

the 26th Annual General Meeting of Shareholders

Notice of Convocation (FY2025)

Date	Thursday, September 25, 2025 at 1:00 p.m. Japan Standard Time (JST)	■ You may exercise your voting rights by either returning with this notice of convocation by post or via the Internet, etc. ■ The proceedings of the meeting can be viewed in webinar format. For details, please refer to the attached document sent with this notice of convocation.
Location	Sapporo Kokusai Building 8F Nishi 4-1, Kita 4-Jo, Chuo-ku, Sapporo (Please refer to “Venue Guide for the 26th Annual General Meeting of Shareholders”.)	
	Proposal No. 1 Appropriation of Surplus Proposal No. 2 Election of Six Directors (excluding those who are Audit and Supervisory Committee Members) Proposal No. 3 Election of Three Directors who are Audit and Supervisory Committee Members	
Proposal	Proposal No. 4 Revision on Remuneration for Long-term Stock Compensation (excluding those who are Audit and Supervisory Committee Members) Proposal No. 5 Revision on Remuneration for Long-Term Stock Compensation for Directors who are Members of the Audit and Supervisory Committee	



Security Code : 9450

Management Philosophy

‘Thank you’ —from our customers, to us

We never forget to be grateful.

We abide by common sense.

We give back to society.

We pursue profit fairly.

We achieve happiness.

The Group will augment its role as an “on-premise infrastructure integrator” that constructs comprehensive communications and energy environments that underpin our customers' business activities.

Among numerous communications and renewable energy vendors, there is no company other than Fibergate that can provide optimal solutions in terms of quality, operational efficiency, and competitive pricing by producing everything from planning and development to after-sales support in-house. We specialize in the middle market rather than large-scale facilities, and our strength lies in our ability to deliver cost-effective services that satisfy our customers' needs. This is based on years of experience in the business, the knowledge we have accumulated through repeated experimentation with our services while operating our own real estate business, and the Group's comprehensive capabilities, which allow us to respond flexibly to customer needs.

Going forward, we will continue to earn our customers' and stakeholders' trust and achieve sustainable growth through a united effort on the part of our employees. We will be grateful for your continued guidance, encouragement, and support.



Representative
Director,
President and Chief
Executive Officer

Masanori
Inomata

(Security Code: 9450)
September 8, 2025

Dear Shareholder,

No. 28 Keiwa Building
Nishi 8-10-3, Minami 1-Jo, Chuo-ku,
Sapporo
Fibergate Inc.
Masanori Inomata

Representative Director, President and Chief Executive Officer

Notice of Convocation of the 26th Annual General Meeting of Shareholders

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 26th Annual General Meeting of Shareholders of Fibergate Inc. (the “Company”) will be held as described below.

In convening this general meeting of shareholders, the Company takes measures for electronic provision of information that is contained in the reference documents for the general meeting of shareholders, etc. (matters subject to measures for electronic provision), and posts this information as “Notice of Convocation of the 26th Annual General Meeting of Shareholders” on the Company’s website on the Internet. Please access the Company’s website shown below to review the information.

◆The Company website

<https://www.fibergate.co.jp/>



Please access the above website and select “IR Information” in Menu followed by “About Shares” to view the information.

Matters subject to measures for electronic provision are posted on the website of Tokyo Stock Exchange (TSE), in addition to the Company’s website. Please access the website shown below to review the information.

◆Tokyo Stock Exchange, Inc. (TSE) website (Listed Company Search)

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



(Please access the above website of TSE and enter the Company name “Fibergate, Inc.” in “Issue Name (Company Name)” or its securities code “9450” in “Code” to search. Then, select “Basic Information” followed by “Documents for public inspection/PR information” Please review the information from “Notice of Convocation of General Meeting of Shareholders/Information Materials for General Meeting of Shareholders” column under “Documents for public inspection.”)

1. Date and Time Thursday, September 25, 2025 at 1:00 p.m. (Reception starts at 12:30 p.m.)
2. Place Sapporo Kokusai Building 8F
Nishi 4-1, Kita 4-Jo, Chuo-ku, Sapporo
3. Meeting Agenda
 - Matters to be reported
 1. The Business Report, Consolidated Financial Statements for the Company's 26th Fiscal year (from July 1, 2024 to June 30, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 26th Fiscal year (from July 1, 2024 to June 30, 2025)
 - Proposals to be resolved
 - Proposal No. 1 Appropriation of Surplus
 - Proposal No. 2 Election of Six Directors (excluding those who are Audit and Supervisory Committee Members)
 - Proposal No. 3 Election of Three Directors who are Audit and Supervisory Committee Members
 - Proposal No. 4 Revision on Remuneration for Long-term Stock Compensation (excluding those who are Audit and Supervisory Committee Members)
 - Proposal No. 5 Revision on Remuneration for Long-Term Stock Compensation for Directors who are Members of the Audit and Supervisory Committee

© When attending the meeting, please kindly submit the enclosed Form for Exercising Voting Rights at the reception desk.

1. If you cannot attend the meeting, you may exercise your voting rights by proxy by designating one other shareholder holding voting rights of the Company to attend the meeting, Please note, however, that it is necessary to submit a document providing the authority of proxy.
2. Paper-based documents stating matters subject to measures for electronic provisions will be sent to shareholders who request the delivery of paper-based documents, however, those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 19 of the Company's Articles of Incorporation.
 - (1) "Status of the Accounting Auditor" in the Business Report
 - (2) "System for ensuring the appropriateness of operations" in the Business Report
 - (3) "Summary of the operational status of the system to ensure the appropriateness of operations" in the Business Report
 - (4) "Statement of Changes in Consolidated Shareholders' Equity, etc." in the Consolidated Financial Statements
 - (5) "Consolidated Notes Table" in the Consolidated Financial Statements
 - (6) "Statement of Changes in Shareholders' Equity, etc." in the Non-consolidated Financial Statements
 - (7) "Individual Notes Table" in the Non-consolidated Financial Statements

For this reason, the Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements stated in the aforementioned documents constitute one part of the scope of audits by the Accounting Auditor and Audit and Supervisory Committee for preparing their respective audit reports.
3. If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted both on the Company's website and TSE's website.



Guide to Exercising Voting Rights

Voting rights at the General Meeting of Shareholders are important rights of shareholders.

Please review the “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights.

You can exercise your voting rights by one of the following three methods.



Attend the General Meeting of Shareholders

When attending the meeting, please kindly submit the Form for Exercising Voting Rights at the reception desk.

Date and time of the General Meeting of Shareholders

Wednesday, September 25, 2025 at
1:00 p.m. (JST)



Exercise voting rights in writing (by postal mail)

Please indicate your vote for or against the proposals on the Form for Exercising Voting Rights and return it by post.

Exercise deadline

Received by Wednesday, September
24, 2025 at 6:00 p.m. (JST)



Exercise voting rights via the Internet, etc.

Please follow the instructions on the next page to indicate your vote for or against the proposals.

Exercise deadline

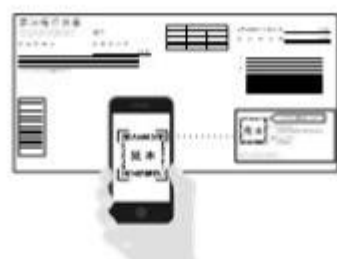
Entered by Wednesday, September 24,
2025 at 6:00 p.m. (JST)

Guide to Exercising Voting Rights via the Internet, etc.

Read a QR Code

You can log in to the website for exercising voting rights without entering Login ID and Temporary Password stated in the secondary Form for Exercising Voting Rights.

- 1 議決権行使書に記載のQRコードを読み取ってください。



※「QRコード」は株式会社デンソーウェーブの登録商標です。

- 2 以降は画面の案内に従って賛否をご入力ください。



Enter Log-in ID and Temporary Password

Website for exercising voting rights <https://evote.tr.mufg.jp/>

- 1 議決権行使ウェブサイトアクセスしてください。

- 2 議決権行使書に記載された「ログインID・仮パスワード」を入力しクリックしてください。



「ログインID・仮パスワード」を入力
「ログイン」をクリック

- 3 以降は画面の案内に従って賛否をご入力ください。

※操作画面はイメージです。

Please contact us as shown on the right for instructions on how to operate a computer or smartphone when exercising voting rights via the Internet, etc.

The Transfer Agent Department, Mitsubishi UFJ Trust and Banking Corporation (Help Desk)

0120-173-027

(Toll-free/Reception hours: 9:00 a.m. to 9:00 p.m.)

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Group aims to expand its business performance through investments in growth, while also considering the return of profits to our shareholders as one of its most important management priorities. Profits for each fiscal year will be divided into three major divisions, and in principle, one-third of them will be used as a source of profit dividends as a return to shareholders, another one-third of them will be used for returns to executives and employees, which are important human capital, and business investments for further growth of the Company, and the remaining one-third will be retained earnings. While we have set a basic dividend payout ratio of approximately 33% based on this “three-way satisfaction” principle, we have determined that it has become less urgent to strengthen finances and, as such, we plan to maintain a dividend of 27 yen per year.

Based on the above, we would like to propose the following year-end dividend for the applicable fiscal year.

Matters related to the year-end dividend

1. Type of asset to be distributed
Cash
2. Matters concerning the allotment of the Dividend Property to shareholders and the total amount thereof
Total dividend: 271,638,806 yen
In addition, we have paid an interim dividend of 13.0 yen per share, resulting in a total annual dividend of 27.0 yen per share for the applicable fiscal year.
3. The date on which said distribution of surplus will take effect
September 26, 2025

Proposal No. 2: Election of Six Directors (excluding those who are Audit and Supervisory Committee Members)

Reasons for the proposal

The terms of office of all the six Directors (excluding those who are Audit and Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of six Directors.

If the proposal is approved as proposed, two of the six Directors will be Independent Directors in accordance with rules stipulated by Tokyo Stock Exchange and Sapporo Securities Exchange.

(Selection of Director candidate)

Based on the Company's corporate philosophy, the Company's basic policy is to select candidates for Directors who embody that philosophy at a high level and can be expected to contribute to the further development of the Group, and to consult on their appointment at the annual General Meeting of Shareholders for a term of one year.

Specifically, the Board of Directors selects candidates who have played leadership roles in the IT industry, the financial industry, corporate management, the legal profession, administration, consulting, etc., have a wealth of practical experience and specialized knowledge, and are able to make appropriate management decisions and supervise them for Directors. In addition, the appointment is made in consideration of the diversity and balance of skills.

If the proposal for the election of Directors is approved as proposed at this general meeting, six Directors will be appointed, which we believe is an appropriate size for appropriate management decision-making and supervision. The Company also places importance on the diversity of its Directors, and has selected two women out of six candidates for Directors.

With regard to this proposal, the Company's Audit and Supervisory Committee has determined that all candidates for Directors are suitable.

The candidates for Directors, excluding the Audit and Supervisory Committee members, are as follows.

No		Name		Position	Attendance at Board Meetings
1	Reappointment	Masanori Inomata		Representative Director, President Executive Officer	14/14 (100%)
2	Reappointment	Daisuke Ishikawa		Director, Vice President Executive Officer, Head of Sales and General Manager of Hokkaido Sales Division	14/14 (100%)
3	Reappointment	Hisashi Kaneko		Director and Managing Executive Officer, Head of Energy Business Promotion Department	14/14 (100%)
4	Reappointment	Mie Ishimaru		Director, Executive Officer Head of Corporate Management Division	14/14 (100%)
5	Reappointment	Nobuyuki Shinoda	OutsideIndependent	Independent Director Chairperson of the Nomination and Compensation Committee	14/14 (100%)
6	Reappointment	Chikako Shimahata	OutsideIndependent	Independent Director	14/14 (100%)
	Reappointment	Reappointed Director candidate	OutsideOutside candidate	DirectorIndependent	Independent Director candidate in accordance with rules stipulated by Tokyo Stock Exchange and Sapporo Securities Exchange

No	Name (Date of birth)	Career profile	Number of shares held (shares)
1	Masanori Inomata (Born February 26, 1965) 【Director candidate】 <div>Reappointment</div>	April 1987 Joined Koa Fire and Marine Insurance Co., Ltd. (current Sampo Japan Insurance Inc.) December 1995 CEO of Mynet Inc. November 2003 President and CEO of the Company December 2008 Audit & Supervisory Board Member of LEOC Inc. June 2011 CEO of Chintai Seikatsu Inc. (current MI Corporation Inc.) (current holder) January 2020 Director of FG-Lab Inc. (current holder) March 2020 Director of BizGenesis Inc. December 2020 Representative Director of MI Foundation (current holder) February 2021 Director of FG Smart Asset Inc. (current holder) July 2021 President and CEO of OffGrid-Lab Inc. (current holder) May 2022 Representative Director of Sakura Aid (current holder) November 2022 Representative Director of MI Management (current holder) January 2023 Outside Director of 3eee Inc. (current holder) May 2024 Director of Digital Enhancement for Condominium September 2024 Representative Director, President Executive Officer of the Company (current holder) June 2025 Vice chairman of Hokkaido Tourism Organization (current holder) August 2025 Director of Power Denki Innovation Inc. (current holder)	2,794,790
	Reasons for selecting as Director candidate	He has served as President and Chief Executive Officer since the establishment of the Company, and has led the development of the Company throughout this period, forming and cultivating the corporate culture of the Company to gather as many "thank you" as possible. He has broadly guided the Group in terms of development of business strategies, and has taken the initiative responsively, leading continuous growth of the Group. Such achievements, experience, and cultivated insights and personal connections will continue to contribute to the decision-making of the Company's Board of Directors, and will be beneficial for the global expansion of the Company's business and the enhancement of corporate value, and thus the Company has nominated him as a Director candidate.	
	Special interest	There is no special interest between Mr. Inomata and the Company.	

No	Name (Date of birth)	Career profile	Number of shares held (shares)
2	Daisuke Ishikawa (July 31, 1989) 【Director candidate】 <div>Reappointment</div>	April 2012 Joined the Company August 2019 Manager of Residence Wi-Fi Sales Department of Business Promotion Division July 2020 Manager of Sales for Eastern Japan in Business Promotion Division September 2021 Executive Officer, Deputy Chief Director of Business Promotion Division and Manager of Sales for Eastern Japan July 2022 Executive Officer, Chief Director of Home-Use Sales Division and Manager of Sales for Western Japan September 2022 Director, Chief Director of Home-Use Sales Division and Manager of Sales for Western Japan May 2023 Director, Chief Director of Home-Use Sales Division, Manager of Sales for Western Japan, and Deputy Chief Director of Business-Use Sales Division August 2023 Director, Chief Director of Home-Use Sales Division, and Deputy Chief Director of Business-Use Sales Division July 2024 Director, Chief Director of Business-Use business Division July 2025 Director, Vice President Executive Officer, Head of Sales and General Manager of Hokkaido Sales Division	8,420
	Reasons for selecting as Director candidate	Since joining our company, he has been engaged in the operations of the Sales Department, and is currently in charge of the Home-Use Sales Division. He has mainly promoted the decision making of important matters and strengthening of the Sales Department. Since he has a wealth of business experience at the Company, the Company has determined that he is suitable for the position of Director of the Company, and thus nominated him as a Director candidate.	
	Special interest	There is no special interest between Mr. Ishikawa and the Company.	

No	Name (Date of birth)	Career profile	Number of shares held (shares)
3	Hisashi Kaneko (April 25, 1966) 【Director candidate】 <div>Reappointment</div>	April 1989 Joined Ome Shinkin Bank July 1994 Joined Osaka Usen Broadcasting (current USEN Corporation) June 2009 Joined UCOM Inc. October 2013 Joined the Company, Manager of Sales for Eastern Japan in Apartment ISP Business Division July 2015 Executive Officer and Manager of Sales for Eastern Japan in Sales Division of the Company July 2016 Senior Executive Officer and Manager of Sales for Eastern Japan in Sales Division of the Company February 2020 Managing Executive Officer and Manager of Residence Wi-Fi Sales Department of Business Promotion Division February 2021 Managing Executive Officer and Chief Director of Business Promotion Division July 2022 Managing Director, Chief Director of Business-Use Sales Division, and Manager of Business Development Department September 2022 Director of OffGrid-Lab Inc. (current holder) July 2024 Managing Director, Manager of Business Development Department September 2024 Director, Executive Managing Officer Head of Business Development Department January 2025 Director, Executive Managing Officer Head of Energy Business Promotion Department (current holder)	107,520
	Reasons for selecting as Director candidate	In addition to his extensive experience and a track record gained through many years of working in the telecommunications industry, he has a deep understanding of management. Since joining the Company, he has been engaged in sales activities and served as the head of the Sales Promotion Division. Currently, as the Head of the Energy Business Promotion Department, he is in charge of promoting the renewable energy (electric power) business.	
	Special interest	There is no special interest between Mr. Kaneko and the Company.	

No	Name (Date of birth)	Career profile	Number of shares held (shares)
4	Mie Ishimaru (November 2, 1969) 【Director candidate】 <div>Reappointment</div>	November 1997 Joined Asahi Audit Corporation (current KPMG Azusa LLC) April 2003 Registered as Certified Public Accountant February 2010 Director of Ishimaru Certified Accountant's Office (current holder) May 2011 Registered as Tax Accountant June 2012 Director of Densan Co., Ltd. July 2018 Director of TMRSystems, Inc. Outside Director of JANPARA Co., Ltd. (former Third Wave Exchange Corporation) September 2018 Outside Director of the Company September 2019 Director, Deputy Chief Manager of Business Administration Division and Manager of Finance and Accounting Department January 2020 Audit & Supervisory Board Member of FG-Lab Inc. (current holder) March 2020 Audit & Supervisory Board Member of BizGenesis Inc. July 2021 Director, Chief Manager of Business Administration Division and Manager of Finance and Accounting Department January 2023 Director and Chief Manager of Business Administration Division (current holder) September 2024 Director, Executive Officer Head of Corporate Management Division (current holder) June 2025 External auditor of Japan Post Co., Ltd. (current holder)	10,020
	Reasons for selecting as Director candidate	Since joining the Company, she has been engaged in the operations of the Business Administration Department, and is currently in charge of the Business Administration Division. She has been involved in supervising the execution of business of the Business Administration Department and has been in charge of the management and supervision of the Finance and Accounting Department. In addition, due to her abundant career as a certified public accountant and her specialized knowledge and experience, the Company has determined that she is suitable for the position of Director of the Company, and thus nominated her as a Director candidate.	
	Special interest	There is no special interest between Ms. Ishimaru and the Company.	

No	Name (Date of birth)	Career profile	Number of shares held (shares)
5	Nobuyuki Shinoda (August 30, 1951) 【Outside Director candidate】 <div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div>	April 1974 Joined the Seibu Department Stores, Ltd. March 1995 Section Chief of Human Resources Department 1 and Manager of Human Resources at Ikebukuro Branch March 1997 Joined THE LOFT CO.,LTD. September 2002 Executive Officer May 2008 Director and Executive Officer, and Responsible for Corporate Planning March 2011 Responsible for Management Department June 2016 Outside Director of the Company (current holder) January 2020 Chairman of Remuneration Committee August 2023 Chairman of Nomination and Remuneration Committee (current holder)	3,800
	Reasons for selection as Outside Director candidate and expected roles	Based on a wealth of knowledge and experience in business management that he has cultivated over the years, Mr. Shinoda has been nominated as an Outside Director candidate with the Company's expectation that he will supervise the overall management of the Company from an objective perspective and provide accurate advice. After being appointed, the Company expects that he will make use of his expertise as a person with management experience to make comments at meetings of the Board of Directors, etc., regarding the formulation of management plans, etc., mainly from a management perspective, and to supervise the progress of management plans.	
	Special interest	There is no special interest between Mr. Shinoda and the Company.	

No	Name (Date of birth)	Career profile	Number of shares held (shares)
6	Chikako Shimahata (January 30, 1985) 【Outside Director candidate】 <div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div>	April 2007 Joined Shinko Securities Co., Ltd. (current Mizuho Securities Co., Ltd.) Sapporo Branch October 2012 Joined Sapporo Nishi Branch of Japan Pension Service April 2013 Registered as Labor and Social Security Attorney April 2013 Representative of Labor and Social Security Attorney Office Pirika Office (current holder) June 2020 CEO of Pirika Inc. (current holder) September 2020 Outside Director of the Company (current holder)	4,000
	Reasons for Selection as Outside Director Candidates and Expected Roles	Ms. Shimahata is a qualified labor and social security attorney and has a wealth of experience, specialized knowledge, and experience in human resources and labor. In order to make use of her knowledge and experience in the Company's Board of Directors structure, she has been nominated as an Outside Director candidate. After being appointed, the Company expects her to make use of her expertise as a labor and social security attorney mainly to strengthen the supervisory function of overall management and conflicts of interest, from the perspective of labor law.	
	*Special interest	There is no special interest between Ms. Shimahata and the Company.	

(Notes)

- "Number of shares of the Company held" refers to the number of shares held by each candidate as of June 30, 2023.
- Mr. Nobuyuki Shinoda and Ms. Chikako Shimahata are Outside Director candidates. If both of them are appointed as Directors, the Company intends to continue to appoint them as Independent Directors in accordance with rules stipulated by Tokyo Stock Exchange and Sapporo Securities Exchange.
- Mr. Nobuyuki Shinoda and Ms. Chikako Shimahata, who are Outside Directors candidates, are currently Outside Directors of the Company, and the number of years since they have been appointed as Outside Directors will be seven years for Mr. Nobuyuki Shinoda and three years for Ms. Chikako Shimahata as of the conclusion of this General Meeting.
- The Company has entered into a contract of directors and officers liability insurance with an insurance company, and each candidate will be insured under the insurance contract if he or she is appointed as a Director. In addition, the Company plans to renew it with the same content at the next contract renewal. For a summary of the contents of the insurance contract, please refer to Section 4 (Status of Company Officers), (3) Summary of the Contents of the Contract of Directors and Officers Liability Insurance in the Business Report.
- The Company's Articles of Incorporation stipulates that the Company may enter into a limited liability contract with an Outside Director in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, limiting its liability for damages under Article 423, Paragraph 1 of the said Act, in order to welcome appropriate personnel with a high degree of independence as Outside Directors. As a result, the Company has entered into a limited liability contract with Mr. Nobuyuki Shinoda and Ms. Chikako Shimahata to limit liability for compensation up to the amount stipulated by laws and regulations, and we plan to continue the above contract if their reappointment is approved.

Proposal No. 3: Election of Three Directors to Serve as Audit and Supervisory Committee Members

Reason for the proposal

The terms of office of all the three Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of three Directors serving as Audit and Supervisory Committee Members.

In addition, if the proposal is approved as proposed, two of the three Directors will be Independent Directors in accordance with rules stipulated by Tokyo Stock Exchange and Sapporo Stock Exchange.

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

No.		Name		Position	Attendance at Board Meetings	Attendance at Audit and Supervisory Committee Meetings
1	<div>Reappointment</div>	Tetsuo Tatsuta		Full-time Audit and Supervisory Committee Member	14/14 (100%)	14/14 (100%)
2	<div>Reappointment</div>	Tomohiro Obata	<div>Outside</div> <div>Independent</div>	Outside Audit and Supervisory Committee Member	14/14 (100%)	14/14 (100%)
3	<div>Reappointment</div>	Hiroshi Kamada	<div>Outside</div> <div>Independent</div>	Outside Audit and Supervisory Committee Member	14/14 (100%)	14/14 (100%)

No.	Name (Date of birth)	Career profile	Number of shares held (shares)
1	Tetsuo Tatsuta (November 22, 1949) 【Director candidate, Audit and Supervisory Committee member】 Reappointment	April 1973 Joined The Hokkaido Bank, Ltd. July 2002 Managing Director, Kyokuichi Logi Corporation May 2003 Executive Director, Marukita Co., Ltd. May 2006 Representative Director and President, Marukita Co., Ltd. June 2014 Senior Managing Director, Kyokuichi Co., Ltd. June 2014 Auditor, Kyokuichi Logi Corporation June 2014 Auditor, Towa Foods Inc. April 2017 Senior Managing Director, Kyokuichi Holdings Co., Ltd. May 2017 Auditor, Marukita Co., Ltd. October 2018 Joined the Company June 2019 Outside Audit & Supervisory Board Member, Furanoichiba (to present) August 2019 Head of Internal Audit Office of the Company March 2021 Director (Full-time Audit and Supervisory Committee Member) of the Company September 2021 Audit and Supervisory Committee Member, Fibergate Taiwan Inc. (to present) June 2023 Part-time Audit and Supervisory Committee Member, Uohan Co., Ltd.	10,100
		He has served in the banking industry for many years and has played an important role in supporting the Hokkaido economy. Based on the wealth of knowledge and experience in management he has accumulated to date, we expect him to be able to execute supervision and provide accurate advice regarding our overall management from an objective perspective. Additionally, as he currently serves as the head of the Company's Internal Audit Office, we anticipate that he will contribute to internal supervision from an internal audit perspective. As a result, we have nominated him as a candidate for the position of Director and Audit and Supervisory Committee Member.	
		Special interest	
		There is no special interest between Mr. Tatsuta and the Company.	

No.	Name (Date of birth)	Career profile	Number of shares held (shares)
2	Tomohiro Obata (October 15, 1975) 【Outside Director candidate, Audit and Supervisory Committee Member】 <div> <div>Appointment</div> <div>Outside</div> <div>Independent</div> </div>	October 2005 Registered as an Attorney at Law (Second Tokyo Bar Association) October 2005 Joined Hirade Law Office (currently Hirade/Takahashi Law Office) January 2012 Jointly established Ota/Obata General Law Office, Representative, Tokyo Office June 2013 Outside Auditor, RS Technologies Co., Ltd. November 2015 Outside Director, Tohoku Enterprise Co., Ltd. (to present) June 2016 Outside Auditor of the Company May 2020 Representative Partner, PLAZA General Law Office (to present) May 2021 Outside Auditor, Paradigm Shift Co., Ltd. (to present) September 2021 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)	3,800
	Reasons for selecting as Outside Director candidate who is an Audit and Supervisory Committee Member and expected roles	He is a licensed attorney with extensive career experience and expertise in legal affairs. We have nominated him as an Outside Director candidate and Member of the Audit and Supervisory Committee to leverage his knowledge and experience within the Company's Board of Directors. Following his appointment, we expect him to apply his professional expertise as an attorney to strengthen the overall management supervisory function and oversight of conflicts of interest from a legal perspective.	
	Special interest	There is no special interest between Mr. Obata and the Company.	

No.	Name (Date of birth)	Career profile	Number of shares held (shares)
3	Hiroshi Kamada (February 20, 1957) 【Outside Director candidate, Audit and Supervisory Committee Member】	<div> <div>April 1979</div> <div>Joined Hayasaka Tax Accountants' Office</div> </div> <div> <div>May 1980</div> <div>Joined Francebed-Sales</div> </div> <div> <div>April 1982</div> <div>Joined Hokkaido Commerce and Industry Guidance Center</div> </div> <div> <div>April 1986</div> <div>Registered as SME Management Consultant (Commercial 208717)</div> </div> <div> <div>April 2000</div> <div>Joined Hokkaido Small Business Support Center</div> </div> <div> <div>April 2015</div> <div>Director of Corporate Development, Hokkaido Small Business Support Center</div> </div> <div> <div>April 2016</div> <div>Consultant, Human Resources Management Support, Hokkaido Small Business Support Center</div> </div> <div> <div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div> <div>April 2017</div> <div>Representative, Office K (to present)</div> </div> <div> <div>April 2017</div> <div>Outside Auditor of the Company</div> </div> <div> <div>December 2020</div> <div>Auditor, MI Foundation (to present)</div> </div> <div> <div>September 2021</div> <div>Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</div> </div>	—
	Reasons for selecting as Director Candidate who is a Member of the Audit and Supervisory Committee and expected roles	He has been selected as a candidate for Outside Director serving on the Audit and Supervisory Committee, based on the extensive knowledge and experience in management accumulated to date. We expect him to provide objective oversight of the Company's overall management and offer appropriate advice. Following his appointment, we expect him to leverage his specialized expertise as a seasoned executive to provide insights and guidance from a managerial perspective on matters including the formulation of business plans during Board meetings, while also overseeing the progress of business plans and related matters.	
	Special interest	There is no special interest between Mr. Kamada and the Company.	

(NOTES)

1. Number of shares held (shares) as of June 30, 2025.
2. Mr. Tomohiro Obata and Mr. Hiroshi Kamada are candidates for Outside Director who are members of the Audit and Supervisory Committee. Should Mr. Obata and Mr. Kamada be appointed as Director, the Company intends to continue to designate both as Independent Directors in accordance with the rules established by the Tokyo Stock Exchange and the Sapporo Stock Exchange.
3. Mr. Tomohiro Obata and Mr. Hiroshi Kamada each presently serve as Outside Director (Audit and Supervisory Committee Member) of the Company, and as of the conclusion of this general meeting, the number of years since their appointment as outside auditors will be two years for both Mr. Obata and Mr. Kamada
4. The Company has entered into a contract of directors and officers liability insurance with an insurance company, and each candidate will be insured under the insurance contract. In addition, the Company plans to renew it with the same content at the next contract renewal. For a summary of the contents of the insurance contract, please refer to Section 4 (Status of Company Officers), (3) Summary of the Contents of the Contract of Directors and Officers Liability Insurance in the Business Report.
5. The Company's Articles of Incorporation stipulates that the Company may enter into a limited liability contract with an Outside Director in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, limiting its liability for damages under Article 423, Paragraph 1 of the said Act, in order to welcome appropriate personnel with a high degree of independence as Outside Directors. As a result, the Company has entered into a limited liability contract with Mr. Tomohiro Obata and Mr. Hiroshi Kamada to limit liability for compensation up to the amount stipulated by laws and regulations, and we plan to continue the above contract if their reappointment is approved.

(For your reference) Skill Matrix of Directors

	Audit and Supervisory Committee Member	Independent Director	Corporate Management	Understanding of the Company's Business	ESG • SDGs	Financial Accounting	Human Resources and Labor	Legal Compliance	Sales Strategy Marketing	New Business Technology	Diversity (Gender, Nationality,)
Masanori Inomata			●	●	●	●	●	●	●	●	
Daisuke Ishikawa			●	●					●		
Hisashi Kaneko			●	●					●	●	
Mie Ishimaru			●	●		●	●	●			●
Nobuyuki Shinoda		●	●				●	●	●		
Chikako Shimahata		●	●		●		●	●			●
Tetsuro Tatsuta	●		●	●				●			
Tomohiro Obata	●	●	●					●			
Hiroshi Kamada	●	●	●					●			

Proposal No. 4: Revision of stock-based compensation for Directors other than Audit and Supervisory Committee members

1. Reason for the proposal and reasons why the proposal is appropriate

(1) Resolution status of the plan

At the 22nd Annual General Meeting of Shareholders held on September 28, 2021, the annual amount of monetary remuneration for directors other than Audit and Supervisory Committee members was approved to be within 350 million yen (of which the annual amount for Outside Directors is within 50 million, however, this does not include the employee salaries of directors who also serve as employees), and at the same Annual General Meeting of Shareholders, the introduction of an Incentive Plan (hereinafter referred to as “Plan I”) for directors other than Audit and Supervisory Committee members (excluding Outside Directors) and an Incentive Plan (hereinafter referred to as “the Plan” in this proposal) for directors other than Audit and Supervisory Committee members (hereinafter referred to as “Eligible Directors” in this proposal) was approved, each of which is separate from the relevant remuneration framework. In addition, at the 24th Annual General Meeting of Shareholders held on September 27, 2023, approval was received to amend the total number of the Company’s common shares for each service period to be issued or disposed of under Plan I is within 56,000 shares, and the total number of the Company's common shares for each service period to be issued or disposed of under the Plan is within 112,000 shares (including 12,000 shares for all Outside Directors), and this remains the case to the present.

(2) Details and reasons for the revisions

In light of the recent changes in the environment surrounding the stock market, including the Company and its competitors, and the increasing need to respond to the recent rapid changes in the business environment, the Company intends to provide incentives for the Eligible Directors to strive for sustainable improvement of the Company's corporate value by further clarifying the link between the Eligible Directors’ remuneration and the Company's performance as well as the Company's stock value, and at the same time, to further enhance the purpose of the Plan, which is to further promote shared value between the Eligible Directors and shareholders, the Company wishes to amend 1) the service period of the Plan, and 2) the conditions related to management targets among the conditions for the delivery of shares under the Plan.

Details of amendments are described in “2. Revised items and details of the revisions of the Plan” below.

Except for the above, the contents of the Plan will remain unchanged, including the maximum amount, maximum number of shares, and details of the restricted shares to be delivered under the Plan. There will be no changes to Plan I.

(3) Reasons why the proposal is appropriate

This proposal is intended for partial amendment of the contents of the Plan for the reasons set out in (2) above, in order to further promote the purpose of the Plan as set out in (2) above and the amendments to the Plan have been approved

by the Nomination and Remuneration Committee, the majority of whose members are Outside Directors. In addition, as the Company plans to change the policy for determining the remuneration, etc. of individual Directors as set out at the end of this proposal when this proposal is approved, this proposal is necessary and reasonable for granting individual remuneration, etc. to Eligible Directors in accordance with the above-mentioned purpose and policy. Furthermore, the maximum number of shares that may be issued or disposed of to the Eligible Directors in one year under the Plan will be approximately 0.56% of the total number of shares issued (as of June 30, 2025), and the dilution rate will be insignificant.

Therefore, the Company determined that the content of this proposal is appropriate.

Currently, there are ten Eligible Directors, and if the proposal No. 4 is approved as proposed, the number of Eligible Directors will be nine.

2. Revised items and details of the revisions of the Plan

The outline of the Plan is that, after the completion of the service period, the Eligible Directors will be delivered the number of common shares of the Company (hereinafter referred to as the “Company’s shares”) calculated by the calculation method set out in 3.(1) of Proposal No. 8 of the 22nd Annual General Meeting of Shareholders, provided that the Eligible Directors hold directors or other positions of the Company specified by the Board of Directors of the Company throughout the service period. The revised items and details of the Plan based on this proposal are as follows.

(1) Service period

A. Before revision

For the period from the date of the Annual General Meeting of Shareholders to the date of that held two years later

B. After revision

For the period from the date of the Annual General Meeting of Shareholders to the date of that in the following year

(2) Conditions for the delivery of shares under the Plan related to the contents of remuneration, etc. under the Plan

A. Before revision

Under the Plan, Eligible Directors will be delivered Company’s shares upon the completion of their respective service periods and the fulfillment of the following requirements for the delivery of the Company’s shares

1) During the service period, the person held office as a director or other position of the Company specified by the Board of Directors of the Company

2) There was no specific misconduct as specified by the Board of Directors of the Company

3) The share price growth rate of the Company's shares for the fiscal year in which the service period commences (hereinafter referred to as the “Relevant fiscal year”) exceeded 1.0%.

The share price growth rate of the Company's shares is calculated using the following formula.

$$\frac{\text{The share price growth rate of the Company's shares}}{\text{Company's shares}} = \frac{\text{B/A}}{\text{D/C}}$$

- A: Simple average closing price of the Company's shares in the fourth quarter of the fiscal year immediately preceding the Relevant fiscal year
- B: Simple average closing price of the Company's shares in the fourth quarter of the Relevant fiscal year
Simple average closing price of the competitors' shares in regular trading on the Tokyo Stock Exchange in the
- C: fourth quarter of the fiscal year immediately preceding the Relevant fiscal year (hereinafter referred to as "Closing prices of the shares of the competitors").
- D: Simple average Closing prices of the shares of the competitors in the fourth quarter of the Relevant fiscal year
- *Competitors refer to a group of companies designated by the Board of Directors of the Company in consideration of business activities, company size, and so on.

4) Other requirements deemed necessary to achieve the purpose of the Incentive Plan determined by the Board of Directors of the Company

B. After revision

Under the Plan, Eligible Directors will be delivered Company's shares upon the completion of their service periods and the fulfillment of the following requirements for the delivery of the Company's shares.

- 1) During the service period, the person held office as a director or other position of the Company specified by the Board of Directors of the Company
- 2) There was no specific misconduct as specified by the Board of Directors of the Company
- 3) The relative TSR for the fiscal year in which the service period commences (hereinafter referred to as the "Relevant fiscal year") exceeded 1.0.

Relative TSR is calculated by comparing the Company's Total Shareholder Return (TSR) for the Relevant fiscal year with the growth rate of TOPIX (including dividends) for the same period. Relative TSR, the Company's TSR for the Relevant fiscal year, and the growth rate of TOPIX (including dividends) for the same period are calculated using the following formula:

$$\text{Relative TSR} = \frac{\text{The Company's TSR}}{\text{TOPIX (growth rate including dividends)}} = \frac{(B+C)/A}{E/D}$$

- A: Average closing price of the Company's shares on the Tokyo Stock Exchange for each day in the three months immediately preceding the day before (including the day) the first day of the Relevant fiscal year
- B: Average closing price of the Company's shares on the Tokyo Stock Exchange for each day in the three months immediately preceding the last day (including the day) of the Relevant fiscal year
- C: Total dividends per share of the Company's shares corresponding to the dividend record date in the Relevant fiscal year
- D: Average closing price of TOPIX (including dividends) for each day in the three months immediately preceding the day before (including the day) the first day of the Relevant fiscal year
- E: The average closing price of TOPIX (including dividends) for each day of the three months immediately preceding the last day (including the day) of the Relevant fiscal year

4) Other requirements deemed necessary to achieve the purpose of the Incentive Plan determined by the Board of Directors of the Company

(For your reference)

[Summary of the revised policy for determination of the remuneration, etc. for executives]

At the Board of Directors meeting held on August 23, 2023, it was resolved that when making a decision on the details of individual remuneration for directors by the Board of Directors, the Nomination and Remuneration Committee is consulted in advance on the content of the resolution, and a report is received.

The Nomination and Remuneration Committee is chaired by an outside director, and the majority of its members are outside directors, thereby enhancing objectivity and transparency.

The details of the policy for determination of the details of remuneration, etc. for individual directors are as follows.

a Basic Policy

With regard to the remuneration of directors of the Company, the basic policy is to pay remuneration at a sufficient and appropriate level as compensation for the burden of management responsibilities with the aim of increasing motivation to contribute to the improvement of medium- to long-term business performance so that corporate value can be continuously improved.

The remuneration of directors other than Audit and Supervisory Committee members (excluding outside directors) consists of fixed remuneration paid based on position, stock-based remuneration for achieving annual performance targets, and stock-based remuneration for achieving management targets. The amount of remuneration for directors and outside directors who are the Audit and Supervisory Committee members consists of fixed remuneration and stock-based remuneration for achieving management targets from the perspective of their roles and independence.

(a) Fixed remuneration

Fixed remuneration is determined according to position and other factors and is paid monthly in cash.

(b) Stock-based remuneration

- Stock-based remuneration for achieving annual performance targets, and stock-based remuneration for achieving management targets.

Please refer to b. Policy for determination of the details and method of calculating the amount or number of performance-based remuneration, etc. and non-monetary remuneration, etc. below.

b Policy for determination of the details and method of calculating the amount or number of performance-based remuneration, etc. and non-monetary remuneration, etc.

- Stock-based remuneration for achieving annual performance targets

The short-term stock-based remuneration plan is the plan in which the number of the Company's shares calculated by the calculation method determined in advance will be delivered to directors other than Audit and Supervisory Committee members (excluding outside directors) after the end of the relevant period, provided that the directors in question hold directors or other positions of the Company specified by the Board of Directors of the Company for the period from the date of the Annual General Meeting of Shareholders to the date of that in the following year. We have set "Consolidated Ordinary Income", which is a numerical target for the Company's business management, and will be paid when the numerical target is achieved.

- Stock-based remuneration for achieving management targets

The long-term stock-based remuneration plan is the plan in which the number of the Company's shares calculated by the calculation method determined in advance will be delivered to directors after the end of the relevant period, provided that the directors in question hold directors or other positions of the Company specified by the Board of Directors of the Company for the period from the date of the Annual General Meeting of Shareholders to the date of that held in the following year. This payment is made when the relative TSR, which is the numerical target for the Company's business management, exceeds 1.0.

- c Policy for determination of the ratio of monetary remuneration, performance-based remuneration, or non-monetary remuneration to the amount of remuneration for individual Directors

The remuneration of directors other than Audit and Supervisory Committee members (excluding outside directors) consists of fixed monetary remuneration paid based on position, stock-based remuneration for achieving annual performance targets, and stock-based remuneration for achieving management targets, and the amount of remuneration, etc. is determined based on the position as well as performance evaluation of each director and the remuneration standard, with a guideline of 70%:10%:20% for the allocation ratio of fixed remuneration, stock-based remuneration for achieving annual performance targets, and stock-based remuneration for achieving management targets.

The amount of remuneration for directors and outside directors who are the Audit and Supervisory Committee members consists of fixed remuneration and stock-based remuneration for achieving management targets from the perspective of their roles and independence, and the amount of remuneration, etc., is determined based on the position and remuneration standards of each director, with a guideline of 80%:20% for the allocation ratio of fixed remuneration and stock-based remuneration for achieving management targets for outside directors other than Audit and Supervisory Committee members.

- d Matters related to determination of the details of remuneration, etc. for individual Directors

The amount of remuneration for individual directors is delegated to the President and Chief Executive Officer in accordance with a resolution of the Board of Directors. The content of the authority is to determine the amount of remuneration for directors and the method of calculating it, and it is determined within the range of the maximum amount of remuneration resolved at the General Meeting of Shareholders by comprehensively taking into account the status of achievement and the degree of contribution to the management policy and targets.

The Board of Directors establishes a voluntary Nomination and Remuneration Committee to ensure that such authority is appropriately exercised by the President and Chief Executive Officer (CEO), and the President and CEO shall fully consider the method of calculating remuneration for directors that the voluntary Nomination and Remuneration Committee deliberated on in the process of determining the amount of remuneration for Directors.

Proposal No. 5: Revision of stock-based compensation for Directors who are the Audit and Supervisory Committee members

1. Reason for the proposal and reasons why the proposal is appropriate

(1) Resolution status of the plan

At the 22nd Annual General Meeting of Shareholders held on September 28, 2021, the annual amount of monetary remuneration for directors who are the Audit and Supervisory Committee members was approved to be within 60 million yen, and at the same Annual General Meeting of Shareholders, the introduction of an Incentive Plan (hereinafter referred to as “the Plan”) for Directors who are the Audit and Supervisory Committee members (hereinafter referred to as “Eligible Directors” in this proposal) was approved, which is separate from the relevant remuneration framework. At the 24th Annual General Meeting of Shareholders held on September 27, 2023, approval was received to amend the total number of the Company’s common shares for each service period to be issued or disposed of to the Eligible Directors under the Plan to within 23,000 shares, and this remains the case to the present.

(2) Details and reasons for the revisions

In light of the recent changes in the environment surrounding the stock market, including the Company and its competitors, and the increasing need to respond to the recent rapid changes in the business environment, in order to further promote the purpose of the Plan, which is to provide incentives to prevent the impairment of the Company's corporate value and maintain its credibility through sharing value with shareholders, the Company wishes to amend 1) the service period of the Plan, and 2) the conditions related to management targets among the conditions for the delivery of shares under the Plan.

Details of amendments are described in “2. Revised items and details of the revisions of the Plan” below.

Except for the above, the contents of the Plan will remain unchanged, including the maximum amount, maximum number of shares, and details of the restricted shares to be delivered under the Plan.

(3) Reasons why the proposal is appropriate

This proposal is intended to revise the contents of the Plan for the reasons set out in (2) above, in order to further promote the purpose of the Plan as set out in (2) above. This proposal is necessary and reasonable for granting individual remuneration, etc. to Eligible Directors in accordance with the above-mentioned purpose. Furthermore, the maximum number of shares that may be issued or disposed of to the Eligible Directors in one year under the Plan will be approximately 0.11% of the total number of shares issued (as of June 30, 2025), and the dilution rate will be insignificant.

Therefore, the Company determined that the content of this proposal is appropriate.

Currently, there are three Eligible Directors, and if the proposal No. 5 is approved as proposed, the number of Eligible Directors will continue to be three.

2. Revised items and details of the revisions of the Plan

The outline of the Plan is that, after the completion of the service period, the Eligible Directors will be delivered the number of common shares of the Company (hereinafter referred to as the “Company’s shares”) calculated by the calculation method set out in 3.(1) of Proposal No. 9 of the 22nd Annual General Meeting of Shareholders, provided that the Eligible Directors hold directors or other positions of the Company specified by the Board of Directors of the Company throughout the service period. The revised items and details of the Plan based on this proposal are as follows.

(1) Service period

A. Before revision

For the period from the date of the Annual General Meeting of Shareholders to the date of that held two years later

B. After revision

For the period from the date of the Annual General Meeting of Shareholders to the date of that in the following year

(2) Conditions for the delivery of shares under the Plan related to the contents of remuneration, etc. under the Plan

A. Before revision

Under the Plan, Eligible Directors will be delivered Company’s shares upon the completion of their respective service periods and the fulfillment of the following requirements for the delivery of the Company’s shares.

- 1) During the service period, the person held office as a director or other position of the Company specified by the Board of Directors of the Company
- 2) There was no specific misconduct as specified by the Board of Directors of the Company
- 3) The share price growth rate of the Company's shares for the fiscal year in which the service period commences (hereinafter referred to as the “Relevant fiscal year”) exceeded 1.0%.

The share price growth rate of the Company's shares is calculated using the following formula.

$$\text{The share price growth rate of the Company's shares} = \frac{\text{B/A}}{\text{D/C}}$$

- A : Simple average closing price of the Company’s shares in the fourth quarter of the fiscal year immediately preceding the Relevant fiscal year
- B : Simple average closing price of the Company’s shares in the fourth quarter of the Relevant fiscal year
- C : Simple average closing price of the competitors’ shares in regular trading on the Tokyo Stock Exchange in the fourth quarter of the fiscal year immediately preceding the Relevant fiscal year (hereinafter referred to as “Closing prices of the shares of the competitors”).
- D : Simple average Closing prices of the shares of the competitors in the fourth quarter of the Relevant fiscal year

*Competitors refer to a group of companies designated by the Board of Directors of the Company in consideration of business activities, company size, and so on.

4) Other requirements deemed necessary to achieve the purpose of the Incentive Plan determined by the Board of Directors of the Company

B. After revision

Under the Plan, Eligible Directors will be delivered Company's shares upon the completion of their service periods and the fulfillment of the following requirements for the delivery of the Company's shares.

1) During the service period, the person held office as a director or other position of the Company specified by the Board of Directors of the Company

2) There was no specific misconduct as specified by the Board of Directors of the Company

The relative TSR for the fiscal year in which the service period commences (hereinafter referred to as the "Relevant fiscal year") exceeded 1.0.

Relative TSR is calculated by comparing the Company's Total Shareholder Return (TSR) for the Relevant fiscal year with the growth rate of TOPIX (including dividends) for the same period. Relative TSR, the Company's TSR for the Relevant fiscal year, and the growth rate of TOPIX (including dividends) for the same period are calculated using the following formula:

$$\text{Relative TSR} = \frac{\text{the Company's TSR}}{\text{TOPIX (growth rate including dividends)}} = \frac{(B+C)/A}{E/D}$$

A: Average closing price of the Company's shares on the Tokyo Stock Exchange for each day in the three months immediately preceding the day before (including the day) the first day of the Relevant fiscal year

B: Average closing price of the Company's shares on the Tokyo Stock Exchange for each day in the three months immediately preceding the last day (including the day) of the Relevant fiscal year

C: Total dividends per share of the Company's shares corresponding to the dividend record date in the Relevant fiscal year

D: Average closing price of TOPIX (including dividends) for each day in the three months immediately preceding the day before (including the day) the first day of the Relevant fiscal year

E: The average closing price of TOPIX (including dividends) for each day of the three months immediately preceding the last day (including the day) of the Relevant fiscal year

4) Other requirements deemed necessary to achieve the purpose of the Incentive Plan determined by the Board of Directors of the Company

End

Business Report (from July 1, 2024 to June 30, 2025)

1. Current Status of the Corporate Group

(1) Business status for the current fiscal year

1) Business progress and results

During the current consolidated fiscal year (July 1, 2024 to June 30, 2025), the Japanese economy continued its gradual recovery, driven by improvements in employment and income—including wage hikes—and heightening inbound demand. On the other hand, there are also risks of downward pressure on the economy, including uncertainties surrounding policy stemming from the U.S. presidential transition, unstable circumstances internationally, and persistently high energy prices pushing the cost of goods upward. As a result, the future remains uncertain, and the situation mandates continued caution.

Under these circumstances, our group aims to transform its business model in line with the changes in the environment and continue to grow as an on-premise infrastructure integrator.

In the Home-Use Business, the accumulated effects of stock revenue (monthly subscription revenue) continue to be stable. In addition, sales of cross-selling products such as network cameras and intercom compatible systems “FG Smart Call,” which we have been focusing on, remained steady, centered on new construction. The percentage of sales in the Home-Use Business is trending upward.

On the other hand, we are increasing the number of cases in which we use the outright sale method to provide equipment, and as the cost is recorded in a lump sum in the first year of the transaction, profit margins are temporarily decreasing. By adopting the outright sale method, although the profit margin in the first year of trading will decrease, it is expected that the profit margin of future stock income (monthly subscription income) will improve, and the tax burden will be reduced due to the control of depreciable assets.

As a result of the above, the Home-Use Business had segment sales of 10,864 million yen (up 4.6% from the same period last year) and segment profit of 2,638 million yen (down 9.4% from the same period last year).

In the Business-Use Business, sales of on-premise communication infrastructure services for medical and nursing care facilities, public facilities, and tourist facilities, which we have focused on, grew. Sales related to communications services for medical and nursing care facilities were recorded in the first quarter of the current consolidated fiscal year, and sales related to communications services for tourist facilities were recorded in the second quarter. Moreover, sales related to communications services for schools and other educational institutions were recorded in the third quarter, and in the fourth quarter, sales related to communication services for medical institutions were recorded.

On the other hand, due to a decrease in large-scale, high-profit-margin projects, profit margin is trending downward.

As a result of the above, the Business-Use Business had sales of 1,684 million yen (up 0.5% from the same period last year) and segment profit of 326 million yen (down 32.0% from the same period last year).

In the Real Estate Business, FG Smart Asset Co., Ltd. had one real estate sale.

As a result of the above, the Real Estate Business had sales of 441 million yen (down 15.7% from the same period

last year) and segment profit of 67 million yen (up 17.0% from the same period last year).

In other businesses, the Renewable Energy (electricity) Business of Off Grid Lab Co., Ltd. generated revenue. Additionally, costs were incurred in the establishment of Enepulse Co., Ltd.

As a result of the above, other businesses had sales of 79 million yen (up 187.6% from the same period last year) and segment profit of 0 million yen (segment profit of 7 million yen in the same period last year).

As a result, the business results for the current consolidated fiscal year were sales of 13,070 million yen (up 3.6% from the same period last year), operating profit of 1,958 million yen (down 18.0% from the same period last year), ordinary profit of 1,943 million yen (down 18.9% from the same period last year), and profit attributable to owners of parent of 1,319 million yen (down 15.8% from the same period last year).

Sales	Operating income	Ordinary income	Net income attributable to the parent company's shareholders
13,070 million yen	1,958 million yen	1,943 million yen	1,319 million yen
YoY	YoY	YoY	YoY
+3.6%	-18.0%	-18.9%	-15.8%

[Sales of segments]

S e g m e n t s	Sales (Millions of yen)			Composition ratio (%)	YoY (%)
	24 th Fiscal year Year ended June 30,2023	25 th Fiscal year Year ended June 30,2024	26 th Fiscal year Year ended June 30,2025		
Home-Use business	9,600	10,386	10,864	83.1	4.6
Business-Use business	1,512	1,675	1,684	12.9	0.5
Real estate business	1,674	523	441	3.4	-15.7
Others	8	27	79	0.6	187.6
Total	12,795	12,613	13,070	100.0	3.6

Notes 1. Home-Use business Construction, maintenance, operation, support, PB provision, etc. of Internet-free apartment
2. Business-Use business Construction, maintenance, operation, support, PB provision, etc. of free Wi-Fi facilities
3. Real estate business Buying, selling, leasing, etc. of real estate
4. Others Renewable energy(Electricity)

2)Status of Capital Investment

The total amount of capital investment made by the Group during the current consolidated fiscal year under review was 1,568 million yen.

The main capital investment for the installation of telecommunications equipment for the provision of services were 1,490 million yen for the Home-Use service and 54 million yen for the business use service.

3)Status of Financing

In the consolidated fiscal year under review, there are no significant financings other than that of ordinary working capital.

4)Status of Business Transfers, Absorption Splits, or New Business Splits

There are no significant matters to be stated.

5)Status of Business Transfers from Other Companies

There are no significant matters to be stated.

6)Status of Succession of Rights and Obligations Related to the Business of Other Corporations, etc. Due to Merger or Absorption Split

There are no significant matters to be stated.

7) Status of Acquisition or Disposal of Shares or Other Interests or Stock Acquisition Rights, etc. of Other Companies

There are no significant matters to be stated.

(2) Status of Property and Profits and Losses

1) Status of Property and Profits and Losses of the Corporate Group

Classification \ Period	Period	23rd Fiscal year (Ended June 2022)	24th Fiscal Year (Ended June 2023)	25th Fiscal Year (Ended June 2024)	26th Fiscal Year (Ended June 2025)
Sales	(million yen)	10,624	12,795	12,613	13,070
Ordinary Income	(million yen)	1,604	2,290	2,395	1,943
Net Income Attributable to the Parent Company's Shareholders	(million yen)	1,073	1,482	1,567	1,319
Net Income per Share	(yen)	52.60	72.70	77.20	65.20
Total Assets	(million yen)	13,087	12,764	13,076	12,144
Net Assets	(million yen)	3,279	4,758	5,836	6,502
Net Assets per Share	(yen)	160.74	230.12	285.59	320.34

(Notes) Net income per share is calculated based on the average number of shares issued during the period.

2) Status of Property and Profits and Losses of the Company

Classification \ Period	Period	23rd Fiscal year (Ended June 2022)	24th Fiscal Year (Ended June 2023)	25th Fiscal Year (Ended June 2024)	26th Fiscal Year (Ended June 2025)
Sales	(million yen)	8,921	10,753	11,643	12,366
Ordinary Income	(million yen)	1,262	1,942	2,016	1,687
Net Income	(million yen)	851	1,426	1,323	1,143
Net Income per Share	(yen)	41.71	69.92	65.18	56.52
Total Assets	(million yen)	10,233	11,290	12,094	11,562
Net Assets	(million yen)	2,411	3,784	4,611	5,102
Net Assets per Share	(yen)	118.22	184.45	227.51	253.06

(Notes) Net income per share is calculated based on the average number of shares issued during the period.

(3)Status of Significant Parent and Subsidiary Company

1) Status of Parent Company

The Company does not have a parent company.

2) Status of Significant Subsidiary Company

Company names	Address	Capital	Major businesses	Ratio of voting rights of the Company	Relation details
NOIS Inc.	Minato-ku, Tokyo	10 million yen	Internet Brokering Business	100.00%	Concurrent positions of officers
Fibergate Taiwan Inc.	Tainan City, Taiwan	500,000 NTD	Equipment Development and Call Center Business	100.00%	Concurrent positions of officers
FG-Lab Inc.	Minato-ku, Tokyo	35 million yen	Contract Development Business and Real Estate Leasing Business	100.00%	Concurrent positions of officers
FG Smart Asset Inc.	Minato-ku, Tokyo	50 million yen	Real Estate Sales and Leasing Business	100.00%	Concurrent positions of officers
OffGrid-Lab Inc.	Minato-ku, Tokyo	35 million yen	Renewable Energy (Electricity) Business	16.67%	Concurrent positions of officers
Enepulse Inc.	Minato-ku, Tokyo	20 million yen	Agency service	51.00%	Concurrent positions of officers

(Notes)1. On July 23, 2024, Enepulse Inc. was established.
2. Although the Company’s voting rights ratio in OffGrid-Lab Inc. is 50/100 or less, OffGrid-Lab Inc. is a subsidiary of the Company as it is effectively controlled.

(4) Issues to be addressed

The management environment surrounding the Group is still unpredictable, with an increase in the number of foreign tourists, the resumption of various domestic events, and the acceleration of DX due to labor shortages, as well as concerns about the risk of rising interest rates due to the lifting of the negative interest rate policy and an increase in procurement costs for materials and other items due to the depreciation of the yen.

Under these circumstances, our group aims to transform its business model in line with the changes in the environment and continue to grow as an on-premise infrastructure integrator.

1) Home-Use Business

In the Home-Use business for the living environment, the Group will strive to acquire new contracts and expand our market share for residential Wi-Fi services. Specifically, we will accelerate the capturing of existing construction projects and launch new business models such as B to C services.

We aim to contribute to the acquisition of communication demand for rental condominiums and the increase in the unit price of services by enhancing cross-sell products as well as improving the communication quality and strengthening the security of remote work.

2) Business-Use Business

In the Business-Use business, we expect to further contribute to sales and profits by not only developing the market for demand for on-premise communication infrastructure services for medical and nursing care facilities, public facilities, and tourist facilities, but also by developing a system to meet diverse customer needs by further strengthening our sales structure and enhancing our expertise.

3) Response to rising costs

In order to respond to rising costs due to the rapid expansion of telecommunications traffic and the impact of the depreciation of the yen, we will take measures to reduce the impact of rising costs by streamlining the effective use of lines and by considering measures to reduce foreign exchange risk, such as forward exchange contracts.

4) Improvement of the efficiency and productivity of internal systems

In response to the increasing complexity of operations associated with the expansion of the Company's scale, we believe that it is essential to improve the efficiency and productivity of internal operations. To this end, we will work to strengthen our internal structure by changing our core systems and introducing financial analysis tools.

5) Stable operation of internal controls and compliance

The Company recognizes that it is an important management issue to build a corporate governance system in which “internal control”, “compliance”, and “disclosure control” function sufficiently. We believe that securing the trust of all stakeholders, including shareholders, and society will lead to an increase in corporate value, and we will strive for sound and transparent management while pursuing fairness and efficiency, and will fulfill accountability. In addition, we are working to build and maintain a management system that discloses information to shareholders and other stakeholders in a timely and appropriate manner.

We would like to ask our shareholders for your continued support.

(5)Content of Principal Business (as of June 30, 2025)

Name of Segment	Content of Principal Business (Principal item and service)
Home-Use Service	Construction, maintenance, operation, support, and PB provision of Internet-free apartment
Business-Use Service	Construction, maintenance, operation, support, and PB provision of free Wi-Fi facilities
Real Estate Business	Real estate sales and leasing business
Others	Renewable Energy (Electricity) Business, Agency service

(6) Principal Sales Offices (as of June 30, 2025)

1) Principal Place of Business of the Company

Name	Location
Headquarters	No. 28 Keiwa Building, Nishi 8-10-3, Minami 1-Jo, Chuo-ku, Sapporo, Hokkaido
Tokyo Office	KDX Shibadaimon Building, 2-10-12, Shibadaimon, Minato-ku, Tokyo
Osaka Office	Kawaramachi KT Building, 3-3-7, Kawaramachi, Chuo-ku, Osaka, Osaka
Nagoya Office	HR-NET Fushimi Building, 1-20-10, Nishiki, Naka-ku, Nagoya, Aichi
Sendai Office	Oak Tree Tsutsujigaoka, 3-4-18, Tsutsujigaoka, Miyagino-ku, Sendai, Miyagi
Fukuoka Office	Ichigo Hakata Building, 1-28, Gion-machi, Hakata-ku, Fukuoka, Fukuoka

2) Place of Business of the Subsidiaries

Name	Location
NOIS Inc.	KDX Shibadaimon Building, 2-10-12, Shibadaimon, Minato-ku, Tokyo
Fibergate Taiwan Inc.	5F, No. 571, Qingping Rd, Anping District, Tainan City, Taiwan
FG-Lab Inc.	KDX Shibadaimon Building, 2-10-12, Shibadaimon, Minato-ku, Tokyo
FG Smart Asset Inc.	KDX Shibadaimon Building, 2-10-12, Shibadaimon, Minato-ku, Tokyo
OffGrid-Lab Inc,	KDX Shibadaimon Building, 2-10-12, Shibadaimon, Minato-ku, Tokyo
Eneplus Inc.	KDX Shibadaimon Building, 2-10-12, Shibadaimon, Minato-ku, Tokyo

(7) Status of employees (as of June 30, 2025)

1) Status of Employees of the Corporate Group

Classification	at the end of previous fiscal year	at the end of current fiscal year	Changes in the current fiscal year	Average age	Average length of service
Male	135 persons	134 persons	Decrease of 1 persons	37 years and 3 months	5 years and 1 months
Female	95 persons	105 persons	Increase of 10 persons	34 years and 7 months	5 years and 8 months
Total or average	230 persons	239 persons	Increase of 9 persons	36 years and 1 month	5 years and 4 months

(Notes) The number of employees shown denotes full-time employees and does not include temporary or part-time employees.

2) Status of Employees of the Company

Classification	Number of employees	Average age	Average length of service
Male	127 persons	37 years and 0 months	5 years and 1 months
Female	100 persons	34 years and 6 months	5 years and 8 months
Total or average	227 persons	35 years and 11 months	5 years and 4 months

(Notes) The number of employees shown denotes full-time employees and does not include temporary or part-time employees.

3) The ratio of female managers is as follows:

Ratio of female manager	26.7%
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(8) Major Borrowers (as of June 30, 2025)

Borrowers	Outstanding Debt
North Pacific Bank, Ltd.	1,223 million yen
The Hokkaido Bank, Ltd	1,017 million yen
Mizuho Bank, Ltd.	227 million yen
Aomori Bank, Ltd.	114 million yen
The 77 Bank, Ltd	105 million yen

(9) Other Significant Matters Related to the Current Status of the Corporate Group

Our subsidiary, Off Grid Lab Co., Ltd., acquired all shares of Power Denki Innovation Co., Ltd. from Ecomot Co., Ltd., making Power Denki Innovation a wholly owned subsidiary.

This matter is detailed in the notes to the consolidated financial statements under the section titled Notes on Significant Subsequent Events.

2. Information on the Company's shares (as of June 30, 2025)

- (1) Total number of authorized shares 79,100,000
- (2) Shares issued 20,593,600 (Including Treasury stock 472,207 shares)
- (3) Number of shareholders 6,491
- (4) Major shareholders

株 主 名	持 株 数	持 株 比 率
MI Corporation Inc.	4,749,000	23.60
Masanori Inomata	2,794,790	13.88
Custody Bank of Japan, Ltd. (Trust Account)	2,134,200	10.60
Sumitomo Mitsui Trust Bank, Ltd. (Trust Account A-23)	1,700,000	8.44
Taizo Matsumoto	1,097,400	5.45
UH5 Co.Ltd.	977,500	4.85
The Master Trust Bank of Japan, Ltd. (Trust Account)	845,900	4.20
Taichi Yabu	200,000	0.99
Daiwa Securities Co. Ltd.	190,300	0.94
BNYMSANV AS AGENT / CLIENTS LUX UCITS NON TREATY 1 (Standing proxy: MUFG Bank, Ltd.)	173,200	0.86
Hikari Tsushin K.K.	163,200	0.81

- (Notes) 1. Ratio of number of shares held to the total number of shares issued (excluding treasury shares) is rounded down to the third decimal place.
2. The shareholding ratio is calculated by deducting treasury share (472,207 shares).
3. The 1,700,000 shares of Sumitomo Mitsui Trust Bank, Ltd. (Trust Account A-23) are related to a trust agreement for the purpose of managing shares with Masanori Inomata, President and Chief Executive Officer of the Company, as the trustor and beneficiary, and Sumitomo Mitsui Trust Bank, Ltd. as the trustee. In addition, 800,000 shares of the 2,411,300 shares held by the Custody Bank of Japan, Ltd. (trust account) are due to the conclusion of a management trust agreement for donated shares for shares held by Masanori Inomata, President and Chief Executive Officer of the Company. As a result, the actual number of shares held by Masanori Inomata is 10,043,790 shares with the ratio of 49.91%, which includes the number of shares held by MI Corporation Inc., the asset management company of Masanori Inomata.

【Status by owner】

Division	Status of Shares (100 shares per unit)								Status of shares less than one unit (shares)
	Government and local governments	Financial institution	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individual and others	Total	
					Non-individual	Individual			
Number of shareholders (persons)	0	9	28	48	90	23	6,293	6,491	—
Number of shares held (Units)	0	47,464	4,190	59,654	10,218	112	84,114	205,752	18,400
Shareholding ratio (%)	0	23.07	2.04	28.99	4.97	0.05	40.88	100.00	—

(Notes) The treasury shares of 472,207 shares are listed including 4,722 units in “Individual and others” and 7 shares in “Status of shares less than one unit”.

(5) Status of shares delivered to the Company's executives as compensation for the execution of duties during the current fiscal year

There are no applicable matters.

(6) Other Significant Matters Related to Shares

There are no applicable matters.

3. Status of Stock Acquisition Rights, etc.

(1) Status of stock acquisition rights granted as consideration for the execution of duties held by the Company's officers as of the end of the fiscal year under review

There are no applicable matters.

(2) Status of stock acquisition rights granted to employees, etc. as consideration for the execution of duties during the fiscal year under review

There are no applicable matters.

(3) Other status of stock acquisition rights

There are no applicable matters.

4. Status of Company Officers

(1) Status of Directors (as of June 30, 2025)

P o s i t i o n	Name	Responsible for	Significant concurrent positions
Representative Director, President Executive Officer	Masanori Inomata		CEO of MI Corporation Inc. Director of FG-Lab Inc. Director of FG Smart Asset Inc. CEO of OffGrid-Lab Inc. Representative Director of Sakura Aid Representative Director of MI Foundation Representative Director of MI Management Outside Director of 3eee Inc. Director of Digital Enhancement for Condominium Vice chairman of Hokkaido Tourism Organization (current holder)
Director, Vice President Executive Officer,	Daisuke Ishikawa	Head of Sales and General Manager of Hokkaido Sales Division	Director of Eneplus Inc.
Director Senior Executive Officer	Takafumi Hamauzu	Head of Corporate Planning	Audit & Supervisory Board Member of FG Smart Asset Inc. Director of Fibergate Taiwan Inc.
Director and Managing Executive Officer,	Hisashi Kaneko	Head of Energy Business Promotion Department	Director of FG Smart Asset Inc. Director of OffGrid-Lab Inc.
Director, Executive Officer	Mie Ishimaru	Head of Corporate Management Division	Director of Ishimaru Certified Accountant's Office Audit & Supervisory Board Member of FG-Lab Inc External auditor of Japan Post Co., Ltd.
Director (Outside Director)	Nobuyuki Shinoda	Chairperson of the Nomination and Compensation Committee	—
Director (Outside Director)	Chikako Shimahata		Representative of Labor and Social Security Attorney Office Pirika Office CEO of Pirika Inc.
Director (Outside Director)	Tetsuo Tatsuta		Audit and Supervisory Committee Member of Fibergate Taiwan Inc. Outside Audit & Supervisory Board Member of Furanoichiba (current holder) Part-time Audit and Supervisory Committee Member of Uohan Co., Ltd.

Director (Full-time Audit and Supervisory Committee Member)	Tomohiro Obata		Representative of PLAZA Law Office Outside Audit and Supervisory Committee Member of TOHOKU ENTERPRISE CO.,LTD. Outside Audit and Supervisory Committee Member of Paradigm shift Co.,Ltd.
Director (Audit and Supervisory Committee Member)	Hiroshi Kamada		Representative of Office K. Auditor of MI Foundation

(Notes)1. Directors: Mr. Nobuyuki Shinoda, Ms. Chikako Shimahata, Mr. Tomohiro Obata, and Mr. Hiroshi Kamada are Outside Directors.
2. Mr. Tomohiro Obata, a member of the Audit and Supervisory Committee, is a qualified lawyer and has considerable knowledge of legal affairs.
3. In order to strengthen the auditing and supervisory functions of the Audit and Supervisory Committee through the collection of information from Directors and employees, etc., and sufficient cooperation with the Internal Audit Office, Mr. Tetsurou Tatsuta has been selected as a full-time Audit and Supervisory Committee member.
4. The Company has designated all Outside Directors (including Audit and Supervisory Committee members) as Independent Directors in accordance with rules stipulated by Tokyo Stock Exchange and Sapporo Securities Exchange, and has notified both exchanges.

(2) Summary of the contents of the limited liability contract

The Company has entered into a contract with two Outside Directors who are not the Audit and Supervisory Committee members and two of those who are the Audit and Supervisory Committee members to limit liability for compensation under Article 423, paragraph 1 of the Companies Act in accordance with Article 427, paragraph 1 of the same Act and the Company's Articles of Incorporation.

The maximum amount of liability for compensation under the contract is the minimum amount of liability stipulated in Article 425, paragraph 1 of the same Act. Such limit shall be applicable only when the performance of the Outside Directors' duties giving rise to such liabilities is recognized to have been carried out in good faith and with no gross negligence.

(3) Summary of the contents of the contract of directors and officers liability insurance

The Company has entered into a contract of directors and officers liability insurance with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act, in which the directors of the Company and its subsidiaries are insured, and the Company bears all insurance premiums.

The summary of the contents of the insurance contract is that the insurance company compensates for damages that may result from the insured being liable for the execution of his or her duties or receiving a claim for the pursuit of such liabilities, and the policy is renewed every one year. We plan to renew it with the same content at the next contract renewal.

(4) Remuneration of executives

1) Policy for determination of the details of remuneration, etc. for executives

The Company resolved to make a decision on the details of individual remuneration for directors. When making a resolution by the Board of Directors, the Nomination and Remuneration Committee is consulted in advance on the content of the resolution, and a report is received.

The details of the policy for determination of the details of remuneration, etc. for individual directors are as follows.

a Basic Policy

With regard to the remuneration of directors of the Company, the basic policy is to pay remuneration at a sufficient and appropriate level as compensation for the burden of management responsibilities with the aim of increasing motivation to contribute to the improvement of medium- to long-term business performance so that corporate value can be continuously improved.

The remuneration of directors other than Audit and Supervisory Committee members (excluding outside directors) consists of fixed remuneration paid based on position, short-term stock-based remuneration for achieving annual performance targets, and long-term stock-based remuneration for achieving long-term management targets.

(a) Fixed remuneration

Fixed remuneration is determined according to position and other factors, and is paid monthly in cash.

(b) Stock-based remuneration

Short-term stock-based remuneration and Long-term stock-based remuneration

Please refer to b. Policy for determination of the details and method of calculating the amount or number of performance-based remuneration, etc. and non-monetary remuneration, etc. below.

- b Policy for determination of the details and method of calculating the amount or number of performance-based remuneration, etc. and non-monetary remuneration, etc.

• Short-term stock-based

The short-term stock-based remuneration plan was the remuneration is that the number of shares of the Company's common share (hereinafter referred to as the "Company's shares") calculated by the calculation method determined in advance will be delivered to directors other than Audit and Supervisory Committee members (excluding outside directors) after the end of the relevant period, provided that the directors in question hold directors or other positions of the Company specified by the Board of Directors of the Company for the period from the date of the annual Ordinary General Meeting of Shareholders to the date of that in the following year. We have set "Consolidated Ordinary Income", which is a numerical target for short-term business management, as a short-term numerical target, and will be paid when the numerical target is achieved.

• Long-term stock-based

The long-term stock-based remuneration plan was the remuneration is that the number of shares of the Company's shares calculated by the calculation method determined in advance will be delivered to directors after the end of the relevant period, provided that the directors in question hold directors or other positions of the Company specified by the Board of Directors of the Company for the period from the date of the annual Ordinary General Meeting of Shareholders to the date of that held in two years later. This payment is made when the share price growth rate of the Company's shares, which is the numerical target for the Company's long-term business management, exceeds 1.0.

- c Policy for determination of the ratio of monetary remuneration, performance-based remuneration, or non-monetary remuneration to the amount of remuneration for individual Directors

The amount of remuneration is determined based on the remuneration standard, with a guideline of 70%:10%:20% for the allocation ratio of fixed remuneration, short-term stock-based remuneration and long-term stock-based remuneration. The amount of remuneration for directors and outside directors who are the Audit and Supervisory Committee members consists of fixed remuneration and long-term stock-based remuneration from the perspective of their roles and independence, and the amount of remuneration, etc., is determined based on the position and remuneration standards of each director, with a guideline of 80%:20% for the allocation ratio of fixed remuneration and long-term stock-based remuneration for outside directors other than Audit and Supervisory Committee members.

- d Matters related to determination of the details of remuneration, etc. for individual Directors

The amount of remuneration for individual directors is delegated to the President and Chief Executive Officer in accordance with a resolution of the Board of Directors. The content of the authority is to determine the amount of remuneration for directors and the method of calculating it, and it is determined within the range of the maximum amount of remuneration resolved at the General Meeting of Shareholders by comprehensively taking into account the status of achievement and the degree of contribution to the management policy and targets.

The Board of Directors establishes a voluntary Nomination and Remuneration Committee to ensure that such authority is appropriately exercised by the President and Chief Executive Officer (CEO), and the President and CEO shall fully consider the method of calculating remuneration for directors that the voluntary Nomination and Remuneration Committee deliberated on in the process of determining the amount of remuneration for Directors.

2) Total amount of remuneration, etc. for the current fiscal year

C a t e g o r y	Total amount of remuneration, etc. (Million of yen)	Total amount by type of remuneration, etc. (Millions of yen)			Number of People Paid (persons)
		Basic Remuneration	Performance-based remuneration, etc.	Non-monetary remuneration, etc.	
Director (of which are Outside Directors)	127 (6)	127 (6)	— (—)	13 (—)	7 (2)
Director (Audit and Supervisory Committee Members) (of which are Outside Directors)	15 (6)	15 (6)	— (—)	— (—)	3 (2)
Total (of which are Outside Directors)	143 (13)	143 (13)	— (—)	13 (—)	10 (4)

(Notes) 1. The contents of non-monetary remuneration, etc. is the shares of the Company, and the conditions for allotment are as described in (4) Remuneration for Directors. In addition, the status of share delivery in the current fiscal year is described in “(5) Status of shares delivered to officers of the Company as compensation for the execution of duties during the current fiscal year in 2. Current status of shares.”

2. The maximum amount of monetary remuneration for Directors has been resolved as follows:

Director
(excluding Audit and Supervisory Committee members) Annual amount within 350 million yen (of which the annual amount for Outside Directors is within 50 million)
(Resolution of the Annual General Meeting of Shareholders on September 28, 2021)

As of the conclusion of the Annual General Meeting of Shareholders, the number of Directors (excluding Audit and Supervisory Committee members) is seven (including two Outside Directors).

Director
(Audit and Supervisory Committee Members) Annual amount within 60 million yen (Resolution of the Annual General Meeting of Shareholders on September 28, 2021)

As of the conclusion of the Annual General Meeting of Shareholders, the number of Directors who are members of the Audit and Supervisory Committee is three.

3. The maximum amount of stock-based remuneration for Directors has been resolved as follows:

Resolution of the Annual General Meeting of Shareholders on September 28, 2021 and on September 27, 2023)

Short-term Incentive Plan	Director (excluding Audit and Supervisory Committee members)	Annual amount	within 50 million yen(not applicable to Outside Directors)
		Number of Shares	Common Shares within 56,000 shares(not applicable to Outside Directors)

As of the conclusion of the Annual General Meeting of Shareholders, the number of Directors (excluding Audit and Supervisory Committee members) is five (not applicable to Outside Directors).

Long-term Incentive Plan	Director (excluding Audit and Supervisory Committee members)	Annual amount	within 50 million yen (of which the annual amount for Outside Directors is within 10 million)
		Number of Shares	Common Shares (of which the number of shares for Outside Directors is within 12,000 within 112,000 sharesshares)

As of the conclusion of the Annual General Meeting of Shareholders, the number of Directors (excluding Audit and Supervisory Committee members) is seven (including two Outside Directors).

Long-term Incentive Plan	Director (Audit and Supervisory Committee Members)	Annual amount	within 20 million yen
		Number of Shares	Common Shares within 23,000 shares

As of the conclusion of the Annual General Meeting of Shareholders, the number of Directors who are members of the Audit and Supervisory Committee is three.

3) The reason why the Board of Directors determined that the details of the remuneration for each individual Director for the current fiscal year are in line with the policy

The Nomination and Remuneration Committee deliberates on the remuneration of each individual, and the President and Chief Executive Officer determines the remuneration for each individual after considering the contents, and it is judged that it is in line with the Company's decision-making policy.

The Nomination and Remuneration Committee was established in June 2023, and deliberations are scheduled to be held by the Nomination and Remuneration Committee from the next fiscal year.

4) Matters concerning delegation of determination of the details of remuneration, etc. for each individual Director

- Name, position, and responsibilities of the delegated person
President and Chief Executive Officer: Masanori Inomata
- Details and reasons for delegated authority
Determination of the amount of remuneration, etc. of Directors and the method of its calculation
- Measures to ensure that authority is exercised appropriately

The President and Chief Executive Officer shall make decisions on the above matters within the scope of the maximum amount of remuneration, etc., approved by the General Meeting of Shareholders, after obtaining a report from the Nomination and Remuneration Committee, the majority of which is composed of Outside Directors.

(5) Matters Concerning Outside Officers (as of June 30, 2025)

1) Status of important concurrent positions held by other corporations, etc., and the relationship between the Company and the said other corporations, etc.

Position	Name	Concurrent position and its details
Director	Nobuyuki Shinoda	—
Director	Chikako Shimahata	Representative of Labor and Social Security attorney office Pirika Office CEO of Pirika, Inc.
Director (Audit and Supervisory Committee member)	Tomohiro Obata	Representative Employee of Legal Professional Corporation PLAZA law office Outside Director of Tohoku Enterprise Co., Ltd. Outside Audit & Supervisory Board Member of Paradigm Shift, Inc
Director (Audit and Supervisory Committee member)	Hiroshi Kamada	Representative of Office K. Auditor of public interest incorporated foundation MI Foundation

(Notes) There is no special relationship between the Company and each of the above concurrent positions.

2) Major Activities in the Current Fiscal Year

Name	Board of Directors and Nomination and Remuneration Committee	Audit and Supervisory Committee	Attendance and Summary of Duty Performed in Relation to Expected Role
Nobuyuki Shinoda	<p>Attended Board of Director meetings 14 out of 14 times (100%)</p> <p>Attended Nomination and Remuneration Committee meetings 3 out of 3 times (100%)</p>	—	<p>He attended all 14 meetings of the Board of Directors (excluding written meetings) held during the current fiscal year. At the Board of Directors, he monitors the legality and appropriateness of the Company's management decisions, fulfills monitoring function, and provides advice and recommendations on the Company's management strategy, as well as advice and recommendations that lead to the improvement of the objectivity and corporate governance of the Company's Board of Directors. In addition, as the chairman of the Nomination and Remuneration Committee, which is a voluntary advisory body to the Company, he leads deliberations on how to determine the remuneration of Directors and compiles a draft report as a committee.</p>
Chikako Shimahata	<p>Attended Board of Director meeting 14 out of 14 times (100%)</p> <p>Attended Nomination Remuneration Committee meetings 3 out of 3 times (100%)</p>	—	<p>She attended all 14 meetings of the Board of Directors (excluding written meetings) held during the current fiscal year. Mainly from a professional standpoint as a social insurance and labor consultant, she deliberates on agendas and provides advice and recommendations as appropriate from an objective perspective as an Outside Director. She also attends meetings of the Nomination and Remuneration Committee, which is a voluntary advisory body to the Company, and provides objective advice and exchanges opinions from an external standpoint.</p>
Tomohiro Obata	<p>Attended Board of Director meetings 14 out of 14 times (100%)</p> <p>Attended Nomination Remuneration Committee meetings 3 out of 3 times (100%)</p>	<p>Attended 14 out of 14 times (100%)</p>	<p>He attended all 14 meetings of the Board of Directors (excluding written meetings) and 14 meetings of the Audit and Supervisory Committee held during the current fiscal year. Mainly from a professional standpoint as a lawyer, he deliberates on agendas and provides advice and recommendations as appropriate from an objective perspective independent of management as an Outside Audit and Supervisory Committee member. He also attends meetings of the Nomination and Remuneration Committee, which is a voluntary advisory body to the Company, and provides objective advice and exchanges opinions from an external standpoint and the lawyer.</p>
Hiroshi Kamada	<p>Attended Board of Director meetings 14 out of 14 times (100%)</p> <p>Attended Remuneration Committee meeting 3 out of 3 times (100%)</p>	<p>Attended 14 out of 14 times (100%)</p>	<p>He attended all 14 meetings of the Board of Directors (excluding written meetings) and 14 meetings of the Audit and Supervisory Committee held during the current fiscal year. He has many years of experience as a small and medium-sized enterprise consultant and has knowledge of overall management, management and operations, and provides advice and recommendations that lead to the improvement of the objectivity and corporate governance of the Board of Directors of the Company in matters such as accounting, finance, human resource development, risk management, and management strategy at operating companies. He also attends meetings of the Nomination and Remuneration Committee, which is a voluntary advisory body to the Company, and provides objective advice and exchanges opinions from an external standpoint.</p>

3) Amount of remuneration, etc. received from the Company's subsidiaries as an officer during the current fiscal year
There are no applicable matters.

4) Opinions on matters stated in the Business Report
There are no applicable matters.

5. Basic Policy on Company Control

The Company believes that those who control financial and business policy decisions should concentrate management resources on expanding corporate value and increasing shareholder profits with the aim of stable growth.

At this time, the Company has not introduced any special takeover defense measures, but will continue to conduct flexible studies while paying close attention to changes in social conditions and other factors.

6. Policy on Determination of Appropriation of Surplus

The Group aims to expand its business performance through growth investments and regards the return of profits to shareholders as one of the most important management issues.

Profits for each fiscal year will be divided into three major divisions, and in principle, one-third of them will be used as a source of profit dividends as a return to shareholders, another one-third of them will be used for returns to executives and employees, which are important human capital, and business investments for further growth of the Company, and the remaining one-third will be retained earnings. While we have set a basic dividend payout ratio of approximately 33% based on this "triple win approach" principle, we have determined that it has become less urgent to strengthen finances and, as such, have adopted a policy of prioritizing shareholder returns. We therefore plan to maintain a total annual dividend of 27.0 yen per share.

Based on this, the year-end dividend for the current fiscal year will be 13.5 yen per share. The interim dividend was 13.5 yen per share. This results in a total annual dividend of 27.0 yen per share.

For the next fiscal year, while maintaining the above policy, we plan to pay an interim dividend of 13.5 yen per share and a year-end dividend of 13.5 yen per share, for a total annual dividend of 27.0 yen per share.

Consolidated Balance Sheets (June 30, 2025)

(Millions of yen)

Assets		Liabilities	
Accounts	Accounts	Accounts	Accounts
【current assets】	4,707	【Current liabilities】	3,645
Cash and deposits	1,853	Accounts payable	681
Accounts receivable	1,809	Short-term borrowings	240
Contract Assets	182	Current portion of long-term borrowings	1,070
Commodity	577	Income taxes payable	176
Real estate for sale	212	Contract liabilities	987
Work in progress	0	Provision for bonuses	85
Others	77	Others	403
Allowance for doubtful accounts	-5	【Fixed liabilities】	1,996
【Fixed asset】	7,436	Corporate bond	50
(tangible fixed assets)	6,998	Long-term borrowings	1,884
Building	32	Retirement benefit liability	61
Tools, furniture & fixtures	10	Total liabilities	5,641
Communication equipment	6,956	Net assets	
(Intangible assets)	82	【Shareholders' equity】	6,442
Software	49	Capital	494
Software in progress	33	Capital surplus	423
(Investments and other assets)	355	Retained earnings	6,017
Investment securities	11	Treasury share	-493
Deposit	45	【Other comprehensive income cumulative amount】	3
Deferred tax assets	281	Valuation difference of other securities	-0
Others	18	Foreign currency translation adjustment account	3
Allowance for doubtful accounts	-1	【Share award rights】	10
【Deferred assets】	0	【Non-controlling interest】	46
Inaugural expenses	0	Total net assets	6,502
Total assets	12,144	Total liabilities and net assets	12,144

(Notes) The listed amount is rounded down to the nearest million yen.

Consolidated profit and loss statement (from July 1, 2024 to June 30, 2025)
(Millions of yen)

Accounts		A m o u n t s	
【Sales】			13,070
【Cost of goods sold】			7,641
	Gross profit		5,428
【Selling, general and administrative expenses】			3,470
	Operating profit		1,958
【Non-operating income】			
Point revenue		5	
Compensation for damage income		3	
Others		2	11
【Non-operating expenses】			
Interest expenses		23	
Foreign exchange loss		2	
Others		0	26
	Ordinary profit		1,943
【Extraordinary loss】			
Loss on disposal of fixed assets		52	52
	Net income before income taxes		1,890
	Income taxes-current	490	
	Income taxes-deferred	91	581
	Net profit		1,309
	Net profit attributable to non-controlling interests		-10
	Profit attributable to owners of parent		1,319

(Notes) The listed amount is rounded down to the nearest million yen.

Balance Sheets (June 30, 2025)

(Millions of yen)

Assets		Liabilities	
Accounts	Amounts	Accounts	Amounts
【Current assets】	3,938	【Current liabilities】	4,513
Cash and deposits	1,338	Accounts payable	713
Accounts receivable	1,766	Short-term borrowings	1,119
Contract Assets	182	Current portion of long-term borrowings	1,070
Commodity	576	Income taxes payable	178
Work in progress	0	Contract liabilities	969
Others	79	Provision for bonuses	81
Allowance for doubtful accounts	-5	Others	380
【Fixed asset】	7,623	【Fixed liabilities】	1,946
(tangible fixed assets)	6,997	Long-term borrowings	1,884
Building	32	Retirement benefit liability	61
Tools, furniture & fixtures	8	Total liabilities	6,459
Communication equipment	6,956	Net assets	
(Intangible assets)	81	【Shareholders' equity】	5,092
Software	51	Capital	494
Software in progress	30	Capital surplus	415
(Investments and other assets)	544	Capital reserve	400
Investment securities	1	Other capital surplus	14
Shares of related companies	206	Retained earnings	4,675
Deposit	44	Other retained earnings	4,675
Deferred tax assets	274	Retained earnings carried forward	4,675
Others	18	Treasury stock	-493
Allowance for doubtful accounts	-1	【Other comprehensive income cumulative amount】	-0
		Valuation difference of other securities	-0
		【Share award rights】	10
Total assets	11,562	Total net assets	5,102
		Total liabilities and net assets	11,562

(Notes) The listed amount is rounded down to the nearest million yen.

Profit and loss statement (from July 1, 2024 to June 30, 2025)

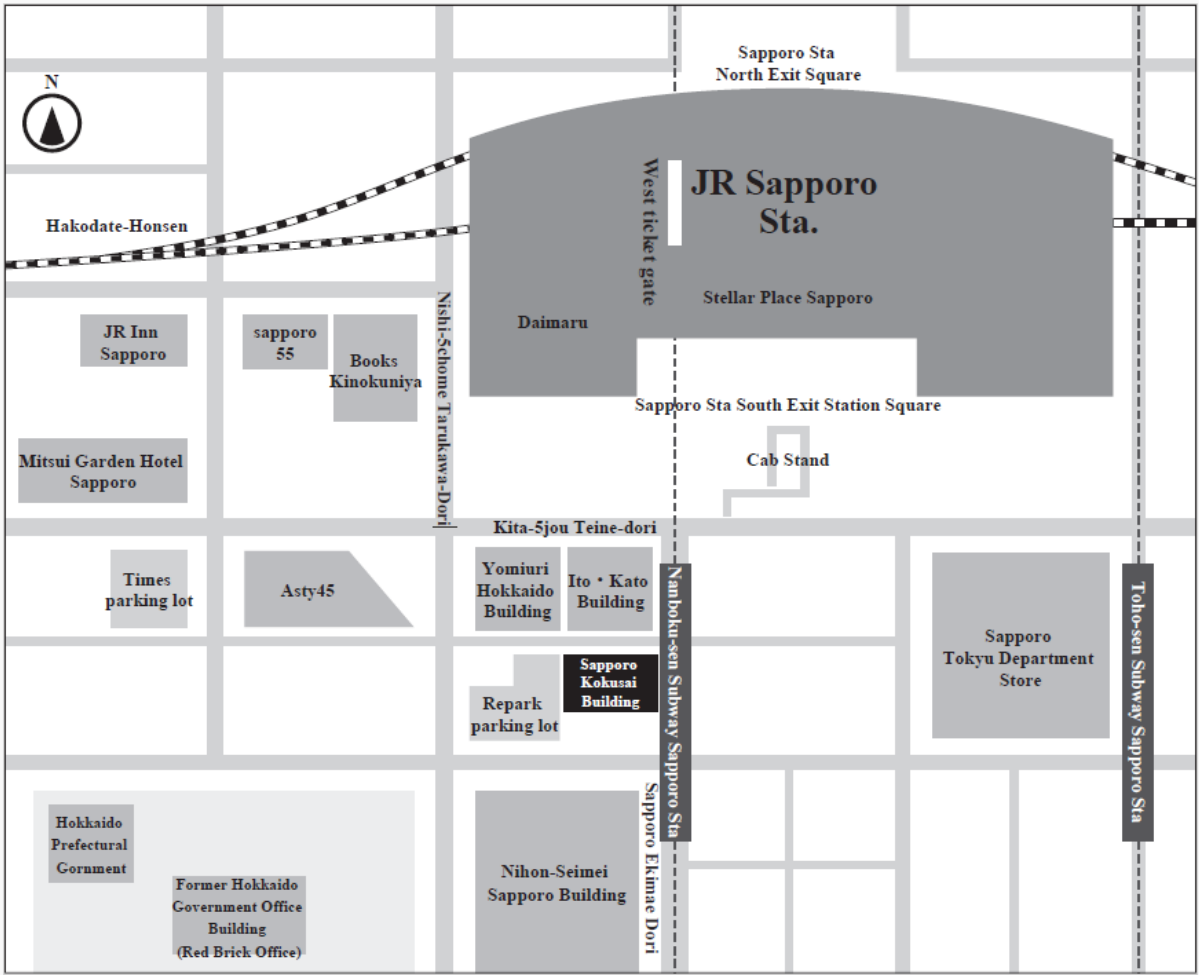
(Millions of yen)

Accounts		Amounts	
【Sales】			12,366
【Cost of goods sold】			7,216
	Gross profit		5,150
【Selling, general and administrative expenses】			3,440
	Operating profit		1,709
【Non-operating income】			
Point revenue		5	
Others		1	6
【Non-operating expenses】			
Interest expenses		28	
Foreign exchange loss		0	
Others		0	29
	Ordinary profit		1,687
【Extraordinary loss】			
Loss on disposal of fixed assets		52	52
	Net income before income taxes		1,634
	Income taxes-current	410	
	Income taxes-deferred	79	490
	Net profit		1,143

(Notes) The listed amount is rounded down to the nearest million yen.

Venue Guide for the 26th Annual General Meeting of Shareholders

Venue	Sapporo Kokusai Building 8th Floor		
Address	Nishi 4-1, Kita 4-Jo, Chuo-ku, Sapporo	TEL	011-241-9020 (main phone number)



Travel Information	Next to Exit 8 of “Sapporo station” (Subway Namboku Line, Tozai Line and Toho Line)
Access from the nearest station	