - trade,” and “accounts payable - other” have been omitted because they are cash and have a market value that is close to the carrying amount due to being settled in a short period of time.

(*2) Investment securities include ¥64 million in common shares of Unipos Inc., our principal investment. With respect to these common shares, as described in “1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements, Notes to consolidated statement of income, 7. Provision for loss on share sale contract,” a provision for loss on share sale contract of ¥31 million was recorded to cover the anticipated loss arising from the sale of these common shares, in connection with the share transfer agreement executed with Link and Motivation Inc., pursuant to which we have agreed to sell our shares in Unipos Inc.

(*3) The current portion of long-term borrowings is included.

As of May 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Investment securities	254	254	—
Leasehold deposits	2,251	1,870	(380)
Total assets	2,505	2,124	(380)
Bonds payable (*2)	110	109	(0)
Long-term borrowings (*3)	2,625	2,641	15
Total liabilities	2,735	2,750	14

(*1) “Cash and deposits,” “accounts receivable - trade,” “accounts payable - trade,” and “accounts payable - other” have been omitted because they are cash and have a market value that is close to the carrying amount due to being settled in a short period of time.

(*2) The current portion of bonds payable is included.

(*3) The current portion of long-term borrowings is included.

(Note) 1. Shares with no market price, etc.

(Millions of yen)

Category	As of May 31, 2025	As of May 31, 2026
Unlisted stocks (*)	2,320	397
Investments in investment limited partnerships	1,095	1,589

(*) Unlisted stocks as of May 31, 2025 include ¥1,900 million in preferred shares of Unipos Inc., our principal investment. With respect to these preferred shares, as described in “1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to consolidated statement of income, 7. Provision for loss on share sale contract,” a provision for loss on share sale contract of ¥907 million was recorded to cover the anticipated loss arising from the sale of these preferred shares, in connection with the share transfer agreement executed with Link and Motivation Inc., pursuant to which we have agreed to sell our shares in Unipos Inc.

2. Redemption schedule of receivables after the consolidated balance sheet date

As of May 31, 2025

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	Over 10 years
Cash and deposits	31,172	—	—	—
Accounts receivable - trade	1,409	—	—	—
Leasehold deposits	243	26	1,793	—
Total	32,825	26	1,793	—

As of May 31, 2026

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	Over 10 years
Cash and deposits	37,006	—	—	—
Accounts receivable - trade	1,438	—	—	—
Leasehold deposits	99	453	1,697	—
Total	38,544	453	1,697	—

3. Repayment schedule of long-term borrowings and bonds payable after the consolidated balance sheet date

As of May 31, 2025

(Millions of yen)

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	Over 5 years
Long-term borrowings	938	1,759	759	115	—	—
Total	938	1,759	759	115	—	—

As of May 31, 2026

(Millions of yen)

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	Over 5 years
Bonds payable	40	40	30	—	—	—
Long-term borrowings	1,751	759	115	—	—	—
Total	1,791	799	145	—	—	—

3. Matters relating to the breakdown, etc. of the market value of financial instruments for each level

The market value of financial instruments is classified into the following three levels, in accordance with the observability and importance of the inputs relating to the calculation of market value.

Level 1 market price: Of the inputs relating to the calculation of observable market price, the market price calculated in accordance with the market price of the asset or liability established in an active market that is subject to the calculation of market value

Level 2 market price: Of the inputs relating to the calculation of observable market value, the market value calculated through the use of inputs relating to the calculation of market value other than the inputs of level 1

Level 3 market price: The market price calculated through the use of inputs relating to the calculation of non-observable market value

In the event of a plurality of inputs that have an important impact on the calculation of market price being used, of the respective levels to which these inputs belong, the market price is classified to the lowest priority level in the calculation of market value.

(1) Financial instruments recorded at market value in the consolidated balance sheet

As of May 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	292	—	—	292
J-KISS share acquisition rights	—	—	20	20
Total assets	292	—	20	312

As of May 31, 2026

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	234	—	—	234
J-KISS share acquisition rights	—	—	20	20
Total assets	234	—	20	254

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheet

As of May 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Leasehold deposits	—	1,766	—	1,766
Total assets	—	1,766	—	1,766
Long-term borrowings	—	3,563	—	3,563
Total liabilities	—	3,563	—	3,563

As of May 31, 2026

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Leasehold deposits	—	1,870	—	1,870
Total assets	—	1,870	—	1,870
Bonds payable	—	109	—	109
Long-term borrowings	—	2,641	—	2,641
Total liabilities	—	2,750	—	2,750

Note: Explanation of appraisal method used to calculate market value and the inputs relating to the calculation of market value

Investment securities

Listed shares are valued through the use of market prices, and as they are traded in active markets, their market value is classified as level 1 market value.

The most recent fair value of J-KISS share acquisition rights is estimated based on historical transaction prices and relevant events affecting financial instruments, and classified as Level 3.

Leasehold deposits

The market values of leasehold deposits are calculated based on the present value of future cash flows discounted by the period through to the due date and the yield of high security long term bonds, and are classified as level 2 market value.

Bonds payable

The market values of bonds payable are calculated by the discounted current value method based on the total amount of principal and interest, as well as the remaining period of the bonds payable and an interest rate that considers credit risk, and are classified as level 2 market values.

Long-term borrowings

The market values of long-term borrowings are calculated by the discounted current value method based on the total amount of principal and interest, as well as the remaining period of the debt and an interest rate that considers credit risk, and are classified as level 2 market values.

Securities

1. Available-for-sale securities

As of May 31, 2025

(Millions of yen)

	Class	Consolidated balance sheet amount	Cost	Difference
Items whose carrying amount exceeds cost	(1) Shares:	64	48	15
	(2) Debentures			
	1) Government and local government bonds, etc.	—	—	—
	2) Bonds payable	—	—	—
	3) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	64	48	15
Items whose carrying amount does not exceed cost	(1) Shares	227	291	(63)
	(2) Debentures			
	1) Government and local government bonds, etc.	—	—	—
	2) Bonds payable	—	—	—
	3) Others	—	—	—
	(3) Others	20	20	—
	Subtotal	247	311	(63)
Total		312	360	(48)

Notes: 1. “Cost” in the above table represents the carrying amount after impairment.

2. Unlisted shares (consolidated balance sheet amount: ¥2,320 million) and investments in investment limited partnerships (consolidated balance sheet amount: ¥1,095 million) are not presented as they do not have market prices.

As of May 31, 2026

(Millions of yen)

	Class	Consolidated balance sheet amount	Cost	Difference
Items whose carrying amount exceeds cost	(1) Shares:	—	—	—
	(2) Debentures			
	1) Government and local government bonds, etc.	—	—	—
	2) Bonds payable	—	—	—
	3) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	—	—	—
Items whose carrying amount does not exceed cost	(1) Shares	234	291	(57)
	(2) Debentures			
	1) Government and local government bonds, etc.	—	—	—
	2) Bonds payable	—	—	—
	3) Others	—	—	—
	(3) Others	20	20	—
	Subtotal	254	311	(57)
Total		254	311	(57)

Notes: 1. “Cost” in the above table represents the carrying amount after impairment.

2. Unlisted shares (consolidated balance sheet amount: ¥397 million) and investments in investment limited partnerships (consolidated balance sheet amount: ¥1,589 million) are not presented as they do not have market prices.

2. Available-for-sale securities sold during the fiscal year under review

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Millions of yen)

Class	Sale proceeds	Total gain on sale	Total loss on sale
Shares	668	418	—
Total	668	418	—

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Millions of yen)

Class	Sale proceeds	Total gain on sale	Total loss on sale
Shares	2,157	88	—
Total	2,157	88	—

3. Securities for which impairment accounting was performed

In the previous fiscal year, impairment accounting of ¥126 million was performed for unlisted stocks classified as available-for-sale securities.

In the fiscal year under review, impairment accounting of ¥50 million was performed for unlisted stocks classified as available-for-sale securities.

For listed stocks other than shares with no market price, etc., impairment accounting is performed for the entire amount if the market value at the end of period has declined by 50% or more compared to the cost; in the event of a decline of 30% to 50%, impairment accounting is performed for the amount deemed necessary in consideration of recoverability and other factors. Moreover, for unlisted stocks of shares with no market price, etc., if the substantive value at the end of period has declined by 50% or more compared to the cost, impairment accounting is performed for the amount deemed necessary in consideration of recoverability and other factors.

Stock options, etc.

1. Recorded amount and account name of expenses related to stock options

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Share-based payment expenses (selling, general and administrative expenses)	573	110

2. Amount recorded as a gain due to expiration due to non-exercise of rights

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Gain on reversal of share acquisition rights	36	32

3. Details, scale and other variables of stock options

(1) Details of stock options

Reporting company

	2019 stock option (3rd Share Acquisition Rights)	2019 stock option (4th Share Acquisition Rights)	2020 stock option (5th Share Acquisition Rights)
Category and number of recipients	Employees of the Company: 399 Directors of the Company's subsidiaries: 2 Employees of the Company's subsidiaries: 2	Trustee: Takanori Kushida (Note 5)	Directors of the Company: 6 Executive Officers of the Company: 12
Number of options by class of stocks (Notes 1, 2, 3)	Common shares of the Company: 1,322,100 shares	Common shares of the Company: 2,138,444 shares	Common shares of the Company: 122,400 shares
Date of grant	January 31, 2019	January 31, 2019	August 26, 2020
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Relevant employment period	From January 31, 2019 to January 31, 2021	Not specified	Not specified
Exercise period	From February 1, 2021 to January 8, 2029	From September 1, 2020 to January 30, 2029	From September 1, 2021 to August 25, 2030

	2021 stock option (6th Share Acquisition Rights)	2022 stock option (7th Share Acquisition Rights)	2022 stock option (8th Share Acquisition Rights)
Category and number of recipients	Directors of the Company: 6 Executive Officers of the Company: 13	Employees of the Company: 138 Employee of the Company's subsidiary: 1	Directors of the Company: 5 Executive Officers of the Company: 15
Number of options by class of stocks (Notes 1, 2, 3)	Common shares of the Company: 80,000 shares	Common shares of the Company: 655,900 shares	Common shares of the Company: 181,300 shares
Date of grant	August 24, 2021	July 29, 2022	September 2, 2022
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Relevant employment period	Not specified	Not specified	Not specified
Exercise period	From September 1, 2022 to August 23, 2031	From July 15, 2024 to July 14, 2032	From September 1, 2023 to September 1, 2032

	2022 stock option (9th Share Acquisition Rights)	2023 stock option (10th Share Acquisition Rights)	2023 stock option (11th Share Acquisition Rights)
Category and number of recipients	Directors of the Company: 5	Employees of the Company: 57	Directors of the Company: 5 Executive Officers of the Company: 11
Number of options by class of stocks (Notes 1, 2, 3)	Common shares of the Company: 325,000 shares	Common shares of the Company: 124,300 shares	Common shares of the Company: 142,000 shares
Date of grant	September 14, 2022	August 7, 2023	September 13, 2023
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Relevant employment period	Not specified	Not specified	Not specified
Exercise period	From August 31, 2024 to August 30, 2032	From July 14, 2025 to July 13, 2033	From September 13, 2024 to September 12, 2033

	2023 stock option (12th Share Acquisition Rights)	2024 stock option (13th Share Acquisition Rights)	2024 stock option (14th Share Acquisition Rights)
Category and number of recipients	Directors of the Company: 4	Employees of the Company: 102	Directors of the Company: 5 Executive Officers of the Company: 13
Number of options by class of stocks (Notes 1, 2, 3)	Common shares of the Company: 144,800 shares	Common shares of the Company: 221,800 shares	Common shares of the Company: 80,000 shares
Date of grant	September 13, 2023	August 7, 2024	September 5, 2024
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Relevant employment period	Not specified	Not specified	Not specified
Exercise period	From August 30, 2026 to August 29, 2033	From July 12, 2026 to July 11, 2034	From September 5, 2025 to September 4, 2034

	2024 stock option (15th Share Acquisition Rights)	2024 stock option (16th Share Acquisition Rights)	2025 stock option (17th Share Acquisition Rights)
Category and number of recipients	Executive Officers of the Company: 3	Employees of the Company: 4	Executive Officers of the Company: 13 Employees of the Company: 159 Directors of the Company's subsidiaries: 2 Executive Officer of the Company's subsidiary: 1 Employees of the Company's subsidiaries: 4
Number of options by class of stocks (Notes 1, 2, 3)	Common shares of the Company: 22,800 shares	Common shares of the Company: 15,900 shares	Common shares of the Company: 569,400 shares
Date of grant	October 4, 2024	December 6, 2024	September 12, 2025
Vesting conditions	(Note 4)	(Note 4)	(Note 4)
Relevant employment period	Not specified	Not specified	Not specified
Exercise period	From September 18, 2026 to September 17, 2034	From November 20, 2026 to November 19, 2034	From July 15, 2027 to July 14, 2035

	2025 stock option (18th Share Acquisition Rights)	2025 stock option (19th Share Acquisition Rights)
Category and number of recipients	Directors of the Company: 5	Employees of the Company: 5
Number of options by class of stocks (Notes 1, 2, 3)	Common shares of the Company: 194,000 shares	Common shares of the Company: 114,700 shares
Date of grant	October 1, 2025	October 1, 2025
Vesting conditions	(Note 4)	(Note 4)
Relevant employment period	Not specified	Not specified
Exercise period	From August 27, 2027 to August 26, 2035	From September 17, 2027 to August 26, 2035

- Notes: 1. Converted to the number of shares.
2. Converted to the number of shares after the June 15, 2018 stock split (10,000-for-1 stock split).
3. Converted to the number of shares after the December 1, 2021 stock split (4-for-1 stock split).
4. As described in "IV. Information About Reporting Company, (2) Share acquisition rights."
5. The share acquisition rights were allotted to a trust with Takanori Kushida as the trustee, and will be issued to the officers and employees of the Group designated as beneficiaries.

Consolidated subsidiary

Company name	CREATIVE SURVEY INC. (currently Ninout, Inc.)	CREATIVE SURVEY INC. (currently Ninout, Inc.)	CREATIVE SURVEY INC. (currently Ninout, Inc.)
	2019 stock option (1st Share Acquisition Rights)	2023 stock option (4th Share Acquisition Rights)	2023 stock option (5th Share Acquisition Rights)
Category and number of recipients	Directors of CREATIVE SURVEY INC.: 2 Employees of CREATIVE SURVEY INC.: 3	Director of CREATIVE SURVEY INC.: 1	Director of CREATIVE SURVEY INC.: 1
Number of options by class of stocks (Note 1)	Common shares of CREATIVE SURVEY INC.: 3,400 shares	Common shares of CREATIVE SURVEY INC.: 1,625 shares	Common shares of CREATIVE SURVEY INC.: 1,625 shares
Date of grant	April 1, 2019	August 31, 2023	December 22, 2023
Vesting conditions	(Note 2)	(Note 2)	(Note 2)
Relevant employment period	Not specified	Not specified	Not specified
Exercise period	From April 2, 2021 to April 1, 2029	From September 1, 2025 to August 31, 2033	From December 23, 2025 to December 22, 2033

Notes: 1. Converted to the number of shares.

2. (1) The person who is in the position of Representative Director of CREATIVE SURVEY INC. at the time of grant of rights must be holding the position of Director of CREATIVE SURVEY INC. at the time of exercise of the rights, and those who are in the position of Director, Audit & Supervisory Board Member, or employee of CREATIVE SURVEY INC. or its subsidiary at the time of exercise of the rights must be holding the position of Director, Audit & Supervisory Board Member, or employee of CREATIVE SURVEY INC. or its subsidiary, respectively.
- (2) The Share Acquisition Rights shall not be exercised until the day on which the common stock issued by CREATIVE SURVEY INC. that is the object of the Share Acquisition Rights is listed on the Tokyo Stock Exchange or any other similar domestic or foreign securities exchange.
- (3) If a share acquisition right holder falls under any of the following events, the share acquisition right holder may not exercise the share acquisition rights thereafter. However, this shall not apply in cases where the exercise of share acquisition rights are permitted by decision of a majority of CREATIVE SURVEY INC.'s directors.
 - (i) if the holder is sentenced to a term of imprisonment or harsher punishment
 - (ii) Without our prior written consent, if the holder competes with CREATIVE SURVEY INC. or its subsidiaries in any name such as directly or indirectly establishing a corporation that engages in business that competes with CREATIVE SURVEY INC. or its subsidiaries, or assuming the position of director or employee of such a corporation, or establishing a continuous contractual relationship of delegation, contracting, etc. with such a corporation under whatever name, including advisors, counselors, consultants, and others.
 - (iii) If the holder damages CREATIVE SURVEY INC. or its subsidiary's reputation due to violation of law or other wrongful act
 - (iv) If the holder is ordered a petition for seizure, provisional seizure, provisional disposition, compulsory execution, or auction, or delinquent payment of taxes and public dues
 - (v) When a payment is suspended or becomes insolvent, or a draft or check drawn or accepted is dishonored
 - (vi) Where a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings or other similar proceedings are filed
 - (vii) (Where the holder is an employee of CREATIVE SURVEY INC.) If the holder falls under any of the disciplinary reasons stipulated in the employment regulations of CREATIVE SURVEY INC. or its subsidiary
 - (viii) (Where the holder is a Director or an Audit & Supervisory Board Member of CREATIVE SURVEY INC.) If the holder commits violation of fiduciary duty or other obligations to CREATIVE SURVEY INC. or its subsidiaries
 - (ix) If it is found that the holder is an anti-social force (meaning a crime syndicate, a member of a crime syndicate, a right-wing organization, an anti-social force, or any other equivalent; the same shall apply hereinafter), or is involved in any interaction or involvement with anti-social forces, etc. through funding, etc.
- (4) The share acquisition rights shall be exercised in units of one share acquisition right, and partial exercise of each share acquisition right is not permitted.

(2) Scale of and changes in stock options

Stock options that existed in the fiscal year under review (fiscal year ended May 31, 2026) are included, and the number of stock options has been converted to the number of shares.

1) Number of stock options

Reporting company

	2019 stock option (3rd Share Acquisition Rights)	2019 stock option (4th Share Acquisition Rights)	2020 stock option (5th Share Acquisition Rights)	2021 stock option (6th Share Acquisition Rights)	2022 stock option (7th Share Acquisition Rights)
Before vesting (Shares)					
As of May 31, 2025	—	—	—	—	—
Granted	—	—	—	—	—
Expired	—	—	—	—	—
Vested	—	—	—	—	—
Unvested balance	—	—	—	—	—
After vesting (Shares)					
As of May 31, 2025	357,380	933,064	80,800	73,200	290,400
Vested	—	—	—	—	—
Exercised	36,888	190,160	—	—	14,500
Expired	8,184	39,424	—	3,200	17,500
Unexercised balance	312,308	703,480	80,800	70,000	258,400

	2022 stock option (8th Share Acquisition Rights)	2022 stock option (9th Share Acquisition Rights)	2023 stock option (10th Share Acquisition Rights)	2023 stock option (11th Share Acquisition Rights)	2023 stock option (12th Share Acquisition Rights)
Before vesting (Shares)					
As of May 31, 2025	—	—	107,100	—	144,800
Granted	—	—	—	—	—
Expired	—	—	22,000	—	—
Vested	—	—	—	—	—
Unvested balance	—	—	85,100	—	144,800
After vesting (Shares)					
As of May 31, 2025	131,300	290,000	—	131,000	—
Vested	—	—	—	—	—
Exercised	—	37,600	—	5,000	—
Expired	—	—	—	—	—
Unexercised balance	131,300	252,400	—	126,000	—

	2024 stock option (13th Share Acquisition Rights)	2024 stock option (14th Share Acquisition Rights)	2024 stock option (15th Share Acquisition Rights)	2024 stock option (16th Share Acquisition Rights)	2025 stock option (17th Share Acquisition Rights)
Before vesting (Shares)					
As of May 31, 2025	216,600	76,000	22,800	15,900	—
Granted	—	—	—	—	569,400
Expired	31,600	76,000	—	—	15,100
Vested	—	—	—	—	—
Unvested balance	185,000	—	22,800	15,900	554,300
After vesting (Shares)					
As of May 31, 2025	—	—	—	—	—
Vested	—	—	—	—	—
Exercised	—	—	—	—	—
Expired	—	—	—	—	—
Unexercised balance	—	—	—	—	—

	2025 stock option (18th Share Acquisition Rights)	2025 stock option (19th Share Acquisition Rights)
Before vesting (Shares)		
As of May 31, 2025	—	—
Granted	194,000	114,700
Expired	—	—
Vested	—	—
Unvested balance	194,000	114,700
After vesting (Shares)		
As of May 31, 2025	—	—
Vested	—	—
Exercised	—	—
Expired	—	—
Unexercised balance	—	—

Notes: 1. Converted to the number of shares after the June 15, 2018 stock split (10,000-for-1 stock split).
2. Converted to the number of shares after the December 1, 2021 stock split (4-for-1 stock split).

Consolidated subsidiary

Company name	CREATIVE SURVEY INC. (currently Ninout, Inc.)	CREATIVE SURVEY INC. (currently Ninout, Inc.)	CREATIVE SURVEY INC. (currently Ninout, Inc.)
	2019 stock option (1st Share Acquisition Rights)	2023 stock option (4th Share Acquisition Rights)	2023 stock option (5th Share Acquisition Rights)
Before vesting (Shares)			
As of May 31, 2025	300	1,625	1,625
Granted	—	—	—
Expired	300	1,625	1,625
Vested	—	—	—
Unvested balance	—	—	—
After vesting (Shares)			
As of May 31, 2025	—	—	—
Vested	—	—	—
Exercised	—	—	—
Expired	—	—	—
Unexercised balance	—	—	—

2) Price information
Reporting company

	2019 stock option (3rd Share Acquisition Rights)	2019 stock option (4th Share Acquisition Rights)	2020 stock option (5th Share Acquisition Rights)	2021 stock option (6th Share Acquisition Rights)	2022 stock option (7th Share Acquisition Rights)
Exercise price (Note) (Yen)	850	850	1,338	2,093	1,021
Average price at time of exercise (Yen)	1,654	1,643	—	—	1,676
Fair valuation price at date of grant (Yen)	—	—	179	273	816

	2022 stock option (8th Share Acquisition Rights)	2022 stock option (9th Share Acquisition Rights)	2023 stock option (10th Share Acquisition Rights)	2023 stock option (11th Share Acquisition Rights)	2023 stock option (12th Share Acquisition Rights)
Exercise price (Note) (Yen)	1,021	1,269	1,552.5	1,552.5	1
Average price at time of exercise (Yen)	—	1,816	—	1,972	—
Fair valuation price at date of grant (Yen)	125	802	770	682	1,363

	2024 stock option (13th Share Acquisition Rights)	2024 stock option (14th Share Acquisition Rights)	2024 stock option (15th Share Acquisition Rights)	2024 stock option (16th Share Acquisition Rights)	2025 stock option (17th Share Acquisition Rights)
Exercise price (Note) (Yen)	1,783	1,783	2,303	1,986	2,010
Average price at time of exercise (Yen)	—	—	—	—	—
Fair valuation price at date of grant (Yen)	1,108	1,329	1,089	1,191	992

	2025 stock option (18th Share Acquisition Rights)	2025 stock option (19th Share Acquisition Rights)
Exercise price (Note) (Yen)	1,943	1,943
Average price at time of exercise (Yen)	—	—
Fair valuation price at date of grant (Yen)	952	956

- Notes: 1. Converted to the value after the June 15, 2018 stock split (10,000-for-1 stock split).
2. Converted to the value after the December 1, 2021 stock split (4-for-1 stock split).

Consolidated subsidiary

Company name	CREATIVE SURVEY INC. (currently Ninout, Inc.)	CREATIVE SURVEY INC. (currently Ninout, Inc.)	CREATIVE SURVEY INC. (currently Ninout, Inc.)
	2019 stock option (1st Share Acquisition Rights)	2023 stock option (4th Share Acquisition Rights)	2023 stock option (5th Share Acquisition Rights)
Exercise price (Yen)	5,000	3,938	3,938
Average price at time of exercise (Yen)	—	—	—
Fair valuation price at date of grant (Yen)	—	—	—

4. Estimation method of fair valuation price of stock options

	17th Share Acquisition Rights	18th Share Acquisition Rights	19th Share Acquisition Rights
Valuation method used	Black-Scholes model	Black-Scholes model	Black-Scholes model
Share price volatility (Note 1)	56.04%	55.73%	55.87%
Forecast remaining period (Note 2)	5.84 years	5.9 years	5.94 years
Forecast dividends (Note 3)	¥0 per share	¥0 per share	¥0 per share
Risk-free interest rate (Note 4)	1.183%	1.322%	1.322%

Notes: 1. Calculated based on the actual share price for the period corresponding to the forecast remaining period.

2. The period from the allotment date to the midpoint of the exercise period.

3. Based on the actual dividend forecast for the most recent fiscal year.

4. The yield on government bonds corresponding to the forecast remaining period.

5. Number of vested stock options and their estimation method

The estimated number of stock options expected to vest is, in principle, calculated by estimating the number of forfeitures due to non-vesting, based on the expected achievement of performance conditions and historical employee turnover rates.

6. The total intrinsic value at the end of the fiscal year under review and the total intrinsic value on the exercise date for stock options exercised during the fiscal year under review when calculated based on the intrinsic value per unit of the stock option

Total intrinsic value at the end of the fiscal year under review ¥842 million

Total intrinsic value on the exercise date for stock options exercised during the fiscal year under review ¥150 million

Tax effect accounting

1. Major components of deferred tax assets and liabilities

	As of May 31, 2025	As of May 31, 2026
(Millions of yen)		
Deferred tax assets		
Excess depreciation	905	1,094
Provision for loss on share sale contract	701	–
Loss on valuation of investment securities	503	484
Provision for bonuses	306	420
Tax loss carryforward (Note)	285	353
Accrued enterprise tax	62	86
Others	770	787
Subtotal deferred tax assets	3,537	3,228
Valuation allowance for tax loss carryforward (Note)	(277)	(353)
Valuation allowance for total deductible temporary differences	(1,213)	(1,165)
Subtotal valuation allowance	(1,490)	(1,518)
Total deferred tax assets	2,046	1,709
Deferred tax liabilities		
Valuation difference on available-for-sale investment securities	(67)	(119)
Other	(14)	(8)
Total deferred tax liabilities	(82)	(127)
Net deferred tax assets	1,964	1,581
Net deferred tax liabilities	–	–

Note: Amounts of tax loss carryforwards and their deferred tax assets by carryforward expiration date

As of May 31, 2025

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	Over 5 years	Total amount
(Millions of yen)							
Tax loss carryforward (*1)	0	–	–	–	34	250	285
Valuation allowance	(0)	–	–	–	(34)	(242)	(277)
Deferred tax assets	–	–	–	–	–	7	(*2) 7

(*) 1. Tax loss carryforwards are multiplied by the statutory effective tax rate.

2. The amount recorded based on the future taxable income after careful consideration of recoverability.

As of May 31, 2026

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	Over 5 years	Total amount
(Millions of yen)							
Tax loss carryforward (*1)	–	–	–	38	26	288	353
Valuation allowance	–	–	–	(38)	(26)	(288)	(353)
Deferred tax assets	–	–	–	–	–	–	–

(*) 1. Tax loss carryforwards are multiplied by the statutory effective tax rate.

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of tax effect accounting

	As of May 31, 2025	As of May 31, 2026
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Expenses not deductible permanently, such as entertainment expenses	13.9	1.5
Income not taxable permanently, such as dividend income	(0.2)	0.0
Inhabitant per capita taxes	4.9	0.2
Share-based payment expenses	37.4	0.3
Impairment losses	3.0	0.7
Tax credits, etc.	(0.8)	(4.7)
Change in valuation allowance	(92.0)	0.1
Previous years' taxes	0.3	(0.1)
Amortization of goodwill	9.2	0.4
Consolidation adjustment for gain on sales of shares of subsidiaries and affiliates	—	(1.2)
Differences in tax rates with consolidated subsidiaries	(0.9)	(0.1)
Others	0.4	(0.0)
Effective rate of income taxes after application of tax effect accounting	5.8	27.7

Business combinations, etc.

Transactions under Common Control

Additional acquisition of shares of subsidiaries

The Company resolved at the Board of Directors meeting held on July 24, 2025 to acquire additional shares of its consolidated subsidiary, Ninout, Inc. (formerly CREATIVE SURVEY Inc.), and subsequently acquired those shares on July 31, 2025, thereby making it a wholly owned subsidiary.

1. Outline of business combination

(1) Name of the acquired company and details of the acquired business

Name: Ninout, Inc.

Description of business: Planning, development, and sales of AI interfaces

(2) Date of the business combination

July 31, 2025 (date of acquisition of shares)

August 31, 2025 (deemed date of acquisition)

(3) Legal form of the business combination

Acquisition of shares from non-controlling interests

(4) Name of entity after the business combination

Unchanged

(5) Other matters concerning the outline of the transaction

The Company acquires all shares held by non-controlling interests and makes Ninout, Inc. a wholly owned subsidiary of the Company.

2. Outline of accounting method implemented

Based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), transactions under common control are accounted for as transactions with non-controlling interests.

3. Matters concerning the additional acquisition of shares of subsidiaries

Consideration for acquisition: Cash

Cost: ¥1,412 million

4. Matters concerning changes in equity of the Company related to transactions with non-controlling interests

(1) Major factors affecting changes in capital surplus

Additional acquisition of shares of subsidiaries

(2) Amount of capital surplus reduced by transactions with non-controlling interests
¥1,412 million

Asset retirement obligations

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

Regarding leasehold deposits related to real estate lease agreements, asset retirement obligations are not recorded as liabilities because the amount that is deemed as ultimately being unrecoverable (costs for restoring the leased building to its original state) is reasonably estimated and the amount that is to be borne in the fiscal year ended May 31, 2025 is recorded as an expense.

The amount that is to be borne for the fiscal year ended May 31, 2025 is calculated based on the expected occupancy period.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

Regarding leasehold deposits related to real estate lease agreements, asset retirement obligations are not recorded as liabilities because the amount that is deemed as ultimately being unrecoverable (costs for restoring the leased building to its original state) is reasonably estimated and the amount that is to be borne in the fiscal year under review is recorded as an expense.

The amount that is to be borne for the fiscal year under review is calculated based on the expected occupancy period.

Revenue recognition

(1) Information on disaggregation of revenue from contracts with customers

The Group's net sales are revenue from contracts with customers, and the disaggregated breakdown by transaction type for the Group's reportable segments is as follows.

(Millions of yen)		
Segment classification	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Sansan/Bill One Business		
Sansan (Stock)	25,134	29,139
Sansan (Other)	1,629	1,934
Bill One	9,787	13,676
Others	1,221	2,062
Eight Business		
B2C Services	402	446
B2B Services	4,636	6,254
Other Business (Note)	389	248
Revenue from contracts with customers	43,202	53,761
Sales to external customers	43,202	53,761

Note: The "Other Business" is a business segment that is not included in the reportable segments, and includes subsidiaries' businesses.

(2) Information serving as basis for the ascertaining of revenue from contracts with customers

The information serving as basis for the ascertaining of revenue is as stated in "1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements, Basis of preparation of consolidated financial statements, 4. Disclosure of accounting policies, (7) Accounting policy for revenue and expense."

(3) Information on the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers existed at the end of the fiscal year under review in the next fiscal year onwards

1) Balance, etc., of receivables arising from contracts with customers and contract liabilities

Receivables arising from contracts with customers have been recognized under "accounts receivable - trade."

Advances received, which are a type of contract liability, are advances received through the lump sum payment of fees for the term of a contract by the customer, and are transferred to sales at the time of the provision of the service or over the course of the period that the service is provided.

The balances of receivables from contracts with customers, and contract liabilities were as follows:

(Millions of yen)		
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Credits from contracts with customers		
Accounts receivable - trade (beginning balance)	1,229	1,409
Accounts receivable - trade (ending balance)	1,409	1,438
Contract liabilities		
Advances received (beginning balance)	13,651	17,469
Advances received (ending balance)	17,469	21,489
Amount of revenue recognized during the fiscal year under review that was included in the balance of contract liabilities (advanced received) at the beginning of the fiscal year	13,536	17,351

2) Transaction price allocated to the remaining performance obligations

Total transaction price allocated to the remaining performance obligations and time when revenues are expected to be recognized as of May 31, 2026.

For notes on transaction prices allocated to the remaining performance obligations, the Group has applied a practical expedient, and contracts with the original expected contract period of one year or less are not included in the scope of the notes.

	(Millions of yen)	
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Within 1 year	175	567
Over 1 year	118	405
Total	293	973

Segment information, etc.

Segment information

1. Description of reportable segments

The reportable segments used by the Group are components for which discrete financial information is available, and whose operating results are regularly reviewed by the Board of Directors, in particular, to make decisions about resources to be allocated to the segments and assess their performance.

In the operation of its business activities, the Group has established business divisions and companies to engage in specific services, and it formulates comprehensive strategies for the services that each business division and company provides.

Accordingly, the Group's operations are made up of business segments engaged in specific services under the basic operating structures of business divisions or companies, aggregated based on aggregation criteria and quantitative thresholds, and it has two reportable segments of the "Sansan/Bill One Business" and the "Eight Business."

Descriptions of the services belonging to each segment are stated below.

Reportable segment	Description of services in segment
Sansan/Bill One Business	Provision of Sansan, a service for sales AX, Bill One, a cloud-based accounting AX solution, etc.
Eight Business	Provision of B2C services and B2B services based on Eight, a business card app

2. Methods of calculating the amounts of net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method used for business segments reported is the same as the description in "Matters forming the basis of preparing the consolidated financial statements.

3. Information on the amounts of net sales, profit or loss, assets, liabilities, and other items for each reportable segment
Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total
	Sansan/Bill One Business	Eight Business	Total		
Net sales					
Sales to external customers	37,773	5,039	42,812	389	43,202
Intersegment sales or transfers	12	12	24	122	147
Total	37,785	5,051	42,837	512	43,349
Segment profit (loss) (Note 2)	3,581	63	3,645	(89)	3,555
Other items					
Depreciation	874	65	939	1	940

Notes: 1. The “Others” category is a business segment that is not included in the reportable segments, and includes subsidiaries’ businesses.

2. Segment profit (loss) is shown as adjusted operating profit (loss), which is the sum of operating profit (loss) plus share-based payment expenses and expenses arising from business combinations (amortization of goodwill and amortization of intangible assets).

(Millions of yen)

	Sansan/Bill One Business	Eight Business	Others	Amount recorded in consolidated statement of income
Segment profit (loss)	3,581	63	(89)	3,555
Share-based payment expenses	518	104	—	622
Amortization of goodwill and amortization of intangible assets	51	40	39	131
Operating profit (loss)	3,011	(81)	(129)	2,800

Note: Share based payment expenses include expenses related to compensation in monetary amounts paid to the Group's employees, etc. for trust type stock options and expenses related to the payment of alternative salaries, etc.

3. Segment assets and liabilities have not been shown, as information relating to assets and liabilities are not regularly provided to the chief operating decision maker and are not subject to the assessment of performance.

4. Intersegment sales or transfers are based on actual market price.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total
	Sansan/Bill One Business	Eight Business	Total		
Net sales					
Sales to external customers	46,812	6,700	53,512	248	53,761
Intersegment sales or transfers	35	19	55	167	222
Total	46,847	6,720	53,568	415	53,983
Segment profit (loss) (Note 2)	8,340	237	8,577	(149)	8,427
Other items					
Depreciation	801	98	900	2	902

Notes: 1. The “Others” category is a business segment that is not included in the reportable segments, and includes subsidiaries’ businesses.

2. Segment profit (loss) is shown as adjusted operating profit (loss), which is the sum of operating profit (loss) plus share-based payment expenses and expenses arising from business combinations (amortization of goodwill and amortization of intangible assets).

(Millions of yen)

	Sansan/Bill One Business	Eight Business	Others	Amount recorded in consolidated statement of income
Segment profit (loss)	8,340	237	(149)	8,427
Share-based payment expenses	82	28	—	110
Amortization of goodwill and amortization of intangible assets	58	40	32	131
Operating profit (loss)	8,198	168	(182)	8,185

3. Segment assets and liabilities have not been shown, as information relating to assets and liabilities are not regularly provided to the chief operating decision maker and are not subject to the assessment of performance.

4. Intersegment sales or transfers are based on actual market price.

Information associated with reportable segments

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

1. Information for each product or service

This information is omitted because the same information has been presented in Segment information.

2. Information for each region

(1) Net sales

This has been omitted because net sales to external Japanese customers account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This has been omitted because the value of property, plant and equipment in Japan accounts for more than 90% of the value of property, plant and equipment on the consolidated balance sheet.

3. Information for each of main customers

This has been omitted because there is no external customer that accounts for 10% or more of net sales recorded on the consolidated statement of income.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

1. Information for each product or service

This information is omitted because the same information has been presented in Segment information.

2. Information for each region

(1) Net sales

This has been omitted because net sales to external Japanese customers account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This has been omitted because the value of property, plant and equipment in Japan accounts for more than 90% of the value of property, plant and equipment on the consolidated balance sheet.

3. Information for each of main customers

This has been omitted because there is no external customer that accounts for 10% or more of net sales recorded on the consolidated statement of income.

Disclosure of impairment losses on non-current assets for each reportable segment

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

An impairment loss of ¥43 million was recognized in Others.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

An impairment loss of ¥231 million was recognized in Others.

Amortization and unamortized balance of goodwill for each reportable segment

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Millions of yen)

	Reportable segments		Others	Corporate and eliminations	Total
	Sansan/Bill One Business	Eight Business			
Amortization for the period	51	40	39	—	131
Balance at end of period	400	292	259	—	951

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Millions of yen)

	Reportable segments		Others	Corporate and eliminations	Total
	Sansan/Bill One Business	Eight Business			
Amortization for the period	58	40	32	—	131
Balance at end of period	631	235	—	—	866

Information about gain on bargain purchase for each reportable segment

Not applicable.

Related party information

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

1. Transactions with related parties

(Millions of yen)

Type	Name of the company, etc. or person	Location	Share capital or investments in capital	Nature of business or occupation	Percentage ownership held in (or by) party such as voting rights, etc. (%)	Relationship with related parties	Nature of transactions	Monetary amount of transactions	Item	Balance at end of period
Officer	Chikahiro Terada,	—	—	Director of the Company	(held by party) Direct: 6.5 Indirect: 26.0	—	Exercise of share acquisition rights (Note 1)	11	—	—
Officer	Kei Tomioka	—	—	Director of the Company	(held by party) Direct: 3.3	—	Exercise of share acquisition rights (Note 1)	11	—	—
Officer	Kenji Shiomi	—	—	Director of the Company	(held by party) Direct: 1.7	—	Exercise of share acquisition rights (Note 1)	11	—	—
Officer	Muneyuki Hashimoto	—	—	Director of the Company	(held by party) Direct: 0.1	—	Exercise of share acquisition rights (Note 2)	49	—	—

- Notes: 1. Due to the exercise of the 9th Share Acquisition Rights, granted by a resolution at the meeting of the Board of Directors held on August 30, 2022, during the fiscal year under review. Monetary amount of transactions listed above are amounts paid upon exercise of share acquisition rights in the fiscal year under review.
2. Due to the exercise of the 3rd and 4th Share Acquisition Rights, granted by a resolution at the Company's Extraordinary General Meeting of Shareholders held on January 9, 2019, during the fiscal year under review. Monetary amount of transactions listed above are amounts paid upon exercise of share acquisition rights in the fiscal year under review.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

1. Transactions with related parties

(Millions of yen)

Type	Name of the company, etc. or person	Location	Share capital or investments in capital	Nature of business or occupation	Percentage ownership held in (or by) party such as voting rights, etc. (%)	Relationship with related parties	Nature of transactions	Monetary amount of transactions	Item	Balance at end of period
Officer	Kei Tomioka	—	—	Director of the Company	(held by party) Direct: 3.3	—	Exercise of share acquisition rights (Note 1)	89	—	—
Officer	Kenji Shiomi	—	—	Director of the Company	(held by party) Direct: 1.8	—	Exercise of share acquisition rights (Note 2)	11	—	—
Officer	Yuta Ohma	—	—	Director of the Company	(held by party) Direct: 0.1	—	Exercise of share acquisition rights (Note 2)	11	—	—
Officer	Muneyuki Hashimoto	—	—	Director of the Company	(held by party) Direct: 0.1	—	Exercise of share acquisition rights (Note 3)	17	—	—

- Notes: 1. Due to the exercise of the 4th Share Acquisition Rights, granted by a resolution at the Company's Extraordinary General Meeting of Shareholders held on January 9, 2019 and the 9th Share Acquisition Rights, granted by a resolution at the meeting of the Board of Directors held on August 30, 2022, during the fiscal year under review. Monetary amount of transactions listed above are amounts paid upon exercise of share acquisition rights in the fiscal year under review.
2. Due to the exercise of the 9th Share Acquisition Rights, granted by a resolution at the meeting of the Board of Directors held on August 30, 2022, during the fiscal year under review. Monetary amount of transactions listed above are amounts paid upon exercise of share acquisition rights in the fiscal year under review.

3. Due to the exercise of the 4th Share Acquisition Rights, granted by a resolution at the Company's Extraordinary General Meeting of Shareholders held on January 9, 2019, during the fiscal year under review. Monetary amount of transactions listed above are amounts paid upon exercise of share acquisition rights in the fiscal year under review.

Per share information

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Net assets per share	¥118.29	¥158.56
Basic earnings (loss) per share	¥3.36	¥53.58
Diluted earnings per share	¥3.30	¥53.02

Note: Basis for calculation of basic earnings (loss) per share and diluted earnings per share is as follows:

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Million yen)	424	6,778
Profit (loss) not attributable to common shareholders (Million yen)	—	—
Profit (loss) attributable to owners of parent related to common shares (Million yen)	424	6,778
Average number of outstanding common shares during the period (Shares)	126,082,316	126,494,993
Diluted earnings per share		
Adjustments stated for profit attributable to owners of parent (Million yen)	—	—
Increase in number of common shares (Shares)	2,461,575	1,347,768
(Of which share acquisition rights) (Shares)	(2,461,575)	(1,347,768)
Overview of potential shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	2024 Stock options (15th Share Acquisition Rights): 228 units (22,800 shares) 2024 Stock Options (16th Share Acquisition Rights): 159 units (15,900 shares)	2021 Stock options (6th Share Acquisition Rights): 175 units (70,000 shares) 2024 Stock options (13th Share Acquisition Rights): 1,850 units (185,000 shares) 2024 Stock options (15th Share Acquisition Rights): 228 units (22,800 shares) 2024 Stock options (16th Share Acquisition Rights): 159 units (15,900 shares) 2025 Stock options (17th Share Acquisition Rights): 5,543 units (554,300 shares) 2025 Stock options (18th Share Acquisition Rights): 1,940 units (194,000 shares) 2025 Stock options (19th Share Acquisition Rights): 1,147 units (114,700 shares)

Significant events after reporting period*Share Repurchase*

As a resolution was passed at the Board of Directors' meeting held on May 19, 2026, the Company has repurchased treasury shares, as described below, pursuant to the provisions of its Articles of Incorporation in accordance with Article 459, Paragraph 1, Item 1 of the Companies Act. With the following share repurchases, the share repurchase program based on the resolution at the aforementioned Board of Directors meeting, has been completed.

(1) Class of shares repurchased	Common shares of the Company
(2) Total number of shares repurchased	811,600 shares
(3) Total purchase price	¥1,258 million
(4) Period of repurchase	From June 1, 2026 to June 18, 2026
(5) Method of repurchases	Market purchase on the Tokyo Stock Exchange based on a discretionary investment contract

(Reference)**1. Details of the repurchase resolved by the Board of Directors on May 19, 2026**

(1) Class of shares to be repurchased	Common shares of the Company
(2) Total number of shares to be repurchased	2 million shares (maximum) (up to 1.58% of the total number of issued shares excluding treasury shares)
(3) Total purchase price	¥2,000 million
(4) Period of repurchase	From May 20, 2026 to June 30, 2026
(5) Method of repurchases	Market purchase on the Tokyo Stock Exchange based on a discretionary investment contract

2. Cumulative number of shares repurchased pursuant to the Board of Directors' resolution above

(1) Total number of shares repurchased	1,331,600 shares
(2) Total purchase price	¥1,999,926,495

Issuance of the 20th Share Acquisition Rights

At the meeting of the Board of Directors held on July 13, 2026, the Company resolved to issue the 20th Share Acquisition Rights to Executive Officers and employees of the Company, and Directors, Executive Officers, and employees of its subsidiaries in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act.

20th Share Acquisition Rights

Number of share acquisition rights	2,128 units
Class and number of shares to be acquired upon exercise of the share acquisition rights	Common shares of the Company, 212,800 shares (100 shares per share acquisition right)
Exercise price of share acquisition rights	¥1,723 per share acquisition right
Issuance price and amount credited to paid-in capital in the event of issuance of shares upon exercise of share acquisition rights	Issuance price: ¥861.5 per one share Amount credited to paid-in capital: ¥861.5 per one share
Allotment date of share acquisition rights	September 11, 2026
Persons subject to allotment of share acquisition rights	1 Executive Officer of the Company 102 employees of the Company 1 Director of subsidiaries 1 employee of subsidiaries
Exercise period of share acquisition rights	From July 14, 2028 to July 13, 2036
Exercise conditions of share acquisition rights	*

- (*) 1. Persons who have received an allotment of the share acquisition rights (the “Share Acquisition Rights Holder”) may exercise their share acquisition rights if the closing price of the Company’s common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the allotment date of the share acquisition rights to the end of the period of exercise of the rights (July 13, 2036) exceeds the ¥3,987.
However, in the event of a stock split or stock consolidation after the date of allotment, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\frac{\text{Share price after adjustment}}{\text{Share price before adjustment}} = \frac{1}{\text{Ratio of stock split (or stock consolidation)}}$$

2. The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary of the Company as Director, Audit & Supervisory Board Member, Executive Officer, or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.
3. In the event the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
4. Pledging of share acquisition rights, or the creation of security interests shall not be permitted.
5. The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.
6. It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

5) Annexed consolidated detailed schedules

Consolidated detailed schedule of corporate bonds

Company name	Issues	Date of issuance	Balance at June 1, 2025 (Millions of yen)	Balance at May 31, 2026 (Millions of yen)	Interest rate (%)	Collateral	Maturity date
Eight Career, Inc.	1st unsecured corporate bond	September 25, 2023	—	50 (20)	0.74	None	September 25, 2028
Eight Career, Inc.	2nd unsecured corporate bond	March 25, 2024	—	60 (20)	0.77	None	March 23, 2029
Total	—	—	—	110 (40)	—	—	

Notes: 1. Figures in parentheses for “Balance at May 31, 2026” are amounts scheduled for redemption within one year.

2. The redemption schedule of bonds for each of the five years after the consolidated balance sheet date is as follows:

(Millions of yen)

Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years
40	40	30	—	—

Consolidated detailed schedule of borrowings

Category	Balance at June 1, 2025 (Millions of yen)	Balance at May 31, 2026 (Millions of yen)	Average interest rate (%)	Repayment due
Current portion of long-term borrowings	938	1,751	1.07	—
Current portion of lease obligations	149	152	—	—
Long-term borrowings (excluding current portion)	2,634	874	1.13	2027 to 2028
Lease obligations (excluding current portion)	316	209	—	2027 to 2031
Total	4,038	2,987	—	—

Notes: 1. The average interest rate represents the weighted average interest rate with respect to the balance of borrowings at the end of period.

2. The average interest rate for lease obligations is omitted because lease obligations are recorded on the consolidated balance sheet at the amount before the amount equivalent to interest included in the total lease payments is deducted.

3. The repayment schedule of long-term borrowings and lease obligations (excluding current portion) for the five-year period after the consolidated balance sheet date is as follows:

(Millions of yen)

	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years
Long-term borrowings	759	115	—	—
Lease obligations	98	68	37	4

Consolidated detailed schedule of asset retirement obligations

Not applicable.

(2) Others

Interim and full-year information for the fiscal year ended May 31, 2026

	First six-months	Full-year
Net sales (Millions of yen)	25,381	53,761
Profit before income taxes (Millions of yen)	2,855	9,375
Profit attributable to owners of parent (Millions of yen)	1,959	6,778
Basic earnings (loss) per share (Yen)	15.50	53.58

2 Non-consolidated financial statements and other information

(1) Non-consolidated financial statements

1) Non-consolidated balance sheet

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	30,021	35,726
Accounts receivable - trade	*1 1,195	*1 1,339
Prepaid expenses	1,036	1,621
Other	*1 1,796	*1 4,144
Allowance for doubtful accounts	(8)	(29)
Total current assets	34,040	42,802
Non-current assets		
Property, plant and equipment		
Buildings	1,956	1,760
Tools, furniture and fixtures	198	208
Leased assets	423	329
Other	10	62
Total property, plant and equipment	2,589	2,361
Intangible assets		
Software	723	973
Total intangible assets	723	973
Investments and other assets		
Investment securities	3,727	2,241
Shares of subsidiaries and associates	2,081	3,060
Long-term loans receivable from subsidiaries and associates	80	80
Leasehold deposits	2,052	2,213
Deferred tax assets	1,954	1,584
Other	515	576
Allowance for doubtful accounts	—	(64)
Total investments and other assets	10,412	9,692
Total non-current assets	13,725	13,027
Total assets	47,766	55,829

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	*1 729	*1 334
Current portion of long-term borrowings	938	1,751
Lease liabilities	149	152
Accounts payable - other	*1 2,738	*1 2,668
Income taxes payable	1,080	1,998
Accrued consumption taxes	617	1,283
Advances received	17,127	21,134
Deposits received	279	300
Provision for bonuses	970	1,322
Provision for loss on share sale contract	2,301	—
Other	275	348
Total current liabilities	27,207	31,294
Non-current liabilities		
Long-term borrowings	2,634	874
Lease liabilities	316	209
Other	1,082	745
Total non-current liabilities	4,033	1,829
Total liabilities	31,241	33,123
Net assets		
Shareholders' equity		
Share capital	7,203	7,358
Capital surplus		
Legal capital surplus	4,944	5,099
Total capital surplus	4,944	5,099
Retained earnings		
Other retained earnings		
Voluntary retained earnings	150	150
Retained earnings brought forward	3,457	9,929
Total retained earnings	3,607	10,079
Treasury shares	(302)	(1,043)
Total shareholders' equity	15,453	21,493
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	97	200
Total valuation and translation adjustments	97	200
Share acquisition rights	973	1,011
Total net assets	16,524	22,705
Total liabilities and net assets	47,766	55,829

2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Net sales	*1 41,246	*1 51,599
Cost of sales	*1 5,327	*1 6,045
Gross profit	35,918	45,553
Selling, general and administrative expenses	*1, *2 32,990	*1, *2 37,265
Operating profit	2,927	8,287
Non-operating income		
Interest income	*1 13	*1 75
Dividend income	5	1
Foreign exchange gains	9	—
Subsidy income	24	11
Other	*1 28	*1 18
Total non-operating income	81	107
Non-operating expenses		
Interest expenses	27	29
Foreign exchange losses	—	4
Commission expenses	5	5
Loss on investments in investment partnerships	39	28
Donations	15	10
Other	35	30
Total non-operating expenses	123	107
Ordinary profit	2,885	8,287
Extraordinary income		
Gain on reversal of share acquisition rights	36	32
Gain on sale of non-current assets	—	1
Gain on sales of shares of subsidiaries and affiliates	—	1,066
Gain on sale of investment securities	418	88
Gain on reversal of provision for loss on share sale contract	—	15
Total extraordinary income	455	1,204
Extraordinary losses		
Loss on retirement of non-current assets	*3 46	*3 17
Head office relocation expenses	241	—
Loss on liquidation of subsidiaries	3	—
Loss on valuation of shares of subsidiaries and associates	—	345
Loss on valuation of investment securities	*4 126	*4 50
Loss on extinguishment of tie-in shares	—	37
Provision for loss on share sale contract	*5 2,301	—
Total extraordinary losses	2,718	452
Profit (loss) before income taxes	622	9,039
Income taxes - current	997	2,248
Income taxes - deferred	(995)	319
Total income taxes	2	2,567
Profit (loss)	620	6,472

3) Non-consolidated statement of changes in equity
Fiscal year ended May 31, 2025

(Millions of yen)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Voluntary retained earnings	Retained earnings brought forward	
Balance at beginning of period	6,774	4,514	4,514	150	2,836	2,986
Changes during period						
Issuance of new shares	429	429	429	—	—	—
Purchase of treasury shares	—	—	—	—	—	—
Profit	—	—	—	—	620	620
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Total changes during period	429	429	429	—	620	620
Balance at end of period	7,203	4,944	4,944	150	3,457	3,607

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	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	(2)	14,274	134	134	638	15,046
Changes during period						
Issuance of new shares	—	858	—	—	—	858
Purchase of treasury shares	(299)	(299)	—	—	—	(299)
Profit	—	620	—	—	—	620
Net changes in items other than shareholders' equity	—	—	(36)	(36)	335	298
Total changes during period	(299)	1,179	(36)	(36)	335	1,478
Balance at end of period	(302)	15,453	97	97	973	16,524

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Voluntary retained earnings	Retained earnings brought forward	
Balance at beginning of period	7,203	4,944	4,944	150	3,457	3,607
Changes during period						
Issuance of new shares	154	154	154	—	—	—
Purchase of treasury shares	—	—	—	—	—	—
Profit	—	—	—	—	6,472	6,472
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Total changes during period	154	154	154	—	6,472	6,472
Balance at end of period	7,358	5,099	5,099	150	9,929	10,079

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	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	(302)	15,453	97	97	973	16,524
Changes during period						
Issuance of new shares	—	309	—	—	—	309
Purchase of treasury shares	(741)	(741)	—	—	—	(741)
Profit	—	6,472	—	—	—	6,472
Net changes in items other than shareholders' equity	—	—	103	103	37	140
Total changes during period	(741)	6,039	103	103	37	6,180
Balance at end of period	(1,043)	21,493	200	200	1,011	22,705

Notes to the non-consolidated financial statements

Significant accounting policies

1. Accounting policy for measuring assets
 - (1) Accounting policy for measuring securities
 - Shares of subsidiaries and affiliates
 - Stated at cost using the moving-average method
 - Available-for-sale securities
 - Securities other than shares with no market price, etc.
 - Stated at the quoted market price. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of sales is determined using the moving-average method.
 - Shares with no market price, etc.
 - Stated at cost using the moving-average method
 - Investments in limited partnerships and similar investments
 - Stated at the net amount equivalent to the Company's share of equity interest based on the most recent financial statements available according to the financial closing date stipulated in the partnership agreement. If the partnerships, etc. hold available-for-sale securities with valuation difference, the amount of valuation difference equivalent to the Company's share of equity interest is recorded as valuation difference on available-for-sale securities.
 - (2) Accounting policy for depreciation of assets
 - (1) Property, plant and equipment (excluding leased assets)
 - Facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method, and other property, plant and equipment are depreciated using the declining-balance method.
 - (2) Intangible assets (excluding leased assets)
 - Amortized using the straight-line method.
 - Software for internal use is amortized using the straight-line method over its useful life as internally determined (three years).
 - (3) Leased assets
 - Leased assets related to finance lease transactions that transfer ownership
 - Leased assets related to finance lease transactions that transfer ownership are depreciated by the same approach as the depreciation method applied to non-current assets owned by lessee.
 - Leased assets related to finance lease transactions that do not transfer ownership
 - Leased assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming the lease periods as useful lives without residual value.
3. Accounting policy for deferred assets
 - Share issuance costs
 - Share issuance costs are fully recognized as expenses when incurred.
4. Accounting policy for provisions
 - (1) Allowance for doubtful accounts
 - To prepare for losses from bad debts, an estimated uncollectible amount is provided by using the historical rate of credit loss in the case of general receivables, or based on individual consideration of recoverability in the case of specific receivables such as highly doubtful receivables.
 - (2) Provision for bonuses
 - A reserve for the employee bonus payment is provided by recording the estimated amounts of the future payments attributed to the fiscal year under review.
 - (3) Provision for loss on share sale contract
 - In connection with the execution of contract to sell both currently held shares and those to be acquired in the future, we have recorded a provision for estimated losses in anticipation of potential losses that may arise from these transactions.
5. Accounting policy for revenue and expense
 - Sansan/Bill One Business
 - The services to be transferred over a certain period include sales AX service Sansan and cloud-based accounting AX solution Bill One, and as these main services are provided throughout the course of the contract period, revenue is recognized by apportioning the transaction price based on the contract with the client over the service provision period set forth in the contract.
 - In addition, for the pay as you go portion of Sansan business cards and Bill One invoice data conversion, the amount calculated in accordance with the number of subject business cards or invoices, and the unit price based on the contract is recognized as revenue.

Eight Business

The services to be transferred over a certain period include B2C business card management service for individuals Eight Premium, B2B business card management service for companies Eight Team, as well as recruitment-related

services and advertisement distribution services. As these are services that are provided over the course of the contract period, the total transaction price under the contract with the client for the service provision period prescribed in the contract is apportioned and recognized as revenue.

Goods or services that are to be transferred at one time include B2B recruitment-related services, advertising services, and various business event services.

In the event of an advertisement created in the advertising service and provided to the client, revenue is recognized at the time the advertisement is transferred to the client. In addition, in the event business service, as goods or services are transferred to the client through the holding of an event, revenue is recognized on each occasion that an event is held.

Significant accounting estimates

Recoverability of deferred tax assets

(1) Amounts recorded in the non-consolidated financial statements for the fiscal year under review

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Deferred tax assets (before offset)	2,033	1,709

(2) Other information to assist understanding of the content of estimates

This information is omitted as it is the same as that provided in notes regarding significant accounting estimates for the consolidated financial statements.

(3) Effect on non-consolidated financial statements for the next fiscal year

Those estimates may be affected by uncertain future changes in economic conditions, etc. If the timing at which taxable income is generated and the amounts thereof differ from the estimates, the amount of deferred tax assets recognized in the non-consolidated financial statements for the next fiscal year may be significantly affected.

Valuation of investment securities and valuation of shares of subsidiaries and associates

(1) Amounts recorded in the non-consolidated financial statements for the fiscal year under review

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Investment securities (unlisted stocks)	2,320	397
Shares of subsidiaries and associates	2,081	3,060

Investment securities (unlisted stocks) as of May 31, 2025 include ¥1,900 million in preferred shares of Unipos Inc.

(2) Other information to assist understanding of the content of estimates

As investment securities (unlisted stocks) and shares of subsidiaries and associates have no market price as they are mainly invested to create synergies with existing business and expand business domain, they are carried at cost in the non-consolidated balance sheet. However, when the substantive value significantly decreases due to worsening of financial position of the issuing company, impairment accounting is applied, unless the recoverability of the substantive value is deemed possible, backed by sufficient evidence. For shares and other equity securities purchased at a higher price than the price on the basis of net assets per share by reflecting excess earning power and other factors of an investee at the time of purchase, the Company determines whether impairment accounting is applied or not by examining the substantive value taking into account excess earning power. When making a valuation of whether or not there is any decrease of excess earning power, the Company performs comparison between the business plan that was formulated upon investment and actual results, grasps the status of investment return, and considers the external economic environment, etc. to assess the feasibility of future business plans. For the fiscal year under review, we recorded an impairment loss of ¥50 million on two issues of investment securities (unlisted stocks) and an impairment loss of ¥345 million on one issue of shares of subsidiaries and associates.

(3) Effect on non-consolidated financial statements for the next fiscal year

Concerning this estimate, in the event of changes in individual investment conditions due to market changes and unpredictable changes in economic and business underlying presumptions, recognition of loss on valuation of investment securities or loss on valuation of shares of subsidiaries and associates may be required in the financial statements for the next fiscal year.

Notes to non-consolidated balance sheet

- *1 Monetary receivables from, and monetary payables to, subsidiaries and associates (excluding those displayed under categories)

	(Millions of yen)	
	As of May 31, 2025	As of May 31, 2026
Short-term monetary receivables:	114	159
Short-term monetary payables:	152	160

Notes to non-consolidated statement of income

- *1 Transactions with subsidiaries and associates

	(Millions of yen)	
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Transactions relating to the Company's operation		
Net sales	19	23
Cost of sales	60	14
Selling, general and administrative expenses	840	1,025
Amount of non-operating transactions	20	12

- *2 The approximate percentage of expenses attributable to selling expenses was 16.3% for the previous fiscal year and 18.7% for the fiscal year under review, and the approximate percentage of expenses attributable to general and administrative expenses was 83.7% for the previous fiscal year and 81.3% for the fiscal year under review.

The main expense items of selling, general and administrative expenses and their amounts are as follows.

	(Millions of yen)	
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Salaries, allowances and bonuses	12,059	13,699
Advertising expenses	4,978	6,623
Depreciation	532	474
Provision for bonuses	970	1,322
Provision of allowance for doubtful accounts	(8)	88

- *3 The details of loss on retirement of non-current assets are as follows.

	(Millions of yen)	
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Buildings and structures	0	0
Software	38	16
Others	7	1
Total	46	17

- *4 Loss on valuation of investment securities

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

Of the securities that are classified as investment securities, impairment accounting was performed for one issue of unlisted stock due to their substantive value having declined significantly.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

Of the securities that are classified as investment securities, impairment accounting was performed for two issues of unlisted stocks due to their substantive value having declined significantly.

- *5 Provision for loss on share sale contract

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

A provision for loss on share sale contract was recorded to cover the anticipated loss arising from the sale of common and preferred shares of Unipos Inc. (hereinafter, "Unipos") we hold, in connection with the share transfer agreement executed with Link and Motivation Inc. on May 22, 2025, pursuant to which we have agreed to sell our shares in Unipos Inc. The loss consists of (i) the loss related to the share sale contract for common and preferred shares in Unipos held by the Company as of May 31, 2025, and (ii) the loss related to the share sale contract for preferred shares in Unipos to be acquired from Development Bank of Japan Inc. ("DBJ") pursuant to a shareholders' agreement between the Company and DBJ. The breakdown of the amounts is as follows. Please note that we have entered into a shareholders' agreement with DBJ regarding the preferred shares of Unipos, which provides for our acquisition of all of DBJ's preferred shares in Unipos through exercising a call option.

The transfer of shares under the above share transfer agreement was executed as of July 1, 2025, and the loss incurred as a result of the transfer has been finalized.

	(Millions of yen)
Loss related to the execution of the share sale contract for shares held (common shares)	31
Loss related to the execution of the share sale contract for shares held (preferred shares)	907
Loss related to the execution of the share sale contract for shares to be acquired from DBJ	1,362

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

Not applicable.

Securities

Previous fiscal year (May 31, 2025)

Shares of subsidiaries and affiliates are shares with no market price, etc., so the fair value of shares of subsidiaries and affiliates are omitted.

The carrying amount on the balance sheet for shares of subsidiaries and affiliates with no market price, etc. are as follows.

(Millions of yen)

Category	As of May 31, 2025
Shares of subsidiaries	2,081

Fiscal year under review (May 31, 2026)

Shares of subsidiaries are shares with no market price, etc., so the fair value of shares of subsidiaries are omitted.

The carrying amount on the balance sheet for shares of subsidiaries with no market price, etc. are as follows.

(Millions of yen)

Category	As of May 31, 2026
Shares of subsidiaries	3,060

Tax effect accounting

1. Breakdown of deferred tax assets by major cause of accrual

	(Millions of yen)	
	As of May 31, 2025	As of May 31, 2026
Deferred tax assets		
Excess depreciation	843	987
Provision for loss on share sale contract	701	–
Loss on valuation of investment securities	503	484
Provision for bonuses	297	416
Loss on valuation of shares of subsidiaries and associates	81	190
Accrued enterprise tax	62	86
Others	639	740
Subtotal deferred tax assets	3,131	2,906
Valuation allowance for total deductible temporary differences	(1,097)	(1,197)
Subtotal valuation allowance	(1,097)	(1,197)
Total deferred tax assets	2,033	1,709
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(67)	(119)
Other	(11)	(5)
Total deferred tax liabilities	(79)	(124)
Net deferred tax assets	1,954	1,584
Net deferred tax liabilities	–	–

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of tax effect accounting

	As of May 31, 2025	As of May 31, 2026
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Expenses not deductible permanently, such as entertainment expenses	9.5	1.2
Income not taxable permanently, such as dividend income	(0.1)	0.0
Inhabitant per capita taxes	3.2	0.2
Share-based payment expenses	26.4	0.3
Tax credits, etc.	(0.4)	(4.9)
Change in valuation allowance	(69.8)	1.1
Previous year's taxes	0.1	(0.1)
Others	0.9	0.0
Effective rate of income taxes after application of tax effect accounting	0.4	28.4

Revenue recognition

Information serving as the basis for the ascertaining of revenue from contracts with customers has been omitted because the same details are shown in “1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements, Revenue recognition” of 1 the consolidated financial statements.

Significant events after reporting period*Share Repurchase*

Disclosure has been omitted here, as the same information is disclosed in “1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements, Significant events after reporting period.”

Issuance of the 20th share acquisition rights

Disclosure has been omitted here, as the same information is disclosed in “1 Consolidated financial statements and other information, (1) Consolidated financial statements, Notes to the consolidated financial statements, Significant events after reporting period.”

4) Annexed non-consolidated detailed schedules
Non-consolidated detailed schedule of property, plant and equipment

(Millions of yen)

Category	Class of assets	Beginning balance	Increase during period	Decrease during period	Amount amortized during period	Ending balance	Total accumulated depreciation
Property, plant and equipment	Building	1,956	40	0	236	1,760	665
	Tools, furniture and fixtures	198	101	1	90	208	185
	Leased assets	423	50	–	145	329	304
	Others	10	55	2	0	62	1
	Total	2,589	249	3	473	2,361	1,157
Intangible assets	Software	723	727	68	409	973	–
	Total	723	727	68	409	973	–

Note: The main increases during the period are as follows.

Building	Facilities in Shibuya Sakura Stage and Makuhari Center:	¥35 million
Tools, furniture and fixtures	Furniture and fixtures in Shibuya Sakura Stage:	¥64 million
Leased assets	Furniture and fixtures in Shibuya Sakura Stage:	¥35 million
Others	Construction related to pickleball courts:	¥55 million
Software	Software related to applications for the Sansan Business:	¥263 million
	Software related to Eight Business:	¥220 million
	Software related to business cards data conversion:	¥93 million

Non-consolidated detailed schedule of provisions

(Millions of yen)

Item	Beginning balance	Increase during period	Decrease during period	Ending balance
Allowance for doubtful accounts	8	93	8	93
Provision for bonuses	970	1,322	970	1,322
Provision for loss on share sale contract	2,301	–	2,301	–

Note: The “Decrease during the period (Others)” of allowance for doubtful accounts is the reversal amount.

- (2) Description of main assets and liabilities
This is omitted because consolidated financial statements have been prepared.
- (3) Others
Not applicable.

VI. Outline of Share-related Administration of Reporting Company

Fiscal year	From June 1 to May 31
Annual General Meeting of Shareholders	Within three months after the end of each fiscal year
Record date	Every May 31
Record date for dividends of surplus	Every November 30 and May 31
Number of shares constituting one unit	100 shares
Buyback of shares less than one unit	
Place for application	Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Department 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited, Head Office 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Broker	—
Fees for buyback	Amount separately specified as fees equivalent to fees for consignment on sale of shares
Method of public notices	Through electronic public notices. However, in the event of an accident or any other unavoidable circumstances that make it impossible to give such notices electronically, they will be published in The Nikkei. URL for public notices https://jp.corp-sansan.com/
Shareholder perks and benefits	Not applicable.

Note: The Company's Articles of Incorporation stipulate that shareholders of the Company holding shares of less than one unit shall not be able to exercise rights other than the following for shares less than one unit:

- (1) Rights set forth in items of Article 189, paragraph (2) of the Companies Act;
- (2) Right to make a demand pursuant to the provisions of Article 166, paragraph (1) of the Companies Act;
- (3) Right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held by the shareholder.

VII. Reference Information About Reporting Company

1 Information about parent of reporting company

The Company does not have a parent company, etc. as defined in Article 24-7, paragraph (1) of the Financial Instruments and Exchange Act.

2 Other reference information

The Company filed the following documents between the beginning of the fiscal year under review and the filing date of this Annual Securities Report.

- (1) Annual Securities Report, accompanying documents, and confirmation letter
Fiscal year (18th term) (from June 1, 2024 to May 31, 2025)
Filed to Director-General of the Kanto Local Finance Bureau in August 25, 2025
- (2) Internal control report and accompanying documents
Filed to Director-General of the Kanto Local Finance Bureau in August 25, 2025
- (3) Semi-annual securities reports and confirmation letter
(First half of the 19th term) (from June 1, 2025 to November 30, 2025)
Filed to Director-General of the Kanto Local Finance Bureau in January 14, 2026
- (4) Extraordinary Reports
An Extraordinary Report pursuant to provisions of Article 19, paragraph (2), item (ii-ii) (Issuance of Share Acquisition Rights as Stock Options) of the Cabinet Office Order on Disclosure of Corporate Affairs
Filed to Director-General of the Kanto Local Finance Bureau on July 14, 2025

An Extraordinary Report pursuant to provisions of Article 19, paragraph (2), item (ix-ii) (Results of Voting Rights Exercised at the General Meeting of Shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs
Filed to Director-General of the Kanto Local Finance Bureau on August 27, 2025

An Extraordinary Report pursuant to provisions of Article 19, paragraph (2), item (ii-ii) (Issuance of Share Acquisition Rights as Stock Options) of the Cabinet Office Order on Disclosure of Corporate Affairs
Filed to Director-General of the Kanto Local Finance Bureau on September 16, 2025

An Extraordinary Report pursuant to provisions of Article 19, paragraph (2), item (ii-ii) (Issuance of Share Acquisition Rights as Stock Options) of the Cabinet Office Order on Disclosure of Corporate Affairs
Filed to Director-General of the Kanto Local Finance Bureau on September 16, 2025

An Extraordinary Report pursuant to provisions of Article 19, paragraph (2), item (iv) (Change to the Major Shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs
Filed to Director-General of the Kanto Local Finance Bureau on June 1, 2026

An Extraordinary Report pursuant to provisions of Article 19, paragraph (2), item (ii-ii) (Issuance of Share Acquisition Rights as Stock Options) of the Cabinet Office Order on Disclosure of Corporate Affairs
Filed to Director-General of the Kanto Local Finance Bureau on July 13, 2026

An Extraordinary Report pursuant to provisions of Article 19, paragraph (2), item (xii) and item (xix) (Events Having a Significant Impact on Financial Position, Business Performance, and Cash Flow Status of Reporting Company and Consolidated Companies)
Filed to Director-General of the Kanto Local Finance Bureau on July 13, 2026

An Extraordinary Report pursuant to provisions of Article 19, paragraph (2), item (ix-iv) (Changes to the Certified Public Accountant, etc. for Audits) of the Cabinet Office Order on Disclosure of Corporate Affairs
Filed to Director-General of the Kanto Local Finance Bureau on July 21, 2026
- (5) Report on Status of Purchase of Treasury Shares
Reporting period (From May 20, 2026 to May 31, 2026)
Filed to Director-General of the Kanto Local Finance Bureau on June 15, 2026
Reporting period (From June 1, 2026 to June 30, 2026)
Filed to Director-General of the Kanto Local Finance Bureau on July 15, 2026

Part Two: Information About Reporting Company's Guarantor, etc.

Not applicable.

Independent Auditor's Report on the Financial Statements
and
Internal Control Over Financial Reporting

August 19, 2026

To the Board of Directors of Sansan, Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Takemitsu Nemoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shinichiro Tozuka
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sansan, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "Accounting" section in the company's Annual Report, which comprise the consolidated balance sheet as at May 31, 2026, the consolidated statement of income, comprehensive income, changes in equity and cash flows for the year then ended, and basis of preparation of consolidated financial statements, other explanatory information and supplementary schedules, in accordance with Article 193-2 (1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at May 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

A Key Audit Matter

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Reasonableness of the determination of whether there are indicators of impairment of goodwill and whether an impairment loss should be recognized	
The key audit matter	How the matter was addressed in our audit
As stated in “Notes to the consolidated financial statements, Significant accounting estimates,” goodwill of ¥866 million was recorded on the consolidated balance sheet of Sansan, Inc. (hereinafter, the “Company”) as of May 31, 2026, which accounts for 1.6% of the consolidated total assets. In addition, an impairment loss on goodwill of ¥226 million was recorded on the consolidated statement of income for the fiscal year ended May 31, 2026. If there is an indicator of impairment of a asset group including goodwill, the Company determines whether an impairment loss should be recognized. The determination of whether there are indicators of impairment for a asset group including goodwill is made based on the occurrence of events such as persistent losses from operating activities or negative cash flows, changes in business operations that may lead to a significant decline in recoverability, or a significant deterioration in the business environment. In the case where indicators of impairment are identified, the Company determines whether an impairment loss should be recognized by comparing the total undiscounted future cash flows expected to be generated from the asset group including goodwill with its carrying amount. If, as a result of the determination, it is deemed necessary to recognize an impairment loss, the carrying amount is reduced to a recoverable amount and the amount of the reduction in the carrying amount is recognized as an impairment loss. For goodwill arising from the acquisition of a subsidiary, the Company assesses whether there are any indicators of impairment, taking into account the extent to which profit or loss from operating activities has been achieved against a business plan. When profit or loss from operating activities deviate from the business plan, significant management judgment is required in determining whether such deviation constitutes an indicator of impairment. The undiscounted future cash flows used in the determination of whether an impairment loss should be recognized are estimated based on future business plans that incorporate assumptions regarding sales growth rates and other factors. We, therefore, determined that reasonableness of the determination of whether there are indicators of impairment of goodwill and whether an impairment loss should be recognized is of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	The primary procedures we performed to assess reasonableness of the determination of whether there are indicators of impairment of goodwill and whether an impairment loss should be recognized included the following: (1) Assessments of internal control We assessed the effectiveness of the design and operation of internal control relevant to the determination of whether there are indicators of impairment of goodwill and whether an impairment loss should be recognized. In the assessments, we placed particular focus on the controls under which responsible persons verify the appropriateness of the determination of whether there are indicators of impairment and whether an impairment loss should be recognized before approving them. (2) Assessment of reasonableness of the determination of whether there are indicators of impairment of goodwill and whether an impairment loss should be recognized The primary procedures we performed to assess reasonableness of the determination regarding indicators of impairment of goodwill included the following: • We assessed whether the actual results of profit or loss up to the fiscal year ended May 31, 2026, that had been used in the determination of whether there are indicators of impairment, were consistent with the financial results of the asset group including goodwill. • We assessed whether the business environment surrounding the asset group constitutes a significant deterioration by comparing and analyzing actual results of profit or loss from operating activities of each subsidiary against the business plan and by understanding the progress toward achieving the business plan. • We inquired of the management of the subsidiaries as to whether there had been any changes to the business environment and to the business plan, and confirmed the consistency between the responses from the subsidiaries and our understanding. The primary procedures we performed to assess reasonableness of the determination of whether an impairment loss of goodwill should be recognized included the following: • We compared future net sales that are used in the business plan with actual results in the past, inquired of the responsible departments about the outlook for future trends and compared their responses with relevant supporting documentation.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements, and our auditor’s reports thereon. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit and supervisory committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Internal Control Report

Opinion

We also have audited the accompanying internal control report of Sansan, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") as at May 31, 2026, in accordance with Article 193-2 (2) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying internal control report, which states that the internal control over financial reporting was effective as at May 31, 2026, presents fairly, in all material respects, the results of the assessments of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our audit of the internal control report in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Internal Control Report* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The audit and supervisory committee are responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

Auditor's Responsibilities for the Audit of the Internal Control Report

Our objectives are to obtain reasonable assurance about whether the internal control report is free from material misstatement based on our audit of the internal control report and to issue an auditor's report that includes our opinion.

As part of our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The procedures for the audit of the internal control report are selected and performed, depending on the auditor's judgment, based on significance of effect on the reliability of financial reporting.
- Evaluate the overall presentation of the internal control report, including the appropriateness of the scope, procedures and results of the assessments that management presents.
- Plan and perform the audit of the internal control report to obtain sufficient appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the internal control report. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of our audit of the internal control report, the results thereof, material weaknesses in internal control identified during our audit of internal control report, and those that were remediated.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

[Fee-related Information]

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in (3) Audits in Corporate governance under Information About Reporting Company.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Audit Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.

The English version of the "Independent Auditor's Report on the Financial Statements and Internal Control Over Financial Reporting" and the English translations of the consolidated financial statements and non-consolidated financial statements are disclosed as a single document.

In addition, although the internal control report is not disclosed as a single document, because the "Independent Auditor's Report on the Financial Statements and Internal Control Over Financial Reporting" is translated, the internal control report portion is also included.

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- (Notes)
1. The original version of the independent auditor's report presented above is kept separately by the Company (the filing company of the Annual Securities Report).
 2. XBRL data is not included in the scope of the audit.

Independent Auditor's Report

August 19, 2026

To the Board of Directors of Sansan, Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Takemitsu Nemoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shinichiro Tozuka
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sansan, Inc. ("the Company"), which comprise the non-consolidated balance sheet as at May 31, 2026, the non-consolidated statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies, other explanatory information and supplementary schedules, in accordance with Article 193-2 (1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

A Key Audit Matter

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Reasonableness of the determination of whether a loss on valuation of shares of subsidiaries and associates should be recognized	
The key audit matter	How the matter was addressed in our audit
As stated in “Notes to the non-consolidated financial statements, Significant accounting estimates,” shares of subsidiaries and associates recorded on the non-consolidated balance sheet of Sansan, Inc. (hereinafter, the “Company”) are investment in unlisted subsidiaries of ¥3,060 million, which accounts for 5.5% of total assets. In addition, the Company recognized a loss on valuation of shares of subsidiaries and associates of ¥345 million in the non-consolidated statement of income for the fiscal year ended May 31, 2026. Shares of subsidiaries and associates, that are shares with no market price, are carried at cost in the non-consolidated balance sheet. However, when the substantive value significantly decreases due to worsening of financial position of the issuing company, impairment accounting is applied, unless the recoverability is deemed possible, backed by sufficient evidence. For shares purchased at a higher price than the price on the basis of net assets per share by reflecting excess earning power and other factors of an investee at the time of purchase, the Company determines whether impairment accounting is applied or not by examining the substantive value taking into account excess earning power. When making a valuation of whether or not there is any decrease of excess earning power in shares of subsidiaries and associates purchased at a price that reflected excess earning power and other factors, the Company performs comparison between the business plan that was formulated upon investment and actual results, grasps the status of investment return, and considers the external economic environment, etc. When actual results deviate from the business plan, significant management judgment is required in making a valuation of whether or not there is any decrease of excess earning power. We, therefore, determined that reasonableness of the determination of whether a loss on valuation of shares of subsidiaries and associates should be recognized is of most significance in our audit of the non-consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	In the independent auditor’s report on the consolidated financial statements, we determined that “Reasonableness of the determination of whether there are indicators of impairment of goodwill and whether an impairment loss should be recognized” is a key audit matter, and stated how the matter was addressed in our audit. The information stated therein is substantially the same as that on how the matter was addressed in our audit of the non-consolidated financial statements. Therefore, specific details on how the matter was addressed in our audit are omitted.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit and supervisory committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

[Fee-related information]

Fee-related information is presented in the Auditor's Report on the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Audit Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.

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- (Notes)
1. The original version of the independent auditor's report presented above is kept separately by the Company (the filing company of the Annual Securities Report).
 2. XBRL data is not included in the scope of the audit.