

1. (Consolidated financial statements, etc.)

(1) (Consolidated financial statements)

1) (Consolidated balance sheet)

(Unit: thousands of yen)

	Previous consolidated fiscal year (December 31, 2023)	Current consolidated fiscal year (December 31, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,789,025	4,198,305
Accounts receivable – trade	1,627,407	1,904,190
Operational investment securities	939,562	2,139,445
Merchandise and finished goods	10,610	10,448
Raw materials and supplies	3,105	2,105
Advance payments to suppliers	2,664	26,390
Prepaid expenses	354,718	372,840
Current portion of long-term loans receivable	1,999	1,999
Deposits paid	1,026,918	190,910
Other	349,043	92,594
Allowance for doubtful accounts	-13,931	-20,631
<b>Total current assets</b>	<b>8,091,124</b>	<b>8,918,600</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	2,292,612	2,442,154
Accumulated depreciation	-931,064	-1,127,589
<b>Buildings, net</b>	<b>1,361,547</b>	<b>1,314,564</b>
Vehicles	10,880	31,426
Accumulated depreciation	-7,133	-8,488
<b>Vehicles, net</b>	<b>3,746</b>	<b>22,938</b>
Tools, furniture and fixtures	592,398	611,349
Accumulated depreciation	-509,522	-546,514
<b>Tools, furniture and fixtures, net</b>	<b>82,876</b>	<b>64,834</b>
Land	1,538,479	1,538,479
Leased assets	37,494	43,229
Accumulated depreciation	-23,718	-30,827
<b>Leased assets, net</b>	<b>13,775</b>	<b>12,401</b>
<b>Total property, plant and equipment</b>	<b>3,000,425</b>	<b>2,953,219</b>
<b>Intangible assets</b>		
Goodwill	1,527,097	1,320,307
Software	1,070,148	969,167
Software in progress	10,201	11,151
Other	—	19,982
<b>Total intangible assets</b>	<b>2,607,446</b>	<b>2,320,608</b>
<b>Investments and other assets</b>		
Investment securities	1,961,057	1,604,165
Long-term prepaid expenses	220,459	146,644
Long-term loans receivable	2,833	833
Deferred tax assets	708,791	644,436
Insurance funds	266,015	279,309
Guarantee deposits	1,256,874	1,591,125
Other	5,290	6,690
<b>Total investments and other assets</b>	<b>4,421,320</b>	<b>4,273,203</b>
<b>Total non-current assets</b>	<b>10,029,193</b>	<b>9,547,030</b>
<b>Total assets</b>	<b>18,120,318</b>	<b>18,465,631</b>

(Unit: thousands of yen)

	Previous consolidated fiscal year (December 31, 2023)	Current consolidated fiscal year (December 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	487,216	281,764
Short-term borrowings	(*1) 3,216,817	(*1) 1,160,000
Current portion of long-term borrowings	280,684	468,198
Account payable – other	859,885	748,974
Accrued expenses	707,960	841,468
Income taxes payable	594,328	400,819
Accrued consumption taxes	140,125	312,390
Advances received	583,167	649,637
Lease obligations	6,675	6,847
Other	310,946	350,875
<b>Total current liabilities</b>	<b>7,187,807</b>	<b>5,220,976</b>
Non-current liabilities		
Long-term borrowings	2,220,592	3,537,516
Lease obligations	6,947	5,064
Asset retirement obligations	671,070	718,664
Other	10,028	13,129
<b>Total non-current liabilities</b>	<b>2,908,637</b>	<b>4,274,373</b>
<b>Total liabilities</b>	<b>10,096,445</b>	<b>9,495,349</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	699,585	699,585
Capital surplus	929,640	929,640
Retained earnings	7,981,454	9,272,311
Treasury shares	-1,843,347	-2,436,380
<b>Total shareholders' equity</b>	<b>7,767,333</b>	<b>8,465,156</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-320,172	-78,980
<b>Total accumulated other comprehensive income</b>	<b>-320,172</b>	<b>-78,980</b>
Share acquisition rights	100,693	37,512
Non-controlling interests	476,019	546,592
<b>Total net assets</b>	<b>8,023,873</b>	<b>8,970,281</b>
<b>Total liabilities and net assets</b>	<b>18,120,318</b>	<b>18,465,631</b>

## 2) Consolidated statements of income and comprehensive income

(Consolidated statement of income)

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Net sales	(*1) 17,649,498	(*1) 17,739,874
Cost of sales	2,552,911	1,276,770
Gross profit	15,096,587	16,463,103
Selling, general and administrative expenses	(*2) 12,865,760	(*2) 13,884,017
Operating profit	2,230,827	2,579,086
Non-operating income		
Interest income	190	349
Dividend income	16,811	—
Subsidy income	17,004	2,191
Surrender value of insurance policies	16,000	—
Sales compensation income	22,000	—
Other	8,861	8,982
Total non-operating income	80,868	11,523
Non-operating expenses		
Interest expenses	11,998	22,626
Loss on investments in investment partnerships	426	240
Commission expenses	3,281	1,779
Other	3,644	4,302
Total non-operating expenses	19,351	28,947
Ordinary profit	2,292,344	2,561,662
Extraordinary income		
Gain on sale of non-current assets	2,286	2,893
Gain on sale of investment securities	379,773	—
Gain on reversal of share acquisition rights	—	82,210
Other	18,100	—
Total extraordinary income	400,160	85,103
Extraordinary losses		
Loss on retirement of non-current assets	(*3) 32,714	(*3) 24,430
Loss on sale of investment securities	—	170,061
Loss on valuation of investment securities	180,609	92,791
Impairment losses	(*4) 102,334	(*4) 81,526
Loss on store closings	918	—
Other	14,044	—
Total extraordinary losses	330,622	368,809
Profit before income taxes	2,361,882	2,277,956
Income taxes – current	877,244	725,991
Income taxes – deferred	-186,591	-42,159
Total income taxes	690,653	683,831
Profit	1,671,228	1,594,124
Profit attributable to non-controlling interests	41,765	70,573
Profit attributable to owners of parent	1,629,463	1,523,551

(Consolidated statement of income)

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Profit	1,671,228	1,594,124
Other comprehensive income		
Valuation difference on available-for-sale securities	-641,593	241,192
Total other comprehensive income	(*) -641,593	(*) 241,192
Comprehensive income	1,029,635	1,835,317
Comprehensive income attributable to:		
Owners of parent	987,870	1,764,744
Non-controlling interests	41,765	70,573

## 3) (Consolidated statement of changes in net assets)

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Unit: thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Opening balance	699,585	854,782	6,593,394	-901,709	7,246,052
Changes during period					
Dividends of surplus			-241,403		-241,403
Profit attributable to owners of parent			1,629,463		1,629,463
Change in ownership interest of parent due to transactions with non-controlling interests		11,660			11,660
Purchase of treasury shares				-1,093,966	-1,093,966
Restricted stock remuneration		63,197		152,329	215,526
Issuance of share acquisition rights					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	74,857	1,388,059	-941,637	521,280
Ending balance	699,585	929,640	7,981,454	-1,843,347	7,767,333

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Opening balance	321,420	321,420	634	395,898	7,964,006
Changes during period					
Dividends of surplus					-241,403
Profit attributable to owners of parent					1,629,463
Change in ownership interest of parent due to transactions with non-controlling interests					11,660
Purchase of treasury shares					-1,093,966
Restricted stock remuneration					215,526
Issuance of share acquisition rights			100,058		100,058
Net changes in items other than shareholders' equity	-641,593	-641,593		80,120	-561,472
Total changes during period	-641,593	-641,593	100,058	80,120	59,866
Ending balance	-320,172	-320,172	100,693	476,019	8,023,873

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

(Unit: thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Opening balance	699,585	929,640	7,981,454	-1,843,347	7,767,333
Changes during period					
Dividends of surplus			-232,694		-232,694
Profit attributable to owners of parent			1,523,551		1,523,551
Purchase of treasury shares				-593,032	-593,032
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	1,290,856	-593,032	697,823
Ending balance	699,585	929,640	9,272,311	-2,436,380	8,465,156

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Opening balance	-320,172	-320,172	100,693	476,019	8,023,873
Changes during period					
Dividends of surplus					-232,694
Profit attributable to owners of parent					1,523,551
Purchase of treasury shares					-593,032
Net changes in items other than shareholders' equity	241,192	241,192	-63,181	70,573	248,584
Total changes during period	241,192	241,192	-63,181	70,573	946,408
Ending balance	-78,980	-78,980	37,512	546,592	8,970,281

## 4) (Consolidated cash flow statement)

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,361,882	2,277,956
Depreciation	419,169	575,734
Amortization of goodwill	267,121	165,435
Amortization of long-term prepaid expenses	1,768	4,673
Increase (decrease) in allowance for doubtful accounts	4,141	6,699
Increase (decrease) in provision for bonuses	-1,661	—
Interest and dividend income	-17,002	-349
Interest expenses	11,998	22,626
Loss on retirement of non-current assets	32,714	24,430
Loss (gain) on sale of investment securities	-379,773	170,061
Loss (gain) on investments in investment partnerships	426	240
Loss (gain) on valuation of investment securities	180,609	92,791
Gain on reversal of share acquisition rights	—	-82,210
Impairment losses	102,334	81,526
Decrease (increase) in trade receivable	32,663	-276,782
Decrease (increase) in advance payments to suppliers	6,727	-23,725
Decrease (increase) in deposits paid	-3,547	-4,643
Decrease (increase) in inventories	851,626	-1,196,937
Increase (decrease) in trade payables	243,549	-205,452
Increase (decrease) in advances received	-6,754	77,593
Increase (decrease) in accounts payable – other, and accrued expenses	139,440	22,597
Increase (decrease) in accrued consumption taxes	-84,723	172,097
Other	13,834	402,057
Subtotal	4,176,547	2,306,420
Interest and dividends received	17,002	349
Interest paid	-12,039	-23,184
Income taxes paid	-663,653	-974,606
Net cash provided by (used in) operating activities	3,517,856	1,308,978

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-1,621,300	-205,457
Purchase of intangible assets	-881,125	-241,733
Proceeds from sale of investment securities	535,775	892,369
Purchase of investment securities	-1,991,358	-452,477
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(*2) -112,104	—
Loan advances	-3,856	—
Proceeds from collection of loans receivable	5,855	1,999
Payments of leasehold and guarantee deposits	-132,580	-357,480
Proceeds from refund of leasehold and guarantee deposits	44,196	20,199
Other	-9,210	-14,704
Net cash provided by (used in) investing activities	-4,165,709	-357,283
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share acquisition rights	27,361	—
Proceeds from short-term borrowings	2,745,817	950,000
Repayments of short-term borrowings	-450,000	-3,006,817
Proceeds from long-term borrowings	1,093,290	1,932,500
Repayments of long-term borrowings	-513,800	-428,062
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	50,016	—
Purchase of treasury shares	-1,093,966	-593,032
Dividends paid	-241,468	-232,681
Other	-8,452	-7,624
Net cash provided by (used in) financing activities	1,608,796	-1,385,718
Effect of exchange rate change on cash and cash equivalents	3,896	2,652
Net increase (decrease) in cash and cash equivalents	964,840	-431,371
Opening balance of cash and cash equivalents	3,840,365	4,805,205
Ending balance of cash and cash equivalents	(*1) 4,805,205	(*1) 4,373,834



[Notes]

(Important items that are to become the basis for preparation of consolidated financial statements)

1. Items relating to the scope of consolidation

Number of consolidated subsidiaries: 6 companies

Names of consolidated subsidiaries

Sunmarie Co., Ltd.

K Village Inc.

IBJ Financial Advisory CO., LTD.

ZWEI CO., LTD.

Selfit Corporation

i-motto inc.

Salon Selfit Corporation and Gangnam Doll Co., Ltd., consolidated subsidiaries in the previous consolidated fiscal year, have been excluded from the scope of consolidation due to an absorption-type merger with Selfit Corporation as the surviving company conducted on January 1, 2024 and an absorption-type merger with K Village Inc. as the surviving company conducted on April 1, 2024, respectively.

2. Items relating to the application of equity method

There are no applicable items.

3. Items related to fiscal year, etc., of consolidated subsidiaries

The end date of the fiscal year for consolidated subsidiaries is the same as the consolidated closing date.

4. Items related to accounting policies

(1) Valuation basis and valuation method of significant assets

1) Investment securities

a. Available-for-sale-securities

Items other than shares, etc., that do not have a market price

We use the fair value method based on the fair value, etc., at the end of the fiscal year under review (the difference in value is processed by reporting as a component of shareholders' equity, and the cost of sale is calculated with the moving average method).

Shares, etc., that do not have a market price

We use the cost method based on the moving average method

2) Inventories

a. Merchandise and finished goods

We primarily use the cost method based on the first-in, first-out method (the consolidated balance sheet value is calculated by degradation of book value method due to decline of profitability)

b. Raw materials and supplies

We primarily use the cost method based on the gross average method (the consolidated balance sheet value is calculated by degradation of book value method due to decline of profitability)

(2) Depreciation methods for significant depreciation of assets

1) Property, plant and equipment (excluding leased assets)

We use the declining-balance method.

However, we use the straight-line method for buildings (excluding accompanying facilities) acquired after April 1, 1998 and for accompanying facilities acquired after April 1, 2016.

Furthermore, service life is primarily as follows.

Buildings..... 3-25 years

Vehicles..... 2-6 years

Tools, furniture and fixtures ..... 2-15 years

2) Intangible assets (excluding leased assets)

We use the straight-line method.

Furthermore, we use the straight-line method based on the in-house usable period (five years) regarding software used within the Company.

3) Long-term prepaid expenses

Long-term prepaid expenses are amortized in equal amounts. The amortization period is principally five years.

4) Leased assets

Leased assets concerned with finance lease transaction property rights not transferred

We apply the straight-line method that assumes their lease periods are usable years and residual values are zero.

(3) Accounting standards for significant provisions

Allowance for doubtful accounts

To prepare for bad debt loss receivables, regarding general receivables, we individually consider the possibility of recovery for specific receivables such as doubtful accounts receivable by loan loss ratio, and record the values anticipated to be impossible to recover.

(4) Method for accounting process for retirement benefit liability

Although the Company, concerning multi-employer plans, has enrolled in a comprehensively established employee's pension fund system, as the value of pension assets concerning the Company's contributions is unable to be reasonably calculated, the accounting process is to record necessary contribution amounts to the welfare pension fund as retirement benefit expenses.

(5) Significant revenue and expense recognition standards

The Group mainly engages in the Marriage-Hunting Business (Affiliate Business, Directly-Managed Lounge Business, and Matching Business) and the Life Design Business targeting domestic customers. It has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinunder "Revenue Recognition Standard"), etc., and based on the contracts with customers, recognizes revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The details of the main performance obligations in the Group's businesses related to revenue from contracts with customers and the timing at which the Company typically satisfies these performance obligations (when it typically recognizes revenue) are as follows:

1) Affiliate Business

Revenue from the Affiliate Business mainly consists of revenue from joining fees and monthly membership fees.

- a. Performance obligations of revenue from joining fees are to enable customers who join IBJ that the Company operates to use (log in) the IBJ platform's system required for starting a marriage consulting business after registering with it. Such performance obligations are satisfied at a point of issuance of the affiliated consultation office account and therefore, revenue is recognized when this requirement is fulfilled. We receive consideration related to revenue from joining fees in advance of satisfaction of the performance obligations.
- b. Performance obligations of revenue from monthly membership fees are to enable affiliated consultation offices to use the IBJ's system for operating a marriage consulting business on a continual basis. Such performance obligations are satisfied for a certain period of time according to the period of the service and therefore, revenue is recognized over such a period of time. We receive monthly membership fees within approximately one month from the point of satisfying all the performance obligations.

2) Directly-Managed Lounge Business

Revenue from the Directly-Managed Lounge Business mainly consists of revenue from enrollment fees, monthly membership fees, support fees, fees for marriage, etc., at marriage consulting agencies that the Group directly operates.

- a. Performance obligations of revenue from enrollment fees are to enable registering with and using (logging in) the system

of consulting agencies that the Group directly operates and such performance obligations are satisfied at a point when a membership contract is concluded and registration with the system is made. Therefore, revenue is recognized when this requirement is fulfilled. We receive consideration related to revenue from enrollment fees in advance of satisfaction of performance obligations.

- b. Performance obligations of revenue from monthly membership fees and support fees are to enable a member to carry out activities at a consulting agency that the Group directly operates. These performance obligations are satisfied for a certain period of time according to the period of the service and therefore, revenue is recognized over such a period of time. We receive consideration related to monthly membership fees within approximately one month from the point of satisfying all the performance obligations.
- c. Revenue from fees for marriage is success-based revenue to be received when a member gets married. The performance obligations are deemed to be satisfied at a point in time when a member gets married and revenue is recognized at such a point in time. We receive consideration related to fees for marriage within approximately one month after sending an invoice following successful marriage.

### 3) Matching Business

Revenue from the Matching Business mainly consists of revenue from marriage-hunting party participation fees and monthly membership fees from app members.

- a. Performance obligations of revenue from marriage-hunting party participation fees are participation by a customer in a marriage-hunting party hosted by the Company and such performance obligations are satisfied when a marriage-hunting party is held, in which the customer participates. Therefore, revenue is recognized when this requirement is fulfilled. We receive consideration related to revenue from marriage-hunting parties in advance of satisfaction of performance obligations.
- b. Performance obligations of revenue from monthly membership fees from app members is to enable using (logging in) the application services and such performance obligations are satisfied over a period of the contract with a customer. Therefore, revenue is recognized over such a period of time. We receive consideration related to revenue from monthly membership fees from app members in advance of satisfaction of performance obligations.

### 4) Life Design Business

Revenue from the Life Design Business mainly consists of revenue from tuition fees and insurance agency fees.

- a. Performance obligations of revenue from tuition fees are to give lessons to enrolled persons and such performance obligations are satisfied at a point when a lesson is given to enrolled persons. Therefore, revenue is recognized at such a point in time. We receive consideration related to revenue from tuition fees in advance of satisfaction of performance obligations.
- b. Performance obligations of revenue from insurance agency fees are to conclude an insurance contract between an insurance company and a customer and such performance obligations are satisfied by continuation of the insurance contract (request for termination of the contract is not made by a designated date or the insurance contract is not expired). Therefore, revenue is recognized at a point in time when this requirement is fulfilled. We receive consideration related to revenue from insurance agency fees within approximately one month from the point of satisfying the performance obligations.

### (6) Amortization process and amortization period of goodwill

Goodwill is amortized in equal amounts over a reasonable period within fifteen years. However, goodwill of which amount is insignificant is fully amortized in the year in which it is incurred.

### (7) Scope of assets of the consolidated cash flow statement

Cash on hand, deposits which can be withdrawn as necessary, and possible to be easily liquidated, moreover, regarding change in value, short term investments with an amortization period of within three months of acquisition which carry insignificant risk.

(8) Other important items that are to become the basis for preparation of consolidated financial statements

Accounting process of consumption taxes and other taxes not qualified for tax deductions

Consumption taxes and local consumption taxes not qualified for tax deductions are processed as expenses for the fiscal year under review.

(Estimates of important accounting)

1. Losses of non-current assets

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

(Unit: thousands of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Property, plant and equipment	3,000,425	2,953,219
Intangible assets (excluding Goodwill)	1,080,349	1,000,300
Goodwill	1,527,097	1,320,307
Impairment losses	102,334	81,526

(2) Information related to the contents of estimates of important accounting concerned with identified items

The base unit of the Group to create cash flow is each branch facility, etc., as a minimum unit. Regarding goodwill and assets for business, application of impairment accounting is performed by grouping assets based on the section of managerial accounting. Regarding the profitability of asset groups which have fallen considerably, by decreasing the book value of non-current assets to the amount which can be recovered, said decreased amount is recorded as impairment losses.

In the event that indications of impairment are deemed to exist, the necessity of recognition of impairment loss is determined through comparison of the total amount of the future cash flow before discounting and the book value of the asset group including goodwill. For determining the existence of indications of impairment, consideration is made on whether it is due to continuous losses mainly from operating activities and significant deterioration of a business environment. Furthermore, even though losses from operating activities are not continuously generated, indications of impairment may be deemed to exist in such cases where there is concern about the achievement of business growth as expected at the time of acquisition and a business environment assumed for the business plan at the time of acquisition has significantly deteriorated, resulting in the necessity to determine whether to recognize impairment loss. The business plan includes important assumptions such as plans for the new establishment of system infrastructure and sales offices and estimates of expansion of the scale of the marriage-hunting market.

Regarding the amount which can be recovered for non-current assets, it is calculated based on the assumptions of future cash flows, discount rate, net sale amounts, etc., based on the approved business plan by corporate managers. In the event that there are changes to assumptions for future cash flows, in such cases where earnings which were originally estimated cannot be obtained due to concern about the achievement of business growth as expected at the time of the acquisition of non-current assets, there is a possibility that the consolidated financial statements for the next consolidated fiscal year will be impacted.

2. Possibility of recovery of deferred tax assets

(1) Amounts recorded on the consolidated financial statements for the current consolidated fiscal year

(Unit: thousands of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Deferred tax assets	708,791	644,436

(2) Information related to the contents of estimates of important accounting concerned with identified items

Recognition of deferred tax assets are estimates based on when the taxable income occurs and the amount based on future business plans. Said estimates include the possibility of being impacted by changes, etc., to uncertain future economic conditions. In the event the estimates to when the taxable income occurs and the amount differs from what actually occurs, there is a possibility that there will be significant impacts to the deferred tax asset amounts of the consolidated financial statements for the next consolidated fiscal year.

(Changes in accounting policies)

There are no applicable items.

(Unapplied accounting standards, etc.)

(Accounting Standard for Current Income Taxes, etc.)

- “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27; October 28, 2022)
- “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25; October 28, 2022)
- “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28; October 28, 2022)

(1) Overview

These accounting standards, etc. provide for the accounting classification of income taxes when taxes are imposed on other comprehensive income and the treatment of tax effects related to the sale of shares in subsidiaries when the group taxation regime is applied.

(2) Scheduled date of application

To be applied from the beginning of the fiscal year ending December 31, 2025.

(3) Effects of application of this accounting standard, etc.

Impact of the application of the “Accounting Standard for Current Income Taxes,” etc. on the consolidated financial statements is currently under evaluation.

(Accounting Standard for Leases, etc.)

- “Accounting Standard for Leases” (ASBJ Statement No. 34; September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33; September 13, 2024) and other related revisions of ASBJ Statements, ASBJ Implementation Guidance, Practical Solutions, and Transferred Guidance

(1) Overview

These accounting standards, etc. provide for accounting treatment, such as the recognition of assets and liabilities for all leases of a lessee similarly to international accounting standards.

(2) Scheduled date of application

To be applied from the beginning of the fiscal year ending December 31, 2028.

(3) Effects of application of this accounting standard, etc.

Impact of the application of the “Accounting Standard for Leases,” etc. on the consolidated financial statements is currently under evaluation.

(Change in method of disclosure)

There are no applicable items.

(Additional information)

There are no applicable items.

(Related to the consolidated balance sheet)

\*1 Regarding the Group, in order to provide efficient working capital, has entered into overdrafts contracts, etc., with six banks that we have dealings with. Based on these contracts, the balance of unexercised borrowings at the end of the fiscal year under review is as follows.

	Previous consolidated fiscal year (December 31, 2023)	Current consolidated fiscal year (December 31, 2024)
Sum total of maximum amount of overdrafts and loan commitments	6,910,000 thousand yen	2,730,000 thousand yen
Balance of exercised borrowings	2,866,817	1,160,000
Difference	4,043,182	1,570,000

\*2 Guarantee obligations

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

The Company has cosigned for a part of rent based on a lease agreement of Diverse, Inc. The period of duration is ten months from the end of the fiscal year under review.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

(Related to the consolidated statement of income)

\*1 Revenue from contracts with customers

Regarding net sales, revenue from contracts with customers and other revenues are not presented separately. The amount of revenue from contracts with customers is presented in “Notes (Segment information, etc.).”

\*2 Principal items of expenditure and amounts of selling, general and administrative expenses are as follows.

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Payroll and allowances	3,756,174 thousand yen	3,942,897 thousand yen
Advertising expenses	2,448,845	2,570,578
Rent expenses on land and buildings	1,506,585	1,615,648
Amortization of goodwill	267,121	165,435
Retirement benefit expenses	24,373	25,993

\*3 The contents of the loss on retirement of non-current assets are as follows.

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Buildings	30,513 thousand yen	11,252 thousand yen
Tools, furniture and fixtures	1,145	78
Software	1,056	13,099
Total	32,714	24,430

\*4 Impairment losses

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

The Group has recorded impairment losses on the following asset groups in regard to the previous consolidated fiscal year.

Location	Purpose	Category	Amount (thousands of yen)
Chiyoda-ku, Tokyo	Branch	Buildings	8,877
		Tools, furniture and fixtures	1,897
Shibuya-ku, Tokyo	Branch	Buildings	8,233
		Tools, furniture and fixtures	160
Adachi-ku, Tokyo	Branch	Buildings	2,394
		Tools, furniture and fixtures	54
Kawasaki-shi, Kanagawa	Branch	Buildings	1,382
		Tools, furniture and fixtures	109
Shinjuku-ku, Tokyo	Branch	Buildings	26,805
		Tools, furniture and fixtures	1,312
		Software	18,916
Gifu-shi, Gifu	Branch	Buildings	6,201
		Tools, furniture and fixtures	120
Kofu-shi, Yamanashi	Branch	Buildings	169
		Tools, furniture and fixtures	205
Matsuyama-shi, Ehime	Branch	Buildings	3,963
		Tools, furniture and fixtures	205
Morioka-shi, Iwate	Branch	Buildings	9,199
		Tools, furniture and fixtures	418
Nagano-shi, Nagano	Branch	Buildings	6,309
		Tools, furniture and fixtures	260
Wakayama-shi, Wakayama	Branch	Buildings	4,891
		Tools, furniture and fixtures	244
Total	—	—	102,334

With each branch facility, etc., as the base unit, the Group groups assets for goodwill and assets for business based on the section of managerial accounting.

Regarding asset groups of which profitability fallen considerably, we have reduced the book value of non-current assets to the recoverable amount, and have recorded said decrease in amount as impairment losses under extraordinary losses.

Furthermore, we have calculated the use value of the recoverable amount concerned with assets as zero.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

The Group has recorded impairment losses on the following asset groups in regard to the current consolidated fiscal year.

Location	Purpose	Category	Amount (thousands of yen)
Shinjuku-ku, Tokyo	Branch	Buildings	5,163
		Tools, furniture and fixtures	73
Shinjuku-ku, Tokyo	Branch	Software	10,022
		Goodwill	41,354
Osaka-shi, Osaka	Branch	Buildings	14,559
		Tools, furniture and fixtures	111
Fukuoka-shi, Fukuoka	Branch	Buildings	10,237
		Tools, furniture and fixtures	4
Total	—	—	81,526

With each branch facility, etc., as the base unit, the Group groups assets for goodwill and assets for business based on the section of managerial accounting.

Regarding asset groups of which profitability fallen considerably, we have reduced the book value of non-current assets to the recoverable amount, and have recorded said decrease in amount as impairment losses under extraordinary losses.

Furthermore, we have calculated the use value of the recoverable amount concerned with assets as zero.

(Related to the consolidated statement of comprehensive income)

\* Other reclassification adjustment and tax effects concerning other comprehensive income

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Valuation difference on available-for-sale securities:		
Amount generated in the current consolidated fiscal year	-385,215 thousand yen	177,646 thousand yen
Reclassification adjustment	-547,130	170,061
Before adjustment of income tax	-932,345	347,707
Income tax	290,751	-106,515
Valuation difference on available-for-sale securities	-641,593	241,192
Other comprehensive income	-641,593	241,192

(Related to the consolidated statement of changes in net assets)

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

1. Items related to the class and total number of issued shares along with the class and total number of treasury shares

	Shares at the beginning of the current consolidated fiscal year (shares)	Increase in shares in the current consolidated fiscal year (shares)	Decrease in shares in the current consolidated fiscal year (shares)	Shares at the end of the current consolidated fiscal year (shares)
Issued shares				
Ordinary shares	42,000,000	—	—	42,000,000
Total	42,000,000	—	—	42,000,000
Treasury shares				
Ordinary shares (Notes) 1, 2	1,766,106	1,749,500	298,100	3,217,506
Total	1,766,106	1,749,500	298,100	3,217,506

- (Notes)
- The number of treasury shares of ordinary shares increased by 1,749,500 shares due to acquisition of 1,748,500 of treasury shares through resolution by the Board of Directors meeting and acquisition of 1,000 shares of restricted stock without compensation.
  - The number of treasury shares of ordinary shares decreased by 298,100 shares due to disposal of treasury shares for restricted stock remuneration.

2. Items related to share acquisition rights and treasury share acquisition rights

Classification	Breakdown of share acquisition rights	Class of share acquisition rights	Number of share acquisition rights (shares)				Balance at the end of the current consolidate fiscal year (thousands of yen)
			Beginning of the current consolidated fiscal year	Increase in the current consolidated fiscal year	Decrease in the current consolidated fiscal year	End of the current consolidate fiscal year	
Consolidated subsidiary	Share acquisition rights by stock options (1st series)	—	—	—	—	—	634
Consolidated subsidiary	Share acquisition rights by stock options (2nd series)	—	—	—	—	—	—
Reporting company	Share acquisition rights by stock options (5th series)	—	—	—	—	—	82,210
Reporting company	Share acquisition rights by stock options (6th series)	—	—	—	—	—	17,848
Total		—	—	—	—	—	100,693

- (Note) The periods to exercise stock options as share acquisition rights of consolidated subsidiaries (2nd series) and stock options as share acquisition rights of the submitting company (5th and 6th series) have not yet begun.



### 3. Items related to dividends

#### (1) Dividends to be paid

(Resolution)	Class of shares	Total dividends (thousands of yen)	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on March 24, 2023	Ordinary shares	241,403	6	December 31, 2022	March 27, 2023

(2) Dividends whose record date is in the current consolidated fiscal year but whose effective date is in the following consolidated fiscal year

(Resolution)	Class of shares	Total dividends (thousands of yen)	Dividend capital	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on March 25, 2024	Ordinary shares	232,694	Retained earnings	6	December 31, 2023	March 26, 2024

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

#### 1. Items related to the class and total number of issued shares along with the class and total number of treasury shares

	Shares at the beginning of the current consolidated fiscal year (shares)	Increase in shares in the current consolidated fiscal year (shares)	Decrease in shares in the current consolidated fiscal year (shares)	Shares at the end of the current consolidated fiscal year (shares)
Issued shares				
Ordinary shares	42,000,000	—	—	42,000,000
Total	42,000,000	—	—	42,000,000
Treasury shares				
Ordinary shares (Note)	3,217,506	994,700	—	4,212,206
Total	3,217,506	994,700	—	4,212,206

(Note) The number of treasury shares of ordinary shares increased by 994,700 shares due to acquisition of 992,800 of treasury shares through resolution by the Board of Directors meeting and acquisition of 1,900 shares of restricted stock without compensation.

#### 2. Items related to share acquisition rights and treasury share acquisition rights

Classification	Breakdown of share acquisition rights	Class of share acquisition rights	Number of share acquisition rights (shares)				Balance at the end of the current consolidated fiscal year (thousands of yen)
			Beginning of the current consolidated fiscal year	Increase in the current consolidated fiscal year	Decrease in the current consolidated fiscal year	End of the current consolidated fiscal year	
Consolidated subsidiary	Share acquisition rights by stock options (1st series)	—	—	—	—	—	634
Consolidated subsidiary	Share acquisition rights by stock options (2nd series)	—	—	—	—	—	—
Reporting company	Share acquisition rights by stock options (5th series)	—	—	—	—	—	—
Reporting company	Share acquisition rights by stock options (6th series)	—	—	—	—	—	36,877
Total		—	—	—	—	—	37,512

(Note) The periods to exercise stock options as share acquisition rights of consolidated subsidiaries (2nd series) and stock options as share acquisition rights of the submitting company (5th and 6th series) have not yet begun.

### 3. Items related to dividends

#### (1) Dividends to be paid

(Resolution)	Class of shares	Total dividends (thousands of yen)	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on March 25, 2024	Ordinary shares	232,694	6	December 31, 2023	March 26, 2024

(2) Dividends whose record date is in the current consolidated fiscal year but whose effective date is in the following consolidated fiscal year

(Resolution)	Class of shares	Total dividends (thousands of yen)	Dividend capital	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on March 27, 2025	Ordinary shares	302,302	Retained earnings	8	December 31, 2024	March 28, 2025

(Related to the consolidated cash flow statement)

#### \*1. Related to amounts of items in the consolidated balance sheet and end of fiscal year balance of cash and cash equivalents

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Calculation of cash and deposits	3,789,025 thousand yen	4,198,305 thousand yen
Deposits paid	1,016,180	175,528
Cash and cash equivalents	4,805,205	4,373,834

#### \*2. Breakdown of principal assets and liabilities of companies that became consolidated subsidiaries due to acquisition of shares

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

Breakdown of assets and liabilities at the beginning of consolidation of Selfit Corporation, Salon Selfit Corporation, Gangnam Doll Co., Ltd. (indirectly held through K Village Tokyo Inc.), and i-motto inc. (indirectly held through K Village Tokyo Inc.) which were newly consolidated through acquisition of shares, along with the relationship of the acquisition amount of shares and the expenditure (net amount) to acquire shares is as follows.

##### (1) Selfit Corporation and Salon Selfit Corporation

Current assets	604,398 thousand yen
Non-current assets	82,930
Goodwill	119,146
Current liabilities	-135,717
Non-current liabilities	-170,757
Acquisition amount of shares	500,000
Cash and cash equivalents	-421,973
Difference: Expenditure for acquisition	78,026

(2) Gangnam Doll Co., Ltd

Current assets	33,622	thousand yen
Non-current assets	1,807	
Goodwill	63,622	
Current liabilities	-23,069	
Non-current liabilities	-61,243	
Acquisition amount of shares	14,740	
Cash and cash equivalents	-8,664	
Difference: Expenditure for acquisition	6,075	

(3) i-motto inc.

Current assets	361,283	thousand yen
Non-current assets	1,749	
Goodwill	46,650	
Current liabilities	-255,457	
Non-current liabilities	-19,226	
Acquisition amount of shares	135,000	
Cash and cash equivalents	-106,994	
Difference: Expenditure for acquisition	28,005	

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

(Related to lease transactions)

(Borrower side)

1. Finance lease transactions

Finance lease transaction property rights not transferred

(1) Contents of leased assets

Property, plant and equipment

Printers, etc., associated with the Back-Office Division.

(2) Methods of depreciating leased assets

The significant items that are the basis of preparing the consolidated financial statements are in “4. Items related to accounting policies (2) Depreciation methods for significant depreciation of assets.”

2. Operating lease transactions

Entry is omitted as the importance is insignificant.

(Related to financial instruments)

1. Items related to the condition of financial instruments

(1) Policy related to dealing with financial instruments

The Group will raise necessary capital referred to in the capital investment plan, etc., mainly with its own capital and bank loans including long-term borrowings. Temporary surplus funds are primarily used for short-term deposits and term deposits which have a high degree of security.

In the investment business conducted by a consolidated subsidiary, the capital will be raised mainly with its own capital and indirect loans through bank loans, adjusting market conditions, a balance between long and short term, etc. The capital raised as such is invested in exchange-traded funds, investment partnerships, etc.

Furthermore, short-term working capital will be raised with bank loans. The policy is to not utilize derivative transactions and speculative transactions.

(2) Contents and risks of financial instruments

Accounts receivable for trade is primarily for individual customers and is exposed to credit risk. Operational investment securities and investment securities are primarily investments in listed company shares and investment business associations and are exposed to market value fluctuation risk and credit risk of issuing entities. Deposits paid, long-term loans receivable, and guarantee deposits are primarily leasehold and guarantee deposits for leasing the Headquarters and branches and are exposed to credit risk of the entities receiving the deposits. Accounts payable for trade and others all have a payment date within one year. Borrowings are primarily aimed at raising capital for business transactions, capital investment, and M&A, part of which is exposed to interest risk related to capital raising and liquidity risk.

(3) Risk management system related to financial instruments

1) Management of credit risk (risks related to breach of contract with trade partners)

The Group in accordance with the credit management system related to trade, regularly monitors the conditions of principal trade partners of each division, and each trade partner's closing date and balance are managed along with planning to reduce and catch at an early-stage doubtful recoveries due to deteriorating conditions of financial affairs, etc. Regarding long-term loans receivable, monitoring of the conditions of financial affairs of entities that have received loans are implemented. Regarding guarantee deposits, the conditions of principal trade partners of each division are regularly monitored, and each trade partner's closing date and balance are managed.

2) Management of liquidity risk (risk of not paying on the date of payment) related to raising capital

The Group manages liquidity risk by maintaining liquidity on hand, etc. along with the Management Division preparing and renewing plans to raise capital timely, based on reports from each department.

3) Management of market risk (risk of currency, interest rate, etc., fluctuation)

Regarding investment securities, by consistently knowing fair value and issuing entities' (trade partner corporations) conditions of financial affairs, etc., we continuously reevaluate conditions of possession by taking into consideration changes in market conditions.

4) Management of price fluctuation risk

Regarding operational investment securities, the management committee or the Board of Directors makes investment decisions based on the related operational regulations. Regarding new investment projects, we make investment plans including the maximum investment amount and price fluctuation risk, on which the management committee or the Board of Directors makes decisions. Furthermore, we mitigate price fluctuation risk by collecting and analyzing management information about investee companies and monitoring risk status continuously.

(4) Supplementary explanation regarding items regarding fair value, etc., of financial instruments

Because the primary cause of fluctuation is incorporated into the calculation of fair value of financial instruments, differing assumptions, etc., are adopted, and said amounts may change.

(5) Concentration of credit risk

63.4% of trade (68.4% at the end of the previous fiscal year) at the present closing date of the fiscal year under review is in relation to a specific trade partner (a company that is an agent to collect credit card settlements and bank account transfers, etc.).

## 2. Items related to fair value, etc. of financial instruments

The fair value and difference concerning amounts recorded on the consolidated balance sheet is as follows.

Previous consolidated fiscal year (December 31, 2023)

	Amounts recorded on the consolidated balance sheet (thousands of yen)	Fair value (thousands of yen)	Difference (thousands of yen)
(1) Operational investment securities and investment securities			
Available-for-sale securities			
Shares	865,639	865,639	—
Investment trust	165,750	165,750	—
(2) Long-term loans receivable (*2)	4,833	4,814	-18
(3) Guarantee deposits	1,256,874	1,172,764	-84,109
Total assets	2,293,096	2,208,968	-84,128
(1) Long-term borrowings (*3)	2,501,276	2,467,521	-33,754
(2) Lease obligations (*4)	13,622	13,460	-161
Total liabilities	2,514,898	2,480,982	-33,915

(\*1) “Cash and deposits,” “Accounts receivable – trade,” “Deposits paid,” “Accounts payable – trade,” “Short-term borrowings,” “Account payable – other,” “Accrued expenses,” “Income taxes payable,” and “Accrued consumption taxes” are omitted because “Cash and deposits” are cash and the fair value of the remainder approximates book value as they are settled in a short period of time.

(\*2) Current portion of long-term loans receivable is included in long-term loans receivable.

(\*3) Current portion of long-term borrowings is included in long-term borrowings.

(\*4) The total amount of lease obligations in current liabilities and non-current liabilities is presented.

(\*5) Notes on investments in partnerships and other similar entities for which equity interests are recorded on a net basis on the consolidated balance sheet are omitted. The amount of these investments recorded on the consolidated balance sheet is 750,587 thousand yen.

(\*6) Shares, etc., that do not have a market price are not included in “(1) Operational investment securities and investment securities.” The amount of these financial instruments is recorded as follows on the consolidated balance sheet.

Classification	Current consolidated fiscal year (thousands of yen)
Unlisted shares	1,118,644

Current consolidated fiscal year (December 31, 2024)

	Amounts recorded on the consolidated balance sheet (thousands of yen)	Fair value (thousands of yen)	Difference (thousands of yen)
(1) Operational investment securities and investment securities			
Available-for-sale securities			
Shares	486,331	486,331	—
Investment trust	152,107	152,107	—
(2) Long-term loans receivable (*2)	2,833	2,815	-17
(3) Guarantee deposits	1,591,125	1,434,263	-156,861
Total assets	2,232,397	2,075,518	-156,878
(1) Long-term borrowings (*3)	4,005,714	4,097,930	92,216
(2) Lease obligations (*4)	11,911	11,852	-59
Total liabilities	4,017,625	4,109,783	92,157

(\*1) “Cash and deposits,” “Accounts receivable – trade,” “Deposits paid,” “Accounts payable – trade,” “Short-term borrowings,” “Account payable – other,” “Accrued expenses,” “Income taxes payable,” and “Accrued consumption taxes” are omitted because “Cash and deposits” are cash and the fair value of the remainder approximates book value as they are settled in a short period of time.

(\*2) Current portion of long-term loans receivable is included in long-term loans receivable.

(\*3) Current portion of long-term borrowings is included in long-term borrowings.

(\*4) The total amount of lease obligations in current liabilities and non-current liabilities is presented.

(\*5) Notes on investments in partnerships and other similar entities for which equity interests are recorded on a net basis on the consolidated balance sheet are omitted. The amount of these investments recorded on the consolidated balance sheet is 1,944,739 thousand yen.

(\*6) Shares, etc., that do not have a market price are not included in “(1) Operational investment securities and investment securities.” The amount of these financial instruments is recorded as follows on the consolidated balance sheet.

Classification	Current consolidated fiscal year (thousands of yen)
Unlisted shares	1,160,431

(Note) 1. Monetary claims of planned amortization amount after the consolidated closing date

Previous consolidated fiscal year (December 31, 2023)

	Within one year (thousands of yen)	Over one year, within five years (thousands of yen)	Over five years, within ten years (thousands of yen)	Over ten years (thousands of yen)
Cash and deposits	3,789,025	—	—	—
Accounts receivable – trade	1,627,407	—	—	—
Deposits paid	1,026,918	—	—	—
Long-term loans receivable	1,999	1,999	833	—
Total	6,445,351	1,999	833	—

(Note) Regarding guarantee deposits, they are not listed as the expected date of amortization is undecided.

Current consolidated fiscal year (December 31, 2024)

	Within one year (thousands of yen)	Over one year, within five years (thousands of yen)	Over five years, within ten years (thousands of yen)	Over ten years (thousands of yen)
Cash and deposits	4,198,305	—	—	—
Accounts receivable – trade	1,904,190	—	—	—
Deposits paid	190,910	—	—	—
Long-term loans receivable	1,999	833	—	—
Total	6,295,406	833	—	—

(Note) Regarding guarantee deposits, they are not listed as the expected date of amortization is undecided.

(Note) 2. Planned repayment amount of long-term borrowings and lease obligations after the consolidated closing date

Previous consolidated fiscal year (December 31, 2023)

	Within one year (thousands of yen)	Over one year, within two years (thousands of yen)	Over two years, within three years (thousands of yen)	Over three years, within four years (thousands of yen)	Over four years, within five years (thousands of yen)	Over five years (thousands of yen)
Long-term borrowings	280,684	256,434	973,684	78,684	56,037	855,753
Lease obligations	6,675	5,660	1,259	27	—	—
Total	287,359	262,094	974,943	78,711	56,037	855,753

Current consolidated fiscal year (December 31, 2024)

	Within one year (thousands of yen)	Over one year, within two years (thousands of yen)	Over two years, within three years (thousands of yen)	Over three years, within four years (thousands of yen)	Over four years, within five years (thousands of yen)	Over five years (thousands of yen)
Long-term borrowings	468,198	1,185,448	290,448	267,948	524,071	1,269,601
Lease obligations	6,847	2,276	1,215	1,249	322	—
Total	475,045	1,187,724	291,663	269,197	524,393	1,269,601

### 3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value

Previous consolidated fiscal year (December 31, 2023)

(Unit: thousands of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Operational investment securities and investment securities				
Available-for-sale securities				
Shares	865,639	—	—	865,639
Investment trust	165,750	—	—	165,750
Total assets	1,031,389	—	—	1,031,389

Current consolidated fiscal year (December 31, 2024)

(Unit: thousands of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Operational investment securities and investment securities				
Available-for-sale securities				
Shares	486,331	—	—	486,331
Investment trust	152,107	—	—	152,107
Total assets	638,438	—	—	638,438

(2) Financial instruments other than those measured at fair value

Previous consolidated fiscal year (December 31, 2023)

(Unit: thousands of yen)

Classification	fair value			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	—	4,814	—	4,814
Guarantee deposits	—	1,172,764	—	1,172,764
Total assets	—	1,177,579	—	1,177,579
Long-term borrowings	—	2,467,521	—	2,467,521
Lease obligations	—	13,460	—	13,460
Total liabilities	—	2,480,982	—	2,480,982

Current consolidated fiscal year (December 31, 2024)

(Unit: thousands of yen)

Classification	fair value			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	—	2,815	—	2,815
Guarantee deposits	—	1,434,263	—	1,434,263
Total assets	—	1,437,079	—	1,437,079
Long-term borrowings	—	4,097,930	—	4,097,930
Lease obligations	—	11,852	—	11,852
Total liabilities	—	4,109,783	—	4,109,783



(Note) A description of the valuation technique(s) and inputs used in the fair value measurements

Operational investment securities and investment securities

Fair values of listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Long-term loans receivable

The fair value of long-term loans receivable is measured by discounting the total of the principal and interest at the interest rate assumed if a similar loan is newly made and is classified as Level 2.

Guarantee deposits

Guarantee deposits are lease deposits for branches and offices, etc., and the fair value is measured and classified as Level 2 based on the present value from which relevant indicators such as interest of government bonds are discounted from future cash flow.

Long-term borrowings and lease obligations

These fair values are measured by discounting the total of the principal and interest at the interest rate assumed if a similar loan is newly made and are classified as Level 2.

(Related to securities)

1. Securities for the purposes to buying and selling

There are no applicable items.

2. Bonds held for the purpose of maturity

There are no applicable items.

3. Available-for-sale securities

Previous consolidated fiscal year (December 31, 2023)

	Category	Amounts recorded on the consolidated balance sheet (thousands of yen)	Cost of acquisition (thousands of yen)	Difference (thousands of yen)
Amounts recorded on the consolidated balance sheet which exceed cost of acquisition	(1) Shares	15,474	15,440	33
	(2) Other	32,747	29,578	3,169
	Subtotal	48,222	45,018	3,203
Amounts recorded on the consolidated balance sheet which do not exceed cost of acquisition	(1) Shares	850,164	1,459,133	-608,969
	(2) Other	2,002,233	2,040,183	-37,949
	Subtotal	2,852,398	3,499,317	-646,918
Total		2,900,620	3,544,335	-643,715

Current consolidated fiscal year (December 31, 2024)

	Category	Amounts recorded on the consolidated balance sheet (thousands of yen)	Cost of acquisition (thousands of yen)	Difference (thousands of yen)
Amounts recorded on the consolidated balance sheet which exceed cost of acquisition	(1) Shares	33,684	33,594	89
	(2) Other	—	—	—
	Subtotal	33,684	33,594	89
Amounts recorded on the consolidated balance sheet which do not exceed cost of acquisition	(1) Shares	452,647	531,763	-79,115
	(2) Other	3,257,279	3,293,640	-36,361
	Subtotal	3,709,927	3,825,404	-115,477
Total		3,743,611	3,858,999	-115,388

4. Other securities sold during the consolidated fiscal year

Previous consolidated fiscal year (December 31, 2023)

Category	Amount sold (thousands of yen)	Total amount of profit on sale (thousands of yen)	Total amount of loss on sale (thousands of yen)
Shares	535,775	379,773	—
Other	1,751,013	132,336	—
Total	2,286,788	512,109	—

Current consolidated fiscal year (December 31, 2024)

Category	Amount sold (thousands of yen)	Total amount of profit on sale (thousands of yen)	Total amount of loss on sale (thousands of yen)
Shares	892,369	—	170,061
Other	59,839	9,366	—
Total	952,209	9,366	170,061

5. Sold bonds held for the purpose of maturity

There are no applicable items.

6. Securities for which the purpose of possession changed

There are no applicable items.

7. Securities for which impairment was recorded

For the previous consolidated fiscal year, regarding investment securities, 180,609 thousand yen (shares of available-for-sale securities: 180,609 thousand yen) was recorded as impairment.

For the current consolidated fiscal year, regarding investment securities, 92,791 thousand yen (shares of available-for-sale securities: 92,791 thousand yen) was recorded as impairment.

Furthermore, concerning recording impairment, in the event that the fair value at the end of the fiscal year declines over 50% compared to the cost of acquisition, they are recorded as impairment as unrecoverable. For shares, etc., that do not have a market price, taking into consideration the financial condition of the issuing company of said shares and determining the possibility of recovery, for those that are determined to be unrecoverable, they will be recorded as impairment in the actual amount.

(Related to derivative transactions)

There are no applicable items.

(Related to retirement benefit liability)

1. Outline of adopted retirement benefit liability system

The Company, in order to assign retirement benefit liability for employees, is enrolled in the “Japanese IT Software Corporation Company Pension Fund,” a welfare pension fund concerned with multi-employer plans. As the value of pension assets concerning the Company’s contributions is unable to be reasonably calculated, the accounting process is to record them the same as defined-contribution pension.

2. Multi-employer plans

Japanese IT Software Corporation Company Pension Fund

The necessary contribution amounts to the welfare pension fund for multi-employer plans where the accounting process is to record them the same as defined-contribution pension for the previous consolidated fiscal year was 24,373 thousand yen, and for the current consolidated fiscal year, 25,993 thousand yen.

(1) Items relating to the conditions of reserves of the multi-employer plans as a whole

	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
Amount of pension assets	55,007,211 thousand yen	58,726,013 thousand yen
Total amount of amount of mathematical obligations calculated by pension financing and amount of minimum reserve for liability	52,959,200 thousand yen	52,636,715 thousand yen
Difference	2,048,011 thousand yen	6,089,298 thousand yen

(Note) For items related to reserves, the Group bases pension financing calculations on latest available settlements.  
The values listed are as of March 31, 2024.

(2) Percentage of enrolled Company personnel accounting for the plan as a whole

Previous consolidated fiscal year	1.53%	(as of March 31, 2023)
Current consolidated fiscal year	1.41%	(as of March 31, 2024)

(3) Supplementary explanation

The primary factor for the difference in the above (1) is separate funds (1,721,716 thousand yen) and the accumulated actual surplus/deficit for the year (326,295 thousand yen) for the previous consolidated fiscal year and separate funds (1,721,716 thousand yen) and the accumulated actual surplus/deficit for the year (4,367,582 thousand yen) for the current consolidated fiscal year.

Furthermore, the percentage of the above (2) does not match the Company’s actual percentage of responsibility.

(Related to stock options, etc.)

1. Sum of costs and names of items concerned with stock options

	Previous consolidated fiscal year	Current consolidated fiscal year
Share-based payment expenses of selling, general and administrative expenses	72,697 thousand yen	95,451 thousand yen

2. Amount recorded as a gain due to expiration due to non-exercise of rights

	Previous consolidated fiscal year	Current consolidated fiscal year
Gain on reversal of share acquisition rights	—	82,210 thousand yen

### 3. Details, scope, and changes to the conditions of stock options

#### (1) Details of stock options

Company name	K Village Inc.
Name of share acquisition rights	1st series of share acquisition rights (Note) 1
Classification and number of eligible persons for grant	Mr. Ryu Segawa (Note) 4
Number of stock options by type of share (Note) 2	Ordinary shares 2,450 shares
Grant date (Note) 3	September 19, 2019
Vesting conditions	<p>(1) The share acquisition rights holder, upon acquisition of share acquisition rights, in the event that the share acquisition rights holder is an officer such as Director or employee of the Company or subsidiary, must continue to be in a position of an officer such as Director or employee of the Company or subsidiary from the time of acquisition of share acquisition rights until exercising the rights. However, this does not apply if the majority of the Company Directors approve due cause.</p> <p>(2) In the event that the share acquisition rights holder passes away during the period to exercise rights, an inheritor may not exercise the share acquisition rights.</p> <p>(3) The share acquisition rights holder may not exercise the share acquisition rights in the event that any of the following items become applicable. However, this does not apply if the majority of the Company Directors approve special treatment.</p> <ul style="list-style-type: none"> <li>· In the event of a sentence beyond imprisonment.</li> <li>· In the event that directly or indirectly a company is founded that operates a business that competes with the Company, or installs an officer such as Director or employee of the Company, or competes with the Company regardless of pretext (excluded however, are cases where approval is obtained before by documents from the Company).</li> <li>· In the event that the Company's reputation is harmed through violations of laws and regulations or other wrongdoings.</li> <li>· In the event seizure, provisional seizure, provisional disposition, compulsory execution, or petition of auction is received, or disposition for failure to pay taxes and public dues is received.</li> <li>· In the event of stopped payment or insolvency, or a dishonored bill or check that is drawn or accepted.</li> <li>· In the event of petition to start bankruptcy proceedings, start Civil Rehabilitation Act proceedings, or any other petitions to start similar proceedings, or in the event of personally starting a petition.</li> <li>· In the event of receiving disciplinary measures due to violations of work regulations.</li> <li>· In the event of violations of fiduciary duties, etc., that need to be fulfilled as an officer.</li> </ul> <p>(4) Some share acquisition rights cannot be exercised.</p>
Service period	It is not set.
Period to exercise rights	Between September 20, 2019 to September 19, 2029 (However, if September 19, 2029 is not a bank working day, it will be the working day prior) within four days after the day of publication of each quarterly financial statement.

- (Notes)
1. Compensation grant is fair value.
  2. Listed are number of shares that have been converted.
  3. The listed grant date is the allotment date.
  4. The share acquisition rights have been allocated to a trust with Mr. Ryu Segawa as beneficiary, at the end of the trust period, they will be granted to Directors, employees, etc., of the Company or subsidiaries.

Company name	K Village Inc.
Name of share acquisition rights	2nd series of share acquisition rights (Note) 1
Classification and number of eligible persons for grant	5 Directors of K Village Inc.
Number of stock options by type of share (Note) 2	Ordinary shares 800 shares
Grant date (Note) 3	December 21, 2023
Vesting conditions	<p>(1) The share acquisition rights can be exercised only when the Company's ordinary shares to be issued upon exercise of share acquisition rights have been listed on a financial instruments exchange in Japan.</p> <p>(2) The share acquisition rights holder, upon acquisition of share acquisition rights, in the event that the share acquisition rights holder is an officer such as Director or employee of the Company or the Company's subsidiary, must continue to be in a position of an officer such as Director or employee of the Company or the Company's subsidiary from the time of acquisition of share acquisition rights until exercising the rights or an external partner who entered into an advisory agreement or service agreement with the Company or the Company's subsidiary.</p> <p>(3) In the event that the share acquisition rights holder passes away during the period to exercise rights, an inheritor may not exercise the share acquisition rights.</p> <p>(4) The share acquisition rights cannot be exercised in the event of any breach of other conditions provided for in the stock acquisition right allotment agreement which is entered into between the Company and the share acquisition rights holder.</p> <p>(5) Other conditions are based on the stock acquisition right allotment agreement to be entered into with the Company.</p>
Service period	It is not set.
Period to exercise rights	From December 22, 2025 to December 21, 2035

- (Notes)
1. Grant without compensation based on fair value
  2. Listed are number of shares that have been converted.
  3. The listed grant date is the allotment date.

Company name	Reporting company	Reporting company
Name of share acquisition rights	5th series of share acquisition rights	6th series of share acquisition rights
Classification and number of eligible persons for grant	2 Directors of the Company 3 Directors of the Company's subsidiaries 31 employees of the Company	489 employees of the Company
Number of stock options by type of share (Note) 1	Ordinary shares 1,793,000 shares	Ordinary shares 278,900 shares
Grant date (Note) 2	May 8, 2023	May 8, 2023
Vesting conditions	As stated in "Part 4. Status of the Reporting Company, 1. Status of the shares, etc., (2) Status of the share acquisition rights" (Japanese only)	As stated in "Part 4. Status of the Reporting Company, 1. Status of the shares, etc., (2) Status of the share acquisition rights" (Japanese only)
Service period	From May 1, 2023 to April 1, 2026	From May 1, 2023 to April 1, 2026
Period to exercise rights	From April 1, 2026 to March 31, 2035	From April 1, 2026 to April 18, 2033

- (Notes)
1. Listed are number of shares that have been converted.
  2. The listed grant date is the allotment date.

(2) Scope and changes to the conditions of stock options

For existing stock options included in the current consolidated fiscal year (ended December 31, 2024), in regard to the number of stock options, listed are the number of shares that have been converted.

1) Number of stock options

Company name	K Village Inc.	K Village Inc.	Reporting company	Reporting company
Name of share acquisition rights	1st series of share acquisition rights	2nd series of share acquisition rights	5th series of share acquisition rights	6th series of share acquisition rights
Prior to vesting (shares)				
End of previous consolidated fiscal year	2,450	800	1,793,000	257,000
Granted	—	—	—	—
Expired	—	—	1,793,000	44,600
Vested	—	—	—	—
Balance of unvested	2,450	800	—	212,400
After vesting (shares)		—	—	—
End of previous consolidated fiscal year	—	—	—	—
Vested	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Balance of unexercised	—	—	—	—

2) Information on unit price

Company name	K Village Inc.	K Village Inc.	Reporting company	Reporting company
Name of share acquisition rights	1st series of share acquisition rights	2nd series of share acquisition rights	5th series of share acquisition rights	6th series of share acquisition rights
Exercised amount (yen)	40,910	44,898	669	669
Average share price at the time of exercising (yen)	—	—	—	—
Estimated fair unit price on grant date (yen)	—	—	321	303

3. Estimation methods of fair valuation unit price of stock options granted in the fiscal year under review

There are no applicable items.

4. Estimation methods of number of options that will vest

Basically, as reasonably estimating the number of future expirations is difficult, applied is the method where only numbers of actual expirations are reflected.

5. Total intrinsic value at the end of the fiscal year under review when calculated based on the intrinsic value per unit of stock options and total intrinsic value of stock options exercised in the fiscal year under review on the exercise date

- (1) Total intrinsic value at the end of the fiscal year under review 4,076 thousand yen  
 (2) Total intrinsic value of stock options exercised in the fiscal year under review on the exercise date — thousand yen

(Restricted stock remuneration)

1. Sum of costs and names of items concerned with restricted stock remuneration

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Selling, general and administrative expenses	63,623 thousand yen	76,422 thousand yen

2. Details of restricted stock remuneration

	1st series restricted stock remuneration	2nd series restricted stock remuneration
Classification and number of grantees	5 Directors of the Company, 21 employees of the Company	2 Directors of the Company, 24 employees of the Company
Number of granted stock	Ordinary shares of the Company 16,500 shares	Ordinary shares of the Company 191,000 shares
Grant date	April 20, 2021	April 21, 2022
Transfer restriction period	From April 20, 2021 to April 19, 2026	From April 21, 2022 to April 20, 2027
Condition subsequent	<p>The Company will lift restrictions on all granted stock held by a grantee at the time of the expiration of the period on the condition that the grantee continues to hold either the position of Director or employee of the Company or a subsidiary of the Company from the time the transfer restriction period starts to the day the first Annual General Meeting of Shareholders of the Company is held.</p> <p>However, in the event that a grantee due to reasons that are deemed valid by the Board of the Directors of the Company resigns or retires from either the position of Director or employee of the Company or a subsidiary of the Company will have the number of months including the day of resignation or retirement from either the position of Director or employee of the Company or a subsidiary of the Company from April 2021 divided by 12 (However, if the calculation is over 1, it will be deemed as 1.) and this will be multiplied by the number of granted stock held by the grantee at said time (However, if the calculation leads to a fraction of less than one stock, it will be rounded down.) and for the granted stock, at the time immediately following said resignation or retirement, the restrictions will be lifted.</p>	<p>The Company will lift restrictions on all granted stock held by a grantee at the time of the expiration of the period on the condition that the grantee continues to hold either the position of Director or employee of the Company or a subsidiary of the Company from the time the transfer restriction period starts to the day the first Annual General Meeting of Shareholders of the Company is held.</p> <p>However, in the event that a grantee due to reasons that are deemed valid by the Board of the Directors of the Company resigns or retires from either the position of Director or employee of the Company or a subsidiary of the Company will have the number of months including the day of resignation or retirement from either the position of Director or employee of the Company or a subsidiary of the Company from April 2022 divided by 12 (However, if the calculation is over 1, it will be deemed as 1.) and this will be multiplied by the number of granted stock held by the grantee at said time (However, if the calculation leads to a fraction of less than one stock, it will be rounded down.) and for the granted stock, at the time immediately following said resignation or retirement, the restrictions will be lifted.</p>
Fair value unit price at time of grant date	966 yen	785 yen

	3rd series restricted stock remuneration
Classification and number of grantees	1 Director of the Company, 68 employees of the Company
Number of granted stock	Ordinary shares of the Company 298,100 shares
Grant date	April 18, 2023
Transfer restriction period	From April 18, 2023 to April 17, 2028
Condition subsequent	<p>The Company will lift restrictions on all granted stock held by a grantee at the time of the expiration of the period on the condition that the grantee continues to hold either the position of Director or employee of the Company or a subsidiary of the Company from the time the transfer restriction period starts to the day the first Annual General Meeting of Shareholders of the Company is held.</p> <p>However, in the event that a grantee due to reasons that are deemed valid by the Board of the Directors of the Company resigns or retires from either the position of Director or employee of the Company or a subsidiary of the Company will have the number of months including the day of resignation or retirement from either the position of Director or employee of the Company or a subsidiary of the Company from April 2023 divided by 12 (However, if the calculation is over 1, it will be deemed as 1.) and this will be multiplied by the number of granted stock held by the grantee at said time (However, if the calculation leads to a fraction of less than one stock, it will be rounded down.) and for the granted stock, at the time immediately following said resignation or retirement, the restrictions will be lifted.</p>
Fair value unit price at time of grant date	723 yen

### 3. Number of restricted stock remuneration

	1st series restricted stock remuneration	2nd series restricted stock remuneration	3rd series restricted stock remuneration
End of the previous consolidated fiscal year	15,000	189,500	298,100
Granted stock	—	—	—
Acquired without compensation	—	—	1,900
Unrestricted stock	—	—	—
Balance of restricted stock	15,000	189,500	296,200



(Related to accounting for income taxes)

1. Breakdown of primary separate causes of occurrence of deferred tax assets and deferred tax liabilities

	Previous consolidated fiscal year (December 31, 2023)	Current consolidated fiscal year (December 31, 2024)
Deferred tax assets		
Accrued expenses	14,247 thousand yen	17,562 thousand yen
Accrued business taxes	39,426	29,759
Accrued bonuses	76,801	107,644
Accrued business office tax	3,712	1,418
Allowance for doubtful accounts	4,299	6,353
Excess amount of depreciation	61,505	62,943
Asset retirement obligations	194,118	205,439
Asset adjustment account	34,061	40,520
Loss carried forward for taxes (Note) 2	400,033	229,808
Loss on valuation of investment securities	85,922	114,335
Share-based payment expenses	43,339	49,697
Valuation difference on available-for-sale securities	143,893	36,435
Other	53,590	87,438
Subtotal deferred tax assets	1,154,952	989,358
Valuation allowance concerning loss carried forward for taxes (Note) 2	-265,124	-154,972
Valuation allowance concerning total of deductible temporary difference	-88,797	-90,306
Subtotal valuation allowance (Note) 1	-353,922	-245,279
Total deferred tax assets	801,029	744,079
Deferred tax liabilities		
Removal costs related to asset retirement obligations	-70,118	-76,707
Valuation difference on available-for-sale securities	-970	-27
Other	-21,148	-22,908
Total deferred tax liabilities	-92,237	-99,643
Net amount deferred tax assets	708,791	644,436

Net amount of deferred tax assets is included in the following items of the consolidated balance sheet.

	Previous consolidated fiscal year (December 31, 2023)	Current consolidated fiscal year (December 31, 2024)
Non-current assets - Deferred tax assets	708,791	644,436

(Notes) 1. Main reasons resulting in important changes to valuation allowance

This is due to the reconsideration of the possibility of recover of deferred tax assets because of improvement of some consolidated subsidiaries' achievements.

2. Amounts of separate time periods of balances carried forward for loss carried forward for taxes and deferred tax assets  
Previous consolidated fiscal year (December 31, 2023)

	Within one year (thousands of yen)	Over one year, within two years (thousands of yen)	Over two years, within three years (thousands of yen)	Over three years, within four years (thousands of yen)	Over four years, within five years (thousands of yen)	Over five years (thousands of yen)	Total
Loss carried forward for taxes*	—	—	—	191,552	35,624	172,856	400,033
Valuation allowance	—	—	—	147,755	9,032	108,337	265,124
Deferred tax assets	—	—	—	43,797	26,591	64,519	134,908

\*Loss carried forward for taxes is the amount multiplied by the normal effective statutory tax rate.

Current consolidated fiscal year (December 31, 2024)

	Within one year (thousands of yen)	Over one year, within two years (thousands of yen)	Over two years, within three years (thousands of yen)	Over three years, within four years (thousands of yen)	Over four years, within five years (thousands of yen)	Over five years (thousands of yen)	Total
Loss carried forward for taxes*	—	—	163,938	35,624	—	30,245	229,808
Valuation allowance	—	—	141,217	9,136	—	4,618	154,972
Deferred tax assets	—	—	22,720	26,487	—	25,627	74,835

\*Loss carried forward for taxes is the amount multiplied by the normal effective statutory tax rate.

2. Breakdown of principal separated items responsible for difference when there is a significant difference between statutory tax rate and effective tax rate after application of tax effect accounting

	Previous consolidated fiscal year (December 31, 2023)	Current consolidated fiscal year (December 31, 2024)
Statutory tax rate		
(Adjustment)		
Permanent difference		
Inhabitant tax on a per capita basis		
Increase or decrease of valuation allowance		
Amortization, etc. of goodwill		
Other		
Effective tax rate after application of tax effect accounting		

Entry is omitted as difference between the statutory tax rate and the effective tax rate after application of tax effect accounting is five one-hundredths or less of the statutory tax rate.

Entry is omitted as difference between the statutory tax rate and the effective tax rate after application of tax effect accounting is five one-hundredths or less of the statutory tax rate.

(Related to business combinations, etc.)

There are no applicable items.

(Related to asset retirement obligations)

Items of asset retirement obligations recorded on the consolidated balance sheet

1) Outline of said asset retirement obligations

Obligations to restore the original state in the leases of the Headquarters and branches are present.

2) Calculation method of amount of said asset retirement obligations

The estimated utilization period is estimated at five to fifteen years from acquisition, and asset retirement obligations amounts are calculated using a discount rate of 0.00 to 1.03%.

3) Increase or decrease of the sum total of said asset retirement obligations

The changes in balances of asset retirement obligations are as follows.

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Balance at the beginning of fiscal year	594,647 thousand yen	671,070 thousand yen
Increase resulting from acquisition of new consolidated subsidiaries	42,165	—
Increase resulting from acquisition of property, plant and equipment	82,455	55,675
Adjustment resulting from passage of time	1,554	2,512
Decrease resulting from fulfilment of asset retirement obligations	-49,753	-10,593
Balance at the end of the fiscal year	671,070	718,664

(Related to leases, etc., and real estate)

IBJ Financial Advisory CO., LTD. that is the Company's consolidated subsidiary holds apartments for rent (including land) in Tokyo and other areas. Rental income related to these leases, etc., and real estate in the previous consolidated fiscal year was 18,498 thousand yen (rental revenue was recorded in net sales and rental expenses were recorded in cost of sales). Rental income related to these leases, etc., and real estate in the fiscal year under review was 29,617 thousand yen (rental revenue was recorded in net sales and rental expenses were recorded in cost of sales).

In addition, the amount of these leases, etc., and real estate recorded on the consolidated balance sheet, changes during the period, and the fair value are as follows.

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Amounts recorded on the consolidated balance sheet		
Balance at the beginning of the period	522,724	1,879,307
Changes during the period	1,356,583	-20,190
Balance at the end of the period	1,879,307	1,859,117
Fair value at the end of the period	1,859,520	1,855,538

- (Notes)
1. Amounts recorded on the consolidated balance sheet were value of acquisition costs less accumulated depreciation.
  2. Changes during the period are mainly a decrease due to the depreciation (20,190 thousand yen).
  3. Fair value at the end of the period was calculated and appraised mainly at the Company based on the Japan Real Estate Appraisal Standards. However, if there have been no significant changes in certain appraised value or indicators considered to appropriately reflect market value since the last appraisal, the amount adjusted by such appraisal value or indicators is used.

(Revenue recognition)

(1) Breakdown information for revenue

Breakdown information for revenue from contracts with the Group's customers are as shown in "Notes (Segment information, etc.), 3. Disclosure of sales, profit (loss), asset, liability, other items, and breakdown of revenue for each reportable segment."

(2) Useful information in understanding revenue

Useful information in understanding revenue from contracts with the Group's customers are as shown in "Notes (Important items that are to become the basis for preparation of consolidated financial statements), 4. Items related to accounting policies, (5) Significant revenue and expense recognition standards.

(3) Information in understanding the amount of revenue for the fiscal year under review and the following fiscal years

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

1) Receivables and contract liabilities from contracts with customers

(Unit: thousands of yen)

	Beginning balance	Ending balance
Receivables from contracts with customers (accounts receivable – trade)	1,297,961	1,597,012
Contract liabilities (advances received)	553,447	583,167

Contract liabilities are advances received from customers in advance of satisfying the performance obligations and reversed as revenue is recognized.

The amount of revenue recognized in the fiscal year under review that was included in the beginning balance of contract liabilities was 553,447 thousand yen.

2) Transaction price allocated to the remaining performance obligations

The Group has applied the practical expedient and omits disclosure of information about transaction prices allocated to the remaining performance obligations, because there are no significant contracts with an original expected duration exceeding one year.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

1) Receivables and contract liabilities from contracts with customers

(Unit: thousands of yen)

	Beginning balance	Ending balance
Receivables from contracts with customers (accounts receivable – trade)	1,597,012	1,873,067
Contract liabilities (advances received)	583,167	649,637

Contract liabilities are advances received from customers in advance of satisfying the performance obligations and reversed as revenue is recognized.

The amount of revenue recognized in the fiscal year under review that was included in the beginning balance of contract liabilities was 583,167 thousand yen.

2) Transaction price allocated to the remaining performance obligations

The Group has applied the practical expedient and omits disclosure of information about transaction prices allocated to the remaining performance obligations, because there are no significant contracts with an original expected duration exceeding one year.

(Segment information, etc.)

(Segment information)

## 1. Description of reportable segments

### (1) Methods to determine reportable segments

The Company's reportable segments are constituent units of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance. The Company's business, including that of its group companies, is conducted by formulating comprehensive strategies for the domestic market by service. Therefore, the Company is composed of segments by service, and the four reportable segments are the Affiliate Business, Directly-Managed Lounge Business, Matching Business, and Life Design Business.

### (2) Types of merchandise and services belonging to each reportable segment

#### (Affiliate Business)

Affiliate Business consists of the Agency Opening Support Business and the Affiliate Business.

- In the Agency Opening Support Business, the Company mainly provides support for the opening of marriage consulting businesses for corporations and individuals, and engages in sales activities for the opening of marriage consulting businesses that use the IBJ platform, one of the Japan's largest marriage consulting agency network provided by the Company.
- In the Affiliate Business, the Company provides a core system of the arranged-marriage meeting for member management and arrangements of arranged-marriage meetings, to affiliated consultation offices and their arranged marriage meeting members, and operates IBJ platform, of which marriage consulting agencies are members.

#### (Directly-Managed Lounge Business)

- In the Directly-Managed Lounge Business, the Company operates three directly-operated marriage consulting agency brands including IBJ Members which specialize in major cities and terminal locations, Sunmarie which features the dedicated services of professional matchmakers, and ZWEI which operates 53 branches throughout Japan, and provides face-to-face marriage partner introduction services to the arranged marriage meeting members thereof, including marriage consulting, arranged-marriage meeting arrangements, and relationship management.

#### (Matching Business)

Matching Business consists of the Party Business and the App Business.

- In the Party Business, the Company plans and holds various events held at its own venues and at external venues, in addition to planning marriage-hunting party events and operating and holding the IBJ Matching website for recruiting participants for those events.
- In the App Business, in addition to Bridal Net, a marriage-hunting application in which dedicated counselors provide support up to the point of meeting, the Company provides multiple matching services for users including Youbride.

#### (Life Design Business)

The Life Design Business consists of the Hobby and Community Business, the Real Estate Business, the Insurance Business, and the Wedding Business.

- In the Hobby and Community Business, K Village Inc. operates Korean language schools, provides support for studying abroad, operates the voice training school "NAYUTAS," and develops the entertainment business for planning and holding K-POP idol events and the beauty community business, with the aim to create the largest Japanese and Korean community.
- IBJ Financial Advisory CO., LTD.'s real estate business consists of introducing properties, leasing real estate, and providing housing loans for couples married through the IBJ Group.
- The Insurance Business offers insurance proposals to support life planning, risk hedging, and wealth building needs.

2. Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting method for the reported business segments is generally the same as the method used in the preparation of the consolidated financial statements.

Inter-segment internal revenues and transfers are based on prevailing market prices.

3. Disclosure of sales, profit (loss), asset, liability, other items, and breakdown of revenue for each reportable segment

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Unit: thousands of yen)

	Reportable segment					Adjustments	Per consolidated financial statements
	Affiliate Business	Directly-Managed Lounge Business	Matching Business	Life Design Business	Total		
Sales							
Services at transferred at a point in time	1,832,965	2,727,858	1,134,192	983,352	6,678,368	—	6,678,368
Services transferred over time	1,140,764	5,651,912	704,230	1,551,806	9,048,714	—	9,048,714
Revenue from contracts with customers	2,973,730	8,379,771	1,838,423	2,535,159	15,727,083	—	15,727,083
Other revenues	—	—	—	1,922,415	1,922,415	—	1,922,415
Revenues from external customers	2,973,730	8,379,771	1,838,423	4,457,574	17,649,498	—	17,649,498
Transactions with other segments	122,659	38,146	39,264	—	200,070	-200,070	—
Total	3,096,389	8,417,917	1,877,687	4,457,574	17,849,569	-200,070	17,649,498
Segment profit (loss)	1,792,675	1,455,334	250,369	371,624	3,870,004	-1,639,176	2,230,827
Other items							
Depreciation	34,407	189,167	84,053	76,756	384,385	34,784	419,169
Amortization of long-term prepaid expenses	—	61	67	1,639	1,768	—	1,768
Impairment losses	—	25,867	14,716	61,750	102,334	—	102,334
Increase in property, plant and equipment and intangible assets	82,560	211,867	113,137	1,754,033	2,161,599	663,676	2,825,275

- (Notes)
- Adjustments to segment profit (loss) of -1,639,176 thousand yen include elimination of inter-segment transactions of 799 thousand yen and corporate expenses of -1,639,976 thousand yen that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
  - Segment profit (loss) is adjusted with the operating profit in the consolidated financial statements.
  - Segment assets and liabilities are not shown because assets are not allocated to business segments, and this information is not used in decision-making by the highest management decision-making body.
  - “Other revenues” are transactions related to financial instruments based on the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) and real estate rental income, etc. based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

(Unit: thousands of yen)

	Reportable segment					Adjustments	Per consolidated financial statements
	Affiliate Business	Directly-Managed Lounge Business	Matching Business	Life Design Business	Total		
Sales							
Services at transferred at a point in time	2,018,050	3,039,567	944,467	1,438,050	7,440,136	—	7,440,136
Services transferred over time	1,346,978	5,959,971	690,268	2,065,190	10,062,408	—	10,062,408
Revenue from contracts with customers	3,365,028	8,999,538	1,634,736	3,503,241	17,502,545	—	17,502,545
Other revenues	—	—	—	237,329	237,329	—	237,329
Revenues from external customers	3,365,028	8,999,538	1,634,736	3,740,570	17,739,874	—	17,739,874
Transactions with other segments	159,109	51,442	92,441	393	303,387	-303,387	—
Total	3,524,138	9,050,980	1,727,178	3,740,964	18,043,261	-303,387	17,739,874
Segment profit (loss)	2,178,623	1,746,760	137,687	482,214	4,545,286	-1,966,199	2,579,086
Other items							
Depreciation	49,133	196,414	86,924	88,588	421,060	154,673	575,734
Amortization of long-term prepaid expenses	—	—	—	4,673	4,673	—	4,673
Impairment losses	—	5,236	—	76,289	81,526	—	81,526
Increase in property, plant and equipment and intangible assets	80,038	122,237	64,171	216,567	483,015	20,381	503,397

- (Notes)
- Adjustments to segment profit (loss) of -1,966,199 thousand yen include elimination of inter-segment transactions of 1,020 thousand yen and corporate expenses of -1,967,219 thousand yen that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
  - Segment profit (loss) is adjusted with the operating profit in the consolidated financial statements.
  - Segment assets and liabilities are not shown because assets are not allocated to business segments, and this information is not used in decision-making by the highest management decision-making body.
  - “Other revenues” are transactions related to financial instruments based on the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) and real estate rental income, etc. based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

(Related information)

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

1. Information of respective merchandise and services

Entry is omitted as the same information is disclosed in segment information.

2. Information of respective regions

(1) Sales

Entry is omitted as net sales to external customers in Japan exceeds 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

Entry is omitted as the amount of property, plant and equipment in Japan exceeds 90% of the amount listed under property, plant

and equipment in the consolidated balance sheet.

3. Information of respective principal customers

Entry is omitted as for overall sales to external customers, there are no parties who comprise 10% or more of net sales in the consolidated statement of income.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

1. Information of respective merchandise and services

Entry is omitted as the same information is disclosed in segment information.

2. Information of respective regions

(1) Sales

Entry is omitted as net sales to external customers in Japan exceeds 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

Entry is omitted as the amount of property, plant and equipment in Japan exceeds 90% of the amount listed under property, plant and equipment in the consolidated balance sheet.

3. Information of respective principal customers

Entry is omitted as for overall sales to external customers, there are no parties who comprise 10% or more of net sales in the consolidated statement of income.



(Information related to impairment losses of non-current assets of respective reportable segments)

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Unit: thousands of yen)

	Affiliate Business	Directly-Managed Lounge Business	Matching Business	Life Design Business	Total	Whole company / elimination	Per consolidated financial statements
Impairment losses	—	25,867	14,716	61,750	102,334	—	102,334

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

(Unit: thousands of yen)

	Affiliate Business	Directly-Managed Lounge Business	Matching Business	Life Design Business	Total	Whole company / elimination	Per consolidated financial statements
Impairment losses	—	5,236	—	76,289	81,526	—	81,526

(Information related to amortization of goodwill and unamortized balance of respective reportable segments)

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Unit: thousands of yen)

	Affiliate Business	Directly-Managed Lounge Business	Matching Business	Life Design Business	Total	Whole company / elimination	Per consolidated financial statements
Amortization for the current fiscal year	—	206,329	931	59,860	267,121	—	267,121
Closing balance of the current fiscal year	—	1,333,913	—	193,183	1,527,097	—	1,527,097

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

(Unit: thousands of yen)

	Affiliate Business	Directly-Managed Lounge Business	Matching Business	Life Design Business	Total	Whole company / elimination	Per consolidated financial statements
Amortization for the current fiscal year	—	118,831	—	46,604	165,435	—	165,435
Closing balance of the current fiscal year	—	1,215,082	—	105,224	1,320,307	—	1,320,307

(Information related to gain on negative goodwill of respective reportable segments)

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

There are no applicable items.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

(Information on related parties)

1. Transactions with related parties

(1) Transactions between consolidated financial statements reporting company and related parties

1) Parent company and principal shareholders, etc. (includes only companies, etc.) of consolidated financial statements reporting company

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

There are no applicable items.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

2) Unconsolidated subsidiaries and associates, etc. of consolidated financial statements reporting company

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

There are no applicable items.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

3) Officers and principal shareholders, etc. (includes only individuals) of consolidated financial statements reporting company

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

Category	Name of company or individual	Location	Share capital or capital (thousands of yen)	Business activities or occupation	Percentage of voting shares owned	Relationship between related party	Details of transaction	Transaction amount (thousands of yen)	Item	Balance at the end of the current fiscal year (thousands of yen)
Officer	Shigeru Ishizaka	—	—	CEO	Directly held 30.74	—	Treasury share disposal related to in-kind contribution of monetary compensation claims (Note)	199,620	—	—

(Note) Due to in-kind contribution of monetary compensation claims related to the restricted stock remuneration system

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

(2) Transactions between related parties and consolidated subsidiaries of consolidated financial statements reporting company

1) Parent company and principal shareholders, etc. (includes only companies, etc.) of consolidated financial statements reporting company

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

There are no applicable items.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

2) Unconsolidated subsidiaries and associates, etc. of consolidated financial statements reporting company

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

There are no applicable items.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

3) Officers and principal shareholders, etc. (includes only individuals) of consolidated financial statements reporting company

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

There are no applicable items.

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

There are no applicable items.

(Per share information)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Net assets per share	192.02 yen	221.93 yen
Basic earnings per share	40.84 yen	40.16 yen

- Notes: 1. Diluted earnings per share is not shown because there are no dilutive potential shares.  
2. The basis for calculating basic earnings per share is as follows.

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (thousands of yen)	1,629,463	1,523,551
Amount not attributable to ordinary shareholders (thousands of yen)	—	—
Profit attributable to owners of parent regarding ordinary shares (thousands of yen)	1,629,463	1,523,551
Average number of shares of ordinary shares during the period	39,902,867	37,935,680
An outline of potential shares not included in the calculation of diluted earnings per share because they do not have dilutive effects	(Consolidated subsidiary) K Village Tokyo Inc. 1st series of share acquisition rights Number of share acquisition rights 2,450 units (Ordinary shares: 2,450 shares) 2nd series of share acquisition rights Number of share acquisition rights 800 units (Ordinary shares: 800 shares)  (Reporting company) 5th series of share acquisition rights Number of share acquisition rights 17,930 units (Ordinary shares: 1,793,000 shares) 6th series of share acquisition rights Number of share acquisition rights 2,570 units (Ordinary shares: 257,000 shares)	(Consolidated subsidiary) K Village Inc. 1st series of share acquisition rights Number of share acquisition rights 2,450 units (Ordinary shares: 2,450 shares) 2nd series of share acquisition rights Number of share acquisition rights 800 units (Ordinary shares: 800 shares)  (Reporting company) 6th series of share acquisition rights Number of share acquisition rights 2,124 units (Ordinary shares: 212,400 shares)

(Significant events after reporting period)

(Items related to business combination)

On March 21, 2025, the Company concluded a share transfer agreement with GROWBING, Inc. (hereinafter, referred to as “GROWBING”). On the same day, the Company acquired all shares issued by GROWBING to make it a wholly-owned subsidiary. In accounting for this business combination, the purchase method prescribed in the accounting standards for business combinations was applied, with IBJ Corporation as the acquiring company and GROWBING as the acquired company.

1. Outline of the acquired company

(1) Name: GROWBING, Inc.

(2) Business contents: Beauty salon business

2. Purpose of the business combination

The Group decided to make GROWBING its wholly-owned subsidiary, aiming mainly at a significant increase in customer referrals by recommending beauty care and other services to the members of marriage consulting agencies, as well as expansion and growth by developing salon franchisees after the business combination through synergies with the Marriage-Hunting Business.

3. Method of the business combination

The business combination was achieved by the Company by acquiring all shares issued by GROWBING with cash as consideration.

4. Acquisition amount and details of consideration

(1) Acquisition cost: 933,800 thousand yen

(2) Details of the consideration paid: Cash of 933,800 thousand yen (inclusive of an intermediary fee of 33,800 thousand yen, etc.)

5. Allocation of acquisition costs

The Company is working to allocate acquisition costs for the business combination. However, at the moment, the valuation of the fair value of assets and liabilities acquired has not been completed. The allocation of acquisition costs will be conducted after the valuation has been finalized. Upon completion of the allocation of acquisition costs, the Company will appropriately reflect the acquisition costs in its consolidated financial statements.

6. Other

The business combination was conducted after the end of the consolidated fiscal year under review and is not reflected in the consolidated financial statements for the consolidated fiscal year under review. The acquired company will be included in the scope of consolidation from the following consolidated fiscal year.

5) (Consolidated Supplementary Schedules)

(Schedule of corporate bonds)

There are no applicable items.

(Schedules of borrowings, etc.)

Classification	Opening balance of the current fiscal year (thousands of yen)	Closing balance of the current fiscal year (thousands of yen)	Average interest rate (%)	Repayment term
Short-term borrowings	3,216,817	1,160,000	1.49	—
Current portion of long-term borrowings	280,684	468,198	0.42	—
Long-term borrowings (excluding current portion of long-term borrowings)	2,220,592	3,537,516	0.41	2026 to 2036
Lease obligations (current portion)	6,675	6,847	0.26	—
Lease obligations (excluding current portion of lease obligations)	6,947	5,064	0.30	2026 to 2029
Total	5,731,716	5,177,625	—	—

- (Notes)
- Regarding the average interest rate, the weighted average interest rate of the ending balance of borrowings, etc. is listed.
  - The planned repayment amounts for the five years after the consolidated closing date for long-term borrowings and lease obligations (excluding current portion of long-term borrowings and lease obligations) is as follows.

	Over one year, within two years (thousands of yen)	Over two years, within three years (thousands of yen)	Over three years, within four years (thousands of yen)	Over four years, within five years (thousands of yen)
Long-term borrowings	1,185,448	290,448	267,948	524,071
Lease obligations	2,276	1,215	1,249	322

(Schedules of asset retirement obligations)

Items that should be listed on these schedules are omitted from the schedules of asset retirement obligations as they are listed in item notes pursuant to Article 15-23 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

(2) (Other)

Semiannual information for the current consolidated fiscal year

	First half of the current consolidated fiscal year	End of the current consolidated fiscal year
Net sales (thousands of yen)	8,566,169	17,739,874
Profit before income taxes (thousands of yen)	1,328,560	2,277,956
Profit attributable to owners of parent (thousands of yen)	866,605	1,523,551
Earnings per share (yen)	22.75	40.16