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**CONVOCATION NOTICE FOR THE 34TH ORDINARY
GENERAL MEETING OF SHAREHOLDERS**

SEPTENI HOLDINGS CO., LTD.

Message from the CEO

On behalf of SEPTENI HOLDINGS CO., LTD., I would like to express our thanks for your exceptional support. Please find herein the convocation notice for the 34th Ordinary General Meeting of Shareholders.

The fiscal year ended December 31, 2024 was a year in which we worked on organizational restructuring and business portfolio review in line with the medium-term theme of “Focus & Synergy” under a new management structure. In our consolidated results, we achieved new record highs in both net sales and revenue driven by the Digital Marketing Business.

In addition, as a preparatory period for growth for the fiscal year ending December 31, 2025 and beyond, we have decided to pay a dividend of ¥31.35 per share for the fiscal year ended December 31, 2024, based on our policy of strengthening shareholder returns. We will return profits to shareholders, which is one of our key management issues, within the distributable amount, while continuing to consider the consistency and stability of dividends.

Under the Group’s mission “To inspire the world with entrepreneurship,” we will strive to achieve a V-shaped recovery in the fiscal year ending December 31, 2025 and work hard to enhance our corporate and shareholder value over the medium to long term.

Going forward, we would very much appreciate your continued support.

February 2025

Yuichi Kouno

Representative Director
Group President and Chief Executive Officer

Date of sending by postal mail: March 6, 2025

Start date of measures for providing information in electronic format: February 26, 2025

Dear Shareholder

Yuichi Kouno
Representative Director
Group President and Chief Executive Officer
SEPTENI HOLDINGS CO., LTD.
17-1 Nishishinjuku 8-chome, Shinjuku-ku,
Tokyo, Japan

CONVOCAATION NOTICE FOR THE 34TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to the 34th Ordinary General Meeting of Shareholders of the Company, which will be held as described below.

Based on relevant laws and regulations and the Article 13 of the Company's Articles of Incorporation, this General Meeting of Shareholders will be held as a general meeting of shareholders without a designated location for the shareholders meeting (virtual-only shareholders meetings). We therefore request that you attend this General Meeting of Shareholders via the website designated by the Company (<https://web.sharely.app/login/septeni34>) (in Japanese).

When calling this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following websites. Please access any one of the websites by using the internet address shown below to review the information.

The Company's website:

<https://www.septeni-holdings.co.jp/ir/stock/shareholders/index.html> (in Japanese)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/4293/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter "SEPTENI HOLDINGS" in "Issue name (company name)" or the Company's securities code "4293" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

For details on the environment and procedures required to attend the meeting, please refer to the "Guide to the Virtual-Only Shareholders Meeting (in Japanese only)."

If you do not attend the meeting in person, you may exercise your voting rights via the Internet or otherwise, or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Tuesday, March 25, 2025. When exercising your voting rights via the Internet, etc. or in writing (by postal mail), please refer to the "Guide to the Exercise of Voting Rights (in Japanese only)."

1. Date and Time: **Wednesday, March 26, 2025, at 10:00 a.m.**
* **Login will be available at around 9:30 a.m.**

2. Holding of the meeting **The General Meeting of Shareholders will be held as a general meeting of shareholders without a designated location for the shareholders meeting.**
* There will be no venue as the meeting will be held completely online.
* Please attend through the Company’s designated website:
<https://web.sharely.app/login/septeni34> (in Japanese).
For details on the URL of the relevant website, the access and login methods, and procedures necessary to attend the meeting, please refer to the “Guide to the Virtual-Only Shareholders Meeting (in Japanese only).”

3. Meeting Agenda

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the Company’s 34th term (from January 1, 2024 to December 31, 2024) and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Board of Company Auditors
2. Non-consolidated Financial Statements for the Company’s 34th term (from January 1, 2024 to December 31, 2024)

Matters to be resolved:

Agenda Item: Election of Seven Directors

To Institutional Investors	You may use the Electronic Proxy Voting Platform operated by ICJ Inc., as a method of exercising your voting rights for the General Meetings of Shareholders.
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- If you exercise your voting rights in writing (by postal mail) and do not indicate your approval or disapproval of any of the proposals in the Voting Rights Exercise Form, we will treat it as if you have indicated your approval.
- The paper-based documents including items for which measures for providing information in electronic format are to be taken will be delivered together with this notice to the shareholders who requested the delivery of paper-based documents. However, in accordance with the provisions of laws and regulations and Article 19 of the Articles of Incorporation of the Company, the following items are excluded in such paper-based documents.
 - 1) Notes to Consolidated Financial Statements
 - 2) Notes to Non-consolidated Financial StatementsAccordingly, the Consolidated Financial Statements and the Non-consolidated Financial Statements included in this document are a part of the documents subject to the audit by the financial auditor and company auditors.
- If any amendment is made to the items for which measures for providing information in electronic format are to be taken, a notice of the amendments and the details of the items before and after the amendments will be posted on the aforementioned websites.

Reference Documents for the General Meeting of Shareholders

Agenda Items and Reference Matters

Agenda Item: Election of Seven Directors

At the conclusion of this General Meeting of Shareholders, all eight directors will retire due to the expiration of their respective terms of office.

In that regard, the Company hereby proposes the election of seven directors, including four outside directors.

To establish a higher level of corporate governance, maintain sustainable growth, and enhance corporate value over the medium- to long-term, the Company delegates as much of the decision-making and execution relating to business execution as possible to Group Executive Officers, and so the board of directors can perform thorough oversight of the business execution of the Group Executive Officers.

The oversight function of management is continually strengthening under our board of directors whose composition comprises a majority of outside directors.

The Company nominates candidates for director based on a strong sense of ethics and responsibility, and the extensive knowledge and experience, as well as character, required for the Company's management decision-making, or the track record and insight required to enhance the oversight function of management.

In nominating candidates for director, based on the above policy, the candidates are nominated at a meeting of the board of directors, following deliberation by the Nomination and Remuneration Advisory Committee, composed only of outside directors and the Group President and Chief Executive Officer.

The candidates are as follows:

Candidate No.	Name		Important positions held at other companies	Attendance to the board of directors meetings
1	Yuichi Kouno Representative Director Group President and Chief Executive Officer	Reelection		11/11
2	Yusuke Shimizu Director Group Executive Vice President and Executive Officer	Reelection	Representative Director and President, SEPTENI CO., LTD.	11/11
3	Yoshiki Ishikawa Outside Director	Reelection Outside director Independent officer	Representative Director, Well-being for Planet Earth Foundation External Director, Gaiax Co. Ltd. Representative Director and President, Unson, Inc.	15/15
4	Akie Iriyama Outside Director	Reelection Outside director Independent officer	Professor, Business School, Waseda University Outside Director, ROHTO Pharmaceutical Co., Ltd. Outside Director, Sanoh Industrial Co., Ltd. Outside Director (Audit & Supervisory Committee Member), SORACOM, INC.	15/15
5	Mio Takaoka Outside Director	Reelection Outside director Independent officer	Partner, DNX Ventures Outside Director, HENNGE K.K. Outside Director, DENTSU SOKEN INC.	14/15
6	Makoto Shiono Outside Director	Reelection Outside director Independent officer	Partner/CLO, IGPI Group, Inc. Managing Director, Industrial Growth Platform Inc. Outside Director, beBit, Inc. Outside Director, INCLUSIVE, INC.	11/11
7	Tadashi Kitahara Director	Reelection	Executive Officer, Dentsu Inc. Director, Dentsu Digital Inc. Director, CARTA HOLDINGS, INC.	11/11

1 Yuichi Kouno (Date of birth: September 22, 1982)	Reelection	
	Number of years in office	1 year
	Attendance to the board of directors meetings	11/11
	Number of the Company's common shares held	130,200

Profile, position and duties at the Company

Apr. 2006	Joined the Company
Oct. 2014	Officer of Third Account Division, SEPTENI CO., LTD.
Oct. 2015	Officer of Second Account Division, Septeni Japan, Inc.
Jan. 2017	Officer and General Manager of Second Account Division, Septeni Japan, Inc.
Jan. 2018	Group Executive Officer of the Company
Dec. 2018	Representative Director, SEPTENI CO., LTD. (current position) (scheduled to retire on March 26, 2025)
Dec. 2018	Representative Director, Septeni Japan, Inc. (current position) (scheduled to retire on March 26, 2025)
Jan. 2022	Group Senior Executive Officer of the Company
Nov. 2022	Outside Director, and factory,inc.
Dec. 2022	Director, Dentsu Digital Inc.
Mar. 2024	Representative Director of the Company (current position)
Apr. 2024	Group President and Chief Executive Officer (current position)

■ Reasons for nomination as candidate for director

Mr. Yuichi Kouno has extensive experience and results, and considerable insight in the Group's Digital Marketing Business and new businesses, and because he is expected to play appropriate roles and exercise strong leadership on the Company's further growth, business expansion and all aspects of business administration, he is deemed necessary for enhancing corporate value and has once again been nominated as candidate for director.

■ Important positions held at other companies

None.

2 Yusuke Shimizu (Date of birth: June 19, 1982)	Reelection	
	Number of years in office	1 year
	Attendance to the board of directors meetings	11/11
	Number of the Company's common shares held	52,000 shares

Profile, position and duties at the Company

Apr. 2006	Joined the Company
Oct. 2014	Officer of Media Solutions Division, SEPTENI CO., LTD.
Oct. 2015	Officer of Media Growth Division, Septeni Japan, Inc.
Jan. 2017	Officer and General Manager of Media Division, Septeni Japan, Inc.
Jan. 2018	Group Executive Officer of the Company
Dec. 2018	Representative Director and President, SEPTENI CO., LTD. (current position)
Dec. 2018	Representative Director and President, Septeni Japan, Inc. (current position)
Jan. 2022	Group Senior Executive Officer of the Company
Mar. 2024	Director of the Company (current position)
Apr. 2024	Group Executive Vice President and Executive Officer (current position)

■ Reasons for nomination as candidate for director

Mr. Yusuke Shimizu has extensive experience and results, and considerable insight in the Group's Digital Marketing Business as well as operational experience in the field of corporate planning, and because he is expected to drive the management of the Group and further enhance and drive corporate governance, he is deemed necessary for enhancing corporate value and has once again been nominated as candidate for director.

■ Important positions held at other companies

Representative Director and President, SEPTENI CO., LTD.

3 Yoshiki Ishikawa
(Date of birth: February 27, 1981)

Reelection
Outside director
Independent officer

Number of years in office 5 years and 3 months
Attendance to the board of directors meetings 15/15
Number of the Company's common shares held –

Profile, position and duties at the Company

Nov. 2008 Director, Cancer Scan Co., Ltd.
Sep. 2014 Director, Campus for H Inc.
Sep. 2018 Representative Director, Well-being for Planet Earth Foundation (current position)
Feb. 2019 Outside Director (Audit & Supervisory Committee Member), Sansan, Inc.
Mar. 2019 External Director, Gaiax Co. Ltd. (current position)
Dec. 2019 Outside Director of the Company (current position)
Dec. 2024 Representative Director and President, Unson, Inc. (current position)

■ Reasons for nomination as candidate for outside director and outline of expected roles

Mr. Yoshiki Ishikawa has professional, extensive experience and results, and considerable insight as both a preventive medicine researcher and as a founder of a company using methods based on behavioral science, and because he has actively provided useful advice on all aspects of the business administration of the Group, he is deemed capable of providing oversight and advice on the Company's business administration as an outside director, and has once again been nominated as candidate for outside director.

■ Important positions held at other companies

Representative Director, Well-being for Planet Earth Foundation; External Director, Gaiax Co. Ltd.; Representative Director and President, Unson, Inc.

4 Akie Iriyama
(Date of birth: December 8, 1972)

Reelection
Outside director
Independent officer

Number of years in office 4 years and 3 months
Attendance to the board of directors meetings 15/15
Number of the Company's common shares held –

Profile, position and duties at the Company

Apr. 1998 Joined Mitsubishi Research Institute, Inc.
Sep. 2008 Assistant Professor, University at Buffalo, the State University of New York
Sep. 2013 Associate Professor, Business School, Waseda University
May 2016 Outside Director, Macromill, Inc.
Apr. 2019 Professor, Business School, Waseda University (current position)
Jun. 2019 Outside Director, ROHTO Pharmaceutical Co., Ltd. (current position)
Jun. 2020 Outside Director, Sanoh Industrial Co., Ltd. (current position)
Dec. 2020 Outside Director of the Company (current position)
Jun. 2021 Outside Director (Audit & Supervisory Committee Member), SORACOM, INC. (current position)

■ Reasons for nomination as candidate for outside director and outline of expected roles

Mr. Akie Iriyama has operational experience as a consultant, along with professional, extensive experience and results and considerable insight as a researcher specialized in the management strategies and the global management fields, and because he has actively provided useful advice on all aspects of the business administration of the Group, he is deemed capable of providing oversight and advice on the Company's business administration as an outside director, and has once again been nominated as candidate for outside director. Although he has never been involved in corporate management other than serving as an outside officer, he is deemed capable of properly carrying out the duties of an outside director of the Company for the reasons mentioned above.

■ Important positions held at other companies

Professor, Business School, Waseda University; Outside Director, ROHTO Pharmaceutical Co., Ltd.; Outside Director, Sanoh Industrial Co., Ltd.; Outside Director (Audit & Supervisory Committee Member), SORACOM, INC.

5 Mio Takaoka
(Date of birth: May 3, 1979)

Reelection
Outside director
Independent officer

Number of years in office 4 years and 3 months
Attendance to the board of directors meetings 14/15
Number of the Company's common shares held –

Profile, position and duties at the Company

Jul. 1999 Joined Goldman Sachs Japan Securities
Jun. 2002 Joined Morgan Stanley Japan Securities (currently Morgan Stanley MUFG Securities Co., Ltd.)
Mar. 2006 Joined Lehman Brothers Japan Securities
Jan. 2009 Joined Monex Group, Inc.
Feb. 2014 Executive, General Manager of new business, Monex Group, Inc.
May 2014 Director, Monex Ventures, Inc.
Sep. 2017 Joined MedicalNote, Inc.
Sep. 2017 Partner, Arbor Ventures
Mar. 2018 Director, MedicalNote, Inc.
Dec. 2020 Outside Director of the Company (current position)
Mar. 2021 Outside director, KAYAC Inc.
Apr. 2021 Partner, DNX Ventures (current position)
Dec. 2021 Outside Director, HENNGE K.K. (current position)
Mar. 2022 Outside Director, DENTSU SOKEN INC. (current position)
Mar. 2022 Outside director (Audit & Supervisory Committee Member), KAYAC Inc. (current position) (scheduled to retire on March 27, 2025)

■ Reasons for nomination as candidate for outside director and outline of expected roles

Ms. Mio Takaoka has professional, extensive experience and results, and considerable insight of strategic investment, new business development and finance, and because she has actively provided useful advice on all aspects of the business administration of the Group, she is deemed capable of providing oversight and advice on the Company's business administration as an outside director, and has once again been nominated as candidate for outside director.

■ Important positions held at other companies

Partner, DNX Ventures; Outside Director, HENNGE K.K.; Outside Director, DENTSU SOKEN INC.

6 Makoto Shiono
(Date of birth: November 12, 1975)

Reelection
Outside director
Independent officer
Number of years in office 1 year
Attendance to the board of directors meetings 11/11
Number of the Company's common shares held –

Profile, position and duties at the Company

Apr. 1998 Joined Citibank, N.A., Tokyo Branch
Oct. 1999 Joined Goldman Sachs Japan Co., Ltd., Tokyo Branch
Aug. 2000 Joined Members Co., Ltd. (seconded to EC-watch.com Co., Ltd. as CFO)
Sep. 2001 Joined Bain & Company Inc.
Apr. 2003 Joined livedoor Co., Ltd
Jul. 2008 Joined Industrial Growth Platform, Inc.
Jan. 2012 Partner/Managing Director, Industrial Growth Platform Inc.
Jun. 2017 Executive Managing Director, CIO, JBIC IG Partners
Apr. 2018 External Director, NewsPicks, Inc.
Oct. 2018 Director, JB Nordic Ventures Oy
Jun. 2020 Outside Director, beBit, Inc. (current position)
Jun. 2022 Outside Director, INCLUSIVE, INC. (current position)
Mar. 2024 Outside Director of the Company (current position)
Oct. 2024 Partner/CLO, IGPI Group, Inc. (current position)
Oct. 2024 Managing Director, Industrial Growth Platform Inc. (current position)

■ Reasons for nomination as candidate for outside director and outline of expected roles

Mr. Makoto Shiono has extensive experience and results, and considerable insight in strategic planning and implementation consulting and M&A advisory services for domestic and foreign companies and government agencies, and because he has actively provided useful advice on all aspects of the business administration of the Group, he is deemed capable of providing oversight and advice on the Company's business administration as an outside director, and has once again been nominated as candidate for outside director.

■ Important positions held at other companies

Partner/CLO, IGPI Group, Inc.; Managing Director, Industrial Growth Platform Inc.; Outside Director, beBit, Inc.; Outside Director, INCLUSIVE, INC.

7	Tadashi Kitahara (Date of birth: July 15, 1968)	Reelection	
		Number of years in office	1 year
		Attendance to the board of directors meetings	11/11
		Number of the Company's common shares held	-

Profile, position and duties at the Company

Apr. 1991	Joined Dentsu Inc. (currently Dentsu Group Inc.)
Jan. 2019	Managing Director of the Business Produce Division, Dentsu Inc.
Mar. 2019	Director, NewsPicks Studios Inc.
Jan. 2022	Executive Officer, Dentsu Inc. (current position)
Jan. 2022	Director, Rakuten Data Marketing, Inc. (current position)
Jan. 2022	Representative Director, Dentsu Digital Inc.
Dec. 2022	Director, Dentsu Digital Inc. (current position)
Mar. 2023	Director, CARTA HOLDINGS, INC. (current position)
Jun. 2023	Director, Japan Interactive Advertising Association (current position)
Jan. 2024	Director, LIVE BOARD, INC. (current position)
Mar. 2024	Director of the Company (current position)

■ Reasons for nomination as candidate for director

Mr. Tadashi Kitahara joined Dentsu Inc. (currently Dentsu Group Inc.) in 1991 and has extensive operational experience and management experience, including serving as an Executive Officer of Dentsu Inc. in charge of the Strategy and Media & Contents of that company since 2022. Therefore, because he is expected to provide useful advice on all aspects of the business administration of the Group and contribute to the promotion of alliance operations with the Dentsu Group, he has once again been nominated as candidate for director.

■ Important positions held at other companies

Executive Officer, Dentsu Inc.; Director, Dentsu Digital Inc.; Director, CARTA HOLDINGS, INC.

(Notes)

1. Mr. Yoshiki Ishikawa, Mr. Akie Iriyama, Ms. Mio Takaoka, and Mr. Makoto Shiono are candidates for outside directors.
2. There are no other special relationships between the Company and each of the candidates.
3. In Mr. Tadashi Kitahara's "Profile, position and duties at the Company and Important positions held at other companies," both his current positions and duties and those over the past ten years when he was an executive at the Company's parent company, Dentsu Group Inc., and its subsidiaries are also listed.
4. The Company has established "Independence Standards for Outside Officers" (<https://www.septeni-holdings.co.jp/ir/pdf/isod.pdf>) (in Japanese only). There is no information showing any violations of these standards for candidates Mr. Yoshiki Ishikawa, Mr. Akie Iriyama, Ms. Mio Takaoka, or Mr. Makoto Shiono and each candidate is deemed independent.
5. The Company has designated Mr. Yoshiki Ishikawa, Mr. Akie Iriyama, Ms. Mio Takaoka, and Mr. Makoto Shiono as independent officers in accordance with the rules of Tokyo Stock Exchange, Inc., and has submitted a notice of designation to the Tokyo Stock Exchange. If the proposed reelection of the four candidates is approved, the Company will continue to designate them as independent officers.
6. The Company has entered into a liability limitation agreement with each of Mr. Yoshiki Ishikawa, Mr. Akie Iriyama, Ms. Mio Takaoka, and Mr. Makoto Shiono. According to the aforementioned liability limitation agreement, their liability for damages under Article 423, paragraph (1) of the Companies Act will not exceed either ¥5 million or the minimum liability amount stipulated in Article 425, paragraph (1) of the same Act, whichever is higher. If the proposed reelection of the four candidates is approved, the Company plans to again enter into the aforementioned liability limitation agreement with them.
7. The Company has entered into a directors and officers liability insurance policy (management risk protection insurance policy) as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. If each candidate is elected and assumes office as director, he or she will be included as an insured in the policy. This insurance policy covers amounts of indemnification, litigation expenses and other costs that an insured, including the Company's directors, would be liable for due to corporate litigation, a third-party lawsuit, a shareholder derivative lawsuit, etc. However, as a measure to ensure that the proper performance of duties by an insured is not impaired, the insurance policy does not cover any damages, etc. arising from criminal acts, etc. committed by the insured. The full amount of the insurance premiums for the policy is borne by the Company. In addition, when the policy is renewed (July 2025), the Company plans to renew the policy with the same terms.
8. If the proposed reelection of Mr. Tadashi Kitahara is approved, he will be serving concurrently as Executive Officer of Dentsu Inc., Director of Dentsu Digital Inc., and Director of CARTA HOLDINGS, INC., all of which companies are subsidiaries of the Company's parent company Dentsu Group Inc.
9. Mr. Makoto Shiono is Outside Director of beBit, Inc., with which the Company has executed the capital and business alliance agreement. The Company holds 4.58% of the total number of shares issued by the company; however, there is no specific transactions with the company in the immediate preceding fiscal year.
10. The number of the board of directors meetings included in the scope of attendance for Mr. Yuichi Kouno, Mr. Yusuke Shimizu, Mr. Makoto Shiono, and Mr. Tadashi Kitahara is eleven meetings held during the time after they were appointed as director on March 27, 2024.

Business Report (From January 1, 2024 to December 31, 2024)

1. Current status of the SEPTENI Group

(1) Business progress and results

(Note) The accounting period for the previous fiscal year is an irregular 15-month period due to a change in the fiscal year-end (changed from September 30 to December 31), and thus year-on-year changes are not shown. In addition, the operating results of COMICSMART INC. (current trade name: COMISMA INC.) and its subsidiaries, etc. are reclassified to discontinued operations. Therefore, revenue, non-GAAP operating profit, operating profit, and profit before tax each indicate the amount of continuing operations, excluding discontinued operations.

Earnings for the fiscal year under review

Individual smartphone ownership in Japan rose to 78.9% in 2023, as the quantitative expansion continued, with the exceptionally high popularization rate of more than 90% of those in their 20s through 50s now owning a smartphone. At the same time, the individual objectives for smartphone use are also diversifying with the increasing usage rate of SNS (social networking services), meaning we are also seeing a profound qualitative change in use (source: “Communications Usage Trend Survey in 2023,” Ministry of Internal Affairs and Communications). As such, with the smartphone becoming a mainstream device to access the Internet, in the market for various services and applications, expansion into content such as video, music, and e-books is accelerating. Additionally, social media is being used not only for communication, but is also expanding into fields such as payments and purchases. As its influence is growing even stronger, demand for marketing support utilizing the individual characteristics of different media as well as data and AI is also increasing further. Furthermore, internet advertising expenditures in the Japanese advertising market in 2023 reached ¥3,333.0 billion (up 7.8% year on year), exceeding that of the four traditional mass media advertising expenditures (¥2,316.1 billion, down 3.4% year on year, source: “2023 Advertising Expenditures in Japan” by Dentsu Inc.). As such, the COVID-19 pandemic has also been a catalyst for bringing about a massive wave of digital transformation (DX) across all industries, and even in the advertising industry, we have seen further growth in demand for digital marketing.

Amid this environment, in our mainstay Digital Marketing Business, Marketing Communication Area, which sells and operates digital advertising and provides integrated online-offline marketing support, was the driving force of the business. In the Media Platform Business, the Company reviewed its business portfolio and optimized costs.


As a result, revenue was ¥28,284 million, operating profit was ¥3,129 million, non-GAAP operating profit was ¥3,197 million, profit before tax was ¥4,867 million, profit was ¥5,520 million, and profit attributable to owners of parent was ¥5,526 million.

Concerning the year-end dividend for the fiscal year under review, after taking into consideration the above-mentioned business performance and the Company’s basic policy on profit distribution, the Company passed a resolution at the board of directors meeting held on February 25, 2025 to pay a year-end dividend of ¥31.35 per share. Based on this decision, total dividends paid amounted to ¥6,558 million.

Adoption of the International Financial Reporting Standards (hereinafter referred to as “IFRS”)

The Group has applied IFRS since the fiscal year ended September 30, 2016 in place of previously used Japanese GAAP, aiming for better convenience for all of the Group’s stakeholders, including shareholders and investors in and outside Japan, while promoting actively its global business development.

In addition, the Group discloses “non-GAAP operating profit,” an indicator that is not defined in IFRS on a voluntary basis. Non-GAAP operating profit (or loss) is a profit indicator of constant business performance determined by excluding gains and losses related to acquisition actions and temporary factors from the IFRS-based operating profit (or loss). Gains and losses related to acquisition actions refer to amortization of acquisition-related intangible assets, M&A expenses, etc., and unusual items refer to one-off items, such as stock-based compensation expenses, impairment loss and gains or losses on sales of non-current assets, that the Group believes shall be excluded for the purposes of preparing a future outlook based on certain rules.

Revenue: ¥28,284 million	Non-GAAP operating profit: ¥3,197 million
Profit attributable to owners of parent: ¥5,526 million	Dividends per share: ¥31.35  Previous term: ¥5.2

The overview of operating results by major business segment is as follows.

Digital Marketing Business

■ Major business

The Digital Marketing Business provides comprehensive support for corporate DX centered on digital marketing that includes, starting with the sales and operations of digital advertisements, the provision of solutions using data and AI as well as marketing support integrating online and offline solutions through our business alliance with the Dentsu Group.

During the fiscal year under review, Marketing Communication Area was the driving force of the business.

Revenue: ¥26,810 million

Non-GAAP operating profit: ¥6,357 million

Media Platform Business

■ Major business

The Media Platform Business consists of the Employment Platform Business, Social Contribution Platform Business, Childcare Platform Business, and other businesses.

During the fiscal year under review, the Company reviewed its business portfolio and optimized costs.

Revenue: ¥1,703 million

Non-GAAP operating loss: ¥93 million

(2) Trends in financial position and profit and loss

■ IFRS

Category	31st term (ended September 30, 2021)	32nd term (ended September 30, 2022)	33rd term (ended December 31, 2023)	34th term (ended December 31, 2024)
Revenue (Thousand yen)	21,383,875	27,589,386	34,266,611	28,284,209
Operating profit (Thousand yen)	3,650,046	6,165,779	4,949,134	3,129,260
Non-GAAP operating profit (Thousand yen)	3,796,011	6,565,177	5,091,306	3,196,977
Profit attributable to owners of parent (Thousand yen)	2,604,103	5,733,564	4,318,831	5,525,805
Total assets (Thousand yen)	42,011,169	88,731,112	93,605,990	97,637,290
Basic earnings per share (Yen)	20.59	30.54	20.74	26.65
Dividends per share (Yen)	3.40	4.60	5.20	31.35
Return on equity (ROE) (%)	15.2	14.1	6.7	8.2

(Notes)

1. The accounting period for the 33rd term is a 15-month period from October 1, 2022 to December 31, 2023, due to a change in the fiscal year-end.
2. Starting from the 33rd term, the operating results of COMICSMART INC. and its subsidiaries, etc. are reclassified as discontinued operations. As a result, revenue, operating profit, and non-GAAP operating profit for the 32nd term have been retroactively adjusted.

(3) Issues to be addressed

Under the medium-term theme of “Focus & Synergy” continued from the fiscal year ended December 31, 2024, the Group will move forward with organizational restructuring to hone the strengths of each business while maintaining strict discipline in business portfolio management. For growth investments in each business, we will consider investments for organic growth and creation of new businesses, as well as M&A to strengthen alliances with external partners.

In addition, while working on short-term challenges of improving profitability and productivity, we aim to continuously increase revenues through the growth of each business, thereby achieving a V-shaped recovery through a turnaround to growth in operating profit.

From the first quarter of the fiscal year ending December 31, 2025, the three areas that had been classified under the Digital Marketing Business will be Marketing Communication Segment, the Direct Business Segment, and the Data & Solutions Segment, and these three will be the new reportable segments. In addition, each of the businesses previously classified in the Media Platform Business will be integrated into the Marketing Communication Segment or classified into the Other Business, taking into account the perspective of generating synergies with existing businesses.

(4) Capital investments

Capital investment in the fiscal year under review was ¥680 million, which was made mainly for the core system.

(5) Financing

Nothing noteworthy to report.

(6) Business transfers, absorption-type company split or incorporation-type company split

Not applicable.

(7) Business transfers from other companies

Not applicable.

(8) Succession of rights and obligations relating to other entities' business as a result of absorption-type merger or company split

Not applicable.

(9) Acquisition or disposal of shares, other equities or share options of other companies

On March 29, 2024, the Company sold 74,000 shares of the 116,400 shares it held in COMICSMART INC., and as a result, COMICSMART INC. became an equity-method associate of the Company.

On October 1, 2024, the Company sold all of the 1,000 shares it held in ALPHABLE, Inc.

On November 1, 2024, the Company sold all of the 1,000 shares it held in TowaStela, Inc.

(10) Parent and significant subsidiaries

1) Relationship with the parent

Company name	Share capital	Ratio of voting right to the Company	Relationship with the Company
Dentsu Group Inc.	¥74,609 million	52.49%	Interlocking of officers

(Note) The Company executed the capital and business alliance agreement with Dentsu Group Inc.

Details of business alliance

- (1) Project collaboration between Dentsu Group Inc. and SEPTENI CO., LTD.
- (2) Partnership between Dentsu Digital Inc. and the Group
- (3) Partnership in the direct marketing domain between Dentsu Direct Inc. and Dentsu Group Inc.
- (4) Additionally, the following partnerships between Dentsu Group Inc. and the Group
 - (a) Integrated internal and external customer marketing and public relations strategy
 - (b) Discussion/study on an integrated operating program for the hiring, education, and retention of digital human resources
 - (c) Deepening alliance operations in integrated online-offline marketing
 - (d) Mutual use of tools

2) Significant subsidiaries

Company name	Capital or investment in capital (Thousand yen)	Ratio of voting right of the Company	Major business
SEPTENI CO., LTD.	300,000	100.0%	Internet ad agency
Dentsu Direct Inc.	301,000	100.0%	Direct marketing support business

(Notes)

1. The Company owns a total of 36 consolidated subsidiaries, including the significant subsidiaries described above.
2. The Company does not own any subsidiaries that are specified wholly-owned subsidiaries as provided in Article 118, item 4 of the Regulation for Enforcement of the Companies Act.
3. On March 29, 2024, the Company sold 74,000 of the 116,400 shares it held in COMICSMART INC., and as a result, COMICSMART INC. became an equity-method associate of the Company.

(11) Major offices (as of December 31, 2024)

1) The Company

Company name	Location
The Company	Shinjuku-ku, Tokyo

2) Subsidiaries

Company name	Location
SEPTENI CO., LTD.	Shinjuku-ku, Tokyo
Dentsu Direct Inc.	Minato-ku, Tokyo

(12) Employees (as of December 31, 2024)

Business segment	Number of employees	Increase/decrease from the previous term-end
Digital Marketing Business	1,679	142 increase
Media Platform Business	30	82 decrease
Corporate (common)	91	5 increase
Total	1,800	65 increase

(Notes)

1. The number of employees indicates the number of working employees.
2. The number of employees under the “Corporate (common)” segment indicates the number of employees who belong to the holding company.
3. The main reason for the 65 increase in the number of employees from the previous term-end is the hiring of new graduates. Meanwhile, the number of employees in the Media Platform Business decreased by 82 from the previous term-end, mainly due to the sale of a portion of the Company’s shares in COMICSMART INC. on March 29, 2024, which resulted in the company being excluded from the scope of consolidation and becoming an equity-method associate.

(13) Major creditors (as of December 31, 2024)

Creditor	Amount of loans (Million yen)
Sumitomo Mitsui Banking Corporation	2,000
Mizuho Bank, Ltd.	1,000

2. Status of the Company

(1) Matters regarding shares (as of December 31, 2024)

- 1) Number of shares authorized 370,080,000 shares
- 2) Number of shares issued 211,389,654 shares (including 2,200,043 treasury shares)
(Note) The number of shares issued increased by 310,000 shares through the exercise of the share options.
- 3) Number of shareholders 17,455 (10,394 increase from the previous business year-end)
- 4) Major shareholders (top 10 shareholders)

Name of shareholder	Number of shares (shares)	Shareholding ratio (%)
Dentsu Group Inc.	109,782,395	52.48
Village seven Co., Ltd.	12,783,500	6.11
Mamoru Nanamura	10,450,500	5.00
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	6,553,870	3.13
NOMURA PB NOMINEES LIMITED OMNIBUS – MARGIN (CASHPB)	5,980,879	2.86
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE SEGREGATION ACC FOR THIRD PARTY	5,863,652	2.80
MSIP CLIENT SECURITIES	4,771,389	2.28
Hiroshi Shimizu	1,900,000	0.91
The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account 76034)	1,764,502	0.84
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	1,760,286	0.84

(Notes)

1. The above shareholding ratios are determined by excluding the number of treasury shares (2,200,043 shares).
2. The treasury shares do not include the Company's shares owned by the directors' remuneration BIP (Board Incentive Plan) trust (1,764,502 shares).

- 5) Status of shares delivered to the Company's officers as remuneration for the execution of duties during the business year under review

Not applicable.

- 6) Other important matters regarding shares

Not applicable.

(2) Matters regarding share options, etc.

- 1) Status of share options, etc. held by officers of the Company

Not applicable.

- 2) Status of share options, etc. delivered to employees, etc. during the business year under review

Not applicable.

- 3) Other important matters regarding share options, etc.

Not applicable.

(3) Matters regarding company officers (as of December 31, 2024)

1) Directors and company auditors

Position and duties	Name	Important positions held at other companies
Representative Director Group President and Chief Executive Officer	Yuichi Kouno	Representative Director, SEPTENI CO., LTD.
Director Group Executive Vice President and Executive Officer	Yusuke Shimizu	Representative Director and President, SEPTENI CO., LTD.
Director	Etsuko Okajima	CEO, ProNova Inc. External Director, MARUI GROUP Co., Ltd. Director and Chairman of the Nomination and Compensation Committee, Euglena Co., Ltd. Outside Director, KADOKAWA CORPORATION
Director	Yoshiki Ishikawa	Representative Director, Well-being for Planet Earth Foundation External Director, Gaiax Co. Ltd. Representative Director and President, Unson, Inc.
Director	Akie Iriyama	Professor, Business School, Waseda University Outside Director, ROHTO Pharmaceutical Co., Ltd. Outside Director, Sanoh Industrial Co., Ltd. Outside Director (Audit & Supervisory Committee Member), SORACOM, INC.
Director	Mio Takaoka	Partner, DNX Ventures Outside Director, HENNGE K.K. Outside Director, DENTSU SOKEN INC. Outside director (Audit & Supervisory Committee Member), KAYAC Inc.
Director	Makoto Shiono	Partner/CLO, IGPI Group, Inc. Managing Director, Industrial Growth Platform Inc. Director, JB Nordic Ventures Oy Outside Director, beBit, Inc. Outside Director, INCLUSIVE, INC.
Director	Tadashi Kitahara	Executive Officer, Dentsu Inc. Director, Dentsu Digital Inc. Director, CARTA HOLDINGS, INC.
Full-time Company Auditor	Tadahiro Mouri	
Company Auditor	Mamoru Furushima	Representative Partner, Trident Lawyer Corporation Outside Director (Audit & Supervisory Committee Member), B-Lot Company Limited Outside Audit & Supervisory Board Member, SECURE, INC. Outside Director (Audit & Supervisory Committee Member), Wel-Dish. Incorporated
Company Auditor	Takeshi Okuyama	Partner, Mori Hamada & Matsumoto
Company Auditor	Hideo Hatano	Group Management and Head of Internal Audit, Dentsu Group Inc.

(Notes)

- Directors Etsuko Okajima, Yoshiki Ishikawa, Akie Iriyama, Mio Takaoka and Makoto Shiono are outside directors.
- Company Auditors Tadahiro Mouri, Mamoru Furushima and Takeshi Okuyama are outside company auditors.
- Company Auditor Mamoru Furushima is a certified public accountant and has a respectable degree of knowledge in finance and accounting.
- The Company has designated Directors Etsuko Okajima, Yoshiki Ishikawa, Akie Iriyama, Mio Takaoka and Makoto Shiono as independent officers in accordance with the rules of Tokyo Stock Exchange, Inc. and has submitted a notice of designation to the Tokyo Stock Exchange.
- The Company has entered into agreements with all outside directors and outside company auditors that limit their liability for damages as set forth in Article 423, paragraph (1) of the Companies Act. The limit on liability for damages under said agreement is ¥5 million or the minimum liability amount provided for by Article 425, paragraph (1) of the Companies Act, whichever is higher.

6. The Company has entered into a directors and officers liability insurance policy (management risk protection insurance policy) as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of insureds in the insurance policy includes all directors, company auditors, and executive officers at the Company and all of its subsidiaries, and the insureds will not bear the insurance premiums. This insurance policy covers amounts of indemnification, litigation expenses and other costs that an insured would be liable for due to corporate litigation, a third-party lawsuit, a shareholder derivative lawsuit, etc. However, as a measure to ensure that the proper performance of duties by an insured is not impaired, the insurance policy does not cover any damages, etc. arising from criminal acts, etc. committed by the insured.

2) Remunerations, etc. to directors and company auditors

(a) Policy for determining details of remunerations, etc. for officers

The Company adopted a resolution on establishing the policy for determining details of individual remunerations, etc. for directors, etc. at the board of directors meeting held on November 22, 2016 (as amended by the resolutions made on December 19, 2023 and January 28, 2025).

Furthermore, the board of directors has deemed that remuneration, etc. for individual directors in the business year under review follow the determination policy. Specifically, the board of directors has confirmed that the method of determining the details of the remuneration, etc. and the details of the decided remuneration, etc. are consistent with the determination policy, and that the decisions were made while referencing the proposed recommendations of the Nomination and Remuneration Advisory Committee, to confirm the validity of remuneration levels.

The details of the policy for determining details of individual remunerations, etc. for directors, etc. are as follows.

a. Basic policy

Remuneration for directors (excluding outside directors) is composed of basic remuneration (monthly cash remuneration) and performance-linked remuneration.

The basic remuneration is positioned as a fixed compensation, the amount of which is determined for each grade according to the size (magnitude) of responsibilities of each director. Furthermore, the total amount of remuneration paid as cash every month must be within the total remuneration limit for directors decided by the general meeting of shareholders.

Performance-linked remuneration is composed of short-term performance-linked remuneration, medium- to long-term performance-linked share-based remuneration, and medium- to long-term performance-linked cash remuneration.

Short-term performance-linked remuneration will be paid as a cash reward in an amount calculated by multiplying the fixed compensation by the performance growth rate of the controlling company in the business year under review multiplied by 0.5. Provided, however, the maximum amount payable is 40% of the fixed remuneration amount.

Medium- to long-term performance-linked share-based remuneration will be paid for directors who are residents of Japan, and will take the form of share-based remuneration using the directors' remuneration BIP trust.

Medium- to long-term performance-linked cash remuneration will be paid for directors who are non-resident of Japan, and will take the form of cash reward linked to the medium- to long-term performance.

Remuneration for outside directors is composed of only monthly basic remuneration (fixed with no changes based on performance).

Remuneration for company auditors is composed of only monthly basic remuneration (fixed with no changes based on performance).

b. Concerning other determination for remunerations, etc.

Following the "a. Basic policy" above, basic remuneration, short-term performance-linked remuneration, and medium- to long-term performance-linked cash remuneration for directors (excluding outside directors) will be within the total limit of director remuneration set by a resolution of the general meeting of shareholders (Note 1), and individual and specific allocations

will be decided by the Group President and Chief Executive Officer referencing the proposed recommendations of the Nomination and Remuneration Advisory Committee. Regarding medium- to long-term performance-linked share-based remuneration, the “share delivery rules” will be concluded with the trustee of the trust (Note 2) based on the share-based remuneration system using the directors’ remuneration BIP trust resolved by the general meeting of shareholders, and according to these rules, the trustee will deliver shares and pay cash.

Following the above basic policy a., remuneration for outside directors will be within the total limit of director remuneration set by a resolution of the general meeting of shareholders (Note 1), and individual and specific allocations will be decided by the Group President and Chief Executive Officer referencing the proposed recommendations of the Nomination and Remuneration Advisory Committee.

Following the above basic policy a., remuneration for company auditors will be within the total limit of company auditor remuneration set by a resolution of the general meeting of shareholders (Note 3), and individual and specific allocations will be decided through discussions with the company auditors.

(Notes)

1. Up to ¥600 million per year for the Company’s directors (decided by a resolution at the 23rd Ordinary General Meeting of Shareholders held on December 20, 2013).
2. Trust-related operations will be conducted by Mitsubishi UFJ Trust and Banking Corporation, etc. and share-related operations will be conducted by DSB Co., Ltd.
3. Up to ¥50 million per year for the Company’s company auditors (decided by a resolution at the 9th Ordinary General Meeting of Shareholders held on December 14, 1999).

(b) Total amount of remunerations, etc.

Category	Number of payees	Total amount of officers’ remunerations, etc.	Total amount of remunerations, etc. by type		
			Basic remuneration	Performance-linked remuneration, etc.	
				Monetary remuneration, etc.	Non-monetary remuneration, etc.
Director (of which outside director)	9 (6)	¥224,289 thousand (¥77,400 thousand)	¥224,289 thousand (¥77,400 thousand)	¥– (¥–)	¥– (¥–)
Company auditor (of which outside company auditor)	3 (3)	¥24,000 thousand (¥24,000 thousand)	¥24,000 thousand (¥24,000 thousand)	¥– (¥–)	¥– (¥–)

(Notes)

1. The number of payees and the amount of remunerations include two directors and the amount of remuneration during their service, who retired from office at the conclusion of the 33rd Ordinary General Meeting of Shareholders held on March 27, 2024.
2. In addition to the remunerations above, ¥2,250 thousand was paid as retirement benefits to one director who retired from office at the conclusion of the 33rd Ordinary General Meeting of Shareholders held on March 27, 2024, based on the resolution to pay accrued retirement benefits in connection with the termination of the retirement benefits program for directors and company auditors approved at the 13th Ordinary General Meeting of Shareholders held on December 18, 2003.
3. The total amount of officer’s remunerations etc., total amount of remunerations, etc. by type., and the number of eligible officers do not include two directors and one company auditor all of whom serve without remuneration.
4. The Company is introducing a performance-linked share-based remuneration system using the directors’ remuneration BIP (Board Incentive Plan) trust scheme for directors of the Company (excluding outside directors and those who are non-residents of Japan). Covenants, etc. at the time of allotments are provided in “(a) Policy for determining details of remunerations, etc. for officers,” and the delivery status in the business year under review is provided in “2. (1) 5) Status of shares delivered to the Company’s officers as remuneration for the execution of duties during the business year under review.”
5. The performance indicator associated with performance-linked remuneration, etc. is consolidated Non-GAAP operating profit, and those results are provided in “1. (1) Business progress and results,” and “1. (2) Trends in financial position and profit and loss.” As the reason for selecting this indicator, the Company has deemed that this is an appropriate indicator for evaluating the achievement of improvements to the medium- to long-term corporate value. In calculating performance-linked remuneration, basic points are allotted in a set period during each business year according to the role of each director and the level of achievement, etc. of performance targets during the covered trust period of the directors’ remuneration BIP trust. After the conclusion of the covered period, additional points allotted to persons covered by the system on the last day

of the final business year of the covered period are cumulatively added to the cumulative value of basic points (“Cumulative Points”).

A number of the Company’s shares equal to the number of Cumulative Points is delivered or paid to persons covered by the system as share-based remuneration. Furthermore, 50% of the shares corresponding to the points in question (share of less than one unit rounded down) will be delivered as shares, and from the standpoint of securing funds to pay taxes, the remainder will be converted into cash, and cash corresponding to the amount converted to cash will be paid.

6. At the 23rd Ordinary General Meeting of Shareholders held on December 20, 2013, the amount of cash remuneration for directors was set at up to ¥600 million annually (not including the portion of employee salaries paid to directors concurrently serving as employees). The number of directors as of the conclusion of this ordinary general meeting of shareholders is eight.

Furthermore, in a separate framework from cash remuneration, at the 26th Ordinary General Meeting of Shareholders held on December 20, 2016, the amount of trust funds provided to the trust as funds for the acquisition of the Company’s shares associated with the points allotted to directors (excluding outside directors and non-residents of Japan) as performance-linked share-based payments (directors’ remuneration BIP trust) was set at a maximum of ¥700 million, and the total points at a maximum of 2,800,000 points (corresponding to 2,800,000 shares) for three business years. The number of directors as of the conclusion of this ordinary general meeting of shareholders (excluding outside directors and non-residents of Japan) is six.

At the 32nd Ordinary General Meeting of Shareholders held on December 21, 2022, resolutions were passed to extend the trust period until May 31, 2026, and in conjunction with the change in the Company’s fiscal year-end, to continue with the plan under a new version in which some details were revised. The number of directors as of the conclusion of this ordinary general meeting of shareholders (excluding outside directors and non-residents of Japan) is two.

7. The amount of cash remuneration for company auditors was set at a maximum of ¥50 million annually at the 9th Ordinary General Meeting of Shareholders held on December 14, 1999. The number of company auditors as of the conclusion of this ordinary general meeting of shareholders is one.
8. The board of directors has delegated the decisions on the amounts of individual director remuneration to Koki Sato, the former Representative Director, Group President and Chief Executive Officer. The reason for the delegation is that the board of directors deemed that the Representative Director, Group President and Chief Executive Officer is best suited to conduct evaluations of the division for which each director is responsible while considering the Company’s overall performance, etc. The decisions on the delegated matters are made while referencing the proposed recommendations of the Nomination and Remuneration Advisory Committee to confirm the validity of remuneration levels.

3) Outside officers

(a) Relationships between the Company and other companies where outside officers hold important positions

Category	Name	Important positions held at other companies	Relationship with the Company
Director	Etsuko Okajima	CEO, ProNova Inc.	There is no business relationship.
		External Director, MARUI GROUP Co., Ltd.	There is no business relationship.
		Director and Chair of the Nomination and Compensation Committee, Euglena Co., Ltd.	There is no business relationship.
		Outside Director, KADOKAWA CORPORATION	There is no business relationship.
Director	Yoshiki Ishikawa	Representative Director, Well-being for Planet Earth Foundation	There is no business relationship.
		External Director, Gaiax Co. Ltd.	There is no business relationship.
		Representative Director and President, Unson, Inc.	There is no business relationship.
Director	Akie Iriyama	Professor, Business School, Waseda University	There is no business relationship.
		Outside Director, ROHTO Pharmaceutical Co., Ltd.	There is no business relationship.
		Outside Director, Sanoh Industrial Co., Ltd.	There is no business relationship.
		Outside Director (Audit & Supervisory Committee Member), SORACOM, INC.	There is no business relationship.
Director	Mio Takaoka	Partner, DNX Ventures	There is no business relationship.
		Outside Director, HENNGE K.K.	There is no business relationship.
		Outside Director, DENTSU SOKEN INC.	There is no business relationship.
		Outside director (Audit & Supervisory Committee Member), KAYAC Inc.	There is no business relationship.
Director	Makoto Shiono	Partner/CLO, IGPI Group, Inc.	There is no business relationship.
		Managing Director, Industrial Growth Platform Inc.	There is no business relationship.
		Director, JB Nordic Ventures Oy	There is no business relationship.
		Outside Director, beBit, Inc.	There is no business relationship.
		Outside Director, INCLUSIVE, INC.	There is no business relationship.
Company Auditor	Tadahiro Mouri	None.	
Company Auditor	Mamoru Furushima	Representative Partner, Trident Lawyer Corporation	There is no business relationship.
		Outside Director (Audit & Supervisory Committee Member), B-Lot Company Limited	There is no business relationship.
		Outside Audit & Supervisory Board Member, SECURE, INC.	There is no business relationship.
		Outside Director (Audit & Supervisory Committee Member), Wel-Dish. Incorporated	There is no business relationship.
Company Auditor	Takeshi Okuyama	Partner, Mori Hamada & Matsumoto	There is no business relationship.

(b) Outline of major activities and duties carried out in relation to expected roles in the business year under review

Category	Name	Outline of major activities and duties carried out in relation to expected roles
Director	Etsuko Okajima	Ms. Okajima attended all board of directors meetings held during the business year under review, where she made comments primarily informed by her experience and insight as a corporate manager. Moreover, as the vice chair of the Nomination and Remuneration Advisory Committee, which is a voluntary advisory organization of the Company, she has expressed opinions appropriately. She has also exchanged information and shared understanding on the Group's management, the board of directors' activities, and the successor development plan for managers, etc. in regular executive sessions composed of independent outside directors held monthly.
Director	Yoshiki Ishikawa	Mr. Ishikawa attended all board of directors meetings held during the business year under review, where he made comments primarily from his professional viewpoints as a preventive medicine researcher and as a founder of a company using methods based on behavioral science. Moreover, as the chairperson of the Nomination and Remuneration Advisory Committee, which is a voluntary advisory organization of the Company, he has led the deliberations on nomination of directors, etc. and compiled proposed recommendations as the committee. He has also exchanged information and shared understanding on the Group's management, the board of directors' activities, and the successor development plan for managers, etc. in regular executive sessions composed of independent outside directors held monthly.
Director	Akie Iriyama	Mr. Iriyama attended all board of directors meetings held during the business year under review, where he made comments primarily from his operational experience as a consultant, along with professional, extensive experience and results and considerable insight as a researcher specialized in management strategies and the global management field. Moreover, he has expressed opinions appropriately as a member of the Nomination and Remuneration Advisory Committee, which is a voluntary advisory organization of the Company. He has also exchanged information and shared understanding on the Group's management, the board of directors' activities, and the successor development plan for managers, etc. in regular executive sessions composed of independent outside directors held monthly.
Director	Mio Takaoka	Ms. Takaoka attended 14 of 15 board of directors meetings held during the business year under review, where she made comments primarily from her professional, extensive experience and results and considerable insight of strategic investment, new business development and finance. Moreover, she has expressed opinions appropriately as a member of the Nomination and Remuneration Advisory Committee, which is a voluntary advisory organization of the Company. She has also exchanged information and shared understanding on the Group's management, the board of directors' activities, and the successor development plan for managers, etc. in regular executive sessions composed of independent outside directors held monthly.
Director	Makoto Shiono	Mr. Shiono attended all 11 board of directors meetings held after his taking office on March 27, 2024 during the business year under review, where he made comments primarily from his extensive experience and results, and considerable insight in strategic planning and implementation consulting and M&A advisory services for domestic and foreign companies and government agencies. Moreover, he has expressed opinions appropriately as a member of the Nomination and Remuneration Advisory Committee, which is a voluntary advisory organization of the Company. He has also exchanged information and shared understanding on the Group's management, the board of directors' activities, and the successor development plan for managers, etc. in regular executive sessions composed of independent outside directors held monthly.
Company Auditor	Tadahiro Mouri	Mr. Mouri attended all board of directors meetings and all board of company auditors meetings held during the business year under review, where he made comments primarily from his considerable insight and extensive operational experience of auditing. He has also collaborated with and exchanged information with outside officers by participating in regular executive sessions composed of independent outside directors and the Nomination and Remuneration Advisory Committee meetings.

Category	Name	Outline of major activities and duties carried out in relation to expected roles
Company Auditor	Mamoru Furushima	Mr. Furushima attended all board of directors meetings and all board of company auditors meetings held during the business year under review, where he made comments primarily from his professional viewpoints as a certified public accountant and as a lawyer. He has also collaborated with and exchanged information with outside officers by participating in regular executive sessions composed of independent outside directors and the Nomination and Remuneration Advisory Committee meetings.
Company Auditor	Takeshi Okuyama	Mr. Okuyama attended all board of directors meetings and all board of company auditors meetings held in business year under review, where he made comments primarily from his professional viewpoints as a lawyer. He has also collaborated with and exchanged information with outside officers by participating in regular executive sessions composed of independent outside directors and the Nomination and Remuneration Advisory Committee meetings.

(4) Financial auditor (as of December 31, 2024)

1) Name

KPMG AZSA LLC

2) Amount of remuneration, etc.

- (a) Remuneration for audit services set forth in Article 2, paragraph (1) of the Certificated Public Accountants Act to be paid by the Company

¥98,750 thousand

- (b) Total amount of cash and other economic benefits to be paid to the financial auditor by the Company and its subsidiaries

¥98,750 thousand

(Notes)

- The audit contract between the Company and the financial auditor does not distinguish between remuneration paid for the audit conducted in accordance with the Companies Act and remuneration paid for the audit conducted in accordance with the Financial Instruments and Exchange Act. Accordingly, the amount above is the aggregate amount.
- The board of company auditors, based upon the “Practical Guidelines for Cooperation with Financial Auditors” released by the Japan Audit & Supervisory Board Members Association, conducts confirmation of the auditing plans of the financial auditor, the status of execution of audit, the grounds for calculation of remuneration estimates and other matters, and having investigated these, gives consent to remuneration, etc. for the financial auditor in accordance with Article 399, paragraph (1) of the Companies Act.

3) Details of limited liability agreement

Not applicable.

4) Policy for determining of the dismissal or non-reappointment of financial auditor

In the event that there is an obstacle to the execution of duties by the financial auditor, or when otherwise deeming the action necessary, the board of company auditors will determine the content of an agenda to be proposed to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the financial auditor. In addition, when any of the matters prescribed in the items in Article 340, paragraph (1) of the Companies Act are applicable to the financial auditor, the board of company auditors will dismiss the financial auditor with the unanimous consent of the company auditors.

3. Structure and policy of the Company

(1) Policy regarding the determination of dividends of surplus, etc.

Regarding the dividends of surplus, in consideration of our consolidated earnings performance of each fiscal year, the strengthening of our financial position, the Group's business strategy going forward and other factors, we endeavor to return profits to shareholders within the range of our distributable amount, with a dividend payout ratio of 100% to profit attributable to owners of parent for the fiscal year ended December 31, 2024, and a minimum dividend payout ratio of 50% for the fiscal year ending December 31, 2025 and beyond.

In addition, we intend to consider acquiring our own shares on an ongoing basis by comprehensively taking into account market conditions, opportunities to invest in businesses, capital efficiency, the level of share price, etc. and to implement such share repurchases in a flexible manner.

Meanwhile, we will endeavor to utilize our internal reserves for investments in training personnel, optimizing and reinvigorating our existing businesses, and capturing new business areas that have the potential for high growth and profitability.

Based on these policies, the Company has decided to pay a year-end dividend of ¥31.35 per share for the business year under review.

(2) Systems to ensure the properness of operations

1) Systems to ensure the properness of operations of the corporate group comprised of the Company and its subsidiaries

- (a) The corporate group comprised of the Company and its subsidiaries (hereinafter referred to as the "Group") is managed under a holding company structure in which the Company is a holding company and its subsidiaries are operating companies. By separating the managerial function from the function of executing its individual businesses, the Group shall work to facilitate the delegation of authority to its operating subsidiaries and strengthen the Company's function of monitoring the Group's businesses.
- (b) The Company's function of managing the business of its operating subsidiaries shall be implemented effectively and efficiently based on the execution of its direct and indirect shareholders' rights and under the "Basic Agreement on Business Management Services for the Group" entered into with the operating subsidiaries.
- (c) The Company shall establish principles, regulations, guidelines and others common to the Group to ensure efficient and proper execution of duties by the Group's directors, Group Executive Officers and employees (hereinafter referred to as "officers and employees").
- (d) The Company shall clarify a system for reporting any situations concerning execution of duties by the Group's officers and employees such as the state of the business and financial results to the Company's board of directors or the Group Management Meeting. In cases where certain significant decisions are made, prior approval of the Company's board of directors or the Group Management Meeting shall be required.
- (e) The Internal Audit Department of the Company shall provide assurance operations (auditing and guarantee function) and consulting operations (advisory and guidance function) from an independent and objective position to the Group, and examine and assess the status of ensuring the properness of operations of the entire Group.

2) Systems to ensure compliance with laws and regulations and the Articles of Incorporation by directors and employees when executing their duties

- (a) Officers and employees of the Group shall recognize compliance with laws and regulations and social ethics as being one of basic points for the Group to fulfill its corporate social responsibilities, improve corporate value and achieve sustainable growth, and practice the compliance through the Group's sustainability activities.
- (b) The Group's corporate philosophy and code of conduct shall call for compliance with laws and regulations and social ethics and adopt it as the Group's basic policy for the business operation.

- (c) Directors and Group Executive Officers of the Group shall practice and encourage the compliance with laws and regulations and social ethics proactively.
 - (d) Directors and Group Executive Officers shall assign authorities for execution of duties appropriately and clearly and execute the duties in accordance with regulations including the regulations of the board of directors and the regulations of the Executive Officers.
 - (e) In the event that directors and Group Executive Officers find a violation of laws and regulations or other important facts regarding compliance, they shall report to the Company's board of directors or the Group Management Meeting without delay and take corrective measures.
 - (f) The Company shall conduct regular compliance training for the Group's officers and employees continuously and have the Internal Audit Department, which is directly under Group President and Chief Executive Officer, perform internal audits of the Group.
 - (g) In order to respond appropriately to reporting or consultation from the Group's officers and employees on organizational or individual violations of laws and regulations, detect and amend inappropriate actions and others early, and strengthen the compliance, the Company shall establish a whistleblower hotline with external lawyers being as the person who directly receives a report.
- 3) Systems for the storage and management of information regarding the execution of duties by directors
- (a) With regard to information security of the Group, the Company shall set the "Basic Policy on Information Security," develop internal regulations regarding information security in line with laws and regulations, and establish the "Security Management Office" to oversee and manage information security in an integrated and effective manner under the common policy as the Group.
 - (b) With regard to documents, forms and other records related to duties of the Group's officers and employees (including electromagnetic records), the Company shall develop internal regulations regarding document management in line with laws and regulations, and manage and store such documents in an integrated and effective manner under the common policy as the Group.
 - (c) With regard to personal information management of the Group, the Company shall establish "Privacy Policy," develop internal regulations regarding personal information security in line with laws and regulations, and manage such information in an integrated and effective manner under the common policy as the Group.
 - (d) With regard to documents, forms and other records related to duties of the Group's officers and employees (including electromagnetic records), the Company shall establish a system to ensure that directors and company auditors can have access to these records at any time.
 - (e) With regard to insider information on shares of listed companies, the Company shall establish the "Group Regulations on Prevention of Insider Trading," manage such information in an integrated and effective manner under the common policy as the Group, and communicate it to the division in charge of information disclosure appropriately.
 - (f) When storing and managing information through electromagnetic records, the Company shall strive to gather the up-to-date information on threats for electronic information to build the latest system for storage and management possible.
- 4) Regulations and other systems for managing the risk of loss
- (a) In order to recognize significant events that may affect the business management of the Group, identify, analyze and assess risks that may harm the development and growth of the business, and make responses to the risks such as risk aversion, mitigation, transfer and others, the Company shall establish the "Group Risk Management Regulations" and set up the "Group Risk Management Committee" as a body to oversee and manage such risks in an integrated and effective manner under the common policy as the Group.
 - (b) With regard to usual risk management of the Group, each operating subsidiary or division shall make a risk assessment and response to the risk, and the Group Risk Management Committee shall receive a report from the operating subsidiary or division and oversee the risk management of the Group.
 - (c) In case of an emergency, the "Crisis Management Headquarters" with the Group President and Chief Executive Officer as its head shall oversee the risk management of the Group.

- (d) Risk management policies of the entire Group as well as assessment of and responses to the risks related to strategic decision-making such as management strategy and merger and acquisition shall be treated as the exclusive prerogatives of the Company's board of directors. In making these management decisions, the Company shall assess the risks appropriately.
 - (e) The Company shall establish a reporting system for any event or indication that may affect the Group significantly in cases where risks have become apparent, so that its board of directors can figure out such an event or indication in advance.
- 5) Systems to ensure the efficient execution of duties by directors
- (a) The Company's board of directors shall make decisions on matters stipulated in laws and regulations and the Articles of Incorporation and the execution of important operations, and transfer its authority to Group Executive Officers with regard to the execution of other operations pursuant to the "regulations of the board of directors" and the "Resolution and Entrustment Criteria" to ensure swiftness and efficiency of the execution of duties.
 - (b) Multiple subsidiary groups that are part of the same chain of command in the Group shall be deemed as companies without board of directors in terms of institutional design under the Companies Act in order to promote the swiftness and efficiency of the decision-making process. Their information shall be consolidated by the Company's board of directors or the management meeting of the core subsidiary to uniform the decision-making process.
 - (c) Directors and Group Executive Officers shall execute duties efficiently based on the Medium-Term Business Policies and goals and annual budget set by the Company's board of directors, as well as report the progress of these policies and goals and budget to the Company's board of directors or the Group Management Meeting and implement necessary improvement measures.
 - (d) In cases where subsidiaries make significant decisions, approval of the Company's board of directors or the Group Management Meeting shall be required, and coordination shall be made for the efficient resource allocation avoiding overlaps of business activities and capital investments between the Company and subsidiaries or between subsidiaries.
- 6) Matters relating to employees that assist the company auditors upon the request of such company auditors, independence of the relevant employees from directors and effectiveness of directions given to such employees of the company auditors to be ensured
- (a) Employees that assist the company auditors shall be assigned at the request of company auditors.
 - (b) Employees that assist the company auditors shall not concurrently serve other duties and posts.
 - (c) Matters related to personnel evaluations, personnel transfers, disciplinary actions, etc. for employees that assist the company auditors shall be conducted separately from the other employees and determined with the consent of the company auditors.
- 7) Systems for enabling directors and employees to make reports to company auditors and systems for ensuring that the persons who made such reports shall not be treated disadvantageously on the grounds that they have submitted the said reports
- (a) Company auditors of the Company may attend the board of directors meetings of the Company, Group Management Meeting and other important meetings, and request explanations from officers and employees as necessary.
 - (b) In cases where company auditors request reports on operations or inspections of documents such as minutes, approval documents and accounting books, officers and employees of the Group shall respond to the request in a prompt and appropriate manner.
 - (c) In the event that officers and employees of the Group detect any facts or situations that may cause significant damage to the companies, such officers and employees shall immediately report the matters to company auditors.
 - (d) The Company shall establish regulations for prohibiting removal from duty, discharge and any other disadvantageous treatment to officers and employees of the Group on the grounds that the officers and employees made a report to company auditors, and make the regulations well known.

- (e) All of the internal audit reports conducted by the Internal Audit Department shall be reported to the board of company auditors.
- 8) Matters relating to policies on procedures for prepayment or reimbursement of expenses arising from the execution of duties by company auditors and processing of other expenses or obligations arising from the execution of duties by company auditors
- Expenses that are considered necessary in the execution of duties of company auditors shall be budgeted in advance. In cases where company auditors request payment for reasonable expenses for the execution of their duties, the Company shall accept the request.
- 9) Systems for ensuring the effective functioning of audits by company auditors
- (a) The Company shall ensure that it provides its company auditors with opportunities to sufficiently exchange opinions with the Group President and Chief Executive Officer, outside directors, financial auditor and internal auditors.
- (b) The Company shall establish a system that allows its company auditors to perform audits equivalent to audits of the Company by the company auditors under individual agreements between the Company and its subsidiaries, in addition to investigations of subsidiaries under laws and regulations, so that the company auditors can audit the entire Group effectively and efficiently as needed.
- (3) Overview of status of management of systems to ensure the properness of operations
- 1) Information on compliance and risk management
- With regard to the status of compliance and risk management among the entire Group, the Company shall regularly hold the meeting of the Group Risk Management Committee and share the information relating to the correspondence status, etc.
- Regular compliance training for officers and employees have been provided to raise the employee's awareness on compliance. In addition, the Company established the internal reporting system for the Group and informed all employees about it.
- 2) Information on the execution of duties by directors
- The board of directors comprises eight directors, including five outside directors. In addition, four company auditors including three outside company auditors also attend the meetings of the board of directors. During the business year under review, the board of directors held meetings 15 times to ensure the execution of duties in compliance with laws and regulations and the Articles of Incorporation by means of the managerial decision-making through full and thorough discussions and other measures.
- 3) Information on the execution of duties by company auditors
- The board of company auditors comprises four company auditors, including three outside company auditors. During the business year under review, the board of company auditors held meetings 14 times to mainly receive reports from full-time company auditor on the status of operations of the Company and exchange opinions mutually among company auditors.
- In addition to that, company auditors shall provide supervision of execution of duties by directors by attending the important meetings including the meeting of the board of directors and Group Management Meeting, and regularly exchange information with the Group President and Chief Executive Officer, financial auditor and Internal Audit Department.

(Note) Figures in this Business Report are rounded to the nearest unit.

Consolidated Financial Statements

Consolidated Statement of Financial Position

			(Thousand yen)		
Account	34th term (As of December 31, 2024)	(Reference) 33rd term (As of December 31, 2023)	Account	34th term (As of December 31, 2024)	(Reference) 33rd term (As of December 31, 2023)
Assets			Liabilities and Equity		
Current assets			Liabilities		
Cash and cash equivalents	23,730,478	20,873,416	Current liabilities		
Trade receivables	20,721,228	19,830,799	Trade payables	18,870,184	19,031,397
Inventories	15,818	72,849	Other financial liabilities	4,631,603	4,414,965
Other financial assets	721,696	101,550	Income taxes payable	806,696	421,929
Other current assets	788,470	1,997,253	Other current liabilities	1,902,559	2,227,759
Subtotal	45,977,690	42,875,867	Subtotal	26,211,042	26,096,050
Assets held for sale	–	807,491	Liabilities directly associated with assets held for sale	–	236,525
Total current assets	45,977,690	43,683,358	Total current liabilities	26,211,042	26,332,575
Non-current assets			Non-current liabilities		
Property, plant and equipment	331,425	257,486	Other financial liabilities	893,394	1,369,940
Right-of-use assets	1,418,157	1,899,500	Provisions	163,095	152,549
Goodwill	4,693,055	4,693,055	Deferred tax liabilities	415,069	46,137
Intangible assets	887,843	432,366	Total non-current liabilities	1,471,557	1,568,627
Investments accounted for using equity method	36,012,726	34,249,351	Total liabilities	27,682,599	27,901,201
Other financial assets	7,252,691	7,106,364	Equity		
Other non-current assets	10,449	13,260	Equity attributable to owners of parent		
Deferred tax assets	1,053,254	1,271,250	Share capital	18,430,174	18,428,004
Total non-current assets	51,659,600	49,922,632	Capital surplus	25,424,005	25,426,993
			Treasury shares	(1,396,624)	(1,396,624)
			Retained earnings	27,693,471	23,185,222
			Other components of equity	(270,747)	(49,731)
			Total equity attributable to owners of parent	69,880,279	65,593,864
			Non-controlling interests	74,413	110,925
			Total equity	69,954,691	65,704,788
Total assets	97,637,290	93,605,990	Total liabilities and equity	97,637,290	93,605,990

(Note) Figures are rounded to the nearest unit.

Consolidated Statement of Profit or Loss

Account	(Thousand yen)	
	34th term (From January 1, 2024 to December 31, 2024)	(Reference) 33rd term (From October 1, 2022 to December 31, 2023)
Continuing operations		
Revenue	28,284,209	34,266,611
Cost of sales	6,080,764	6,799,214
Gross profit	22,203,445	27,467,397
Selling, general and administrative expenses	19,096,000	22,499,702
Other income	55,013	66,173
Other expenses	33,198	84,734
Operating profit	3,129,260	4,949,134
Finance income	168,123	5,760
Finance costs	33,060	153,485
Share of profit of investments accounted for using equity method	1,465,487	1,850,739
Gain on change in equity	467,042	-
Impairment loss on investments accounted for using equity method	329,735	-
Profit before tax	4,867,117	6,652,148
Income tax expense	1,557,686	1,727,766
Profit from continuing operations	3,309,431	4,924,381
Discontinued operations		
Profit (loss) from discontinued operations	2,210,177	(657,107)
Profit	5,519,608	4,267,275
Profit attributable to:		
Owners of parent	5,525,805	4,318,831
Non-controlling interests	(6,197)	(51,556)
Total	5,519,608	4,267,275

(Note) Figures are rounded to the nearest unit.

(Reference) Consolidated Statement of Comprehensive Income

	(Thousand yen)	
Account	34th term (From January 1, 2024 to December 31, 2024)	33rd term (From October 1, 2022 to December 31, 2023)
Profit	5,519,608	4,267,275
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in financial assets measured at fair value through other comprehensive income	(276,204)	201,646
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	48,864	28,097
Cash flow hedges	–	2,990
Share of other comprehensive income of investments accounted for using equity method	65,767	3,664
Total other comprehensive income, net of tax	(161,574)	236,397
Total comprehensive income	5,358,034	4,503,672
Comprehensive income attributable to:		
Owners of parent	5,364,231	4,555,228
Non-controlling interests	(6,197)	(51,556)
Comprehensive income	5,358,034	4,503,672

(Note) Figures are rounded to the nearest unit.

Consolidated Statement of Changes in Equity

34th term (From January 1, 2024 to December 31, 2024)

(Thousand yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance at January 1, 2024	18,428,004	25,426,993	(1,396,624)	23,185,222	(49,731)	65,593,864	110,925	65,704,788
Profit	–	–	–	5,525,805	–	5,525,805	(6,197)	5,519,608
Other comprehensive income	–	–	–	–	(161,574)	(161,574)	–	(161,574)
Total comprehensive income	–	–	–	5,525,805	(161,574)	5,364,231	(6,197)	5,358,034
Issuance of new shares	2,170	–	–	–	–	2,170	–	2,170
Dividends of surplus	–	–	–	(1,076,999)	–	(1,076,999)	–	(1,076,999)
Changes without loss of control of subsidiaries	–	(2,988)	–	–	–	(2,988)	9,730	6,743
Disposal of subsidiaries	–	–	–	–	–	–	(35,620)	(35,620)
Other	–	–	–	59,442	(59,442)	–	(4,426)	(4,426)
Total transactions with owners	2,170	(2,988)	–	(1,017,556)	(59,442)	(1,077,816)	(30,315)	(1,108,131)
Balance at December 31, 2024	18,430,174	25,424,005	(1,396,624)	27,693,471	(270,747)	69,880,279	74,413	69,954,691

(Reference) 33rd term (From October 1, 2022 to December 31, 2023)

(Thousand yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance at October 1, 2022	18,428,004	25,309,728	(575,707)	19,671,818	(128,588)	62,705,254	48,815	62,754,069
Profit	–	–	–	4,318,831	–	4,318,831	(51,556)	4,267,275
Other comprehensive income	–	–	–	–	236,397	236,397	–	236,397
Total comprehensive income	–	–	–	4,318,831	236,397	4,555,228	(51,556)	4,503,672
Dividends of surplus	–	–	–	(962,966)	–	(962,966)	–	(962,966)
Purchase of treasury shares	–	(2,506)	(1,275,942)	–	–	(1,278,448)	–	(1,278,448)
Disposal of treasury shares	–	(455,025)	455,025	–	–	–	–	–
Changes without loss of control of subsidiaries	–	542,167	–	–	–	542,167	115,350	657,516
Other	–	32,629	–	157,539	(157,539)	32,629	(1,684)	30,945
Total transactions with owners	–	117,265	(820,917)	(805,426)	(157,539)	(1,666,618)	113,665	(1,552,953)
Balance at December 31, 2023	18,428,004	25,426,993	(1,396,624)	23,185,222	(49,731)	65,593,864	110,925	65,704,788

(Note) Figures are rounded to the nearest unit.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

		(Thousand yen)	
Account	34th term (As of December 31, 2024)	Account	34th term (As of December 31, 2024)
Assets		Liabilities	
Current assets	15,021,825	Current liabilities	3,165,133
Cash and deposits	12,184,507	Short-term borrowings	2,000,000
Accounts receivable - trade	505,325	Accounts payable - other	475,863
Securities	1,600,720	Accrued expenses	31,759
Supplies	1,356	Income taxes payable	590,211
Prepaid expenses	332,217	Deposits received	16,053
Accounts receivable - other	274,764	Provision for bonuses	19,629
Short-term loans receivable from subsidiaries and associates	50,000	Other	31,616
Other	72,934		
Non-current assets	47,341,632	Total liabilities	3,165,133
Property, plant and equipment	168,073	Net Assets	
Buildings	43,915	Shareholders' equity	59,150,507
Tools, furniture and fixtures	124,158	Share capital	18,430,173
Intangible assets	366,346	Capital surplus	24,125,671
Software	17,236	Legal capital surplus	18,836,552
Software in progress	348,482	Other capital surplus	5,289,119
Other	627	Retained earnings	17,991,286
Investments and other assets	46,807,212	Legal retained earnings	70,867
Investment securities	4,701,920	Other retained earnings	17,920,419
Shares of subsidiaries and associates	40,191,184	General reserve	400,000
Long-term loans receivable from subsidiaries and associates	360,000	Retained earnings brought forward	17,520,419
Leasehold and guarantee deposits	517,994	Treasury shares	(1,396,623)
Deferred tax assets	125,627	Valuation and translation adjustments	47,816
Other	1,024,350	Valuation difference on available-for-sale securities	47,816
Allowance for doubtful accounts	(113,865)		
Total assets	62,363,457	Total net assets	59,198,323
		Total liabilities and net assets	62,363,457

(Note) Figures are rounded down to the nearest unit.

Non-consolidated Statement of Income

(Thousand yen)

Account	34th term (From January 1, 2024 to December 31, 2024)
Operating revenue	5,236,153
Operating expenses	3,139,627
Operating profit	2,096,525
Non-operating income	1,579,421
Interest income	7,292
Dividend income	1,213,639
Gain on valuation of investment securities	329,793
Other	28,697
Non-operating expenses	209,098
Interest expenses	7,629
Loss on valuation of investment securities	190,819
Listing expenses	10,649
Other	0
Ordinary profit	3,466,848
Extraordinary income	1,808,739
Gain on sale of shares of subsidiaries and associates	1,716,455
Other	92,283
Extraordinary losses	1,304,135
Loss on valuation of shares of subsidiaries and associates	619,727
Loss on valuation of investment securities	475,578
Loss on debt waiver of subsidiaries and associates	160,247
Other	48,582
Profit before income taxes	3,971,452
Income taxes - current	739,029
Income taxes - deferred	(39,266)
Profit	3,271,689

(Note) Figures are rounded down to the nearest unit.

Non-consolidated Statement of Changes in Equity

34th term (From January 1, 2024 to December 31, 2024)

(Thousand yen)

	Shareholders' equity									Valuation and translation adjustments		Total net assets	
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		Total valuation and translation adjustments
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	Total retained earnings					
Balance at beginning of period	18,428,003	18,836,552	5,289,119	24,125,671	70,867	400,000	15,334,903	15,805,770	(1,396,623)	56,962,821	165,866	165,866	57,128,688
Changes during period													
Issuance of new shares	2,170	-	-	-	-	-	-	-	-	2,170	-	-	2,170
Dividends of surplus	-	-	-	-	-	-	(1,086,173)	(1,086,173)	-	(1,086,173)	-	-	(1,086,173)
Profit	-	-	-	-	-	-	3,271,689	3,271,689	-	3,271,689	-	-	3,271,689
Net changes in items other than shareholders' equity	-	-	-	-	-	-	-	-	-	-	(118,050)	(118,050)	(118,050)
Total changes during period	2,170	-	-	-	-	-	2,185,515	2,185,515	-	2,187,685	(118,050)	(118,050)	2,069,635
Balance at end of period	18,430,173	18,836,552	5,289,119	24,125,671	70,867	400,000	17,520,419	17,991,286	(1,396,623)	59,150,507	47,816	47,816	59,198,323

(Note) Figures are rounded down to the nearest unit.

Audit Report

With respect to the directors' performance of their duties during the 34th business year from January 1, 2024 to December 31, 2024, the board of company auditors has prepared this audit report after deliberations based on the audit reports prepared by each of the company auditors, and hereby reports as follows:

1. Method and Contents of Audit by the Company Auditors and the Board of Company Auditors

- (1) The board of company auditors has established the audit policies, allocation of duties, etc. and received a report from each of the company auditors regarding the status of implementation of their audits and results thereof. In addition, the board of company auditors has received reports from the directors, etc., and the financial auditor regarding the status of performance of their duties, and requested explanations as necessary.
- (2) In conformity with the audit regulations for company auditors established by the board of company auditors, and in accordance with the audit policies and allocation of duties, etc., and while utilizing the Internet and other means, each of the company auditors endeavored to facilitate a mutual understanding with the directors, the Internal Audit Division and other employees, etc., endeavored to collect information, maintain and improve the audit environment, and conducted the audits based on the methods described below.
 - 1) Each of the company auditors has attended the meetings of the board of directors and other important meetings, received reports on the status of performance of duties from the directors and employees, etc., and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets. Also, with respect to the subsidiaries, each of the company auditors endeavored to facilitate a mutual understanding and exchanged information with the directors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.
 - 2) Each of the company auditors monitored and inspected the contents of the board of directors' resolutions regarding the development and maintenance of the systems to ensure compliance with laws and regulations and the Articles of Incorporation by directors when executing their duties stated in the Business Report and other systems that are set forth in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act as being necessary for ensuring the appropriateness of the corporate affairs of the corporate group comprised of a stock company and its subsidiaries, and the status of the establishment and operation of the systems (internal control systems) based on such resolutions. With respect to the internal control related to the financial report, the board of company auditors received reports regarding the assessment and status of their audits from the directors, etc. and KPMG AZSA LLC, and also requested explanations when necessary.
 - 3) Each of the company auditors monitored and verified whether the financial auditor maintained its independence and properly conducted its audit, received a report from the financial auditor on the status of its performance of duties, and requested explanations as necessary. Each of the company auditors was notified by the financial auditor that it had established a "system to ensure that the duties are performed appropriately" (the matters listed in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council), and requested explanations as necessary.

Based on the above-described methods, each of the company auditors examined the Business Report and the supplementary schedules, the Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements) and the supplementary schedules thereof, as well as the Consolidated Financial Statements (Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements, all prepared by omitting some disclosure items required under IFRS as provided for by Article 120, the latter part of paragraph (1) of the Regulation on Corporate Accounting), for the business year under review.

2. Results of Audit

(1) Results of audit of Business Report, etc.

- 1) We acknowledge that the Business Report and the supplementary schedules thereof fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- 2) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the directors' performance of their duties.
- 3) We acknowledge that the board of directors' resolutions with respect to the internal control systems are appropriate. We did not find any material matter to be mentioned with respect to the content of the Business Report or the directors' performance of their duties concerning the internal control systems, including the internal control related to the financial report.

(2) Results of audit of Non-consolidated Financial Statements and their Supplementary Schedules

We acknowledge that the methods and results of audit performed by the financial auditor, KPMG AZSA LLC, are appropriate.

(3) Results of audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the financial auditor, KPMG AZSA LLC, are appropriate.

February 25, 2025

Board of Company Auditors
SEPTENI HOLDINGS CO., LTD.

Full-time Company Auditor	Tadahiro Mouri
Company Auditor	Mamoru Furushima
Company Auditor	Takeshi Okuyama
Company Auditor	Hideo Hatano

(Note)

Full-time company auditor Tadahiro Mouri, company auditor Mamoru Furushima and company auditor Takeshi Okuyama are outside company auditors, as set forth in Article 2, item 16, and Article 335, paragraph (3) of the Companies Act.

■Notice regarding the Company's website

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and the items after the revisions will be posted on each website that the relevant documents are listed.
- If there are any significant changes to the operation method of this General Meeting of Shareholders, we will provide new instructions on the Company's website.
- The results of resolutions of this General Meeting of Shareholders will be posted on the Company's website.
The Company's website: <https://www.septeni-holdings.co.jp/ir/stock/shareholders/index.html> (in Japanese)

■Notice regarding electronic provision of informational materials for the general meeting of shareholders

Please note that the Company sends general shareholder meeting materials by mail to only those who had requested to receive paper-based documents as of December 31, 2024. For those who wish to receive materials for a general meeting of shareholders by mail for the next or future ordinary general meetings of shareholders, please request that to the securities company that acts as your broker or Mitsubishi UFJ Trust and Banking Corporation. As it can take as long as three weeks or longer to fully process such requests, please allow suitable time for processing when making such requests.