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Securities code: 6238  
June 3, 2025

To: Shareholders

Takashi Mishima, President  
FURYU CORPORATION  
2-3 Uguisudani-cho, Shibuya-ku, Tokyo

## Notice of the 19th Annual General Meeting of Shareholders

The Company would like to announce the holding of the 19th Annual General Meeting of Shareholders of FURYU CORPORATION (the “Company”) as follows.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s websites as shown below. Please access any of the following websites to view the materials.

[The Company’s website]

<https://www.furyu.jp/> (in Japanese)

(From the above website, select “Investor Relations,” “Stock Information” and then “General Meeting of Shareholders.”)

[Website where informational materials for the general meeting of shareholders are posted]

<https://d.sokai.jp/6238/teiji/> (in Japanese)

[TSE website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website shown above, enter “FURYU” in “Issue name (company name)” or the Company’s securities code “6238” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

**In lieu of attending the meeting on the day, you can vote via the Internet or in writing. Accordingly, we would appreciate it if you would refer to the Reference Documents for the General Meeting of Shareholders below, and exercise your voting rights in accordance with the “Information on Exercise of Voting Rights” by Monday, June 23, 2025, at 6 p.m. (JST).**

- 1. Date and time:** Tuesday, June 24, 2025, at 10 a.m. (JST)  
**2. Venue:** CERULEAN TOWER TOKYU HOTEL, Second Basement Floor, Ballroom  
26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo

**3. Subjects**

**Reporting Items**

1. Reporting of the 19th Fiscal Year (from April 1, 2024 to March 31, 2025) Business Report and Consolidated Financial Statements, as well as reports of the results of the audit of Consolidated Financial Statements by the Accounting Auditor and Board of Auditors.
2. Reporting of the 19th Fiscal Year (from April 1, 2024 to March 31, 2025) Non-consolidated Financial Statements

**Resolutions**

**Proposal No. 1:** Election of Six Directors

**Proposal No. 2:** Election of Two Substitute Auditors

**4. Items decided for convocation (Information on Exercise of Voting Rights)**

- (1) To shareholders who have made a request for delivery of materials in paper-based format, the Company will send, along with this notice, written documents that contain matters subject to provision in electronic format. However, the documents do not include “Summary of Systems to Ensure Appropriateness of Operations of the Company and Operation Status of the Systems” of the Business Report, “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements, and “Notes to the Non-Consolidated Financial Statements” of the Non-Consolidated Financial Statements, pursuant to the provisions of laws and regulations as well as Article 15 of the Company’s Articles of Incorporation. Accordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements contained herein are part of those documents that were audited by the Accounting Auditor or Auditor when they prepared the accounting audit report or the audit report.
- (2) In the case of duplicate voting done via the Internet and in writing (via postage), the vote placed via the Internet will be considered valid. In the case of duplicate voting done via the Internet, the last vote placed will be considered valid.
- (3) If you neglect to indicate your approval or disapproval for any proposal in writing (on the voting form submitted via postage), you will be assumed to have approved the proposal.

For those attending the meeting at the venue, please submit the voting form at the reception desk.

If revisions to the matters for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the aforementioned websites.

A notice of resolutions (resolutions of this meeting) and shareholder newsletters will be posted on the Company’s website.

**Information on Exercise of Voting Rights**

You may exercise your voting rights using one of the following three methods.

**Exercise of voting rights by attending the Annual General Meeting of Shareholders**

You are kindly requested to exercise your voting rights by submitting the voting form to the reception desk at the meeting.

**Date and time:** Tuesday, June 24, 2025, at 10 a.m. (JST) (Reception to start at 9:30 a.m.)

**Venue:** CERULEAN TOWER TOKYU HOTEL, Second Basement Floor, Ballroom  
26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo

**Exercise of voting rights in writing (via postage)**

You are kindly requested to indicate your vote of approval or disapproval of each proposal on the voting form, and return the completed voting form to the Company. You do not need to affix a stamp.

**Deadline:** to be received by Monday, June 23, 2025, at 6 p.m. (JST)

**Exercise of voting rights via the Internet**

Please refer to the information on the following page to enter your approval or disapproval for each of the proposals.

**Deadline:** to be entered by Monday, June 23, 2025, at 6 p.m. (JST)

## Information on Exercise of Voting Rights via the Internet

### How to scan the login QR code “Smart Voting”

You can access the voting website without entering your voting rights exercise code and password.

1. Please scan the QR code printed on the bottom-right of the voting form.

\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Please follow the instructions on the screen to enter your vote for or against the proposals.

### How to enter the voting rights exercise code and password

#### Voting website

<https://soukai.mizuho-tb.co.jp/>

1. Please access the website for the exercise of voting rights.
2. Please enter the voting rights exercise code printed on the voting form.
3. Please enter the password printed on the voting form.
4. Please follow the instructions on the screen to enter your vote for or against the proposals.

You can exercise your voting rights only once by “smart voting.”

If you wish to change your vote after exercising your voting rights, please access the website for PCs, log in to the website by entering your voting rights exercise code and password printed on the voting form, and exercise your voting rights again.

\* Please scan the QR code again if you wish to be redirected to the website for PCs.

For inquiries about the operation of a personal computer, a smartphone or a mobile phone for the exercise of voting rights, please call the number on the right-hand side:

Stock Transfer Agency,  
Mizuho Trust & Banking Co., Ltd.  
Internet Help Dial  
**0120-768-524(Toll Free, only in Japan)**  
(Business hours: 9 a.m. – 9 p.m. (JST),  
excluding the New Year holidays)

Institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ, Inc.

\*The cost of Internet access and use shall be borne by the shareholders.

## **(Reference Documents)**

### **Business Report**

(From April 1, 2024 to March 31, 2025)

## **1. The Current Status of the Corporate Group**

### **(1) Business for the Fiscal Year under Review**

#### **1) Business Development and Outcome**

During the fiscal year under review, the Japanese economy has been on a gradual recovery trend, according to the March Economic Watchers Survey released by the Cabinet Office. However, some signs of weakness have been observed, and regarding the outlook, in addition to the effects of continuing price hikes, concerns about U.S. trade policy are also said to exist. Most recently, the financial markets have been extremely volatile due to President Trump's sudden changes in U.S. tariff policy, and the exchange rate has been fluctuating wildly. In addition, geopolitical risks such as the situation in Russia and Ukraine and the Israel-Hamas conflict continue to exist, and economic trends remain uncertain.

Under these circumstances, with the Group's corporate philosophy "Create quality entertainment that brings happiness and fulfillment to people," the Group focused on expanding the Photo Sticker Business, diversifying monetization utilizing the customer base such as the young female demographic, where the Company has strengths, and selling products using character IPs (intellectual properties), and took steps to implement our "Medium-term Vision," as the fiscal year ending March 31, 2028 is the last year of the term.

As a result, for the fiscal year under review, the Group saw net sales of ¥44,305 million (103.6% of the previous fiscal year), operating profit of ¥2,239 million (59.4% of the previous fiscal year), ordinary profit of ¥2,280 million (61.1% of the previous fiscal year), and profit attributable to owners of parent of ¥1,627 million (65.3% of the previous fiscal year).

Operating results by segment are as follows:

#### **(SEKAIKAN Business)**

In the SEKAIKAN Business, we continued to focus on acquiring many IPs of classic characters, popular manga works, world-famous games, etc. and producing merchandise thereof, and sales grew steadily.

Although goods manufactured in China are settled in U.S. dollars, the impact of exchange rate fluctuations on operating profit is mitigated through the implementation of forward exchange contracts for purchase cost payments and the expansion of dollar-denominated sales with overseas business partners.

Sales of Amusement Prizes grew favorably, as a result of the expansion of the crane game market and the commercialization of several popular IPs, as well as the boost from inbound demand.

Turning to products for overseas merchandise, increased orders from the major markets of China, the U.S. and Europe resulted in a big sales growth. We are focusing on expanding new sales channels and acquiring merchandising rights for overseas markets, as well as expanding our product lineup in collaboration with local e-commerce sites in markets such as China.

For high-end hobby items, we promoted the commercialization of popular IPs with an emphasis on profitability, and continuously focused on sales promotion through the "FURYU HOBBY MALL," a hobby e-commerce site.

As a result, for the fiscal year under review, the SEKAIKAN Business saw net sales of ¥25,338 million (108.7% of the previous fiscal year), and operating profit of ¥1,768 million (103.4% of the previous fiscal year).

### **(GIRLS Trend Business)**

In the Photo Sticker Business, in order to meet the changes to the external environment characterized by diversification of lifestyles and consumer needs that were brought about by the COVID-19 pandemic, we developed new models of photo sticker machines that users can experience “+α value” more than before and tried to expand the number of plays, such as by implementing collaboration with classic popular characters. In October 2024, the Company launched the new “EVERFILM” model, which allows users to experience the joy of photography with projector-based visual effects, and in January 2025, the Company also released the new “Bloomit” model, offering an enhanced “moreu” (beautiful-looking effect) photography experience for groups of two or more people. In addition, with the cooperation of amusement arcades nationwide, the Company conducted play promotion campaigns to revitalize the market. Although the measures were effective individually, they were not sufficient to uplift the overall market, and the number of play counts in the fiscal year under review was 29.57 million (33.3 million in the previous fiscal year), down from the previous fiscal year. Sales and profits have also declined in line with the number of play counts.

For the photo sticker image acquisition and viewing service “PICTLINK,” the number of paying members, which we consider an important KPI for the service, was 1.37 million as of the end of March 2025, down from 1.47 million at the end of March 2024, in spite of measures to strengthen the inflow of new members in order to maintain the membership scale. As a strategy to further grow this service, we released the “PICTLINK photos” photo storage application in the previous fiscal year, and since then we had been working to reduce membership cancellations in order to expand the number of users of the service going forward, and in November, we started offering the calendar app “PICTLINK calendar” to increase opportunities to view PICTLINK and stimulate motivation to play photo sticker machines, for the purpose of strengthening this strategy.

As a result, for the fiscal year under review, the GIRLS Trend Business saw net sales of ¥14,818 million (93.1% of the previous fiscal year), and operating profit of ¥3,147 million (71.2% of the previous fiscal year).

### **(FURYU New Business)**

In the home video game software business, sales of new original title “REYNATIS” in July and new titles “Battle Spirits CROSS OVER” and “BEYBLADE X XONE” in November were steady, and together with downloadable versions of existing titles and overseas sales, sales increased from the previous fiscal year.

In the animation business, sales exceeded those of the previous fiscal year level due to the start of broadcasting of several titles for which we are the organizer of production committees, including the third season of the TV animation “LAID-BACK CAMP” in April.

In the colored contact lens business, we transferred the business to Colorcon Works Inc. on March 31, in order to concentrate management resources on businesses with higher growth potential.

As a result, for the fiscal year under review, the FURYU New Business saw net sales of ¥4,148 million (117.2% of the previous fiscal year), and operating loss of ¥430 million (operating loss of ¥574 million in the previous fiscal year).

## **2) Issues to Be Addressed**

The Group recognizes the following items as major issues to be addressed.

### **(i) Reinforcement of User Acquisition**

In the Group’s Photo Sticker Business, photo sticker image acquisition and viewing service business “PICTLINK,” we believe it will be necessary to increase the number of users of the content provided in order to enhance earnings. User numbers for our core businesses of the Photo Sticker Business and photo sticker image acquisition and viewing service “PICTLINK” are now decreasing due to changes in the external environment in the form of diversifying

lifestyles and needs driven by the impact of COVID-19. To increase user numbers, the Group is enhancing the appeal of photo sticker machines as a gateway to the customer experience and developing photo sticker machines capable of seamlessly generating added value for the “PICKLINK” service, while also implementing various marketing and branding initiatives. In so doing, we seek to increase both the number of users and the number of paying members.

(ii) Expanding Overseas Business Development

Demand for IP, such as the classic characters that the Group has acquired in its SEKAIKAN Business as well as popular comics and globally popular video games, is increasing not only in Japan but also globally, and we believe that there is the potential for greater business expansion in the overseas market. We will work to expand business overseas through initiatives carried out to strengthen local operations and sales structures, such that include expanding new sales channels, while addressing effects of US tariff policy.

(iii) Diversification of Characters and Rapid Changes in Customer Preferences

The Group’s SEKAIKAN Business and FURYU New Business (home video game software business and animation business) belong to a market that features a diverse set of characters and at the same time where user preferences change rapidly. As such, it is necessary to acquire rights to more profitable characters and to develop high-potential characters to expand earnings. Accordingly, the Group will strive to develop further relationships with right holders.

(iv) Initiatives for New Businesses for Diversification of Revenue Bases

The Group has been expanding its earnings by entering into various businesses and diversifying revenue bases since its establishment. In order to realize medium- and long-term and sustainable growth, the Group will continue to strengthen its revenue base and management base that can flexibly respond to changes in the markets, by launching businesses quickly and efficiently, utilizing the knowledge, know-how, etc., that it has accumulated in the existing businesses.

(v) Securing of Excellent Human Resources and Strengthening of the Organizational Structure

The Group recognizes that it is essential to secure excellent human resources in order to develop further going forward. In securing human resources, the Group will review its human resources benefits system (remuneration framework) and has the policy of recruiting human resources who match its corporate culture, and have the qualifications it requires, by implementing mid-career recruitment as necessary, in addition to the planned recruitment of new graduates.

Moreover, the Group considers its employees as the most important embodiment of its corporate philosophy and will accordingly implement development programs with the Dynamic Vision as their core for all eligible employees, while also continuously working to foster a positive organizational culture that enables employees to perform to their best.

(vi) Addressing foreign currency risk

In the SEKAIKAN Business, products are manufactured mainly in China. As the manufacturing costs are settled in the US dollar, the Group has been affected by the weak yen. Amid prevailing exchange rate volatility of the US dollar and the yen, the Company seeks to mitigate the impact of such factors on its purchasing costs by entering into forward foreign exchange contracts as necessary.

**(2) Capital Investment, Etc.**

Not applicable.

**(3) Financing**

Not applicable.

**(4) Business Transfer, Absorption-type Company Split or Incorporation-type Company Split**

The Company transferred its colored contact lens business to Colorcon Works Inc., effective on March 31, 2025.

**(5) Receipt of Other Companies' Businesses**

Not applicable.

**(6) Succession to Rights and Obligations of Other Companies' Businesses by Absorption-type Merger or Absorption-type Company Split**

Not applicable.

**(7) Acquisition or Disposal of Other Companies' Shares and Other Interest or Share Acquisition Rights**

In the fiscal year under review, the Company newly established FURYU of America, Inc. and made it a consolidated subsidiary.

**(8) Assets, Profit and Loss**

## 1) Group Assets, Profit and Loss

(Millions of yen)

|  | 16th Fiscal Year<br>(from April 1, 2021 to<br>March 31, 2022) | 17th Fiscal Year<br>(from April 1, 2022 to<br>March 31, 2023) | 18th Fiscal Year<br>(From April 1, 2023 to<br>March 31, 2024) | 19th Fiscal Year<br>(Fiscal year under review)<br>(From April 1, 2024 to<br>March 31, 2025) |
|--|---|---|---|---|
| Net sales                                  | 34,058  | 36,400  | 42,768  | 44,305  |
| Ordinary profit                            | 3,707   | 2,179   | 3,735   | 2,280   |
| Profit attributable to<br>owners of parent | 2,544   | 1,443   | 2,491   | 1,627   |
| Earnings per share (yen)                   | 93.01   | 53.62   | 94.22   | 61.50   |
| Total assets                               | 28,146  | 25,932  | 28,346  | 28,110  |
| Net assets                                 | 21,250  | 20,152  | 21,862  | 22,424  |

## 2) The Company's assets, profit and loss

(Millions of yen)

|                          | 16th Fiscal Year<br>(from April 1, 2021 to<br>March 31, 2022) | 17th Fiscal Year<br>(from April 1, 2022 to<br>March 31, 2023) | 18th Fiscal Year<br>(From April 1, 2023 to<br>March 31, 2024) | 19th Fiscal Year<br>(Fiscal year under review)<br>(From April 1, 2024 to<br>March 31, 2025) |
|--------------------------|---|---|---|---|
| Net sales                | 33,978  | 36,121  | 42,395  | 43,984  |
| Ordinary profit          | 3,871   | 2,367   | 3,899   | 2,427   |
| Profit                   | 2,681   | 1,634   | 1,829   | 1,774   |
| Earnings per share (yen) | 97.99   | 60.72   | 69.21   | 67.07   |
| Total assets             | 28,236  | 26,226  | 28,013  | 27,914  |
| Net assets               | 21,472  | 20,570  | 21,530  | 22,192  |

**(9) Important Parent Company and Subsidiaries**

## 1) Parent Company

Not applicable.



## 2) Subsidiaries and Associates

| Company name           | Share capital  | The Company's ratio of shares owned | Main Businesses       |
|------------------------|----------------|-------------------------------------|-----------------------|
| Olu.Inc.               | 25 million yen | 100.0%                              | Apparel on D2C        |
| FURYU of America, Inc. | 2 million USD  | 100.0%                              | Sales of our products |

## 3) Other Important Business Combinations

In the fiscal year under review, the Company newly established FURYU of America, Inc. and made it a consolidated subsidiary.

## (10) Main Businesses (as of March 31, 2025)

### 1) SEKAIKAN Business

- Planning and sale of Amusement Prizes
- Planning and sale of products for overseas merchandise sales
- Planning and sale of character lottery “FURYU KUJI”
- Planning and sales of merchandise hobby products (high-end hobby brand “F:NEX,” middle-end hobby brand “TENITOL”)

### 2) GIRLS Trend Business

- Planning, development and sale of photo sticker machines, etc.
- Operation of directly owned store “girls mignon,” etc.
- Planning, development, operation and sale of photo sticker image acquisition and viewing service “PICTLINK”
- Planning, development and operation of other contents and media

### 3) FURYU New Business

- Planning, development and sale of home video game software
- Planning and sale of movies including TV animations
- Planning, production and operation of programmatic advertisements
- Planning and sale of apparel on D2C

## (11) Main Offices (as of March 31, 2025)

### 1) The Company

Head office: Shibuya-ku, Tokyo

Branch: Kyoto City, Kyoto and Ichinomiya City, Aichi

### 2) Subsidiary

Olu.Inc. Shibuya-ku, Tokyo

FURYU of America, Inc. California, U.S.

**(12) Employees (as of March 31, 2025)**

| Category         | Number of employees (change from the end of the previous fiscal year) | Average age | Average service years |
|------------------|---|-------------|-----------------------|
| Male             | 240 (-1)  | 40.2        | 10 years, 1 month     |
| Female           | 297 (+9)  | 35.5        | 7 years, 5 months     |
| Total or average | 537 (+8)  | 37.8        | 8 years, 8 months     |

Note: Number of employees does not include outsourcing, etc.

**(13) Principal Lenders (as of March 31, 2025)**

Not applicable.

**2. Matters Related to Shares (as of March 31, 2025)**

|   |               |                    |
|---|---------------|--------------------|
| <b>(1) Total Number of Shares Authorized to Be Issued</b> | Common Shares | 104,400,000 shares |
| <b>(2) Total Number of Issued Shares</b>                  | Common Shares | 28,296,000 shares  |
| <b>(3) Number of Shareholders</b>                         |               | 11,692             |

**(4) Major Shareholders**

| Name   | Shares owned<br>(shares) | Ratio of shares owned<br>(%) |
|--|--------------------------|------------------------------|
| Furyu Shoji Corporation                              | 4,340,000                | 16.32                        |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 2,338,200                | 8.79                         |
| TM Corporation                                       | 1,415,000                | 5.32                         |
| FURYU Employee Shareholding Association              | 924,900                  | 3.48                         |
| Yoshiro Tasaka                                       | 840,000                  | 3.16                         |
| Masato Yoshida                                       | 800,000                  | 3.01                         |
| Katsuyuki Inage                                      | 750,000                  | 2.82                         |
| Shinji Nakamura                                      | 511,300                  | 1.92                         |
| YOSHIDA Corporation                                  | 493,000                  | 1.85                         |
| Custody Bank of Japan, Ltd. (Trust Account)          | 444,900                  | 1.67                         |

Notes: 1. The Company holds 1,697,325 treasury shares but these are excluded from the above major shareholders. These treasury shares do not include the 120,000 shares of the Company held by the Custody Bank of Japan, Ltd. (Trust E Account) as trust assets for the Board Benefit Trust-Restricted Stock (BBT-RS).

2. The ratio of shares owned is calculated excluding treasury shares.

**3. Matters Related to Share Acquisition Rights, Etc.**

Not applicable.

#### 4. Matters Related to Company Officers

##### (1) Position and Responsibility of Directors and Auditors (as of March 31, 2025)

| Position at the Company     | Name               | Gender | Responsibility and significant concurrent positions outside the Company   |
|-----------------------------|--------------------|--------|---|
| President                   | Takashi Mishima    | Male   |   |
| Executive Managing Director | Masato Yoshida     | Male   |   |
| Director                    | Masahito Enomoto   | Male   | Strategy Officer<br>General Manager of Corporate Strategy Div<br>Director of Olu.Inc.   |
| Director                    | Ryoko Sada         | Female | Corporate Management Officer<br>General Manager of Corporate Management HQs   |
| Director                    | Takako Kotake      | Female | Managing Director of Public Relations Department of Cookpad Inc.<br>External Director of HOKUTO Corporation   |
| Director                    | Kento Uno          | Male   | CEO of Ironforge LLP.   |
| Full-Time Auditor           | Takayuki Nakamura  | Male   |   |
| Auditor                     | Omou Yamazaki      | Male   | Representative CPA of Yamazaki CPA office<br>Representative Director of GG Partners CO., LTD.<br>External Director (Audit and Supervisory Committee Member) of T-NET JAPAN Co., Ltd.<br>External Auditor of STYLEM TAKISADA-OSAKA CO., LTD.   |
| Auditor                     | Shinichiro Yoshiba | Male   | Partner of SHIOMIZAKA<br>External Director (Audit and Supervisory Committee Member) of STUDIO ATAO Co., Ltd.<br>External Director (Audit and Supervisory Committee Member) of HAMAI INDUSTRIES LTD.<br>External Director (Audit and Supervisory Committee Member) of CyberBuzz, Inc.<br>External Auditor of zig-zag,Inc |

Notes: 1. Among Directors, Takako Kotake and Kento Uno are External Directors.

2. Among Auditors, Omou Yamazaki and Shinichiro Yoshiba are External Auditors.

3. The Company has submitted notification to the Tokyo Stock Exchange that Directors Takako Kotake and Kento Uno as well as Auditors Omou Yamazaki and Shinichiro Yoshiba have been designated as independent officers as provided for by the aforementioned exchange.

4. Auditor Omou Yamazaki is qualified as a certified public accountant, with substantial insights into finance and accounting.

5. Auditor Shinichiro Yoshiba is qualified as an attorney at law, with substantial insights into laws.

6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with External Directors Takako Kotake and Kento Uno as well as Auditor Takayuki Nakamura and External Auditors Omou Yamazaki and Shinichiro Yoshiba to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.

7. The changes in positions, responsibilities and significant concurrent positions of Directors and Auditors during the fiscal year under review are as follows.

| Name               | Before change  | After change   | Date of change  |
|--------------------|--|--|---|
| Takashi Mishima    | Director of Olu.Inc.   | —  | June 20, 2024<br>Retired due to the expiration of term of office  |
| Masato Yoshida     | Director of Olu.Inc.   | —  | June 20, 2024<br>Retired due to the expiration of term of office  |
|                    | Executive Managing Director<br>Business Officer                    | Executive Managing Director                                      | June 25, 2024<br>Changed  |
| Masahito Enomoto   | Vice President of Olu.Inc.   | Director of Olu.Inc.   | June 20, 2024<br>Changed  |
|                    | Executive Officer  | Director, Strategy Officer                                       | June 25, 2024<br>Assumed office   |
|                    | General Manager of Corporate Strategy HQs                          | General Manager of Corporate Strategy Div                        | March 21, 2025<br>Changed   |
| Ryoko Sada         | Executive Officer  | Director, Corporate Management Officer                           | June 25, 2024<br>Assumed office   |
| Takako Kotake      | Managing Director of Corporate Branding Department of Cookpad Inc. | Managing Director of Public Relations Department of Cookpad Inc. | April 1, 2024<br>Changed  |
| Shinichiro Yoshiba | (External Auditor of zig-zag,Inc)                                  | External Auditor of zig-zag,Inc                                  | March 31, 2025<br>Disclosed additional significant concurrent positions in relation to new listing on the Growth Market of the Tokyo Stock Exchange |
| Katsuyuki Inage    | Managing Director Technical Officer                                | —  | June 25, 2024<br>Retired due to the expiration of term of office  |
| Michinari Sasanuma | Director Corporate Management Officer                              | —  | June 25, 2024<br>Retired due to the expiration of term of office  |

## **(2) Summary of the Directors and Officers Limited Liability Agreement**

The Company has entered into a directors and officers liability insurance policy with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act. It indemnifies the insured for such costs as litigation expenses and monetary damages incurred from claims for damages arising from acts carried out by the insured in the course of his or her duties. However, measures are being taken to ensure that the appropriateness of the execution of duties by directors and officers is not impaired. These measures include the exclusion from coverage of cases in which illegal benefits or favors are obtained, and cases of criminal acts and willful violations of laws and regulations. Insurance premiums for them are fully borne by the Company.

The following describes the scope of eligibility as insured.

Directors, Auditors, Executive Officers, and employees in managerial or supervisory positions, etc. of the Company and its subsidiaries under the Companies Act

## **(3) Amount of Remuneration for Directors and Auditors**

### **1) Policy for Deciding Remuneration for Officers**

At the Board of Directors meeting held on June 25, 2024, the Company resolved the policy for determining the remuneration for individual Directors as follows. For the resolution of the Board of Directors, the Company had consulted with the Nominating and Remuneration Committee about its content and received its advice.

When deciding the remuneration for individual Directors, since the Nominating and Remuneration Committee conducts multifaceted examinations on the draft (calculated using the payment table by evaluation and formula stipulated in advance, based on their base amount and evaluation), including the consistency with the deciding policy, the Board of Directors basically respected its advice to follow the deciding policy.

The contents of the policy for deciding the remuneration for individual Directors are as follows.

#### **a. Basic Policy**

It shall be the basic policy that the Company's remuneration structure should encourage Directors' contribution to not only short-term but also medium- to long-term corporate earnings, as well as clarifying their responsibility for the Company's earnings, and decisions on the remuneration for individual Directors should be at an appropriate level taking into consideration corporate earnings and individual Directors' contribution to management (including actions for improving medium- to long-term earnings).

Moreover, in order to design the remuneration scheme and decide specific amounts of remuneration in accordance with objective and transparent procedures, the Board of Directors shall respect the contents of the advice provided by the Nominating and Remuneration Committee, mainly composed of independent External Directors, as much as possible, and shall make a decision within the scope approved at the General Meeting of Shareholders.

#### **b. Composition Ratio by Type for Remuneration to Individual Directors and Policy for its Determination**

The composition ratio of Directors' remuneration shall be determined based on reference to the Company's management strategies and business environment, Company performance and data from surveys on the remuneration for officers, etc.

Remuneration for Directors (excluding External Directors) consists of basic remuneration (fixed remuneration) and non-monetary remuneration (performance-linked stock remuneration) with a general 8:2 ratio between basic remuneration and non-monetary remuneration where the amount of non-monetary remuneration is a standard amount.

Remuneration for External Directors shall be restricted to basic remuneration from the viewpoint of independence from business execution and their supervisory function of the Board of Directors.

c. Policy for Deciding Amount of Individual Monetary Remuneration (Including Policies for Timing to Grant and Conditions for Remuneration)

Basic remuneration shall be monetary remuneration paid in the same amount every month.

The base for payment of the Company's basic remuneration shall be determined while taking into consideration the maximum amount of existing employee's salary, the general level of remuneration for officers such as data of surveys on the remuneration for officers by external research organizations, earnings of the Company and the discussions and examinations by the Nominating and Remuneration Committee.

The basic remuneration for Directors shall be calculated by combining the remuneration determined for each position, using difference coefficients between positions stipulated by rules of remuneration for officers, and the remuneration calculated in line with short-term corporate earnings and each Director's contribution to management from medium- to long-term perspectives (calculations based on an eight-grade evaluation).

The basic remuneration for an External Director shall be decided by comprehensively taking into consideration the External Director's contribution to the Company, social status and circumstances surrounding their appointment.

d. Policy for Deciding the Details and Method of Calculating the Amount or Number of Performance-linked Remuneration and Non-monetary Remuneration (Including Policies for Timing to Grant and Conditions for Remuneration)

As performance-linked stock-based remuneration, called "Board Benefit Trust-Restricted Stock (BBT-RS)," non-monetary remuneration aims to clarify the link between Director remuneration and performance, and the Company's stock price, as well as raise awareness of Directors to contribute to improving medium- to long-term performance and increasing corporate value.

The performance indicator shall be ordinary profit for each fiscal year from the perspective of evaluating business results that also reflect changes in the financial environment.

For each fiscal year, Directors shall be awarded a number of points based on the Executive Stock Benefit Regulations, taking into consideration their position and level of performance, on the date of the Annual General Meeting of Shareholders after discussion and consideration by the Nominating and Remuneration Committee. The Company's shares corresponding to the number of points granted shall be subject to transfer restrictions until the Director retires, and in principle are delivered at a certain time each year (however, a portion of the points awarded will be paid in cash equivalent to the market value of the Company's shares, and payment will be received, in principle, at the time of the Director's retirement).

In addition, where a Director who has been granted points is dismissed by a resolution adopted at a General Meeting of Shareholders, or resigns because of certain misconduct committed during the term of office, or commits an inappropriate act that may cause damage to the Company during the term of office, the Director shall be unable to obtain the right to receive benefits in whole or in part, and if any Company shares have already been paid, the Company may request a return of such shares in whole or in part.

## 2) Total Amount of Remuneration for the Fiscal Year under Review

| Category                                 | Total amount of remuneration (thousands of yen) | Total amount of remuneration by type (thousands of yen) |   |   | Number of eligible officers |
|--|---|---|---|---|-----------------------------|
|  |   | Basic remuneration                                      | Performance-linked remuneration, etc. (monetary remuneration) | Performance-linked remuneration, etc. (non-monetary remuneration, etc.) |                             |
| Directors [of which, External Directors] | 135,607<br>[9,600]                              | 126,921<br>[9,600]                                      | —   | 8,686   | 8<br>[2]                    |
| Auditors [of which, External Auditors]   | 24,804<br>[9,600]                               | 24,804<br>[9,600]                                       | —   | —   | 3<br>[2]                    |
| Total<br>[of which, external officers]   | 160,411<br>[19,200]                             | 151,725<br>[19,200]                                     | —   | 8,686   | 11<br>[4]                   |

- Notes: 1. The above table includes two Directors who retired at the 18th Annual General Meeting of Shareholders held on June 25, 2024.
2. The remuneration for officers of the Company is calculated within the limit on remuneration approved at the 9th Annual General Meeting of Shareholders held on June 29, 2015 (within the annual amount of ¥300 million for the remuneration of Directors (of which, within ¥20 million for External Directors) (two External Directors among eight Directors at the time of the resolution), and within the annual amount of ¥30 million for the remuneration of Auditors (three Auditors at the time of the resolution)). In addition, pursuant to the resolution at the 18th Annual General Meeting of Shareholders held on June 25, 2024, separately from monetary remuneration, the total number of points granted to Directors (excluding External Directors) per fiscal year under the Board Benefit Trust-Restricted Stock (BBT-RS) shall be no greater than 40,000 points (four Directors at the time of the resolution (excluding External Directors)). Points granted to Directors shall be converted at a rate of one common share of the Company per point.
3. The provision for share awards for directors (and other officers) during the fiscal year under review in relation to four Directors (excluding External Directors) under the performance-linked stock remuneration (Board Benefit Trust-Restricted Stock (BBT-RS)) is recorded in performance-linked remuneration, etc. (non-monetary remuneration, etc.). The Board Benefit Trust-Restricted Stock (BBT-RS) points granted, conditions related to linking performance and other information are described above in the policy for deciding the remuneration for individual Directors. Consolidated ordinary profit was selected as the performance indicator used as the basis for calculating the remuneration, and the consolidated ordinary profit for the fiscal year under review was ¥2,280 million.
4. Regarding the final decisions for the individual amounts of remuneration for each Director, within the framework approved at the General Meeting of Shareholders, the Nominating and Remuneration Committee holds deliberations after conducting multifaceted examinations on the draft (calculated using the payment table by evaluation and formula stipulated in advance, based on their base amount and evaluation), including the consistency with the deciding policy on the details of individual Director remuneration. In principle, the Board of Directors respects the advice from the Nominating and Remuneration Committee, and individual Director remuneration is decided through a resolution by the Board of Directors without any type of delegation to Directors or other third parties.



**(4) Matters Related to External Officers****1) Significant Concurrent Positions at Other Corporations, etc., and Relationship of the Company with Such Corporations, Etc.**

| Category | Name               | Where the person is concurrently employed  | Concurrent position   |
|----------|--------------------|--|---|
| Director | Takako Kotake      | Cookpad Inc.<br>HOKUTO Corporation   | Managing Director of Public Relations Department<br>External Director   |
| Director | Kento Uno          | Ironforge LLP.   | CEO   |
| Auditor  | Omou Yamazaki      | Yamazaki CPA office<br>GG Partners CO., LTD.<br>T-NET JAPAN Co., Ltd.<br>STYLEM TAKISADA-OSAKA CO., LTD. | Representative CPA<br>Representative Director<br>External Director (Audit and Supervisory Committee Member)<br>External Auditor   |
| Auditor  | Shinichiro Yoshiba | SHIOMIZAKA<br>STUDIO ATAO Co., Ltd.<br>HAMAI INDUSTRIES LTD.<br>CyberBuzz, Inc.<br>zig-zag, Inc          | Partner<br>External Director (Audit and Supervisory Committee Member)<br>External Director (Audit and Supervisory Committee Member)<br>External Director (Audit and Supervisory Committee Member)<br>External Auditor |

Note: Auditor Shinichiro Yoshiba is an External Director (Audit and Supervisory Committee Member) of CyberBuzz, Inc. Although the Company has a business relationship with CyberBuzz, Inc., the monetary value of such transactions is not significant enough to create a special interest. There are no other relationships to be disclosed between the Company and the above entity where external officers are concurrently employed.

## 2) Main Activities During the Fiscal Year Under Review

| Category | Name               | Summary of attendance, statement, and duties conducted for the role expected as an External Director   |
|----------|--------------------|--|
| Director | Takako Kotake      | During the fiscal year under review, Takako Kotake attended all 14 meetings of the Board of Directors and provided active advice and recommendations utilizing insights into branding and public relations accumulated through business experience at other companies, while also offering recommendations from the perspectives of diversity and sustainability, as well as the fresh perspective as External Director, in order to play an appropriate role in ensuring the validity and appropriateness of decision-making. Moreover, as a member of the Nominating and Remuneration Committee, she attended all four meetings held during the fiscal year under review, providing the supervisory function, from an objective and neutral position, in the processes of selecting candidates for the Company's officers, the Director remuneration system, and evaluating each Director and deciding on the amount of its individual remuneration. |
| Director | Kento Uno          | During the fiscal year under review, Kento Uno attended all 14 meetings of the Board of Directors, providing advice and recommendations, utilizing deep insights into IT, experience in launching new businesses, and abundant knowledge from the perspectives of digital transformation strategies, and formulation of business development and growth strategies as a management consultant, in order to play an appropriate role in ensuring the validity and appropriateness of decision-making. Moreover, as a member of the Nominating and Remuneration Committee, he attended all four meetings held during the fiscal year under review, providing the supervisory function, from an objective and neutral position, in the processes of selecting candidates for the Company's officers, the Director remuneration system, and evaluating each Director and deciding on the amount of its individual remuneration.                            |
| Auditor  | Omou Yamazaki      | During the fiscal year under review, Omou Yamazaki attended all 14 meetings of the Board of Directors and all 13 meetings of the Board of Auditors, and made necessary statements on proposals, etc., mainly from an accounting perspective.   |
| Auditor  | Shinichiro Yoshiba | During the fiscal year under review, Shinichiro Yoshiba attended all 14 meetings of the Board of Directors and all 13 meetings of the Board of Auditors, and made necessary statements on proposals, etc., mainly from a legal perspective.  |

Note: In addition to the number of meetings of the Board of Directors shown in the above table, there was one written resolution deemed to be resolutions of the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and the Articles of Incorporation.

## **5. Matters Related to Accounting Auditor**

**(1) Name of Accounting Auditor** Deloitte Touche Tohmatsu LLC

### **(2) The Amount of Remuneration, etc., for the Accounting Auditor and Reasons for Auditors'**

#### **Consent to the Remuneration**

|   | Amount of remuneration, etc. |
|---|------------------------------|
| Amount of remuneration, etc., for the Accounting Auditor concerning the fiscal year under review                    | 41,000 thousand yen          |
| Total amount of cash and economic benefits to be paid by the Company and its subsidiaries to the Accounting Auditor | 46,000 thousand yen          |

Notes: 1. Since in the audit agreement entered into by the Accounting Auditor and the Company, there is no clear distinction between the amount of remuneration for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act, and since they cannot be practically distinguished either, the amount of remuneration, etc., for the Accounting Auditor concerning the fiscal year under review shows their total amount.

2. The Board of Auditors gave its consent to the amount of remuneration, etc., for the Accounting Auditor, after conducting the necessary verification on the appropriateness of the content of the audit plan of the Accounting Auditor, execution of the accounting audit and the grounds for calculating remuneration estimates.

### **(3) Details of Non-Audit Services**

The Company pays consideration to Deloitte Touche Tohmatsu LLC for guidance and advisory services related to practical compliance with the revised J-SOX standards.

### **(4) Policy for Deciding Removal or Refusal of Reappointment of Accounting Auditor**

If deemed necessary, including where there is a problem in the execution of duties by the Accounting Auditor, the Board of Auditors shall decide on a proposal for removal or refusal of reappointment of the Accounting Auditor to be submitted to the general meeting of shareholders.

Moreover, if the Accounting Auditor is deemed to fall under items stipulated by each item of Article 340, paragraph (1) of the Companies Act, the Company shall remove the Accounting Auditor, based on the consent of all Auditors. In such cases, an Auditor selected by the Board of Auditors shall report the removal of the Accounting Auditor and its reasons at the first general meeting of shareholders to be convened after the removal.

### **(5) Summary of the Limited Liability Agreement**

Not applicable.

## 6. Policy on Decisions on Dividends and Other Appropriation of Surplus

The Company considers that it is for the benefit of shareholders' common interest to implement, on a priority basis, strategic investments that lead to sustainable growth and improved corporate value. In addition, recognizing the return of profit to shareholders as one of the important management measures, the Company has the basic policy of regarding stable and continuous dividends as its basic principle and conducting the return of profit by comprehensively considering the trends of earnings and the enhancement of internal reserves required for future growth investments, among others. Furthermore, in addition to this policy, the Company will place greater emphasis on the sound increase of profit and the return of profit to shareholders in addition to promoting the improvement of ROE to 15% or more as a target for capital efficiency. Therefore, future dividends will be determined based on a comprehensive judgment, using a dividend payout ratio of 40% or dividend on equity ratio (DOE) of 5.0% as a reference index, and taking into consideration the amount of medium- to long-term investments aimed at enhancement of corporate value in the future. At the same time, the Company will also consider a flexible position with regard to share repurchases, in response to the state of cash flow and the share price trends. The Board of Directors shall decide on dividends and other appropriation of surplus.

In accordance with this basic policy, the Company proposes to pay a year-end dividend for the fiscal year under review of ¥39 per share. As a result, the dividend payout ratio for the fiscal year under review becomes 63.4%, with a DOE of 4.7%. Regarding a dividend for the next fiscal year, a year-end dividend of ¥39 per share is envisaged.

### Dividends of Surplus for the Fiscal Year under Review

| Date of resolution                                   | Total amount of dividends<br>(Thousands of yen) | Dividend per share<br>(Yen) |
|--|---|-----------------------------|
| May 14, 2025<br>Resolution of the Board of Directors | 1,037,348                                       | 39                          |

Note: The amounts in this Business Report are shown by rounding off fractions less than the unit of display.

## **Consolidated Balance Sheet**

(As of March 31, 2025)

(Thousands of yen)

| Assets  |            | Liabilities and net assets                                    |             |
|---|------------|---|-------------|
| Account item  | Amount     | Account item  | Amount      |
| Assets  |            | Liabilities   |             |
| Current assets                                      | 22,393,180 | Current liabilities   | 5,362,082   |
| Cash and deposits                                   | 11,733,051 | Accounts payable - trade                                      | 659,006     |
| Accounts receivable - trade                         | 4,103,294  | Electronically recorded obligations - operating               | 714,657     |
| Electronically recorded monetary claims - operating | 1,044,899  | Lease liabilities   | 278,403     |
| Merchandise and finished goods                      | 2,264,597  | Accounts payable - other                                      | 884,505     |
| Work in process                                     | 37,568     | Accrued expenses  | 1,401,041   |
| Raw materials and supplies                          | 610,175    | Income taxes payable  | 62,306      |
| Advance payments to suppliers                       | 829,039    | Accrued consumption taxes                                     | 50,699      |
| Prepaid expenses                                    | 368,545    | Contract liabilities  | 876,705     |
| Accounts receivable - other                         | 486,113    | Provision for loss on orders received                         | 44,319      |
| Other   | 921,140    | Other   | 390,435     |
| Allowance for doubtful accounts                     | (5,246)    | Non-current liabilities                                       | 324,360     |
| Non-current assets                                  | 5,717,295  | Provision for share awards for directors (and other officers) | 8,686       |
| (Property, plant and equipment)                     | 2,940,927  | Retirement benefit liability                                  | 309,728     |
| Buildings   | 328,281    | Other   | 5,945       |
| Tools, furniture and fixtures                       | 184,765    |   |             |
| Leased assets                                       | 2,320,057  | Total liabilities   | 5,686,442   |
| Other   | 107,821    | Net assets  |             |
| (Intangible assets)                                 | 971,048    | Shareholders' equity  | 22,402,918  |
| Software  | 416,375    | Share capital   | 1,639,216   |
| Other   | 554,673    | Capital surplus   | 1,614,716   |
| (Investments and other assets)                      | 1,805,319  | Retained earnings   | 21,098,548  |
| Investment securities                               | 14,477     | Treasury shares   | (1,949,562) |
| Distressed receivables                              | 16,650     | Accumulated other comprehensive income                        | 21,115      |
| Long-term prepaid expenses                          | 70,562     | Deferred gains or losses on hedges                            | (48,656)    |
| Leasehold and guarantee deposits                    | 615,230    | Foreign currency translation adjustment                       | 23,972      |
| Deferred tax assets                                 | 1,097,574  | Remeasurements of defined benefit plans                       | 45,798      |
| Other   | 7,475      |   |             |
| Allowance for doubtful accounts                     | (16,650)   | Total net assets  | 22,424,034  |
| Total assets  | 28,110,476 | Total liabilities and net assets                              | 28,110,476  |

Note: Amounts are shown by rounding off amounts less than 1,000 yen.

**Consolidated Statement of Income**  
(From April 1, 2024 to March 31, 2025)

(Thousands of yen)

| Account item   | Amount  |            |
|--|---------|------------|
| Net sales  |         | 44,305,986 |
| Cost of sales  |         | 27,413,829 |
| Gross profit   |         | 16,892,156 |
| Selling, general and administrative expenses           |         | 14,652,666 |
| Operating profit                                       |         | 2,239,490  |
| Non-operating income                                   |         |            |
| Interest income  | 177     |            |
| Foreign exchange gains                                 | 17,909  |            |
| Gain on adjustment of accounts payable                 | 1,888   |            |
| Subsidy income   | 3,813   |            |
| Gain on investments in investment partnerships         | 14,355  |            |
| Consumption taxes refund                               | 9       |            |
| Compensation income                                    | 7,581   |            |
| Other  | 4,167   | 49,903     |
| Non-operating expenses                                 |         |            |
| Interest expenses                                      | 385     |            |
| Compensation expenses                                  | 4,089   |            |
| Consumption tax difference                             | 3,077   |            |
| Loss on extinguishment of share-based payment expenses | 865     |            |
| Cancellation penalty                                   | 87      |            |
| Other  | 74      | 8,579      |
| Ordinary profit  |         | 2,280,814  |
| Extraordinary income                                   |         |            |
| Gain on sale of non-current assets                     | 1,581   |            |
| Gain on sale of businesses                             | 1,115   | 2,696      |
| Extraordinary losses                                   |         |            |
| Loss on sale and retirement of non-current assets      | 17,823  | 17,823     |
| Profit before income taxes                             |         | 2,265,687  |
| Income taxes - current                                 | 601,139 |            |
| Income taxes - deferred                                | 37,206  | 638,345    |
| Profit   |         | 1,627,341  |
| Profit attributable to owners of parent                |         | 1,627,341  |

Note: Amounts are shown by rounding off amounts less than 1,000 yen.

## **Consolidated Statement of Changes in Equity**

(From April 1, 2024 to March 31, 2025)

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance on April 1, 2024                             | 1,639,216            | 1,614,716       | 20,511,058        | (2,000,402)     | 21,764,587                 |
| Change during the fiscal year                        |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (1,031,160)       |                 | (1,031,160)                |
| Profit attributable to owners of parent              |                      |                 | 1,627,341         |                 | 1,627,341                  |
| Purchase of treasury shares                          |                      |                 |                   | (120,638)       | (120,638)                  |
| Disposal of treasury shares                          |                      | (8,690)         |                   | 171,479         | 162,788                    |
| Transfer of loss on disposal of treasury shares      |                      | 8,690           | (8,690)           |                 | —                          |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | —                    | —               | 587,490           | 50,840          | 638,331                    |
| Balance on March 31, 2025                            | 1,639,216            | 1,614,716       | 21,098,548        | (1,949,562)     | 22,402,918                 |

|  | Accumulated other comprehensive income |   |   |  | Total net assets |
|--|--|---|---|--|------------------|
|  | Deferred gains or losses on hedges     | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                  |
| Balance on April 1, 2024                             | 75,554                                 | —                                       | 22,470                                  | 98,025                                       | 21,862,612       |
| Change during the fiscal year                        |  |   |   |  |                  |
| Dividends of surplus                                 |  |   |   |  | (1,031,160)      |
| Profit attributable to owners of parent              |  |   |   |  | 1,627,341        |
| Purchase of treasury shares                          |  |   |   |  | (120,638)        |
| Disposal of treasury shares                          |  |   |   |  | 162,788          |
| Transfer of loss on disposal of treasury shares      |  |   |   |  | —                |
| Net changes in items other than shareholders' equity | (124,210)                              | 23,972                                  | 23,328                                  | (76,909)                                     | (76,909)         |
| Total changes during period                          | (124,210)                              | 23,972                                  | 23,328                                  | (76,909)                                     | 561,421          |
| Balance on March 31, 2025                            | (48,656)                               | 23,972                                  | 45,798                                  | 21,115                                       | 22,424,034       |

Note: Amounts are shown by rounding off amounts less than 1,000 yen.

**Balance Sheet**  
(As of March 31, 2025)

(Thousands of yen)

| Assets  |            | Liabilities and net assets                                    |             |
|---|------------|---|-------------|
| Account item  | Amount     | Account item  | Amount      |
| Assets  |            | Liabilities   |             |
| Current assets  | 21,894,711 | Current liabilities   | 5,332,314   |
| Cash and deposits   | 11,307,377 | Accounts payable - trade                                      | 649,313     |
| Accounts receivable - trade                                 | 4,092,393  | Electronically recorded obligations - operating               | 714,657     |
| Electronically recorded monetary claims - operating         | 1,044,899  | Lease liabilities   | 276,856     |
| Merchandise and finished goods                              | 2,212,254  | Accounts payable - other                                      | 874,823     |
| Work in process   | 37,568     | Accrued expenses  | 1,394,788   |
| Raw materials and supplies                                  | 609,696    | Income taxes payable  | 62,000      |
| Advance payments to suppliers                               | 829,039    | Accrued consumption taxes                                     | 50,699      |
| Prepaid expenses  | 359,259    | Contract liabilities  | 876,705     |
| Accounts receivable - other                                 | 483,760    | Provision for loss on orders received                         | 44,319      |
| Other   | 923,707    | Other   | 388,149     |
| Allowance for doubtful accounts                             | (5,246)    | Non-current liabilities                                       | 389,966     |
| Non-current assets  | 6,019,867  | Provision for share awards for directors (and other officers) | 8,686       |
| (Property, plant and equipment)                             | 2,940,683  | Provision for retirement benefits                             | 376,606     |
| Buildings   | 328,281    | Other   | 4,674       |
| Tools, furniture and fixtures                               | 184,521    | Total liabilities   | 5,722,281   |
| Leased assets   | 2,320,057  | Net assets  |             |
| Other   | 107,821    | Shareholders' equity  | 22,240,954  |
| (Intangible assets)   | 968,427    | Share capital   | 1,639,216   |
| Software  | 416,375    | Capital surplus   | 1,639,216   |
| Other   | 552,051    | Legal capital surplus   | 1,639,216   |
| (Investments and other assets)                              | 2,110,757  | Retained earnings   | 20,912,084  |
| Investment securities                                       | 14,477     | Other retained earnings                                       | 20,912,084  |
| Distressed receivables                                      | 16,650     | Retained earnings brought forward                             | 20,912,084  |
| Shares of subsidiaries and associates                       | 291,840    | Treasury shares   | (1,949,562) |
| Long-term loans receivable from subsidiaries and associates | 800,000    | Valuation and translation adjustments                         | (48,656)    |
| Long-term prepaid expenses                                  | 70,562     | Deferred gains or losses on hedges                            | (48,656)    |
| Leasehold and guarantee deposits                            | 607,748    |   |             |
| Deferred tax assets   | 1,118,653  |   |             |
| Other   | 7,475      |   |             |
| Allowance for doubtful accounts                             | (816,650)  | Total net assets  | 22,192,298  |
| Total assets  | 27,914,579 | Total liabilities and net assets                              | 27,914,579  |

Note: Amounts are shown by rounding off amounts less than 1,000 yen.



# **Statement of Income**

(From April 1, 2024 to March 31, 2025)

(Thousands of yen)

| Account item   | Amount  |            |
|--|---------|------------|
| Net sales  |         | 43,984,520 |
| Cost of sales  |         | 27,244,671 |
| Gross profit   |         | 16,739,848 |
| Selling, general and administrative expenses           |         | 14,370,529 |
| Operating profit                                       |         | 2,369,318  |
| Non-operating income                                   |         |            |
| Interest income  | 4,078   |            |
| Foreign exchange gains                                 | 17,858  |            |
| Gain on adjustment of accounts payable                 | 1,888   |            |
| Subsidy income   | 3,813   |            |
| Gain on investments in investment partnerships         | 14,355  |            |
| Consulting fee income                                  | 13,298  |            |
| Consumption taxes refund                               | 9       |            |
| Compensation income                                    | 7,581   |            |
| Other  | 4,087   | 66,970     |
| Non-operating expenses                                 |         |            |
| Interest expenses                                      | 385     |            |
| Compensation expenses                                  | 4,089   |            |
| Consumption tax difference                             | 3,077   |            |
| Loss on extinguishment of share-based payment expenses | 865     |            |
| Cancellation penalty                                   | 87      |            |
| Other  | 3       | 8,508      |
| Ordinary profit  |         | 2,427,781  |
| Extraordinary income                                   |         |            |
| Gain on sale of non-current assets                     | 1,581   |            |
| Gain on sale of businesses                             | 1,115   | 2,696      |
| Extraordinary losses                                   |         |            |
| Loss on sale and retirement of non-current assets      | 17,823  | 17,823     |
| Profit before income taxes                             |         | 2,412,654  |
| Income taxes - current                                 | 600,822 |            |
| Income taxes - deferred                                | 37,206  | 638,028    |
| Profit   |         | 1,774,625  |

Note: Amounts are shown by rounding off amounts less than 1,000 yen.

**Statement of Changes in Equity**  
(From April 1, 2024 to March 31, 2025)

(Thousands of yen)

|  | Shareholders' equity |                       |                       |                       |  |                         |
|--|----------------------|-----------------------|-----------------------|-----------------------|--|-------------------------|
|  | Share capital        | Capital surplus       |                       |                       | Retained earnings  |                         |
|  |                      | Legal capital surplus | Other capital surplus | Total capital surplus | Other retained earnings<br>Retained earnings brought forward | Total retained earnings |
| Balance on April 1, 2024                             | 1,639,216            | 1,639,216             | –                     | 1,639,216             | 20,177,310   | 20,177,310              |
| Changes during period                                |                      |                       |                       |                       |  |                         |
| Dividends of surplus                                 |                      |                       |                       |                       | (1,031,160)  | (1,031,160)             |
| Profit   |                      |                       |                       |                       | 1,774,625  | 1,774,625               |
| Purchase of treasury shares                          |                      |                       |                       |                       |  |                         |
| Disposal of treasury shares                          |                      |                       | (8,690)               | (8,690)               |  |                         |
| Transfer of loss on disposal of treasury shares      |                      |                       | 8,690                 | 8,690                 | (8,690)  | (8,690)                 |
| Net changes in items other than shareholders' equity |                      |                       |                       |                       |  |                         |
| Total changes during period                          | –                    | –                     | –                     | –                     | 734,774  | 734,774                 |
| Balance on March 31, 2025                            | 1,639,216            | 1,639,216             | –                     | 1,639,216             | 20,912,084   | 20,912,084              |

|  | Shareholders' equity |                            | Valuation and translation adjustments |   | Total net assets |
|--|----------------------|----------------------------|---------------------------------------|---|------------------|
|  | Treasury shares      | Total shareholders' equity | Deferred gains or losses on hedges    | Total valuation and translation adjustments |                  |
| Balance on April 1, 2024                             | (2,000,402)          | 21,455,339                 | 75,554                                | 75,554                                      | 21,530,894       |
| Changes during period                                |                      |                            |                                       |   |                  |
| Dividends of surplus                                 |                      | (1,031,160)                |                                       |   | (1,031,160)      |
| Profit   |                      | 1,774,625                  |                                       |   | 1,774,625        |
| Purchase of treasury shares                          | (120,638)            | (120,638)                  |                                       |   | (120,638)        |
| Disposal of treasury shares                          | 171,479              | 162,788                    |                                       |   | 162,788          |
| Transfer of loss on disposal of treasury shares      |                      | –                          |                                       |   | –                |
| Net changes in items other than shareholders' equity |                      |                            | (124,210)                             | (124,210)                                   | (124,210)        |
| Total changes during period                          | 50,840               | 785,615                    | (124,210)                             | (124,210)                                   | 661,404          |
| Balance on March 31, 2025                            | (1,949,562)          | 22,240,954                 | (48,656)                              | (48,656)                                    | 22,192,298       |

Note: Amounts are shown by rounding off amounts less than 1,000 yen.

## Audit Report of the Board of Auditors

### Audit Report

In regard to the director's performance of their duties for the 19th fiscal year from April 1, 2024 to March 31, 2025, the board of auditors has prepared this Audit Report after deliberations based on the audit reports prepared by each auditor and reports as follows.

#### 1. Method and Contents of Audits by Auditors and the Board of Auditors

- (1) The board of auditors determined the audit policies, the annual plan of audit, etc. and received reports from each auditor regarding the implementation status and results of their audits, in addition to which it received reports from directors, etc. and the accounting auditor regarding the status of the performance of their duties and requested explanations as necessary.
- (2) In compliance with the audit standards for auditor established by the board of auditors and in accordance with the audit policies and division of duties, etc., each auditor communicated with the directors, the Internal Audit Office, and other employees, etc., endeavored to gather information and develop the audit environment, and conducted audits using the following methods.
  - 1) Auditors attended meetings of the board of directors and other important meetings, received reports from directors and employees, etc. regarding the status of the performance of their duties requested explanations as necessary, viewed important decision-making documents etc., and inspected the status of operations and assets at the head office and main business locations, and had interviews with the representative director and the director responsible for corporate management to exchange opinions and information concerning the issues regarding audits. Additionally, in regard to a subsidiary, the auditors communicated and exchanged information with the directors and auditors, etc. of the subsidiary, and received reports on business from the subsidiary as necessary.
  - 2) In regard to the content of resolutions of the board of directors regarding the development of system to ensure that the directors' performance of their duties complies with laws, regulations and the articles of incorporation and other systems provided for in Article 100, paragraphs (1) and (3) of the Ordinance for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of operations of the corporate group composed of a stock company and its subsidiary, as well as the systems developed pursuant to those resolutions (i.e., internal control systems) stated in the business report, the auditors periodically received reports from directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto.
  - 3) The auditors oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the auditors received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the auditors examined the business report, the supplementary schedules thereto, the non-consolidated financial statements (i.e., the balance sheet, statement of income, statement of changes in equity, and explanatory notes to non-consolidated financial statements), and the supplementary schedules to the non-consolidated financial statements, and the consolidated financial statements (i.e., the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and explanatory notes to consolidated financial statements) for the fiscal year.

## 2. Audit Results

### (1) Results of the Audit of the Business Report, Etc.

- 1) We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations and the articles of incorporation.
- 2) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the directors' performance of their duties.
- 3) We find the content of the resolutions of the board of directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the directors' performance of their duties regarding relating to the internal control system.

### (2) Results of audit of non-consolidated financial statements and supplementary schedules thereto

We find the method and results of the audit by accounting auditor, Deloitte Touche Tohmatsu LLC, to be reasonable.

### (3) Results of the audit of consolidated financial statements

We find the method and results of the audit by accounting auditor, Deloitte Touche Tohmatsu LLC, to be reasonable.

## 3. Scope and Method of Audit by Each Auditor

Part-Time Auditors (Two persons): Attendance at the board of directors meetings, attendance at the board of auditors meetings, interviews with the accounting auditor, and audit of reasonableness of the resolution of the board of directors on the internal control system through interviews with directors

\*Refer to the minutes of the board of directors meetings and the board of auditors meetings.

Full-Time Auditor: Attendance at meetings of the board of directors, attendance at meetings of the board of auditors, attendance at the management meetings, inspection of business sites, inspection of internally approved documents and various rules, interviews with directors, and interviews with the accounting auditor, among others

\*Refer to the minutes of the board of directors meetings and the board of auditors meetings, and the records of audits.

May 20, 2025

Board of Auditors of FURYU CORPORATION

Full-Time Auditor Takayuki Nakamura

Auditor (External Auditor) Omou Yamazaki

Auditor (External Auditor) Shinichiro Yoshiba

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Election of Six Directors

The terms of office of all six Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of the following six Directors.

The candidates for Director are as follows:

| Candidate No. | Name              |          | Current position and responsibility at the Company                                    | Attributes                             |
|---------------|-------------------|----------|---|--|
| 1             | Masahito Enomoto  | (Male)   | Director, Strategy Officer<br>General Manager of Corporate Strategy Div               | Re-election                            |
| 2             | Ryoko Sada        | (Female) | Director, Corporate Management Officer<br>General Manager of Corporate Management HQs | Re-election                            |
| 3             | Masaki Tsuchiya   | (Male)   | Executive Officer<br>General Manager of GIRLS Trend Business HQs                      | New election                           |
| 4             | Hitoshi Nishimura | (Male)   | Executive Officer<br>General Manager of SEKAIKAN Business HQs                         | New election                           |
| 5             | Takako Kotake     | (Female) | External Director   | Re-election<br>External<br>Independent |
| 6             | Kento Uno         | (Male)   | External Director   | Re-election<br>External<br>Independent |

**Re-election:** Candidate for Director to be re-elected

**New election:** Candidate for Director to be newly elected

**External:** Candidate for External Director

**Independent:** Independent officer as defined by the securities exchange, etc.

| Candidate No. | Name<br>(Date of birth)  | Career summary, position and responsibility at the Company<br>(Significant concurrent positions outside the Company)   |  | Number of the Company's shares owned |
|---------------|--|--|--|--------------------------------------|
| 1             | Masahito Enomoto<br>(February 20, 1974)<br><br>Re-election   | Apr. 1999  | Joined OMRON Corporation                                       | 2,000                                |
|               |  | Apr. 2004  | Joined OMRON Entertainment Co., Ltd.                           |                                      |
|               |  | Oct. 2007  | Joined ZERO-SUM LTD.   |                                      |
|               |  | Dec. 2009  | Joined the Company   |                                      |
|               |  | Mar. 2018  | General Manager of PICTLINK Div                                |                                      |
|               |  | May 2020   | Executive Officer  |                                      |
|               |  | Apr. 2021  | Director of Olu. Inc. (current position)                       |                                      |
|               |  | Mar. 2022  | Deputy General Manager of Corporate Strategy HQs               |                                      |
|               |  | June 2022  | Vice President of Olu.Inc.                                     |                                      |
|               |  | Mar. 2023  | General Manager of Corporate Strategy HQs                      |                                      |
|               |  | June 2024  | Director, Strategy Officer (current position)                  |                                      |
|               |  | Mar. 2025  | General Manager of Corporate Strategy Div (current position)   |                                      |
|               | [Reasons for nomination as candidate]<br>Mr. Enomoto has exhibited strong leadership in planning and adjusting management strategies, as well as establishing and managing the subsidiary. He also has the strategic mindset and foresight required to quickly establish a business model utilizing digital technologies, as demonstrated during his time heading the PICTLINK business. |  |  |                                      |
| 2             | Ryoko Sada<br>(January 16, 1974)<br><br>Re-election  | Apr. 1997  | Joined SUMITOMO LIFE INSURANCE COMPANY                         | 65,300                               |
|               |  | Oct. 1998  | Joined Alteka Corporation                                      |                                      |
|               |  | Oct. 2001  | Started temporary work at OMRON Corporation                    |                                      |
|               |  | July 2003  | Started temporary work at OMRON Entertainment Co., Ltd.        |                                      |
|               |  | Mar. 2006  | Joined OMRON Entertainment Co., Ltd.                           |                                      |
|               |  | Apr. 2007  | Joined the Company   |                                      |
|               |  | Mar. 2020  | General Manager of Game & Animation Div                        |                                      |
|               |  | May 2021   | Executive Officer  |                                      |
|               |  | Mar. 2022  | Deputy General Manager of Corporate Management HQs             |                                      |
|               |  | Mar. 2023  | General Manager of Corporate Management HQs (current position) |                                      |
|               |  | June 2024  | Director, Corporate Management Officer (current position)      |                                      |
|               |  | [Reasons for nomination as candidate]<br>Ms. Sada has a deep understanding of the various businesses due to her abundant business experience in all the Company's mainstay businesses. She also has the knowledge and ability to actively promote human capital management and sustainability management as General Manager of Corporate Management HQs. |  |                                      |

| Candidate No.  | Name<br>(Date of birth)  | Career summary, position and responsibility at the Company<br>(Significant concurrent positions outside the Company) |  | Number of the Company's shares owned |
|--|--|--|--|--------------------------------------|
| 3  | Masaki Tsuchiya<br>(November 29, 1970)<br><br>New election   | Apr. 1995  | Joined Paloma industries, Ltd. (current Paloma Co., LTD.)  | 73,766                               |
|  |  | Dec. 2004  | Joined OMRON Entertainment Co., Ltd.   |                                      |
|  |  | Apr. 2007  | Joined the Company   |                                      |
|  |  | Mar. 2012  | General Manager of Production Control Department (in charge of company-wide logistics and manufacturing) |                                      |
|  |  | Mar. 2019  | General Manager of Photo Sticker Machine Div   |                                      |
|  |  | May 2019   | Executive Officer (current position)   |                                      |
|  |  | Mar. 2022  | Deputy General Manager of GIRLS Trend Business HQs<br>General Manager of Pictlink Div                    |                                      |
|  |  | Mar. 2023  | General Manager of GIRLS Trend Business HQs (current position)   |                                      |
|  | [Reasons for nomination as candidate]<br>Mr. Tsuchiya has a cross-functional understanding of the GIRLS Trend Business based on his experience in management roles at all the GIRLS Trend Business HQs. He also has wide-ranging expertise regarding all the businesses of the Company due to his experience being responsible for logistics and supply chain management at the Company's mainstay businesses. |  |  |                                      |
| 4  | Hitoshi Nishimura<br>(April 14, 1976)<br><br>New election  | Apr. 1999  | Joined OMRON Corporation   | 52,041                               |
|  |  | Apr. 2004  | Joined OMRON Entertainment Co., Ltd.   |                                      |
|  |  | Apr. 2007  | Joined the Company   |                                      |
|  |  | Jan. 2015  | General Manager of Sales Department, Prize Div   |                                      |
|  |  | Mar. 2020  | General Manager of Character MD Div 1  |                                      |
|  |  | May 2022   | Executive Officer (current position)   |                                      |
|  |  | Mar. 2024  | General Manager of SEKAIKAN Business HQs (current position)  |                                      |
|  |  | June 2024  | FURYU of America, Inc. Director (current position)   |                                      |
| [Reasons for nomination as candidate]<br>Mr. Nishimura has contributed to the substantial growth and overseas expansion of the Character Merchandizing Business as the head of the business. He also has the excellent external negotiating skills required for future business growth, based on his long years of experience in managing the sales of the Company's products. |  |  |  |                                      |

| Candidate No.   | Name<br>(Date of birth)  | Career summary, position and responsibility at the Company<br>(Significant concurrent positions outside the Company)  | Number of the Company's shares owned |
|---|--|---|--------------------------------------|
| 5   | Takako Kotake<br>[Name in the family register: Takako Saito]<br>(September 06, 1972)<br><br>Re-election<br>External<br>Independent | May 2004    Joined Coin Ltd. (current Cookpad Inc.)<br>July 2008    Executive Officer<br>July 2010    Manager of President's Office<br>Feb. 2012    Resigned from Cookpad Inc.<br>June 2013    HOKUTO Corporation External Director (current position)<br>Nov. 2013    Founded Kasumi Corporation, Executive Director (current position)<br>Apr. 2016    Joined Cookpad Inc.<br>Managing Director of Corporate Branding Department and Editing Department<br>June 2018    External Director of the Company (current position)<br>Apr. 2024    Managing Director of Public Relations Department, Cookpad Inc. (current position) | —                                    |
| [Reasons for nomination and summary of expected roles]<br>Ms. Kotake actively provides recommendations and advice on management with insights into branding and public relations utilizing her business experience in other companies, and also makes recommendations from new perspectives of diversity and inclusion (D&I) and sustainability as an External Director. We have continued to nominate her as candidate for External Director, expecting that she will continue to provide advice and recommendations based on her experience and insights to play an appropriate role in ensuring the validity and appropriateness of decision-making, as well as continue to play a role as a member of the Nominating and Remuneration Committee so as to help ensure the transparency of management and enhance the supervisory function over management.                 |  |   |                                      |
| 6   | Kento Uno<br>(February 09, 1977)<br><br>Re-election<br>External<br>Independent   | May 1999    Joined Accenture Japan Ltd<br>Aug. 2005    Joined transcosmos inc.<br>Jan. 2009    Joined M-OUT Inc.<br>Sept. 2011    Founded Userus Inc. (current hacchu navi Inc.), CEO<br>Oct. 2018    Founded Ironforge LLP., CEO (current position)<br>June 2020    External Director of the Company (current position)  | —                                    |
| [Reasons for nomination and summary of expected roles]<br>Mr. Uno has deep insights into IT and experience in launching new businesses. As a management consultant, he also has abundant knowledge from the perspectives of digital transformation strategies, formulation of business development and growth strategies, and actively provides advice and recommendations on management. We have continued to nominate him as candidate for External Director, expecting that he will continue to provide advice and recommendations based on his experience and insights to play an appropriate role in ensuring the validity and appropriateness of decision-making, as well as continue to play a role as a member of the Nominating and Remuneration Committee so as to help ensure the transparency of management and enhance the supervisory function over management. |  |   |                                      |

Notes: 1. There is no special interest between any of the candidates for Director and the Company.

2. Takako Kotake and Kento Uno are candidates for External Director.

3. Takako Kotake is currently an External Director of the Company, and at the conclusion of this meeting, her tenure as External Director will have been seven years. Kento Uno is currently an External Director of the Company, and at the conclusion of this meeting, his tenure as External Director will have been five years.

4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with External Directors Takako Kotake and Kento Uno to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If the re-election of Ms. Kotake and Mr. Uno is approved, the Company plans to renew the aforementioned agreements with them.

5. The Company has entered into a directors and officers liability insurance policy that includes all Directors as the insured with an insurance company. The insurance policy indemnifies the insured for such costs as litigation expenses and monetary damages incurred from claims for damages arising from



acts carried out by the insured in the course of his or her duties. All premiums for the insured are fully borne by the Company, and if any of the Director candidates are elected as a Director, they will be included in the policy as the insured. In addition, the Company plans to renew the policy with the same terms during their term of office.

6. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Takako Kotake and Kento Uno have been designated as independent officers in accordance with the regulations set forth by the aforementioned exchange. If their re-election is approved, the Company plans for their designation as independent officers to continue.
7. The number of the Company's shares owned by each candidate is that at the end of the fiscal year under review (March 31, 2025). The number of the Company's shares owned by Mr. Masaki Tsuchiya and Mr. Hitoshi Nishimura includes their own interests in the FURYU Employee Shareholding Association.

[Reference] Director candidates' Skill Matrix

In order for the Board of Directors to effectively fulfill its roles and responsibilities, the Company selects candidates for Director who are well informed about the Company's business and its issues, and who possess a wealth of experience, a high level of insight, and a high degree of expertise and ability as required by the Company. The Company also ensures the diversity of knowledge, experience, and ability of the Board members.

In the table below, we have defined the skills that we specifically expect from our candidates for Director, and present the primary knowledge and experience possessed by each director candidate.

| Candidate No. | Name              | Gender | Expertise/experience   |              |                        |                 |                              |         |                             |                |
|---------------|-------------------|--------|--|--------------|------------------------|-----------------|------------------------------|---------|-----------------------------|----------------|
|               |                   |        | Management (including as directors and other officers at subsidiaries and associates other than the Company) | New Business | Information/Technology | Sales/Marketing | Overseas Business Operations | HR/Org. | Management, etc.            | Sustainability |
| 1             | Masahito Enomoto  | Male   | ○  | ○            | ○                      |                 | ○                            |         | ○<br>(financial accounting) |                |
| 2             | Ryoko Sada        | Female |  |              |                        |                 |                              | ○       | ○<br>(risk)                 | ○              |
| 3             | Masaki Tsuchiya   | Male   |  |              |                        |                 |                              |         | ○<br>(logistics)            |                |
| 4             | Hitoshi Nishimura | Male   | ○  |              |                        | ○               | ○                            |         |                             |                |
| 5             | Takako Kotake     | Female | ○  | ○            |                        | ○               |                              | ○       | ○<br>(PR)                   | ○              |
| 6             | Kento Uno         | Male   | ○  | ○            | ○                      |                 |                              |         |                             |                |

Note This table does not represent all the skills possessed by each candidate for Director.

## Proposal No. 2: Election of Two Substitute Auditors

The Company requests approval for the election of two substitute Auditors in advance to be ready to fill a vacant position should the number of Auditors fall below the number required by laws and regulations.

The Company requests approval for the election of Yukiyasu Takao as a substitute Auditor for Auditor Takayuki Nakamura, and Hidetake Kishimoto as a substitute External Auditor for External Auditors Omou Yamazaki and Shinichiro Yoshiba.

Candidates for substitute Auditors shall assume office on condition that the number of Auditors falls below the number required by laws and regulations, and their tenure shall be until the expiration of the retiring Auditors' tenure. Moreover, this election shall be valid until the start of the next annual general meeting of shareholders.

In addition, the consent of the Board of Auditors has been obtained for this proposal.

The validity of this election can be nullified by resolution of the Board of Directors if the consent of the Board of Auditors has been obtained; provided, however, that this applies only at a time before assuming office.

The candidates for substitute Auditor are as follows:

| Candidate No.  | Name<br>(Date of birth)                  | Career summary<br>(Significant concurrent positions outside the Company)   | Number of the Company's shares owned |
|--|--|--|--------------------------------------|
| 1  | Yukiyasu Takao<br>(March 16, 1967)       | Apr. 1989    Joined MEITEC CORPORATION<br>June 2010    Joined the Company<br>Mar. 2017    General Manager of Development Department, Photo Sticker Machine Div<br>Mar. 2018    Vice General Manager of Photo Sticker Machine Div<br>Mar. 2020    Vice General Manager of Pictlink Div<br>Mar. 2025    Vice General Manager of Photo Sticker Machine Div (current position) | 11,927                               |
| [Reasons for nomination as candidate]<br>Mr. Takao has abundant experience in manufacturing including product development in the Company's key business operations, and we would like him to utilize his experience and knowledge as Auditor.  |  |  |                                      |
| 2  | Hidetake Kishimoto<br>(December 8, 1974) | Oct. 2001    Joined ChuoAoyama PricewaterhouseCoopers<br>Oct. 2006    Joined AGS Consulting Co., Ltd.<br>June 2014    Opened Kishimoto CPA Firm (current position)<br>Mar. 2016    External Auditor of ANTEPRIMA JAPAN LTD (current position)<br>Feb. 2019    Established SHIN Consulting Co. Ltd.,<br>Chief Executive Officer (current position)                          | —                                    |
| [Reasons for nomination as candidate for External Auditor]<br>Mr. Kishimoto has abundant experience and broad insights as a certified public accountant, and we would like him to provide supervision and guidance from the perspective of finance and accounting, based on his experience and insights. |  |  |                                      |

Notes: 1. There is no special interest between any of the candidates and the Company.

2. Hidetake Kishimoto is a candidate for substitute External Auditor.

3. If Yukiyasu Takao and Hidetake Kishimoto assume office, the Company plans to enter into limited liability agreements with them pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under these agreements shall be the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.

4. The Company has entered into a directors and officers liability insurance policy that includes all Auditors as the insured with an insurance company. The insurance policy indemnifies the insured for such costs as litigation expenses and monetary damages incurred from claims for damages arising from acts carried out by the insured in the course of his or her duties. All premiums for the insured are fully borne by the Company. When the policy is renewed, the Company plans to renew the policy with the

same terms. If Mr. Takao and Mr. Kishimoto assume office as Auditors, each of them will be included as an insured party in such insurance policy or an insurance policy with the same terms as such policy.

5. If Hidetake Kishimoto assumes office as Auditor, the Company plans to submit notification to Tokyo Stock Exchange, Inc. concerning his designation as an independent officer in accordance with the regulations set forth by the aforementioned exchange.
6. The number of the Company's shares owned by each candidate is that at the end of the fiscal year under review (March 31, 2025). The number of the Company's shares owned by Yukiyasu Takao is listed as his interest in the FURYU Employee Shareholding Association.