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Applicable Law	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
File to	Director, Kanto Local Finance Bureau
Filing Date	March 31, 2025
Fiscal Year	FY2024 (from January 1, 2024 to December 31, 2024)
Company Name	Vision Inc.
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Place Available for Public Inspection	Tokyo Stock Exchange (2-1 Nihombashi Kabuto-cho, Chuo-ku, Tokyo 103-8224, Japan)

Item 1: Company Information

Part 1: Company Overview

1. Changes in Key Performance Indicators

(1) The Group - Consolidated Basis

Fiscal year		FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year end		December 2020	December 2021	December 2022	December 2023	December 2024
Net sales	(thousands of yen)	16,654,475	18,100,837	25,487,727	31,807,789	35,528,993
Ordinary profit	(thousands of yen)	227,947	1,143,772	2,422,500	4,337,990	5,422,233
Profit (loss) attributable to owners of parent	(thousands of yen)	(1,183,960)	729,129	1,548,610	3,025,895	3,375,590
Comprehensive income	(thousands of yen)	(1,152,432)	732,472	1,616,566	3,079,547	3,425,607
Net assets	(thousands of yen)	8,769,171	10,122,215	12,039,996	14,607,635	17,890,656
Total assets	(thousands of yen)	11,313,034	14,932,162	17,951,550	21,366,505	25,261,522
Net assets per share	(yen)	185.79	212.52	245.75	297.72	358.97
Basic earnings per share	(yen)	(25.07)	15.47	31.96	61.87	69.75
Diluted earnings per share	(yen)	—	15.03	31.51	61.21	69.33
Shareholder's equity ratio	(%)	77.3	67.7	67.0	67.3	69.1
Return on equity	(%)	(12.1)	7.7	14.0	22.9	21.2
Price earnings ratio	(multiplier)	—	75.0	43.9	19.9	18.4
Cash flows from operating activities	(thousands of yen)	(395,722)	1,412,746	1,539,646	5,054,619	3,116,158
Cash flows from investing activities	(thousands of yen)	(375,121)	(554,277)	(1,200,976)	(1,840,186)	(1,163,539)
Cash flows from financing activities	(thousands of yen)	(1,035,553)	30,807	137,047	(1,040,520)	(478,019)
Cash and cash equivalents at the end of the year	(thousands of yen)	6,679,580	7,631,688	8,185,773	10,410,612	11,912,652
Number of employees [Average number of contract employees]	(people)	616 [120]	607 [133]	649 [150]	744 [152]	782 [165]

(Note) 1. Diluted earnings per share for FY2020 is not stated because it is a net loss per share although there are potential shares.

2. The "Board Benefit Trust-Restricted Stock (BBT-RS)" was introduced in FY2024. With the introduction of this system, the Company's shares held by the BBT-RS are included in the number of treasury shares deducted from the average number of shares during the period for the calculation of basic earnings per share and diluted earnings per share, and are also included in the number of treasury shares deducted from the total number of shares issued and outstanding at the end of the period for the calculation of net assets per share.

3. Price earnings ratio for FY2020 is not stated because it is a loss attributable to owners of parent.

4. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) is applied from the beginning of FY2022, and the key performance indicators for FY2022 and subsequent fiscal years are after the application of such accounting standards.

(2) The Company - Non-consolidated Basis

Fiscal year		FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year end		December 2020	December 2021	December 2022	December 2023	December 2024
Net sales	(thousands of yen)	15,350,845	16,964,191	22,782,562	28,332,214	31,848,671
Ordinary profit	(thousands of yen)	40,822	864,499	2,229,164	4,144,511	5,314,708
Net income (loss)	(thousands of yen)	(1,465,119)	548,171	1,520,957	2,959,652	3,343,246
Capital	(thousands of yen)	2,363,785	2,387,915	2,535,941	2,571,601	2,713,443
Total number of shares issued	(shares)	49,027,800	49,091,100	50,422,200	50,505,300	50,422,000
Net assets	(thousands of yen)	7,644,334	8,771,289	10,574,153	13,033,350	16,254,510
Total assets	(thousands of yen)	10,227,597	12,254,973	14,814,855	18,387,433	22,153,196
Net assets per share	(yen)	161.92	184.18	215.92	265.15	325.34
Dividend per share [Interim dividend per share]	(yen)	— [—]	— [—]	— [—]	— [—]	27.00 [13.00]
Basic earnings per share	(yen)	(31.03)	11.63	31.39	60.51	69.08
Diluted earnings per share	(yen)	—	11.30	30.95	59.87	68.67
Shareholder's equity ratio	(%)	74.5	71.5	71.3	69.7	71.5
Return on equity	(%)	(16.6)	6.7	15.7	25.3	23.3
Price earnings ratio	(multiplier)	—	99.8	44.7	20.3	18.5
Dividend payout ratio	(%)	—	—	—	—	39.1
Number of employees [Average number of contract employees]	(people)	535 [109]	485 [115]	500 [109]	563 [110]	593 [116]
Total shareholder return [Comparative indicator: TOPIX total return index]	(%) (%)	57.2 [107.4]	64.0 [121.1]	77.4 [118.1]	67.9 [151.5]	72.1 [183.5]
Highest share price	(yen)	1,873	1,664	1,504	1,952	1,447
Lowest share price	(yen)	492	866	905	1,097	960

(Note) 1. Diluted earnings per share for FY2020 is not stated because it is a net loss per share although there are potential shares.

2. The "Board Benefit Trust-Restricted Stock (BBT-RS)" was introduced in FY2024. With the introduction of this system, the Company's shares held by the BBT-RS are included in the number of treasury shares deducted from the average number of shares during the period for the calculation of basic earnings per share and diluted earnings per share, and are also included in the number of treasury shares deducted from the total number of shares issued and outstanding at the end of the period for the calculation of net assets per share.

3. Price earnings ratio for FY2020 is not stated because it is a net loss.

4. The highest and lowest share prices are those on the First Section of the Tokyo Stock Exchange before April 3, 2022, and those on the Prime Market of the Tokyo Stock Exchange after April 4, 2022.

5. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) is applied from the beginning of FY2022, and the key performance indicators for FY2022 and subsequent fiscal years are after the application of such accounting standards.

2. History of the Company

Vision LLC was established in Fujinomiya City, Shizuoka Prefecture in June 1995 for the purpose of subscribing to international telephone services and reorganized into a joint-stock company, Vision Co., Ltd., in April 1996 for business expansion and development. (Vision Business Solutions Inc., which was established in December 2001, merged with Vision Co., Ltd. in November 2004 and its trade name was changed to Vision Inc.).

The history of the Group since the founding of the Company is as follows.

Date	Summary
April 1996	Vision Co., Ltd. is founded (in Fujinomiya City, Shizuoka, with 10,000 thousand yen in capital) for the purpose of acting as agency for international telephone subscription (fixed-line communications business).
August 1996	Moved head office from Fujinomiya City to Fuji City, Shizuoka.
August 1997	Acquired General Type-II Telecommunications Business license.
December 2001	Established Vision Business Solutions Inc. in Shibuya-ku, Tokyo for the purpose of office automation equipment sales.
April 2002	Moved head office from Shibuya-ku to Shinjuku-ku, Tokyo.
December 2003	Started Internet advertising business (Internet media business).
November 2004	Vision Business Solutions Inc. merged with Vision Co., Ltd. and trade name changed to Vision Inc.
February 2007	Started a cellphone business for corporate customers (mobile telecommunications business).
January 2008	Established Members Net Inc., a subsidiary (now consolidated subsidiary), in Shinjuku-ku, Tokyo.
July 2008	Established Best Communications Inc., a subsidiary (now consolidated subsidiary), in Shinjuku-ku, Tokyo. *In December 2012, the trade name was changed to Best Link Inc. Started agency service for broadband subscription (broadband business).
January 2010	Started “e-ca,” a mobile Wi-Fi router rental service for domestic business travelers and tourists.
June 2011	Started “Vision WiMAX,” a high-capacity mobile Wi-Fi router rental service for domestic business travelers and tourists.
July 2011	Opened a helpdesk / call center called “Vision Future Business Center (VFBC)” in Saga City, Saga.
October 2011	Established Vision Mobile Korea Inc., a subsidiary (now consolidated subsidiary), in South Korea. Established Vision Mobile Hawaii Inc., a subsidiary (now consolidated subsidiary), in the United States (Hawaii).
December 2011	Established Vision Mobile Hong Kong Limited, a subsidiary (now consolidated subsidiary) in Hong Kong.
January 2012	Established GLOBAL WIFI.COM PTE. LTD., a subsidiary (now consolidated subsidiary), in Singapore.
February 2012	Started “GLOBAL WiFi,” a mobile Wi-Fi router rental service for overseas travelers. Established Vision Mobile Taiwan Co. Ltd., a subsidiary (now consolidated subsidiary), in Taiwan.
April 2012	Established GLOBAL WIFI.UK LTD, a subsidiary (now consolidated subsidiary), in the United Kingdom. Made “Find Japan, Inc.” a subsidiary.
December 2012	Started “WIFI-HIRE,” a mobile Wi-Fi router rental service for short-term use aimed at domestic business as well as leisure travel.
October 2013	Transferred consumer broadband business from Best Link Inc.
December 2013	Started MVNO (Mobile Virtual Network Operator) business for domestic business travelers and tourists.
March 2014	Established VISION VIETNAM ONE MEMBER LIMITED LIABILITY COMPANY, a subsidiary (now consolidated subsidiary), in Vietnam.
April 2014	Established Vision Mobile Shanghai Ltd., a subsidiary (now consolidated subsidiary), in China (Shanghai).
November 2014	Established Global WiFi France SAS, a subsidiary (now consolidated subsidiary), in France.
December 2014	Established Vision Mobile Italia S.r.l., a subsidiary (now consolidated subsidiary), in Italy.
February 2015	Sold Find Japan, Inc., making it no longer a subsidiary of the Company.
March 2015	Started “NINJA WiFi,” a mobile Wi-Fi router rental service for inbound business travelers and tourists. (Merged with “WIFI-HIRE.”)
December 2015	Listed on Tokyo Stock Exchange Mothers.
July 2016	Established VISION MOBILE USA CORP., a subsidiary (now consolidated subsidiary), in the United States (California).
August 2016	Established Vision Mobile New Caledonia SAS, a subsidiary (now consolidated subsidiary), in New Caledonia.
December 2016	Listed on the first section of the Tokyo Stock Exchange (transferred from Mothers.)
February 2018	Established Alpha Techno Inc., a subsidiary (now consolidated subsidiary), in Shinjuku-ku, Tokyo.
March 2018	Established BOS Inc., a subsidiary (now consolidated subsidiary), in Shinjuku-ku, Tokyo.
May 2018	Established Vision Ad Inc., a subsidiary (now consolidated subsidiary), in Shinjuku-ku, Tokyo. Made “Ra-Pid Corporation” a subsidiary.
August 2019	Made “ProDrivers Inc.” a subsidiary.
March 2020	Established Vision Digital Marketing Inc., a subsidiary (now consolidated subsidiary), in Shinjuku-ku, Tokyo. *In October 2023, the trade name was changed to Vision Technologies Inc.
August 2020	Sold all shares of ProDrivers Inc.
December 2020	Dissolved Ra-Pid Corporation.
December 2021	Made “adval Corp.” a subsidiary.
January 2022	Made “Koshikano Onsen K.K.” a subsidiary.
April 2022	Listed on Tokyo Prime Market after Tokyo Stock Exchange market restructuring.
November 2022	Made “Promotion Plus Co., Ltd.” a subsidiary.
December 2022	Grand opening of VISION GLAMPING Resort & Spa Yamanakako.

February 2023	Merged with subsidiary Promotion Plus Co., Ltd.
June 2023	Made “ZORSE Co., Ltd.” a subsidiary.
April 2024	Established VISION USA CORP., a subsidiary (now consolidated subsidiary), in New York.
October 2024	Established Vision Works Inc., a subsidiary (now consolidated subsidiary), in Shinjuku-ku, Tokyo.
December 2024	Established Vision Link Inc., a subsidiary (now consolidated subsidiary), in Shinjuku-ku, Tokyo.

(Note) A “MVNO” or Mobile Virtual Network Operator is a company that does not sell physical items such as mobile phones nor own a mobile virtual network but enters into an agreement with another company that owns it and provides communication services under its own brand (receives resale money).

3. Business Summary

The Group consists of the Company (Vision Inc.), 24 consolidated subsidiaries, and 1 equity method affiliate. We are mainly engaged in the “GLOBAL WiFi Business,” “Information and Communications Service Business,” and “Glamping and Tourism Business.” The reporting segments, business segments, business summaries, and corresponding affiliated companies in the Group are as follows.

Reporting Segment	Business Segment	Business Summary	Corresponding Affiliated Company
GLOBAL WiFi Business	Overseas Business	Mobile Wi-Fi routers rental business for those traveling from Japan to overseas or from overseas to overseas. Data communications are provided by telecommunication carriers.	Vision Inc. Best Link Inc. Vision Mobile Korea Inc. Vision Mobile Hawaii Inc. Vision Mobile Taiwan Co. Ltd. Vision Mobile Hong Kong Limited
	Domestic Business	Mobile Wi-Fi router rental business for foreign visitors to Japan, domestic travel, business trips, and remote work. Data communications are provided by telecommunication carriers.	GLOBAL WIFI.COM PTE. LTD. GLOBAL WIFI.UK LTD Vision Mobile Shanghai Ltd. Global WiFi France SAS Vision Mobile Italia S.r.l. VISION MOBILE USA CORP. Vision Mobile New Caledonia SAS VISION USA CORP.
Information and Communications Service Business	Fixed-line Telecommunication Business	Subscription agency business offering fixed-line telecommunication services called “Otoku Line” provided by SoftBank Corp.	Vision Inc. Members Net Inc.
	Mobile Telecommunication Business	Sales of mobile phone devices, etc. provided by SoftBank Corp. and subscription agency business of mobile telecommunication services	Vision Inc. BOS Inc.
	Broadband Business	Subscription agency business offering broadband service called “FLET’S” provided by NTT	Vision Inc. Best Link Inc. Members Net Inc.
	Office Automation Equipment Sales Business	Sales of mainly Canon manufactured MFP (multifunction peripheral), business phone, and UTM (unified threat management) products	Vision Inc. Alpha Techno Inc. BOS Inc.
	Internet Media Business	Sale of online advertising products (such as website creation)	Vision Inc.
	Other	Space rental business Sales improvement support services business Bookkeeping service business	Vision Inc. adval Corp. ZORSE Co., Ltd. Vision Works Inc. Vision Link Inc.
Glamping and Tourism Business	Glamping Business	Management of glamping facilities	Vision Inc. Koshikano Onsen K.K.
Other		Media business, ASKUL Corporation mail order business	Vision Inc. Vision Ad Inc.

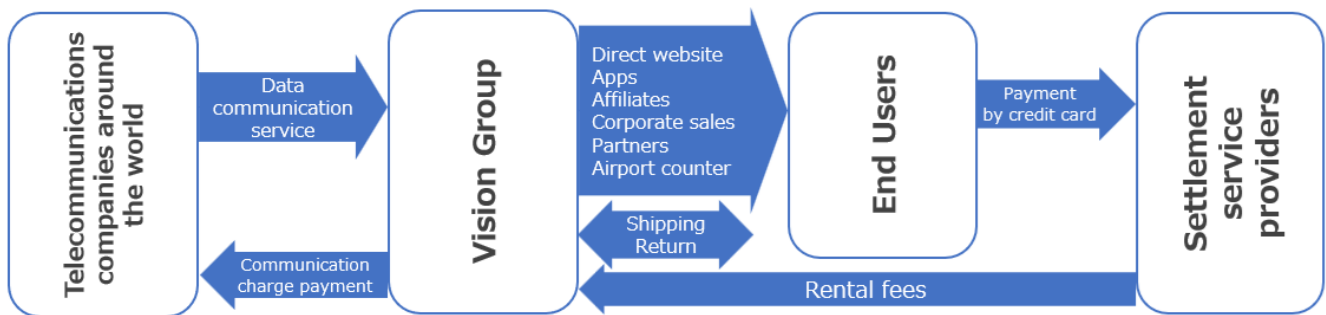
* Vision Technologies Inc. and VISION VIETNAM ONE MEMBER LIMITED LIABILITY COMPANY are development centers and database operators for the Group.

(1) GLOBAL WiFi Business

Centering on Vision Inc., Best Link Inc., Vision Mobile Korea Inc., Vision Mobile Hawaii Inc., and Vision Mobile Taiwan Co. Ltd., we acquire local networks (data communication) in use by the residents from telecommunication carriers around the world and attain profit by offering mobile Wi-Fi router rental services to global travelers.

* The service provision areas of the overseas and domestic sectors of GLOBAL WiFi are different, but the business flow is the same.

The business flow is as follows.



End users can apply for services through the website, apps, corporate sales, partners*, and airport counters.

* The Group also provides services through sales agency and franchise contracts with partner companies, including those in the Information and Communications Service Business.

Sales Channels

Sales channels to reach the end user are as follows.

Sales Channels	Explanation
Direct Website	By utilizing web marketing* on websites such as GLOBAL WiFi, end users will be guided to the application site and sign up for the services.
Apps	The end users download the smartphone app and sign up for the services through the app.
Affiliates	An advertisement that links to the direct website will be posted on websites operated by affiliates. End users who visit those websites will be linked to sign up for the services. (Affiliate marketing)
Corporate Sales (Business to Business Sales)	We encourage end users who have used the services through government offices, many companies with overseas business trips, and other sales channels to register as a corporation. By registering as a corporation, they will continue signing up for the services. (Discounts on prices, company billing, and other services offered.)
Partners	End users will sign up for the services through partner companies (airlines, travel agencies, insurance agencies, credit card companies, etc.), agencies, and franchise partners.
Airport Counters	End users will directly sign up for the services at the airport counters and purchase SIM cards from vending machines at the airport.

* Web marketing refers to all marketing activities conducted on the Internet. Some specific uses of web marketing are to advertise, inform of, and promote products and services to end users through the company’s website and product-specific websites. This includes advertising on the Internet, optimizing websites to attract more end users via search engines, and conducting market research through online surveys, and providing information on new products and services to customers acquired through the company’s website.

(2) Information and Communications Service Business

Centering on Vision Inc. and Best Link Inc., we provide services such as subscription agency for various communication services, sales of mobile communication equipment and office automation equipment, and website creation for newly established companies, venture companies, and other general companies.

In an era where information and communications technology is evolving rapidly, the Company aims to accurately grasp customer needs and provides the best products and services in a timely manner. As part of this, we are utilizing web marketing to expand our business to corporations and SOHO* operators, while also strengthening collaboration with 10 sales offices nationwide and many partner companies that provide the Information and Communications Service Business, and leveraging our strengths in being able to conduct door-to-door sales nationwide scale to promote our business.

Additionally, it is important to cooperate between businesses to provide each of the above services with optimum timing to assist with the expansion of businesses such as startups, venture companies, etc. Therefore, we position each of these services as the same segment.

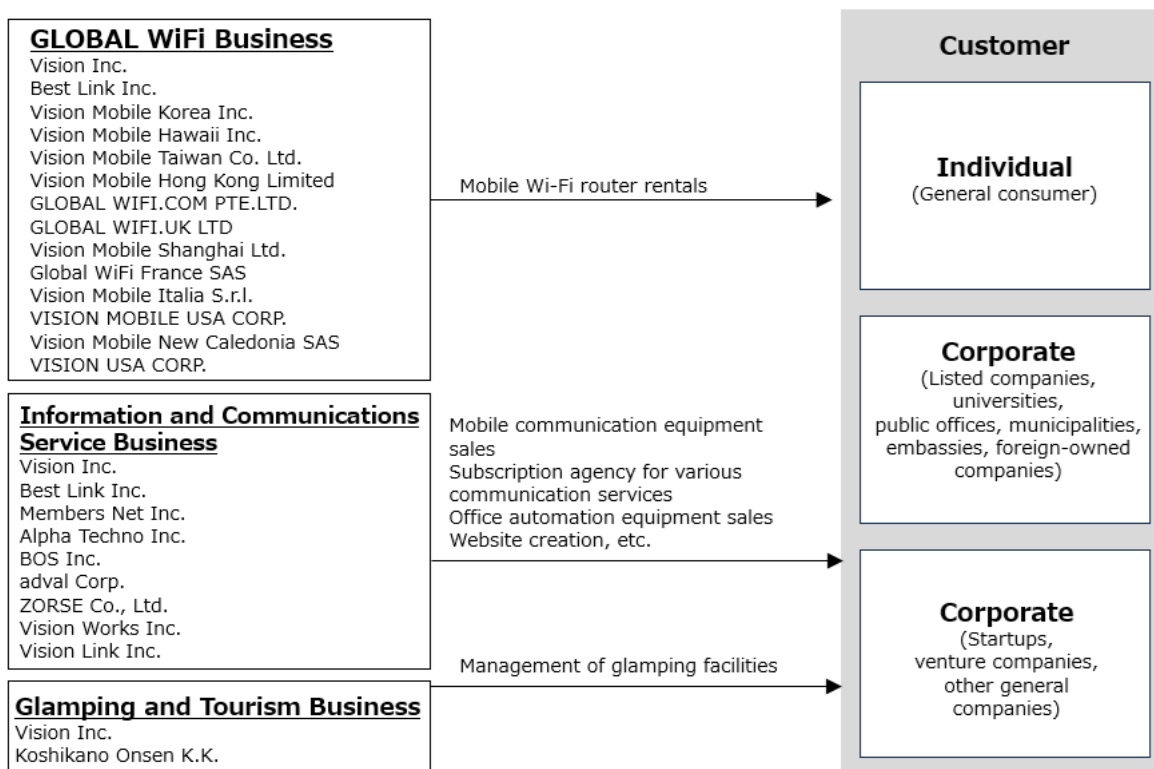
* SOHO (Small Office/Home Office) businesses: A name for businesses that use computers and other information and communications equipment to conduct business in small offices, homes, etc.

(3) Glamping and Tourism Business

Vision Inc. and Koshikano Onsen K.K. operate glamping facilities and expand business that earn revenue to provide accommodation service. In addition, we are working the inbound tourism business targeting foreign visitors to Japan.

Business Organizational Chart

The previously described businesses are organized into the following organizational chart.



* Vision Ad Inc. is engaged in the media business, which is classified as the “other” segment.

* Vision Technologies Inc. and VISION VIETNAM ONE MEMBER LIMITED LIABILITY COMPANY are system development centers and database operators for the Group.

Overview of Office Locations

The Group's office locations within Japan are as follows.

Offices	Sapporo, Sendai, Narita, Shinjuku, Yokohama, Nagoya, Kansai (Osaka), Fukuoka, Vision Future Business Center (Saga), Naha
Glamping Facilities	Yamanakako, Yamanashi Prefecture and Kirishima, Kagoshima Prefecture
Airport Counters (including outsourcing)	Narita Airport, Haneda Airport, Chubu Centrair Airport, Kansai International Airport, Itami Airport (Osaka International Airport), Asahikawa Airport, New Chitose Airport, Sendai Airport, Niigata Airport, Komatsu Airport, Mt. Fuji Shizuoka Airport, Hiroshima Airport, Fukuoka Airport, Kitakyushu Airport, Oita Airport, Kumamoto Airport, Miyazaki Airport, Kagoshima Airport, Naha Airport, Miyako Shimojishima Airport

* Narita is the shipping center for the GLOBAL WiFi Business.

4. Affiliated Companies

Name	Address	Capital (thousands of yen)	Main Business	Voting rights held percentage (%)	Relation Details
(Consolidated Subsidiaries)					
Members Net Inc.	Shinjuku-ku, Tokyo	10,000	Information and Communications Service Business	100.0	New telephone line installation and billing service, etc., Concurrent directors, etc.
Best Link Inc.	Shinjuku-ku, Tokyo	10,000	GLOBAL WiFi Business Information and Communications Service Business	100.0	Outsourcing of administrative operations, Outsourcing of fixed-line communications business, Concurrent directors, etc.
Alpha Techno Inc.	Shinjuku-ku, Tokyo	50,000	Information and Communications Service Business	100.0	Outsourcing of construction work, Concurrent directors, etc.
BOS Inc.	Shinjuku-ku, Tokyo	10,000	Information and Communications Service Business	100.0	Outsourcing of mobile communications business, Concurrent directors, etc.
Vision Ad Inc.	Shinjuku-ku, Tokyo	10,000	Other	60.0	Loan of funds, Concurrent directors, etc.
Vision Technologies Inc.	Shinjuku-ku, Tokyo	10,000	IT Business (Programming, etc.)	100.0	Outsourcing of system and database development, etc.
adval Corp.	Shinjuku-ku, Tokyo	10,000	Information and Communications Service Business	50.1	Loan of funds, Concurrent directors, etc.
Koshikano Onsen K.K.	Kirishima, Kagoshima	53,880	Glamping and Tourism Business	100.0	Loan of funds, Concurrent directors, etc.
ZORSE Co., Ltd.	Miyagino-ku, Sendai, Miyagi	5,000	Information and Communications Service Business	60.0	Outsourcing of sales improvement support services
Vision Works Inc.	Shinjuku-ku, Tokyo	10,000	Information and Communications Service Business	100.0	Outsourcing of bookkeeping services
Vision Link Inc.	Shinjuku-ku, Tokyo	10,000	Information and Communications Service Business	100.0	Outsourcing of bookkeeping services
Vision Mobile Korea Inc.	Seoul, South Korea	Thousands of KRW 300,000	GLOBAL WiFi Business	100.0	Overseas operation base, Concurrent directors, etc.
Vision Mobile Hawaii Inc.	Hawaii, U.S.	Thousands of USD 150	GLOBAL WiFi Business	100.0	Overseas operation base, Concurrent directors, etc.
Vision Mobile Hong Kong Limited	Hong Kong, China	Thousands of HKD 300	GLOBAL WiFi Business	100.0	Overseas operation base, Loan of funds, Concurrent directors, etc.
GLOBAL WIFI.COM PTE.LTD.	Singapore	Thousands of SGD 160	GLOBAL WiFi Business	100.0	Overseas operation base, Concurrent directors, etc.
Vision Mobile Taiwan Co. Ltd.	Taipei, Taiwan	Thousands of TWD 5,000	GLOBAL WiFi Business	100.0	Overseas operation base, Concurrent directors, etc.
GLOBAL WIFI.UK LTD	London, U.K.	Thousands of GBP 40	GLOBAL WiFi Business	100.0	Overseas operation base, etc.
VISION VIETNAM ONE MEMBER LIMITED LIABILITY COMPANY	Ho Chi Minh City, Vietnam	Thousands of VND 2,100,000	IT Business (Programming, etc.)	100.0	Outsourcing of system and database development, etc.
Vision Mobile Shanghai Ltd.	Shanghai, China	Thousands of USD 1,700	GLOBAL WiFi Business	100.0	Overseas operation base, Concurrent directors, etc.
Global WiFi France SAS	Paris, France	Thousands of EUR 220	GLOBAL WiFi Business	100.0	Overseas operation base, Loan of funds, Concurrent directors, etc.
Vision Mobile Italia S.r.l.	Milan, Italy	Thousands of EUR 220	GLOBAL WiFi Business	100.0	Overseas operation base, Concurrent directors, etc.

VISION MOBILE USA CORP.	California, U.S.	Thousands of USD 470	GLOBAL WiFi Business	100.0	Overseas operation base, Concurrent directors, etc.
Vision Mobile New Caledonia SAS	Noumea, New Caledonia	Thousands of XPF 1,000	GLOBAL WiFi Business	100.0	Overseas operation base, Concurrent directors, etc.
VISION USA CORP.	New York, U.S.	Thousands of USD 300	GLOBAL WiFi Business	100.0	Overseas operation base
(Equity-method affiliates) eeceats Co., Ltd.	Toshima-ku, Tokyo	10,000	Information and Communications Service Business	50.0	Concurrent directors, etc.

(Note) None of the companies have submitted a securities registration statement or securities report.

5. Employees

(1) The Group - Consolidated Basis

As of December 31, 2024

Segment	Number of Employees
GLOBAL WiFi Business	222 (47)
Information and Communications Service Business	376 (80)
Glamping and Tourism Business	37 (31)
Total Reporting Segments	635 (158)
Other	12 (2)
Corporate (Common)	135 (5)
Total	782 (165)

(Note) 1. The number of employees does not count employees who have transferred to other companies from the Group and does not include employees who have transferred to the Group from other companies.

2. The figures in parentheses in the "Number of Employees" column represent the annual average number of temporary employees (converted to 8 hours per day).

3. The Corporate (Common) segment consists of employees in administrative departments such as general affairs and accounting.

(2) The Company - Non-consolidated Basis

As of December 31, 2024

Number of Employees	Average Age	Average Employment Length (year)	Average Annual Salary (thousands of yen)
593 (116)	35.1	7.5	5,719

Segment	Number of Employees
GLOBAL WiFi Business	197 (41)
Information and Communications Service Business	293 (55)
Glamping and Tourism Business	28 (13)
Total Reporting Segments	518 (109)
Other	12 (2)
Corporate (Common)	63 (5)
Total	593 (116)

(Note) 1. The number of employees does not count employees who have transferred to other companies from the Company and does not include employees who have transferred to the Company from other companies.

2. The figures in parentheses in the "Number of Employees" column represent the annual average number of temporary employees (converted to 8 hours per day).

3. Average annual salary includes bonuses and extra wages.

4. The Corporate (Common) segment consists of employees in administrative departments such as general affairs and accounting.

(3) Labor Union

There is no labor union.

Additionally, the relationship between labor and management is strong and there are no special matters of note.

(4) Percentage of female workers in management positions, percentage of male workers taking childcare leave, and differences in wages between male and female workers

① The Company

FY2024					Supplementary explanation
Percentage of female workers in management positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1, 3)			
		All workers	Permanent full-time worker	Part-time/ fixed-term workers	
10.0	25.0	63.06	73.53	85.75	A higher percentage of females are part-time / fixed-term workers, and the wage differentials for all workers are larger.

(Note) 1. Calculated in accordance with the provisions of the “Law Concerning the Promotion of Active Roles of Women in Their Professional Lives” (Law No. 64, 2015).

2. Based on the provisions of the “Law Concerning the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Law No. 76, 1991), the percentage of employees who took child care leave, etc. as stipulated in Article 71-4-1 of the “Enforcement Regulations of the Law Concerning the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Ministry of Labor Ordinance No. 25, 1991) was calculated.

3. The difference in wages between male and female workers is the ratio of the average annual wage of females to the average annual wage of males, which is 100.

② Consolidated subsidiaries

Consolidated subsidiaries are not subject to the obligation to disclose information under the provisions of the “Law Concerning the Promotion of Women’s Advancement in Employment” (Law No. 64, 2015) and the “Law Concerning the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Law No. 76, 1991), so this information is omitted.

Item 2: Business Overview

1. Management Policy, Business Environment, Issues to be Addressed, etc.

(1) Management Policy

Under the management philosophy of “To contribute to the global information and communications revolution,” the Group provides the “GLOBAL WiFi Business” that provides an environment for easy and safe use of the Internet around the world, the “Information and Communications Service Business” that provides telecommunications infrastructure suited to the growth stages of companies, and the “Glamping and Tourism Business” that provides a unique and completely private space as an inbound-related service business. The Group aims to be a company that contributes to the world through these businesses.

Future matters in this report are based on the judgment of the Group as of the end of FY2024.

The strength of the Group lies to its business model of “Vision Hybrid Synergy Model.” By utilizing the model, we are effectively expanding both pull-type sales and push-type sales.

Specifically, we are working to improve the order rate by utilizing web marketing to accurately and efficiently capture demand, and by strengthening sales proposal capabilities through close communication with customers by the Customer Loyalty Team (CLT) to understand their requests and issues. Furthermore, each measure seamlessly circulates and interacts with each other to achieve sustainable growth by analyzing the accumulated database and utilizing it in strategic planning.

With these strengths as a background, we are developing our business based on the following basic strategies.

① Niche and Focus Strategy

We discover issues created by gaps in the market and develop new markets. We understand the wants and needs of our targets and use a strategy that combines various marketing initiatives to gain market share.

② Price and Quality / Leadership Strategy

While maintaining the quality of service, we will thoroughly pursue production efficiency, diversify monetization points, and further reduce procurement costs through volume discounts. This will establish a competitive advantage in price competition.

③ Up-selling / Cross-selling Strategy

Through communication with customers, we understand the attractiveness of products and points for improvement, and provide services at the appropriate timing and price. This maximizes customer lifetime value and builds long-term relationships.

(2) Business Environment

Japanese economy has been slowly recovering, although there are some signs of a standstill.

However, there is a risk that downturn in overseas economies, such as the continued high interest rates in Europe and the United States and the continued stagnation of the real estate market in China, will put downward pressure on the Japanese economy. In addition, it is important to remain vigilant of the impact of factors such as rising prices, future policy trends in the United States, the situation surrounding the Middle East, and fluctuations in the financial and capital markets.

In this economic environment, the Group believes that it is important for us to develop our business activities while improving productivity in our existing businesses and expanding new businesses and services.

Furthermore, in order to put sustainability management into practice, the Group has established a “Sustainability Committee,” aiming to contribute to the global environment and realize a sustainable society and economic growth and will enhance the value of our presence in society by contributing to the ideal universal humankind, “sustainable growth,” through our business.

(GLOBAL WiFi Business)

In this business environment, there has been a strong recovery in travel demand, particularly inbound. The number of foreign visitors to Japan has reached a new annual record high. On the other hand, the number of Japanese travelers is still recovering at 64.8% compared to 2019, but it has increased significantly by 35.2% compared to the previous year, and the recovery trend continues, especially since July, when the number of Japanese travelers has reached a level of more than 1 million per month.

In this business, in order to respond to various telecommunication demands for outbound, inbound, and domestic use, we offer various telecommunication plans that meet the needs of our customers. Additionally, we are promoting a low-cost operations by controlling telecommunications costs by reviewing procurement terms and improving the efficiency of data operations, unmanned airports, and reducing outsourcing costs by expanding in-house production of shipping. This will reduce the impact of higher purchase prices for overseas telecommunications costs due to the weak yen, and enable us to provide safe and secure services to more customers at competitive prices.

(Information and Communications Service Business)

Although the economy is in a gradual recovery trend, there are signs of weakness in domestic demand such as consumer spending and capital investment.

In this business segment, we provide services that are not easily affected by the economy, leading to “sales improvement,” “cost reduction,” “business efficiency improvement,” “communication revitalization,” and “DX (Digital Transformation) promotion” for our customers.

In addition, our multiple business segments allow us to flexibly respond to changes in the external environment, such as economic conditions and market trends.

We will aim to achieve further growth by expanding sales of in-house developed recurring-revenue services in order to maximize customer lifetime value (CLV), with the aim of realizing future up-selling and cross-selling, reducing long-term cancellation rates, and building a stable revenue base through recurring-revenue products.

(Glamping and Tourism Business)

We are approaching the domestic travel market, which exceeds 25 trillion yen, by developing glamping facilities based on a unique concept equipped with exclusive open-air baths.

In this business, the Glamping Business has been established as a new accommodation category, and in order to achieve sustainable growth, the Company will strive to differentiate its facilities by making the most of our unique features, while also systematically implementing effective capital investments.

(3) Objective Indicators for Judging Whether Management Goals are Achieved, etc.

The Group has set a target for operating profit to continuously increase profitability in its core business. In addition, since the operating profit margin depends on the composition ratio of the products we handle, we consider it to be a certain factor in management decisions although we have not set a target so as not to impair customer needs.

	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecast
Operating profit (millions of yen)	103	1,105	2,414	4,280	5,365	6,439
Operating profit margin (%)	0.6	6.1	9.5	13.5	15.1	16.1

(4) Priority Business and Financial Issues to be Addressed

① Increase in brand awareness

For the Company, an issue is to ensure high growth potential in addition to stable growth.

To achieve this, we believe that it is essential to increase in brand awareness of “GLOBAL WiFi” in order to promote increased usage of the various services we operate.

Additionally, in order to more effectively expand our business, including through alliances with major companies, and to recruit talented personnel, we believe it is also important to increase awareness of the Company “Vision” itself. We will actively continue to promote PR and IR activities to increase the visibility of our services and company name.

② Securing a stable income

For the Company, an issue is to secure a stable income.

To achieve this, we will strengthen sales of our in-house permanent type “GLOBAL WiFi for Biz” for corporate customers, expand the range of products we handle in the Information and Communications Services Business, and broaden our sales channels. Furthermore, by promoting sales expansion and continued use of in-house recurring revenue-type service, we will increase stable

recurring revenue and build a stable revenue base for the long term.

Moreover, we will work on this issue by strengthening organizational risk management and promoting thorough quality control.

③ Securing competent human resources

For the Company, an issue is securing competent human resources to ensure stable growth and high growth potential.

As we recently expanded into New York, we recognize that recruiting competent, enthusiastic personnel is an important issue in promoting future growth, including global expansion. We will continue to create and operate an environment and system that enables employees to work with high motivation.

④ Strengthening our corporate governance system

For the Company, an issue is strengthening our corporate governance system to achieve sustainable growth of the Group and improve our corporate value.

We will aim to build a system for rapid decision-making and business execution, as well as a system for appropriate supervision and monitoring of those. From the perspective of ensuring the soundness and transparency of management, we will continue to work to strengthen our corporate governance system in line with the scale of our business.

Furthermore, with the expansion of the company's scale, the increase in the affiliated companies, and the development of business overseas, the importance of internal controls has been growing. Therefore, we will continue to strengthen internal controls across the entire group.

⑤ Business expansion through M&A

There are certain business areas in which the Group has yet to demonstrate its competitiveness, and this is an issue.

We believe that M&A is an effective means to develop new business fields in the future. We will evaluate the businesses of target companies while taking into consideration synergies with existing businesses, and promote M&A strategies that contribute to increasing our corporate value.

2. Approach to Sustainability and Initiatives

The Group's philosophy and efforts on sustainability are as follows.

The forward-looking statements in the text are based on our judgment as of the end of FY2024.

(1) Sustainability

Under the Vision Group Sustainability Basic Policy, the Group positions sustainability as an important management issue and is promoting it.

< Vision Group Sustainability Basic Policy >

Vision Group's management philosophy is "To Contribute to the Global Information and Communications Revolution." Based on this philosophy, the Group regards sustainability initiatives as an important management issue and conducts management with an emphasis on sustainability.

Specifically, we will contribute to the universal philosophy of "sustainable growth" through our business, with the aim of contributing to the global environment and realizing a sustainable society and economic growth.

① Governance

The Group has established the "Sustainability Committee" chaired by the Representative Director and President and made up of executive officers, heads of each business department, presidents of group companies, and other individuals designated by the Representative Director and President as necessary function.

We also incorporate the advice of outside experts, Outside Directors, and Audit & Supervisory Board Members as necessary to ensure fair and appropriate deliberations.

Specifically, project members identify sustainability issues, including climate change, human rights policy, and human capital, consider countermeasures, and grasp and analyze the status of initiatives. They identify medium- to-long-term sustainability issues (materiality) and oversee the degree of impact that specific business activities based on these on the environment and stakeholders and regularly report and discuss these at the Board of Directors' meeting.

In FY2024, we brought up sustainability-related issues to the Board of Directors three times (formulation of the Basic Sustainability Policy (March), establishment of the Sustainability Committee (April), and formulation of the Human Rights Policy (December)), and the Sustainability Committee was held once (to discuss the formulation of the Human Rights Policy (September)).

② Strategy

The Group's slogan (Vision's Slogan), "Vision for the future, created with the diverse societies as a member of the planet," is important guideline for our business activities. Based on this slogan, in consideration of the SDGs (Sustainable Development Goals) adopted by the United Nations, we have formulated "Fundamental Activities" and "Value Creation" as issues that should be addressed as priorities. Regarding the identification of materiality and other, we primarily carried out by project members selected from employees and also verified through exchanges of opinions with stakeholders.

Furthermore, the Sustainability Committee and other committees will deliberate on the necessity of reviewing the materiality in consideration of changes in social conditions and the Group's business situation.

The following are the four materialities for the Group.

- Fundamental Activities: Negative / Issues to be Controlled
 - a. Environmental Conservation: Decarbonized society and environmental protection initiatives
 - b. Workstyle Reform: Becoming a company that enables all employees to work in diverse ways and with peace of mind
- Value Creation: Plus / Providing Value
 - c. Regional Revitalization: Contributing to the economic activities of local communities as a whole by creating jobs
 - d. Creating the Future: Contributing to society through supporting children, who are the future leaders of our society, and medical care

The Group is taking the following steps regarding the above.

Regarding Fundamental Activities, first of all, we are strengthening our efforts to realize a decarbonized society.

We have set greenhouse gas emission reduction targets and obtained SBT (Science Based Targets) certification, and have been working to calculate CO₂ emissions since FY2023. Furthermore, we conducted a scenario analysis in accordance with the TCFD recommendations to identify climate change risks and opportunities. Based on these efforts, we will strive to reduce our environmental impact by taking concrete measures.

Next, we respect the human rights of all people involved in our business activities and strive to create an environment where everyone can be themselves and work with peace of mind. The ratio of female managers is on the rise as we create a comfortable working environment for talented people regardless of gender through support for career development and other programs. Please refer to “(3) Human capital strategy.”

Regarding Value Creation, we will strive to communicate with local communities and promote sustainable contributions to local communities by implementing social contribution activities that take advantage of our business characteristics.

By establishing a call center and in-house nursery school in Saga Prefecture, and opening and operating glamping facilities in Kagoshima and Yamanashi Prefectures, we are working to create jobs and support children who will lead the future, attract more customers and increase awareness, thereby revitalizing the local economy and realizing regional development.

We also provide support to medical organizations engaged in public interest activities, financial assistance for disasters, and sponsorship of local sporting events.

③ Risk Management

The Group has established the “Risk Management Committee,” which is chaired by the Representative Director and President and consists of executive officers, heads of each business department, presidents of group companies, and other individuals designated by the Representative Director and President as necessary function. The Committee deliberates, supervises and promotes issues related to risk management and other matters of the Group, determines important risks that must be addressed on a company-wide basis and prioritized for action.

(2) Strategy on Climate Change

① Governance

For governance in climate change, please refer to “Item 1: Company Information Part 2: Business Overview 2. Approach to Sustainability and Initiatives (1) Sustainability ① Governance.”

② Strategy

a. Scenario analysis overview

With the 1.5°C and 4.0°C scenarios* for future climate change, the Group identified risks and opportunities anticipated for each stakeholder in the value chain and examined them from each perspective of transition risk and physical risk.

The main scenarios used are as follows:

Transition risk: Use the SDS (Sustainable Development Scenario), which aims to limit global temperature rise to 2.0°C while making best efforts to keep it to 1.5°C as specified in the Paris Agreement (adopted in 2015), and the NZE (Net Zero Emissions) 2050, which aims to achieve net zero emissions in 2050, out of the WEO (World Energy Outlook, a publication that compiles economic outlooks for major countries, etc. issued by the International Monetary Fund) of the International Energy Agency (IEA).

Physical risk: Use the United Nations Intergovernmental Panel on Climate Change (IPCC) 8.5 scenario.

* Paris Agreement targets and the 1.5°C and 4°C scenarios

The agreement aims to limit global temperature rise to 2.0°C above pre-industrial levels while making best efforts to keep it to 1.5°C. To achieve this, each country has set greenhouse gas reduction targets. (1.5°C scenario)

In order to keep the temperature rise within 1.5°C, it is necessary to reduce CO₂ emissions to virtually zero (net zero) by 2050.

(4°C scenario)

If current emissions rates continue, the global average temperature could rise by more than 4°C by the end of the 21st century.

The 1.5°C scenario is the ideal target for minimizing the impacts of climate change, while the 4°C scenario is the “worst case scenario if no action is taken.”

b. Climate-related risks, opportunities, impacts and measures

The risks and opportunities associated with each scenario are in the following table.

< Risks and opportunities >

Risks and opportunities item		Scenario	Risk details	Time axis	Impact level on business / financial performance (operating profit)	Examples of measures
Transition Risk	Policies and Regulations	1.5°C	• Carbon tax introduced and price increases due to its price pass-through.	Short	Small	• Promote initiatives towards decarbonized society.
	Technology and Market		• Increase costs due to rising prices of semiconductors that use water during production. • Increase costs of expanding new businesses that generate new profit if business profits are pressured due to rising semiconductor prices. • Increase costs due to rising energy prices.	Mid	Large	• Understand market trends through communication with business partners. • Review products offered. • Review procurement standards, etc.
	Reputation		• Be evaluated as a company that is not working on sustainability, loss of trust from stakeholders, loss of business opportunities, and decline in corporate value.	Long	Medium	• Enhance sustainability disclosure.
Physical Risk	Acute	4°C	• Increase the cost of business continuity measures by increasing serious disaster.	Short	Large	• Promote disaster prevention measures. • Strengthen BCP (Business Continuity Plan) response capabilities in the event of disaster.
	Chronic		• Increase electricity and other costs at each office by rising temperature. • Increase health risks for employees, such as heat stroke.	Mid	Small	• Promote energy saving. • Ensure heat stroke prevention, ensure and improve operational efficiency through DX promotion, etc.
Opportunity			• Provide added value that is environmentally friendly, which will be appreciated by the market and lead to increased customer loyalty. • Improve earnings by promoting energy conservation and resource conservation.	Long	Medium	• Establish an internal structure for launching new environmentally friendly businesses. • Strengthen sales of energy-saving products, etc.

③ Risk Management

a. Identification of risks and opportunities

The Group evaluates and identifies the risks and opportunities which have identified from two perspectives: the level of expected impact on business / financial performance (operating profit), and the expected time axis.

The level of expected impact on business / financial performance (operating profit)

Evaluation	Impact level	Impact level on business / financial performance (operating profit)
Large	Significant impact across the Company	Over 1 billion yen
Medium	Damage across the Company	Over 100 million yen
Small	Damage not reaching across the Company	Less than 100 million yen

The expected time axis

Evaluation	Time axis
Short	Less than 3 years
Mid	4 years to less than 10 years
Long	More than 11 years ahead

④ Indicators and Targets

The Group has set the following indicators and targets.

Regarding the results of this tabulation, in Scope 1 and Scope 2, emissions increased from the previous year due to the opening of a glamping facility in Yamanakako, Yamanashi Prefecture in December 2022.

Additionally, the major source of emissions for Scope 3 is Category 1, which includes outsourcing costs and MFPs to be sold. Since Category 1 is expected to continue to increase as the scale of our business expands, we will continue to consider emission reduction measures while taking economic rationality into account.

Classification			FY2022 Result (t-CO ₂ e)	FY2023 Result (t-CO ₂ e)	FY2030 Target (SBT)
Scope 1			238.53	590.28	4.2% reduction per year
Scope 2 (Location-based)			1,097.61	1,617.32	4.2% reduction per year
Scope 2 (Market-based)			1,048.10	1,558.88	4.2% reduction per year
Scope 3	Category 1	Purchased products and services	26,180.73	37,177.03	2.5% reduction per year
	Category 2	Capital goods	5,166.57	5,330.78	
	Category 3	Fuel and energy related activities not included in Scope 1 and 2	187.54	321.42	
	Category 4	Transportation and delivery (Upstream)	1,370.28	2,492.25	
	Category 5	Waste from business	348.37	817.71	
	Category 6	Business trip	394.09	540.34	
	Category 7	Commuting to work	75.85	102.76	
	Category 8	Leased assets (Upstream)	Not subject to calculation	Not subject to calculation	
	Category 9	Transportation and delivery (Downstream)	1.14	8.93	
	Category 10	Processing of sold products	Not subject to calculation	Not subject to calculation	
	Category 11	Use of sold products	3,222.27	605.17	
	Category 12	Disposal of sold products	100.53	11.01	
	Category 13	Leased assets (Downstream)	553.22	1,515.88	
	Category 14	Franchise	Not subject to calculation	Not subject to calculation	
	Category 15	Investment	105.25	105.94	
Total			37,705.83	49,029.22	

- (Note) 1. The figures for FY2022 in the FY2023 Annual Securities Report are based on the Company's non-consolidated scope. In the calculation of Scope 3, categories 1, 11, 12, 13, and 15 are not included.
2. The figures for FY2022 and FY2023 in the FY2024 Annual Securities Report are compiled to the extent that major subsidiaries are also included. In FY2023, one new subsidiary (ZORSE Co., Ltd.) was added to the total.
3. Scope 3 categories 8, 10, and 14 are excluded from the calculation, as they are not relevant to our business.

(Base year for calculation)

January 1 to December 31, 2022

(Base factors used to calculate emissions)

International Energy Agency CO2 Emissions Factors

Heat conversion factor and carbon emission factor stipulated in the Law concerning the promotion of Global Warming measures

(3) Human Capital Strategy

① Governance

For governance in human capital, please refer to "Item 1: Company Information Part 2: Business Overview 2. Approach to Sustainability and Initiatives (1) Sustainability ① Governance."

② Strategy

a. Policy on human resource development, including ensuring diversity of human resources

In order to realize the Group's "Management Philosophy: To contribute to the global information and communications revolution," we have formulated an educational policy, which is our approach to "human resource development."

(a) Educational policy

"Employees (human resources) are the most important asset of the Company, and improving employee engagement leads to increased loyalty to the Company, which in turn leads to the Company's sustainable growth."

To achieve this, it is important for the Company to provide an education and training for each employee to realize their own goals.

(b) To be implemented through the education system

To realize our education policy, we provide training programs such as position-based training, task-based training, and e-learning training.

In addition, we will strengthen the literacy necessary to be an employee of a listed company and support the development of individual skills. Through these education and training programs, we aim to enhance sustainable corporate value.

b. Policy on internal environmental improvement

The Group sees all employees as important stakeholders, recognizes diverse ways of working, and aims to create an environment in which employees can work with peace of mind.

Therefore, we have formulated the "Vision group human rights policy" in the belief that respect for human rights is foundation of all business activities in the Group, including as a means of showing our employees respecting human rights.

To improve our internal environment, we conduct "Organizational Survey" every month to gather feedback from our employees and create a comfortable working environment.

Furthermore, we have introduced a new company-wide unified evaluation system for employees, and have revised the system so that it better reflects wages and other benefits. We have implemented a system that clarifies the criteria for personnel evaluation, which helps employees determine the direction they should aim for and increase their satisfaction.

③ Risk Management

For risk management in human capital, please refer to "Item 1: Company Information Part 2: Business Overview 2. Approach to Sustainability and Initiatives (1) Sustainability ③ Risk Management."

④ Indicators and Targets

The Group has set the following indicators to measure the progress of policy on human resource development, including ensuring diversity of human resources, and policy on internal environmental improvement, as described in “(1) ② Strategy” and “(3) ② Strategy.”

Classification	Target	FY2023 Result	FY2024 Result	FY2026 Target
Percentage of female managers	8.0%	8.5%	10.0%	12.0% or more
Male childcare leave rate	10% or more	61.5%	25.0%	Maintain 40% or more
Percentage of annual paid leave taken	Promotion of leave taking	66.8%	79.8%	Continued promotion
Average monthly overtime	Time reduction	19.58 hours	19.02 hours	Continued reduction

3. Business Risks

The following is a list of major risks that management believes may have a significant impact on the consolidated company's financial position, business performance, and cash flow status, among other matters related to business and accounting conditions described in the Annual Securities Report. However, this is not a complete list of all risks related to the Group, there are some risks that we have judged to be immaterial now, and there are also risks that are difficult to foresee.

Matters in concerning the future in this document are based on the judgment of the Group as of the end of FY2024.

(1) Risks relating to business activities

① Risks in the GLOBAL WiFi Business

a. Purchase terms and conditions from telecommunications carriers, etc.

The Group purchases telecommunication services from telecommunication carriers around the world, but there is no guarantee that the Group will be able to renew these services under the same purchasing conditions as before. Furthermore, changes in the business policies of telecommunications carriers may force us to change our purchasing conditions to those that are less favorable than before. If the Group's purchasing conditions from carriers deteriorate, it may affect the Group's business performance and financial position.

b. Exchange rate fluctuations

The Group conducts transactions denominated in foreign currencies. As a result, income, expenses, assets, and liabilities are denominated in foreign currencies. Although the Group hedges risks through forward exchange contracts and other means to reduce the impact of exchange rate fluctuations, sharp fluctuations in exchange rates could affect the Group's business performance and financial position.

c. Impact of competitors

There are competing companies operating mobile Wi-Fi router rental businesses for both domestic and international travelers, like the Group. We are working to differentiate its services in terms of the number of areas served, service prices, transmission speed and quality, and additional services, and will continue to further improve its services and strengthen its brand power.

However, the Group's business performance and financial position may be affected by a decline in profitability due to intensified competition from competitors, including new entrants from other industries, and an increase in advertising expenses.

d. Alliance and cooperative relationships

To strengthen its international competitiveness, the Group has formed various alliances and collaborations with business partners such as sales agents and partner companies, through which it develops products and services, and develops and expands its sales and service systems. As of the filing date of this report, the relationship with business partners is good, but if the expected effects are not achieved, or if the alliance or cooperative relationship is dissolved for some reason, the business results and financial position of the Group may be affected.

e. Wi-Fi routers

The Group purchases Wi-Fi routers from telecommunication carriers and manufacturers around the world. The average service life of Wi-Fi routers is about 2 years* due to battery and casing deterioration. They are recorded as rental assets and amortized. The Group's business performance and financial position may be affected if the deterioration rate of purchased Wi-Fi routers accelerates or the development cycle of Wi-Fi routers is shortened due to technological innovation.

In addition, we are increasing purchases in accordance with appropriate sales forecasts to prevent lost sales opportunities due to out-of-stocks and excess inventory. However, the increased complexity of management associated with increased inventory may hinder proper management.

* Although some Wi-Fi routers with replaceable batteries can be used for more than two years, they may become unsuitable as rental products due to scratches. Therefore, we limit their use to about two years.

f. Other risks surrounding the business

In addition to the above, other risks surrounding our business include changes in world affairs, such as terrorism and war, and damage to travel infrastructure due to natural disasters, such as earthquakes and typhoons, which could affect the Group's business performance and financial position if they cause a sharp decline in willingness to travel abroad.

In addition, we will pay particular attention to the rising geopolitical risks, such as the situation in Ukraine, the situation in the Middle East, political and economic conflicts between the U.S. and China, the Taiwan-China issue, and the test-firing of missiles by North Korea.

② Risks in the Information and Communications Service Business

a. Commissions received from telecommunications carriers, etc.

The Group receives commissions from telecommunications carriers or primary agents for brokering subscription contracts for services provided by telecommunication carriers. The terms and conditions of the received commissions vary depending on the telecommunications carriers, and a significant change in the terms and conditions due to a change in the management policy of the carriers may affect the business performance and financial position of the Group.

b. Terms and conditions for purchasing information and communication equipment

In the case of information and communication devices such as MFPs, business phones, and network devices, delay or shortages in product deliveries due to the situation of our suppliers may result in delays in deliveries to customers or cancellations etc.

We have diversified our procurement sources and leveraged the strength of handling multiple services, including alternative products, without depending on a single source, and have been flexibly responding to changes in the external environment. However, if increases in unit procurement costs due to intensified competition become worse than expected, the Group's business performance and financial position could be adversely affected. This could have a negative impact on the business.

③ Risks in the Glamping and Tourism Business

a. Damage and deterioration of facilities

The Group has established a system to minimize the impact on business activities in the event that is deemed necessary to be assumed. However, it is possible that a situation beyond our assumptions may occur in the event of a natural disaster such as a typhoon or earthquake. Therefore, if such a situation were to occur, it could affect the Group's business performance and financial position.

b. Food poisoning

If a food poisoning incident were to occur due to new pathogens or defects in food sanitation management, the Group's business performance and financial position could be affected due to a loss of brand image. In order to prevent such incidents from occurring, we regularly provide guidance and employee training to raise awareness of food management.

④ Risk of bad debts such as trade receivables

The Group provides services to many customers in Japan and overseas. Although the expansion of business performance, especially installment sales of office automation equipment, trends to increase trade receivables, we prepare for losses from bad debts by conducting adequate credit management and providing a certain amount of allowance for doubtful accounts for trade receivables and other receivables. However, the occurrence of bad debt losses or an increase in the allowance for doubtful accounts due to changes in the debtor's situation may affect the Group's business performance and financial position.

⑤ Risks relating to business alliances and mergers and acquisitions

The Group considers business alliances and mergers and acquisitions to be effective means of quickly expanding its business. When implementing these, we conduct meticulous due diligence on the financial, legal, and business aspects of the target companies or businesses, and strive to fully understand the investment ROI and risks. However, if the business does not proceed as planned due to changes in the business environment or other reasons, or if problems not recognized in the due diligence are uncovered, there is a possibility of impairment loss or loss on valuation of goodwill, which may affect the financial position and business performance of the Group.

⑥ Risks relating to system troubles

The Group's business relies on the Internet communication network as the foundation of its services. For this reason, we are taking preventive measures, such as monitoring the operating status, to avoid system failures that may interfere with the use of our database and sales website, or system downtime due to cyber-attacks.

In addition, while we do our best to prevent accidental failures such as programming defects, we have established a system that allows us

to respond completely offline by building quick recovery measures in case of an emergency.

However, in the event of a large-scale system failure despite these measures, the provision of services may be hindered, which may have an impact on the business performance and financial position of the Group.

⑦ Risks relating to securing and training human resources

To further strengthen our sales activities and expand our business, we will continue to focus on revitalizing our human resources by strengthening our recruiting activities for new graduates, people with specialized knowledge, and people with language skills to promote our global business, as well as by implementing training programs according to the level of employees. We have also strengthened our training system, worked to make evaluations more transparent and fairer, and established a reporting and consultation desk in cooperation with experts to prevent resignations. However, if the recruitment plan and human resource development based on the above policies do not proceed as planned, or if the number of retirees increases beyond expectations, the business performance and financial position of the Group may be affected.

⑧ Risk relating to legal regulations

The Group's business is subject to legal regulations such as "Act against Unjustifiable Premiums and Misleading Representations," "Act on Specified Commercial Transactions," "Telecommunications Business Act," "Food Sanitation Act," and "Hotel Business Act." In addition, in the GLOBAL WiFi Business, we purchase telecommunication services from local telecommunication carriers around the world and are subject to the laws and regulations of each country. In the future, unpredictable changes in these laws and regulations or new establishment of such laws and regulations may lead to restrictions on the Group's business activities or an increase in costs for compliance with legal regulations, which may have an impact on our business performance and financial position.

⑨ Protection of personal information

The Group holds personal information, and in addition to complying with laws and regulations regarding the protection of personal information about the prevention of leaks of personal information, we have established a personal information protection policy and take the utmost care in handling personal information. However, in the event of a large-scale leakage of personal information for any reason, the Group may lose credibility and incur compensation costs, which may affect the Group's business performance and financial position.

⑩ Lawsuit

The Group has established a code of conduct and strives to conduct its business activities with integrity by promoting compliance. However, we believe that there is a risk of unforeseen problems and lawsuits with users, business partners, and other third parties, regardless of whether the Group's officers and employees violate laws and regulations.

Depending on the nature and outcome of the lawsuits, the business performance and financial position of the Group may be affected.

(2) Others

Dilution of share value due to exercise of share acquisition rights

The Group issues share acquisition rights through stock options to its Directors and employees with the aim of motivating them to improve performance. As of December 31, 2024, the number of shares to be issued upon exercise of the share acquisition rights is as follows; "Item 4: Status of the Company 1. Stocks, etc. (2) Share acquisition rights, etc." However, if these share acquisition rights are exercised, the total number of outstanding shares may increase and the value per share may be diluted.

4. Management’s Analysis of Consolidated Financial Condition, Results of Operations, and Cash Flow Conditions

(1) Overview of business results

The consolidated financial condition, results of operations, and cash flow conditions (hereinafter referred to as “operating results”) of the Group (the Company and its subsidiaries) in FY2024.

① Financial position and operating results

For the fiscal year ended December 31, 2024, the Japanese economy had been recovering moderately, although some standstills remain. However, the downturn in overseas economies, including the continued high level of interest rates in Europe and the U.S. and the effects associated with the continued stagnation of the real estate market in China, poses downward pressure risks to the economy. It is important that we pay close attention to the effects of rising prices, future policy trends in the U.S., the situation in the Middle East, and fluctuations in financial and capital markets, etc.

Within this economic environment, the Group has focused on its core business, the GLOBAL WiFi Business, the Information and Communications Service Business, and the Glamping and Tourism Business, and strived to respond flexibly to consumer needs.

As a result, net sales, operating profit, ordinary profit, and profit attributable to owners of the parent company for the fiscal year ended December 31, 2024 all exceeded the results of the previous year.

In the GLOBAL WiFi Business, we had received orders from the Ministry of Health, Labour and Welfare for the operations of the Tokyo Airport Quarantine Office, etc. (quarantine support operations, hereinafter referred to as the “support operations”), and recorded net sales of approximately 1.8 billion yen and operating profit of approximately 550 million yen for the fiscal year ended December 31, 2023. However, the positioning of COVID-19 has been lowered to Category V Infectious Diseases, and the support operations, etc. are not currently provided. Based on the above, actual results after deducting the amount of support operations, etc. provided were substantially higher than in the previous year, with net sales increasing approximately 5.54 billion yen (up 18.5% year on year) and operating profit increasing approximately 1.63 billion yen (up 43.8% year on year).

	Fiscal year ended December 31, 2024 (Millions of yen)	Fiscal year ended December 31, 2023 (Millions of yen)	Change (Millions of yen)	YoY (%)
Net sales	35,528	31,807 [29,982]	3,721 [5,546]	11.7 [18.5]
Operating profit	5,365	4,280 [3,730]	1,084 [1,634]	25.3 [43.8]
Ordinary profit	5,422	4,337	1,084	25.0
Profit attributable to owners of parent	3,375	3,025	349	11.6

* The amount in [] is the amount of support operations, etc. performed in the previous fiscal year is deducted.

Business results by segment are as follows.

(GLOBAL WiFi Business)

For the fiscal year ended December 31, 2024, there had been a high recovery trend in travel demand, particularly in inbound travel. The number of foreign visitors to Japan totaled 36.86 million for the year, up 47.1% from the previous year and up 15.6% from 2019, exceeding the previous record of 31.88 million in 2019 by approximately 5 million, setting a new annual record.

The number of outbound Japanese travelers totaled 13 million for the year, which is still recovering at 64.8% compared to 2019, but is growing at 35.2% compared to the previous year, especially since July, exceeding 1 million monthly travelers. (Source: Japan National Tourism Organization (JNTO))

In this environment, in the inbound business, sales of “NINJA WiFi,” a Wi-Fi rental service for foreign visitors to Japan, and sales from SIM card vending machines installed at airport counters remained steady. In addition, at Kansai International Airport, we are working to strengthen our revenue base at airport counters by doubling the sales floor space.

In the outbound business, the coverage area of the “Unlimited Data Plan” was expanded to 128 countries and regions, and the coverage area of the “5G Plan,” which enables high-speed data communication, was also expanded to 50 countries and regions. The Average Revenue Per Use remained at a high level due to strong corporate demand and high demand for the “Unlimited Data Plan (4G and 5G).” We are also focusing on the sales of “World eSIM” as a new service, which is also performing well.

As a result, both net sales and segment profit for the fiscal year ended December 31, 2024 significantly exceeded those of the previous year.

GLOBAL WiFi Business	Fiscal year ended December 31, 2024 (Millions of yen)	Fiscal year ended December 31, 2023 (Millions of yen)	Change (Millions of yen)	YoY (%)
Net sales	19,875	18,728 [16,903]	1,147 [2,971]	6.1 [17.6]
Segment profit	5,987	5,032 [4,482]	954 [1,504]	19.0 [33.6]

* The amount in [] is the amount of support operations, etc. performed in the previous fiscal year is deducted.

(Information and Communications Service Business)

According to the “178th Survey of Business Conditions of Small and Medium Enterprises,” the business conditions DI (Diffusion Index: Index of various estimations by companies on business conditions, facilities, excess or deficiency of employees, etc.) for all industries of small and medium-sized enterprises (SMEs), which are the main service sectors provided by our business, declined 18.0 points in the October-December 2024 period from the previous year.

In this business environment, we strengthened our sales capabilities by actively promoting mid-career recruitment. As a result, sales of office automation equipment and mobile communications equipment and the electricity agency business (Eco-solution business) performed well. In addition, we have focused on expanding sales of in-house developed recurring-revenue services in order to maximize lifetime value (customer lifetime value), with the aim of achieving future up-selling and cross-selling, reducing long-term churn rates, and building a stable revenue base through recurring-revenue products.

As a result, both net sales and segment profit for the fiscal year ended December 31, 2024 exceeded those of the previous year.

Information and Communications Service Business	Fiscal year ended December 31, 2024 (Millions of yen)	Fiscal year ended December 31, 2023 (Millions of yen)	Change (Millions of yen)	YoY (%)
Net sales	14,490	12,108	2,382	19.7
Segment profit	1,693	1,040	652	62.7

(Glamping and Tourism Business)

According to the Japan Tourism Agency’s “Survey on Consumption Trends of Foreigners Visiting Japan,” inbound foreign travel spending in 2024 is estimated to be 8,139.5 billion yen (up 53.4% from the previous year and up 69.1% from 2019).

Looking at the composition of inbound travel spending by expense category, accommodation was the most common, accounting for 33.6%, amounting to 2,736.6 billion yen.

In this business environment, more and more guests are choosing “VISION GLAMPING Resort & Spa Koshikano Onsen” (Kirishima City, Kagoshima Prefecture) and “VISION GLAMPING Resort & Spa Yamanakako” (Yamanakako, Yamanashi Prefecture) opened in December 2022 as their lodging destination, seeking extraordinary experiences not found in existing hotels and inns.

As a result, both net sales and segment profit for the consolidated fiscal year have exceeded those of the previous year.

Glamping and Tourism Business	Fiscal year ended December 31, 2024 (Millions of yen)	Fiscal year ended December 31, 2023 (Millions of yen)	Change (Millions of yen)	YoY (%)
Net sales	1,155	913	242	26.6
Segment profit	119	88	31	35.0

Financial Analysis

(Assets)

Total assets were 25,261 million yen (3,895 million yen more than the end of the previous fiscal year).

Current assets were 19,232 million yen (3,785 million yen more than the end of the previous fiscal year). The main reasons for this were a 1,662 million yen increase in cash and deposits and a 2,474 million yen increase in accounts receivable.

Non-current assets were 6,029 million yen (109 million yen more than the end of the previous fiscal year). The main reasons were a 53 million yen increase in buildings and structures, a 64 million yen increase in rental assets, a 115 million yen increase in land, and a 127 million yen increase in construction in progress, while goodwill decreased by 343 million yen.

(Liabilities)

Total liabilities were 7,370 million yen (611 million more than the end of the previous fiscal year).

Current liabilities were 6,687 million yen (713 million yen more than the end of the previous fiscal year). The main reasons for this were a 233 million yen increase in notes and accounts payable and a 423 million yen increase in provision for shareholder benefit program.

Non-current liabilities were 683 million yen (101 million yen less than the end of the previous fiscal year). The main reason was a 137 million yen decrease in long-term borrowings.

(Net Assets)

Net assets were 17,890 million yen (3,283 million yen more than the end of the previous fiscal year). The main reasons were a 2,482 million yen increase in retained earnings, a 510 million yen increase due to the cancellation of treasury shares, and a 205 million yen increase in share acquisition rights.

② Cash flow conditions

Cash and cash equivalents (hereinafter referred to as “net cash”) at the end of the fiscal year was 11,912 million yen which was 1,502 million yen more than the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash increased as a result of operating activities amounted to 3,116 million yen (net cash increase of 5,054 million yen in the previous fiscal year). This was mainly due to profit before income taxes of 5,305 million yen, depreciation of 705 million yen, and provision for shareholder benefit program of 423 million yen, while there was an increase in accounts receivable of 2,517 million yen and income taxes paid of 1,807 million yen.

(Cash flows from investing activities)

Net cash decreased as a result of investing activities amounted to 1,163 million yen (net cash decrease of 1,840 million yen in the previous fiscal year). This was mainly due to outflows of 1,043 million yen for purchase of property, plant, and equipment, and 228 million yen for payment for guarantee deposits.

(Cash flows from financing activities)

Net cash decreased as a result of financing activities amounted to 478 million yen (net cash decrease of 1,040 million yen in the previous fiscal year). This was mainly due to the repayment of long-term loans payable in the amount of 128 million yen and the dividend payments in the amount of 629 million yen, while income from exercising stock options was 281 million yen.

③ Production, orders, and sales

a. Production results

Not applicable.

b. Purchasing results

The purchasing results organized by segment are as follows.

Segment	Purchase Amount (millions of yen)	YoY (%)
GLOBAL WiFi Business	4,220	9.7
Information and Communications Service Business	4,742	20.1
Glamping and Tourism Business	337	(0.1)
Total	9,299	14.4

(Note) The amount depends on the purchase price.

c. Order results

Since the time from ordering to sales is short, it is omitted.

d. Sales results

The sales results divided into segments are as follows.

Segment	Sales Amount (millions of yen)	YoY (%)
GLOBAL WiFi Business	19,875	6.1
Information and Communications Service Business	14,465	19.7
Glamping and Tourism Business	1,155	128.0
Total Reporting Segments	35,496	11.9
Other	32	(64.3)
Total	35,528	11.7

(Note) 1. Inter-segment transactions are eliminated.

2. Sales by major customers and percentage of total sales

Main Customers	FY2023 (January 1, 2023 - December 31, 2023)		FY2024 (January 1, 2024 - December 31, 2024)	
	Sales (millions of yen)	Ratio (%)	Sales (millions of yen)	Ratio (%)
Members Mobile Inc.	3,185	10.0	—	—

Sales performance of Members Mobile Inc. for FY2024 has been omitted as the proportion of such sales performance to total sales performance is less than 10%.

(2) Management's analysis and discussion of operating results

The following is a description of the recognition, analysis, and discussion of the Group's operating results from the management's viewpoint. Forward-looking statements in the text are based on judgments made as of the end of FY2024.

① Recognition, analysis, and discussion of financial condition and operation results

The financial position and operating results for FY2024 are as described in "Item 2: Business Overview 4. Management's Analysis of Consolidated Financial Condition, Results of Operations, and Cash Flow Conditions (1) Overview of business results."

The Group sets its operating profit target because of the importance it attaches to profitability in its core business of operating activities. Net sales, operating profit, ordinary profit, and profit attributable to owners of the parent company for FY2024 exceeded those of the previous year.

	FY2024 (millions of yen)	Revised Forecast as of June 21 (millions of yen)	Change (millions of yen)	Ratio of Change (%)
Net sales	35,528	36,145	(616)	(1.7)
Operating profit	5,365	5,707	(342)	(6.0)
Operating profit margin (%)	15.1	15.8	—	—
Ordinary profit	5,422	5,738	(316)	(5.5)
Profit attributable to owners of parent	3,375	3,797	(421)	(11.1)

As a result, assets, liabilities, and net assets each increased from FY2023.

The current ratio was 270.2% (233.3% at the end of FY2023), and the shareholder's equity ratio was 69.1% (67.3% at the end of FY2023), ensuring financial soundness.

The factors that have a significant impact on the Group's operating results are as described in "Item 2: Business Overview 2. Business Risks."

Recognition, analysis, and discussion of operating results by segment are as follows.

As a result of the initiatives described in "Item 2: Business Overview 4. Management's Analysis of Consolidated Financial Condition, Results of Operations, and Cash Flow Conditions (1) Overview of business results," the following results were achieved.

Segment Profit	FY2024 (millions of yen)	Revised Forecast as of June 21 (millions of yen)	Change (millions of yen)	Ratio of Change (%)
GLOBAL WiFi Business	5,987	5,890	96	1.6
Information and Communications Service Business	1,693	1,658	34	2.1
Glamping and Tourism Business	119	161	(41)	(25.6)

② Information concerning analysis and examination of cash flow status, financial resources of capital, and liquidity of funds

An analysis of the status of cash flows for FY2024 is described in "Item 2: Business Overview 4. Management's Analysis of Consolidated Financial Condition, Results of Operations, and Cash Flow Conditions (1) Overview of business results ② Cash flow conditions."

The main demand for working capital in the Company's business activities is due to operating expenses such as the purchase of communications and devices for GLOBAL WiFi, installation costs for glamping facilities, selling expenses, general and administrative expenses, as well as development costs for new businesses. The Company's basic policy is to cover these capital needs with its own funds.

③ Significant accounting estimates and assumptions used in making such estimates

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in Japan. In preparing these consolidated financial statements, we use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, but the actual results may differ from the values based on these estimates and assumptions.

Significant accounting estimates and assumptions used in the preparation of the consolidated financial statements are included in "Item 5: Accounting 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements Notes (Significant Accounting Estimates)".

5. Important Management Contracts, etc.

Not applicable.

6. Research and Development Activities

Not applicable.

Item 3: Facility and Equipment

1. Overview of Capital Investment

The capital investment for FY2024 is as follows. In the GLOBAL WiFi Business, investments were made mainly in rental assets to accommodate an increase in the number of device rentals. In the Information and Communications Services Business, the investment was mainly due to an increase in assets related to rental MFPs and space rental. In addition, in the Glamping and Tourism Business, assets related to glamping facilities such as land and buildings have increased. There were no other investments or sales or removal of assets that had a significant impact on management.

Capital investment for FY2024 includes both tangible fixed assets and software.

Segment	FY2024
GLOBAL WiFi Business	770,267 thousands of yen
Information and Communications Service Business	172,467 thousands of yen
Glamping and Tourism Business	129,767 thousands of yen
Total Reporting Segments	1,072,502 thousands of yen
Other and Corporate	3,805 thousands of yen
Total	1,076,308 thousands of yen

2. Major Facility and Equipment

(1) The Company

As of December 31, 2024

Office (Location)	Segment	Summary of Facility and Equipment	Carrying Amount (thousands of yen)							Number of Employees	
			Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land (Area m ²)	Rental assets	Software	Construction in progress		Total
Headquarters, Shinjuku Offices and 3 other locations (Shinjuku-ku, Tokyo)	All Businesses and Corporate	Office equipment, supplies, software	141,274	—	55,176	—	486,199	20,403	—	703,054	391
VISION GLAMPING Resort & Spa Yamanakako (Yamanakako, Yamanashi)	Glamping and Tourism Business	Glamping facility	595,654	67,096	25,069	275,389 (12,946)	—	—	4,419	967,629	11
Call Center (Saga City, Saga)	All Businesses	Call center	151,151	7,093	2,263	33,752 (811)	—	—	—	194,260	32

(Note) There are no major facility and equipment currently out of service.

(2) Domestic subsidiaries

As of December 31, 2024

Company	Office (Location)	Segment	Summary of Facility and Equipment	Carrying Amount (thousands of yen)						Number of Employees
				Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land (Area m ²)	Construction in progress	Total	
Koshikano Onsen K.K.	Koshikano Onsen (Kirishima, Kagoshima)	Glamping and Tourism Business	Glamping and ryokan facility	460,775	2,377	11,239	25,297 (12,660)	8,340	508,030	9

(Note) There are no major facility and equipment currently out of service.

(3) International subsidiaries

There are no major facility and equipment.

3. Plans for New Facility and Equipment Installation or Removal, etc.

Not applicable.

Item 4: Status of the Company

1. Stocks, etc.

(1) Total number of shares, etc.

① Total number of shares

Type	Total number of authorized shares
Common Stock	123,000,000
Total	123,000,000

② Issued shares

Type	Number of issued shares on last day of FY2024 (December 31, 2024)	Number of issued shares on filing date (March 31, 2025)	Name of listed financial exchange or registered financial association	Summary
Common Stock	50,422,000	50,538,100	Tokyo Stock Exchange (Prime Market)	A unit equivalent to 100 shares.
Total	50,422,000	50,538,100	—	—

(Note) Number of issued shares on filing date does not include the number of shares issued by exercising share acquisition rights from March 1, 2025 to the filing date of this Annual Securities Report.

(2) Share acquisition rights, etc.

① Summary of stock options system

Resolution date	Board of Directors Resolution: November 13, 2017
Classification and number of grantees	Directors: 3 Employees: 160
Number of share acquisition rights *	2,128 [1,741] (Note 1)
Type, content, and number of shares subject to share acquisition rights *	Common stock 638,400 [522,300] (Note 1)
Payment amount (yen) when exercising share acquisition rights *	863 (Note 2)
Exercise period of share acquisition rights *	April 1, 2019 – March 31, 2025
Issue price and capital inclusion amount (yen) of shares when issuing shares by exercising share acquisition rights *	Issue price: 868 Capital inclusion amount: 434
Conditions for exercising share acquisition rights *	(Note 3)
Matters concerning the transfer of share acquisition rights *	The transfer of stock acquisition rights requires the approval of the Company's Board of Directors.
Matters concerning the issuance of share acquisition rights related to corporate reorganization *	(Note 4)

* The contents as of the end of FY2024 (December 31, 2024) are described. For matters that have been changed from the end of FY2024 to the end of the month preceding the filing date (February 28, 2025), the numbers as of the end of the month preceding the filing date are shown in []. Other matters remain unchanged from the end of FY2024.

(Note) 1. The number of shares to be issued upon exercise of each share acquisition right is 300 shares.

However, if the Company conducts a stock split (including gratis allotment of shares; hereinafter the same) or a reverse stock split after the allotment date of share acquisition rights, the number of shares to be issued upon exercise of share acquisition rights shall be adjusted in accordance with the following formula. However, such adjustment shall be made only with respect to the number of shares to be issued upon the exercise of share acquisition rights that have not been exercised at the time of the adjustment, and any fraction of less than 1 share resulting from the adjustment shall be rounded down.

Adjusted Number of Shares Granted = Number of Shares Granted before adjustment × Split (or reverse split) ratio

2. If the Company conducts a stock split or reverse stock split after the allotment date of the share acquisition rights, the amount to be paid in shall be adjusted according to the following formula and any fraction less than 1 yen resulting from the adjustment shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Split (or reverse split) ratio}}$$

In the event that the Company issues shares for subscription (including the issuance of shares by gratis allotment of shares and the delivery of treasury shares, but excluding the exercise of share acquisition rights (including bonds with share acquisition rights) and the conversion of securities convertible into common stock of the Company) at a price lower than the market price after the allotment date of share acquisition rights, the subscription amount shall be adjusted in accordance with the following formula, and any fraction of less than 1 yen resulting from the adjustment shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares outstanding} + \frac{\text{Number of new shares issued} \times \text{Amount to be paid in per share}}{\text{Market price per share before issuance of new shares}}}{\text{Number of shares outstanding} + \text{Number of new shares issued}}$$

3. (1) In the event that the operating profit of the Company satisfies the conditions set forth below, the share acquisition right holders may exercise their share acquisition rights in accordance with the conditions satisfied, by multiplying the number of share acquisition rights allocated to each share acquisition right holder by the ratio set forth in each of the relevant items (hereinafter referred to as the “Exercisable Ratio”) from the first day of the month following the filing date of the Annual Securities Report for the fiscal year in which the level of the relevant operating profit is first satisfied.

- ① If operating profit for FY2018 exceeds 2.1 billion yen and operating profit for FY2019 exceeds 2.6 billion yen,
Exercisable ratio: 30%
- ② If operating profit for FY2020 exceeds 3.1 billion yen,
Exercisable ratio: 30%
- If both conditions ① and ② are met, the exercisable ratio shall be 60%.
- ③ Notwithstanding ① and ② above, if operating profit exceeds 3.6 billion yen for any fiscal year from FY2018 to FY2021,
Exercisable ratio: 100%.

In determining operating profit, reference shall be made to operating profit in the consolidated statements of income (or statements of income, if consolidated statements of income are not prepared) as stated in the Company's Annual Securities Report. If there is a significant change in the concept of the items to be referred to due to the application of International Financial Reporting Standards, etc., the Board of Directors of the Company shall separately determine the indicators to be referred to (hereinafter the same). In the calculation of the exercisable ratio, any fraction of less than 1 unit in the number of share acquisition rights exercisable by each share acquisition rights holder shall be rounded down to the nearest unit.

- (2) Notwithstanding (1) above, if the operating profit for any fiscal year from FY2018 to FY2021 falls below 1.6 billion yen, the share acquisition right holder may not exercise the share acquisition rights thereafter, except for the share acquisition rights that have already become exercisable in accordance with (1) above.
 - (3) Holders of share acquisition rights must be directors (excluding outside directors; hereinafter the same) or employees of the Company or employees of a subsidiary of the Company at the time of exercising their rights. However, this shall not apply in cases where the Board of Directors recognizes that the person has retired due to expiration of his/her term of office, mandatory retirement age or other justifiable reasons.
 - (4) Notwithstanding the provisions of (3) above, in the event of the death of a share acquisition rights holder and if the Board of Directors of the Company, after considering various circumstances, approves in writing the exercise of the share acquisition rights by the heir of such share acquisition rights holder, the heir of such share acquisition rights shall be entitled to exercise the share acquisition rights that would have been exercisable if the share acquisition rights holder were still alive.
 - (5) Except as provided in (4) above, succession of the share acquisition rights by inheritance shall not be permitted. If the heir of a share acquisition right holder dies, the share acquisition rights shall not be inherited again.
 - (6) If the exercise of the share acquisition rights causes the total number of issued shares of the Company to exceed the total number of shares authorized to be issued at the time, the share acquisition rights may not be exercised.
 - (7) Each share acquisition right may not be exercised for less than 1 share acquisition right.
 - (8) Other conditions for the exercise of rights shall be as set forth in the Share Acquisition Rights Allotment Agreement to be executed between the Company and the grantee of the share acquisition rights.
4. In the event that the Company conducts a merger (limited to cases where the Company is dissolved due to a merger) absorption-type demerger, incorporation-type demerger, share delivery, or share transfer (collectively, the "Corporate Reorganization"), share acquisition rights of the stock companies listed in Article 236, Paragraph 1, Items 8 (a) through (e) of the Companies Act (hereinafter referred to as the "Reorganized Companies") shall be granted to the share acquisition rights holders on the effective date of the Corporate Reorganization in each case under the following conditions. However, this shall be limited to cases where it is stipulated in an absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share delivery agreement or share transfer plan that share acquisition rights of the Reorganized Company shall be delivered in accordance with the following conditions.
- (1) Number of share acquisition rights of the Reorganized Company to be delivered
It shall be the same as the number of share acquisition rights held by the holders of share acquisition rights.
 - (2) Type of shares of the Reorganized Company to be issued upon exercise of share acquisition rights
It shall be the Common stock of the Reorganized Company.
 - (3) Number of shares of the Reorganized Company to be issued upon exercise of share acquisition rights
It shall be determined in accordance with (Note 1), taking into consideration the conditions of the Corporate Reorganization.
 - (4) Value of assets to be contributed upon exercise of share acquisition rights
It shall be the post reorganization exercise price obtained by adjusting the exercise price determined in (Note 2), multiplied by the number of shares of the Reorganized Company to be issued upon the exercise of the share acquisition rights, as determined in accordance with (Note 4) (3), after taking into consideration the conditions of the Corporate Reorganization.
 - (5) Period during which the share acquisition rights may be exercised
It shall begin on the later of the first day of the exercise period or the effective date of the Corporate Reorganization and end on the last day of the exercise period.
 - (6) Matters concerning capital and capital reserve to be increased in the event of the issuance of shares upon the exercise of share acquisition rights

- ① The amount of capital to be increased in the event of the issuance of shares upon the exercise of the share acquisition rights shall be half of the maximum amount of increase in capital calculated in accordance with Article 17, Paragraph 1 of the Corporate Calculation Regulations. Any fraction of less than 1 yen resulting from the calculation shall be rounded up to the nearest yen.
- ② The amount of capital reserve to be increased in the event of the issuance of shares upon the exercise of the share acquisition rights shall be the amount obtained by subtracting the amount of capital to be increased as set forth above in ① from the maximum increase in capital.

Resolution date	Board of Directors Resolution: March 1, 2022
Classification and number of grantees	Directors: 3 Employees: 27 Subsidiary company directors: 2
Number of share acquisition rights *	7,200 (Note 1)
Type, content, and number of shares subject to share acquisition rights *	Common stock 720,000 (Note 1)
Payment amount (yen) when exercising share acquisition rights *	1,162 (Note 2)
Exercise period of share acquisition rights *	April 1, 2024 – March 31, 2032
Issue price and capital inclusion amount (yen) of shares when issuing shares by exercising share acquisition rights *	Issue price: 1,170 Capital inclusion amount: 585
Conditions for exercising share acquisition rights *	(Note 6)
Matters concerning the transfer of share acquisition rights *	The transfer of share acquisition rights requires the approval of the Company's Board of Directors.
Matters concerning the issuance of share acquisition rights related to corporate reorganization *	(Note 8)

* The contents are as of the end of FY2024 (December 31, 2024). As of the end of the month prior to the filing date (February 28, 2025), there has been no change.

(Note) 1. Type and number of shares underlying share acquisition rights

The number of shares underlying 1 share acquisition right (the “Number of Shares Granted”) shall be 100 shares of the Company’s common stock.

If the Company has, subsequent to the allotment date of the share acquisition rights, conducted a stock split (including, hereinafter, gratis allotment of the Company’s common stock) or reverse stock split, the Number of Shares Granted shall be adjusted using the formula shown below; provided that such adjustment shall be made only for the number of shares underlying the unexercised share acquisition rights at that point in time, and any fraction less than 1 share resulting from the adjustment shall be rounded down to the nearest whole number:

Adjusted Number of Shares Granted = Number of Shares Granted before adjustment × Split (or reverse split) ratio

If the Company has, subsequent to the allotment date of the share acquisition rights, carried out a merger, company split, share exchange or share delivery, or otherwise needed to adjust the Number of Shares Granted in a manner similar to these, the Number of Shares Granted shall be appropriately adjusted to the extent deemed reasonable.

2. Value of property to be contributed upon exercise of share acquisition rights and methods of calculation thereof

The value of property to be contributed upon exercise of share acquisition rights shall be determined by multiplying the amount to be paid in per share (the “Exercise Price”) by the Number of Shares Granted.

The Exercise Price shall be 1,162 yen.

If the Company has, subsequent to the allotment date of the share acquisition rights, effected a stock split or reverse stock split, the Exercise Price shall be adjusted using the following formula, and any fraction less than one yen resulting from the adjustment shall be rounded up to the nearest yen:

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Split (or reverse split) ratio}}$$

If the Company has, subsequent to the allotment date of the share acquisition rights, issued new shares or disposed treasury shares at a price below the market value of the common stock of the Company (excluding cases where new shares are issued or treasury shares are disposed of based on the exercise of share acquisition rights or where new shares are issued or treasury shares are delivered as a result of a merger, company split, share exchange, or share delivery), the Exercise Price shall be adjusted using the following formula. Any fraction less than 1 yen resulting from the adjustment shall be rounded up to the nearest yen:

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares outstanding} + \frac{\text{Number of new shares issued} \times \text{Amount to be paid in per share}}{\text{Market price per share before issuance of new shares}}}{\text{Number of shares outstanding} + \text{Number of new shares issued}}$$

In the formula above, the “Number of shares outstanding” shall be the total number of issued shares of the Company’s common stock, less the number of treasury shares of the Company’s common stock; and in the event that treasury shares of the Company’s

common stock are disposed of, the “Number of new shares issued” shall be read as the “Number of treasury shares disposed of.” Furthermore, if the Company has, subsequent to the allotment date of the share acquisition rights, carried out a merger with another company, a company split, share exchange, share delivery or otherwise needs to adjust the Exercise Price in a manner similar to these, the Company may appropriately adjust the Exercise Price to the extent deemed reasonable.

3. Period during which share acquisition rights may be exercised

The period during which the share acquisition rights may be exercised (the “Exercise Period”) shall be from April 1, 2024 to March 31, 2032.

4. Matters concerning increases in stated capital and legal capital surplus

- ① In the event of shares being issued upon exercise of the share acquisition rights, an increase in the amount of stated capital shall be one-half of the maximum amount of increase in capital, etc., calculated in accordance with Paragraph 1, Article 17 of the Ordinance on Accounting of Companies. Any fraction less than 1 yen resulting from the calculation shall be rounded up to the nearest yen.
- ② In the event of shares being issued upon exercise of the share acquisition rights, an increase in the amount of legal capital surplus shall be the amount obtained by subtracting the increase in capital in the above ① from the maximum amount of increase in capital, etc. stated in the above ①.

5. Restriction on acquisition of share acquisition rights through transfer

Acquisition of the share acquisition rights by transfer shall require approval by a resolution of the Board of Directors of the Company.

6. Conditions for exercising share acquisition rights

- ① The person who received the allotment of share acquisition rights (the “Share Acquisition Rights Holder”) shall be entitled to exercise the share acquisition rights for FY2023 through FY2027, in accordance with the Company’s consolidated statement of income (or the statement of income if the Company does not prepare a consolidated statement of income. The same applies hereinafter). The allotted share acquisition rights may be exercised only when the operating profit stated in (a) or (b) below is satisfied. Any fraction of less than 1 share acquisition right that becomes exercisable in the calculation of such exercisable ratio shall be rounded down.

(a) If operating profit exceeds 4 billion yen in any fiscal year from FY2023 to FY2025,

Exercisable ratio: 50

(b) If operating profit exceeds 5 billion yen in any fiscal year from FY2023 to FY2027,

Exercisable ratio: 100

In the event that the Board of Directors determines that it is not appropriate to use the actual figures shown in the consolidated statements of income to determine operating profit, due to a change in applicable accounting standards or the occurrence of an event such as a corporate acquisition that has a significant impact on the Company’s results, the Company will exclude the impact of such corporate acquisition to a reasonable extent and use such figures in the determination. If the Board of Directors determines that it is not appropriate to decide based on the actual figures shown in the Company’s consolidated statements of income, the Company may adjust the actual figures used in the determination to eliminate the effect of the acquisition to a reasonable extent. In the event that stock compensation expenses related to the share acquisition rights are recorded in the relevant consolidated statement of income, the judgment shall be made based on the operating profit before deduction of stock compensation expenses after eliminating the effect of such expenses.

- ② Share Acquisition Rights Holder must be Directors, Audit & Supervisory Board Members, or employees of the Company or its affiliates at the time of exercising their share acquisition rights. However, this shall not apply in cases where the Board of Directors recognizes that there is a justifiable reason, such as retirement from office due to expiration of term of office, mandatory retirement age, or other reasons.
- ③ The exercise of the share acquisition rights by the heirs of the Share Acquisition Rights Holder shall not be permitted.
- ④ If the exercise of the share acquisition rights would cause the total number of shares issued by the Company to exceed the total number of shares authorized to be issued at the time, the share acquisition rights may not be exercised.
- ⑤ No less than 1 share acquisition right may be exercised for each share acquisition right.

7. Matters concerning acquisition of share acquisition rights

- ① In the event that a General Meeting of Shareholders approves (or if approval by a General Meeting of Shareholders is not required, the Board of Directors resolves) a merger agreement under which the Company will become a dissolving company, a company split agreement or plan under which the Company will become a splitting company, or a share exchange agreement, share delivery plan or share transfer plan under which the Company will become a wholly owned subsidiary, the Company shall acquire the share acquisition rights in accordance with the resolution of the Board of Directors on the date separately determined by the Board of Directors.
- ② If a Share Acquisition Rights Holder becomes unable to exercise the share acquisition rights in accordance with the provisions set forth in (Note 6) above before exercising the rights, the Company may acquire such share acquisition rights that are no longer exercisable without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.

8. Treatment of Share Acquisition Rights upon Corporate Reorganization

In the event that the Company conducts a merger (limited to cases where the Company is dissolved due to a merger) absorption-type demerger, incorporation-type demerger, share delivery, or share transfer (collectively, the “Corporate Reorganization”), share acquisition rights of the stock companies listed in Article 236, Paragraph 1, Items 8 (a) through (e) of the Companies Act (hereinafter referred to as the “Reorganized Companies”) shall be granted to the Share Acquisition Rights Holder on the effective date of the Corporate Reorganization in each case under the following conditions. However, this shall be limited to cases where it is stipulated in an absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share delivery agreement or share transfer plan that share acquisition rights of the Reorganized Company shall be delivered in accordance with the following conditions.

- ① Number of share acquisition rights of the Reorganized Company to be delivered
It shall be the same as the number of share acquisition rights held by the Share Acquisition Rights Holder.
- ② Type of shares of the Reorganized Company to be issued upon exercise of share acquisition rights
It shall be the Common stock of the Reorganized Company.
- ③ Number of shares of the Reorganized Company to be issued upon exercise of share acquisition rights
It shall be determined in accordance with (Note 1), taking into consideration the conditions of the Corporate Reorganization.
- ④ Value of assets to be contributed upon exercise of share acquisition rights
The value of assets to be contributed upon the exercise of each share acquisition right to be granted shall be the amount obtained by multiplying the post-reorganization exercise price obtained by adjusting the exercise price determined in (Note 2) above by the number of shares of the Reorganized Company to be issued for such share acquisition rights as determined in accordance with ③ of (Note 8) above, considering the conditions of the Corporate Reorganization.
- ⑤ Period during which the share acquisition rights may be exercised
It shall begin on the later of the first day of the exercise period stipulated in (Note 3) above or the effective date of the Corporate Reorganization and end on the last day of the exercise period stipulated in (Note 3) above.
- ⑥ Matters concerning capital and capital reserve to be increased in the event of the issuance of shares upon the exercise of share acquisition rights
To be determined in accordance with (Note 4) above.
- ⑦ Restriction on acquisition of share acquisition rights by transfer
Restrictions on acquisition by transfer shall require approval by a resolution of the Board of Directors of the Reorganized Company.
- ⑧ Other conditions for the exercise of share acquisition rights
To be determined in accordance with (Note 6) above.
- ⑨ Reasons and conditions for share acquisition rights
To be determined in accordance with (Note 7) above.
- ⑩ Other conditions shall be determined in accordance with the conditions of the Reorganized Company.

② Summary of rights plan

Not applicable.

③ Other share acquisition rights, etc.

Not applicable.

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

Not applicable.

(4) Changes in the total number of issued shares, Capital, etc.

Date	Change in issued shares (shares)	Balance of issued shares (shares)	Change in capital (thousands of yen)	Balance of capital (thousands of yen)	Change in capital reserve (thousands of yen)	Balance of capital reserve (thousands of yen)
January 1, 2020 - December 30, 2020 (Note 1)	600	49,027,800	51	2,363,785	51	2,181,783
January 1, 2021 - December 30, 2021 (Note 1)	63,300	49,091,100	24,130	2,387,915	24,130	2,205,914
January 1, 2022 - December 31, 2022 (Note 1)	1,331,100	50,422,200	148,025	2,535,941	148,025	2,353,939
January 1, 2023 - December 31, 2023 (Note 1)	83,100	50,505,300	35,660	2,571,601	35,660	2,389,599
January 1, 2024 - February 29, 2024 (Note 1)	5,400	50,510,700	2,344	2,573,945	2,344	2,391,944
April 19, 2024 (Note 2)	(410,000)	50,100,700	—	2,573,945	—	2,391,944
May 1, 2024 - December 31, 2024 (Note 1)	321,300	50,422,000	139,497	2,713,443	139,497	2,531,442

(Note) 1. This is an increase due to the exercise of share acquisition rights.

2. This is a decrease due to the cancellation of treasury shares.

3. From January 1, 2025 to February 28, 2025, the total number of issued shares increased by 116,100 shares, the capital increased by 50,406 thousand yen, and the capital reserve increased by 50,406 thousand yen due to the exercise of share acquisition rights.

(5) Status by holder

As of December 31, 2024

Classification	Status of stocks (100 shares per stock unit)								Shares less than one unit (shares)
	Government and local public entities	Financial institutions	Financial instruments business	Other corporations	Foreign corporations		Individual, other	Total	
					Non-individual	Individual			
Number of shareholders	—	16	25	236	93	118	33,335	33,823	—
Number of shares held	—	190,418	32,835	15,297	78,274	891	186,361	504,076	14,400
Percentage of shares held (%)	—	37.78	6.51	3.03	15.53	0.18	36.97	100.00	—

(Note) 1. 1,578,235 treasury shares include 15,782 units in “Individual, other” and 35 shares in “Shares less than one unit.”

2. The above “Financial institutions” include 183,500 shares (1,835 units) held by Custody Bank of Japan, Ltd. (Trust Account E) as assets of the Board Benefit Trust-Restricted Stock.

(6) Major Shareholders

As of December 31, 2024

Shareholder	Location	Number of shares held (thousands of share)	Ratio of shares held to total number of shares issued (excluding treasury share) (%)
Custody Bank of Japan, Ltd. (Investment Trust)	1-8-12 Harumi, Chuo-ku, Tokyo	5,764	11.80
Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730078)	1-3-3 Marunouchi, Chiyoda-ku, Tokyo	4,051	8.29
The Master Trust Bank of Japan, Ltd. (Investment Trust)	1-8-1 Akasaka, Minato-ku, Tokyo	3,736	7.65
Kenichi Sano	Shinjuku-ku, Tokyo	2,611	5.35
Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730079)	1-3-3 Marunouchi, Chiyoda-ku, Tokyo	1,350	2.76
Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730080)	1-3-3 Marunouchi, Chiyoda-ku, Tokyo	1,350	2.76
Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730081)	1-3-3 Marunouchi, Chiyoda-ku, Tokyo	1,350	2.76
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	997	2.04
MSIP CLIENT SECURITIES	25 CABOT SQUARE, CANARY WHARF, LONDON E14 4QA, U.K. (1-9-7 Otemachi, Chiyoda-ku, Tokyo)	879	1.80
SBI SECURITIES Co., Ltd.	1-6-1 Roppongi, Minato-ku, Tokyo	820	1.68
Total	—	22,911	46.91

(Note) 1. Mizuho Trust and Banking Co., Ltd. Investment Trust (Kenichi Sano Account No. 0730078, 0730079, 0730080, and 0730081) are trust assets entrusted by Kenichi Sano, who has reserved the right to instruct the exercise of voting rights.

2. The number of treasury shares in the “Ratio of shares held to total number of shares issued (excluding treasury share)” does not include 183,500 shares of the Company’s stock held by Custody Bank of Japan, Ltd. (Trust Account E).

(7) Voting rights

① Issued shares

As of December 31, 2024

Classification	Number of shares (shares)	Number of voting rights (units)	Summary
Non-voting rights	—	—	—
Voting rights restricted stock (treasury share)	—	—	—
Voting rights restricted stock (other)	—	—	—
Full voting rights stock (treasury share)	(Treasury share) Common stock 1,578,200	—	—
Full voting rights stock (other)	Common stock 48,829,400	488,294	—
Shares less than one unit	Common stock 14,400	—	—
Total number of issued shares	50,422,000	—	—
Voting rights of all shareholders	—	488,294	—

(Note) 1. “Shares less than one unit” include the 35 shares of treasury share held by the Company.

2. The common stock in the “Full voting rights stock (other)” includes 183,500 shares of the Company’s stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of the “Board Benefit Trust-Restricted Stock.” Such voting rights (1,835 units) were not exercised.

② Treasury share

As of December 31, 2024

Holder	Holder’s address	Number of shares held in own name (shares)	Number of shares held in other name (shares)	Total number of shares held (shares)	Ratio of shares held to total number of shares issued (%)
(Treasury share) Vision Inc.	6-27-30 Shinjuku, Shinjuku-ku, Tokyo	1,578,200	—	1,578,200	3.13
Total	—	1,578,200	—	1,578,200	3.13

(Note) Treasury share does not include 183,500 shares of the Company’s stock held by Custody Bank of Japan, Ltd. (Trust Account E).

(8) Details of stock ownership plan for the director and employee

The Company aims to clarify the linkage between the remuneration of Directors (excluding Outside Directors; the same shall apply hereinafter) and our performance and share value, and to raise the awareness of the importance of contributing to the enhancement of medium-to long-term business performance and corporate value by sharing not only the benefits of the rise in stock prices but also the risks of the decline in stock prices with our shareholders. The introduction of “Board Benefit Trust-Restricted Stock (BBT-RS)” (hereinafter referred to as the “Plan”) for the Company’s Directors, a new performance-based stock compensation plan, was approved and passed at the 23rd Ordinary General Meeting of Shareholders held on March 28, 2024.

Overview of Introduction of Performance-linked Stock Compensation

① Overview of the Plan

The Plan is a performance-linked stock compensation plan under which the Company’s shares are acquired through a trust (hereinafter referred to as the “Trust”) in which the Company’s shares are contributed as funds, and an amount equivalent to the amount calculated by converting the Company’s shares and the Company’s shares at market price (hereinafter referred to as the “Company’s shares”) is provided to the Eligible Directors in accordance with the Share Benefit Regulations for Officers as set forth by the Company through the Trust. In principle, the period when Eligible Directors receive payment of the Company’s shares shall be fixed every year, and the period when Eligible Directors receive payment of money equivalent to the amount calculated by converting the Company’s shares at market price shall be the period when Eligible Directors resign as a rule. In the event that Eligible Directors receive the benefit of the Company’s shares during the term of office, the Eligible Directors will enter into a transfer restriction agreement with us prior to the payment of the Company’s shares as described below. As a result, the disposition of the Company’s shares for which the Eligible Directors received benefits during their tenure will be restricted by transfer, etc. until the retirement of the said Eligible Directors.

② Persons eligible for the Plan

Directors (Outside Directors are excluded.)

③ Trust period

From May 2024 until the termination of the Trust (In addition, the trust period of the Trust shall not be specified as the specific termination date, and the Trust shall continue as long as the Plan continues. The Plan shall terminate due to delisting of the Company’s shares and abolition of the Share Benefit Regulations for Officers, or in certain other cases.)

④ Trust amount

The Company will introduce the Plan for the seven fiscal years from the fiscal year ending at the end of December 2024 to the fiscal year ending at the end of December 2030 (hereinafter referred to as the “Applicable Period”), and contribute the following money to the Trust as the source for the acquisition of the Company’s shares by the Trust in order to deliver the Company’s shares to the Eligible Directors.

First, at the time of the establishment of the Trust (scheduled in May 2024), the Company will establish the Trust by contributing an amount of money that is expected to be necessary funds corresponding to a part of the Applicable Period covered. The Company shall be entitled to contribute funds to the Trust in multiple installments during the period to the extent of the maximum number of the Company’s shares acquired by the Trust as set forth in paragraph ⑤ below. Upon determination of additional contributions, the Company will disclose it in a timely and appropriate manner.

As the maximum number of points to be awarded to Directors during the period covered under the Plan is 350,000 points as described in ⑥ below, the Company will contribute to the Trust the funds reasonably expected to be necessary to acquire up to 350,000 shares during the period covered by the Plan, taking into account the closing price of the Company’s common stock on the Tokyo Stock Exchange immediately preceding the Plan.

Even after the end of the Applicable Period, if the Plan is to be continued, it will be submitted to the General Meeting of Shareholders.

(Note) The money which the Company actually contributes to the Trust shall be the sum of the above-mentioned funds for the acquisition of shares and the estimated amount of necessary expenses such as trust fees.

⑤ Method for acquiring the Company’s shares and number of shares to be acquired by the Trust

The acquisition of the Company’s shares by the Trust will be conducted using the funds contributed pursuant to ④ above as the source, through the exchange market or by the method of subscribing for the disposal of treasury shares, and no new share issue will be made. As shown in ⑥ below, the maximum number of points granted to Directors during the Applicable Period is 350,000 points. Therefore, the maximum number of the Company’s shares to be acquired by the Trust for the Applicable Period is 350,000 shares. The Company will disclose the details of the acquisition of the Company’s shares by the Trust in a timely and appropriate manner.

⑥ Maximum number of the Company's shares, etc. granted to Eligible Directors

Eligible Directors will be awarded a number of points in each fiscal year, based on the Share Benefit Regulations for Officers, which will be determined by taking into consideration the position and the degree of performance achievement. The total number of points granted to Eligible Directors during the Applicable Period shall not exceed 350,000 points. This decision was made based on a comprehensive consideration of the current level of remuneration paid to Directors, trends in the number of Directors, and future prospects, and is considered to be reasonable.

The points granted to Eligible Directors will be converted into one of the Company's common stock per point upon the provision of the Company's shares, etc. as described in ⑦ below (provided, however, that in the event of a share split, allotment of shares without contribution, or consolidation of shares, etc., with respect to the Company's shares, a reasonable adjustment will be made to the upper limit of the number of points and the number of points already granted or the conversion ratio in accordance with the ratio, etc.).

The ratio of 3,500 voting rights for shares corresponding to the maximum number of points to be granted to Eligible Directors during the Applicable Period to the 483,231 voting rights for the total number of outstanding shares (as of December 31, 2023) is approximately 0.7%.

In principle, the number of points for the Eligible Directors to be used as the basis for the provision of the Company's shares, etc. as set forth in ⑦ below shall be the number of points granted to such Eligible Directors by the time of the determination of the beneficial interest set forth in ⑦ below. (Points calculated in such manner shall be hereinafter referred to as "defined number of points.")

⑦ Provision of the Company's shares, etc.

Eligible Directors who have met the beneficiary's requirements shall, in principle, receive benefits from the Trust at a certain time every year for the number of the Company's shares in accordance with the "defined number of points" as set forth in ⑥ above by implementing the prescribed beneficiary determination procedures. Provided, however, that in the event the requirements set forth in the Share Benefit Regulations for Officers are met, the Company will, in principle, receive cash benefits equivalent to the market value of the Company's shares at the time of retirement in lieu of the provision of the Company's shares at a certain percentage. The Trust may sell the Company's shares in order to provide monetary benefits.

In the event that Eligible Directors receive the benefit of the Company's shares during the term of office, the Eligible Directors shall conclude a transfer restriction agreement with the Company as described below prior to the provision of the Company's shares. As a result, the disposal of the Company's shares for which the Eligible Directors received benefits during their tenure will be restricted by transfer, etc. until the retirement of the said Eligible Directors.

In addition, even Eligible Directors who have been granted points may not be entitled to benefits if a resolution for dismissal is made at a General Meeting of Shareholders, if the Eligible Directors resign due to a certain misconduct while they are in office, or if the Eligible Directors commit an improper act that causes damage to the Company while they are in office.

⑧ Exercise of voting rights

The voting rights pertaining to the Company's shares in the Trust Account shall not be exercised uniformly based on the instructions of the Trust Administrator. By such method, the Company intends to ensure neutrality to the management with respect to the exercise of voting rights with respect to the Company's shares in the Trust Account.

⑨ Treatment of dividends

Dividends on the Company's shares in the Trust Account will be received by the Trust and allocated to the proceeds of acquisition of the Company's shares and to the Trustee's trust fees relating to the Trust. In the event of termination of the Trust, the dividends remaining in the Trust shall be distributed on a pro rata basis according to the number of points held by each of the Eligible Directors in office at that time pursuant to the provisions of the Share Benefit Regulations for Officers.

⑩ Treatment upon termination of the Trust

The Trust shall terminate upon the occurrence of any such event as delisting of the Company's shares or abolition of the Share Benefit Regulations for Officers.

All the remaining assets of the Trust at the termination of the Trust will be acquired by the Company free of charge and will be cancelled by the Board of Directors resolution. As for the monetary portion of the residual assets of the Trust at the time of the termination of the Trust, the amount remaining after deducting the amount to be paid to the Eligible Directors pursuant to ⑨ above shall be provided to the Company.

Outline of the Transfer Restriction Agreement pertaining to the Company's shares to be granted to Eligible Directors

① Details of transfer restrictions

The Eligible Directors may not transfer, secure or otherwise dispose of the Company's shares they have received from the date of receipt of the benefits of the Company's shares until the date of resignation of all the officers' positions.

② Acquisition by the Company without consideration

In the event of certain misconduct or failure to satisfy the requirements for cancellation of the transfer restrictions described in ③ below, the Company will acquire the shares concerned without consideration.

③ Cancellation of transfer restrictions

In the event that Eligible Directors resign from all of the officers' positions for good cause or due to death, the transfer restrictions shall be cancelled at that time.

④ Treatment in organizational restructuring, etc.

If, during the transfer restriction period, the Company have agreed to a merger agreement to become an extinguished company or any other matters concerning organizational restructuring, etc. at the General Meeting of Shareholders, etc., the transfer restriction shall be cancelled by a resolution of the Board of Directors of the Company as of the business day immediately prior to the effective date of the said restructuring.

The Company's shares subject to the transfer restriction under the Transfer Restriction Agreement will be managed in an exclusive account opened by the Eligible Directors subject to the securities company designated by the Company during the transfer restriction period in order to prevent the transfer, establishment of security interest, and other dispositions during the transfer restriction period.

In addition to the above, the method of manifestation of intention and notice under the Transfer Restriction Agreement, the method of revision of the Transfer Restriction Agreement, and other matters stipulated in the Board of Directors shall be included in the Transfer Restriction Agreement.

2. Acquisition of Treasury Shares, etc.

Stock category: Acquisition of common stock pursuant to Article 155, Item 3 and Article 155, Item 7 of the Companies Act

(1) Acquisition by Resolution of General Meeting of Shareholders

Not applicable.

(2) Acquisition by Resolution of the Board of Directors

Classification	Number of shares (shares)	Total value (thousands of yen)
Board of Directors' Meeting held on November 13, 2023 (Acquisition period: November 15, 2023 - March 31, 2024)	670,000	1,000,000
Treasury shares acquired prior to FY2024	670,000	782,901
Treasury shares acquired in FY2024	—	—
Total number and value of remaining resolution shares	—	217,098
Unexercised ratio as of the end of FY2024 (%)	—	21.71
Treasury shares acquired during the period	—	—
Unexercised ratio as of the filing date (%)	—	21.71

(3) Details of items not based on resolutions of the General Meeting of Shareholders or the Board of Directors

Classification	Number of shares (shares)	Total value (thousands of yen)
Treasury shares acquired in FY2024	54	66
Treasury shares acquired during the period	—	—

(Note) Treasury shares acquired during the acquisition period do not include the number of shares purchased for shares less than one unit from March 1, 2025 to the filing date of the Annual Securities Report.

(4) Disposal and holding of acquired treasury shares

Classification	FY2024		Acquisition period	
	Number of shares (shares)	Total disposal price (thousands of yen)	Number of shares (shares)	Total disposal price (thousands of yen)
Acquired treasury shares offered to subscribers	—	—	—	—
Acquired treasury shares for cancellation	410,000	499,537	—	—
Acquired treasury shares through a merger, share exchange, share issuance, or corporate split	—	—	—	—
Other (Note2)	183,500	213,043	—	—
Number of treasury shares held	1,578,235	—	1,578,235	—

(Note) 1. Treasury shares acquired during the acquisition period do not include the number of shares purchased for shares less than one unit from March 1, 2025 to the filing date of the Annual Securities Report.

2. This is a disposal of treasury shares through a third-party allotment to the trust in connection with the introduction of the BBT-RS.
3. The number of treasury shares does not include 183,500 shares held by Custody Bank of Japan, Ltd. (Trust Account E).

3. Dividend Policy

The Group's policy has been to provide a stable and continuous return of profits to shareholders, taking into consideration the business environment in which the Group operates, while securing the internal reserves necessary to strengthen its financial position and expand its business in the future. However, at the Board of Directors meeting held on March 21, 2024, we changed its dividend policy as follows.

“The Group's basic policy is to return profits stably and continuously to shareholders in consideration of the business environment surrounding us, while securing the internal reserves necessary for strengthening our financial position and expanding our business.

Based on this policy, we will place top priority on strategic investment for sustainable growth and maximize corporate value. At the same time, we will aim to increase capital efficiency while remaining aware of the cost of capital, and to provide stable and sustainable dividends and stock price formation. We will set a dividend payout ratio of 30-40% as a guideline.

Our basic policy is to pay dividends from surplus twice a year, an interim dividend and a year-end dividend. The decision-making body for dividends is the Board of Directors.

For FY2024, the Company paid an interim dividend of 13 yen per share of common stock and a year-end dividend of 14 yen per share of common stock, for an annual dividend of 27 yen per share.

The use of retained earnings is intended for strengthening our financial position and preparing for future business expansion.

Furthermore, the Articles of Incorporation stipulate that the Group may pay interim dividends.

The total amount of dividends for FY2024 is as follows.

Resolution date	Total amount of dividends (millions of yen)	Dividend per share (yen)
June 21, 2024 Board of Directors resolution	631	13
February 13, 2025 Board of Directors resolution	683	14

In addition, we intend to implement share repurchases and cancellations in an appropriate manner in order to improve capital efficiency and to execute a flexible capital policy in response to changes in the business environment.

4. Corporate Governance, etc.

(1) Summary of corporate governance

① Basic stance on corporate governance

To turn customers' expectations into impressions, the Group constantly refines itself and continues to take on the challenge of change without hesitation to realize its ideals, and always conducts its business activities with a sense of humility and gratitude for the support of many people (stakeholders). In accordance with this code of conduct, we comply with laws, regulations, internal rules, and policies and work in good faith to build optimal corporate governance.

② Outline of the corporate governance system and reasons for adopting such system

a. Basic explanation of the Company's organization

Vision Inc. is a company with Audit & Supervisory Board Members and has established the General Meeting of Shareholders, the Board of Directors, and the Board of Audit & Supervisory Board Members. In addition, the Nominating and Compensation Committee has been established as an advisory committee to the Board of Directors. The organizations involved in management decision-making, execution, and supervision are as follows.

(a) Board of Directors

The Board of Directors consists of 7 Directors (including 4 Outside Directors), and in addition to the regular monthly meetings, extraordinary meetings of the Board of Directors are held flexibly as necessary to deliberate and decide important matters requiring a resolution of the Board of Directors and to supervise the execution of operations. For the names and other information on the members of the Board of Directors, please refer to "(2) Officers" below.

The activities of the Board of Directors during FY2024 are as follows.

Position	Name	Number of times held	Number of times attended
Representative Director and Chairman (CEO)	Kenichi Sano	17 times	17 times
Representative Director and President (COO)	Kenji Ota	17 times	17 times
Director (CFO)	Shinichi Nakamoto	17 times	17 times
Independent Outside Director	Shinichiro Naito	17 times	17 times
Independent Outside Director	Shiori Harada	17 times	17 times
Independent Outside Director	Michimasa Naka	17 times	17 times
Independent Outside Director	Shieri Mori	13 times	13 times

(Note) At the 23rd Ordinary General Meeting of Shareholders held on March 28, 2024, Shieri Mori was assumed the position of Director and her attendance at the Board of Directors held after her appointment is listed above.

The main considerations at the Board of Directors include management policies, financial statements and business forecasts, shareholder returns, M&A and business alliances, corporate governance (including the effective evaluation of the Board of Directors), and related party transactions.

(b) Nomination and Compensation Committee

The Nomination and Compensation Committee consists of at least 3 members who are Directors selected by a resolution of the Board of Directors, and the majority of these members shall be independent Outside Directors. In addition, the chairperson is to be selected from members who are Outside Directors by resolution of the Committee. It was established by the resolution of the Board of Directors on December 21, 2023, for the purpose of further strengthening corporate governance by ensuring rationality, objectivity and transparency in nominating candidates for Directors and determining their compensation. The Committee holds meetings as necessary to deliberate on the appointment and dismissal of Directors and their remuneration, and reports back to the Board of Directors.

The activities of the Nomination and Compensation Committee during FY2024 are as follows.

Position	Name	Number of times held	Number of times attended
Chairman of the Nomination and Compensation Committee	Shinichiro Naito	3 times	3 times
Nomination and Compensation Committee member	Kenichi Sano	3 times	3 times
Nomination and Compensation Committee member	Shiori Harada	3 times	3 times
Nomination and Compensation Committee member	Michimasa Naka	3 times	3 times

The specific considerations at the Nomination and Compensation Committee include matters related to the nomination and compensation of Directors.

(c) Management Committee

The Management Committee consists of internal Directors, full-time Audit & Supervisory Board Members, executive officers, divisional managers and other executives, and meets at least once a month to discuss matters to be submitted to the Board of Directors, to confirm day-to-day business execution, and to make decisions promptly in order to improve the efficiency of management activities.

(d) Board of Audit & Supervisory Board Members

The Board of Audit & Supervisory Board Members consists of 4 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members), and audits the daily activities of the Directors, including the execution of their duties, in order to enhance the effectiveness of corporate governance in accordance with the audit policy and plan. For the names and other information on the members of the Board of Audit & Supervisory Board Members, please refer to “(2) Officers” below.

(e) Internal Audit Office

The Internal Audit Office consists of 2 members who verify, evaluate, and advise on whether the organization, systems, and operations of the Group are operating efficiently and in compliance with management policies, laws and regulations, and various rules. In this way, we strive to prevent violations of laws and regulations, fraud, and errors, provide accurate management information, protect assets, and improve business activities.

(f) Accounting Auditor

The Company has a contract with KPMG AZSA LLC for the appropriate audits to be conducted.

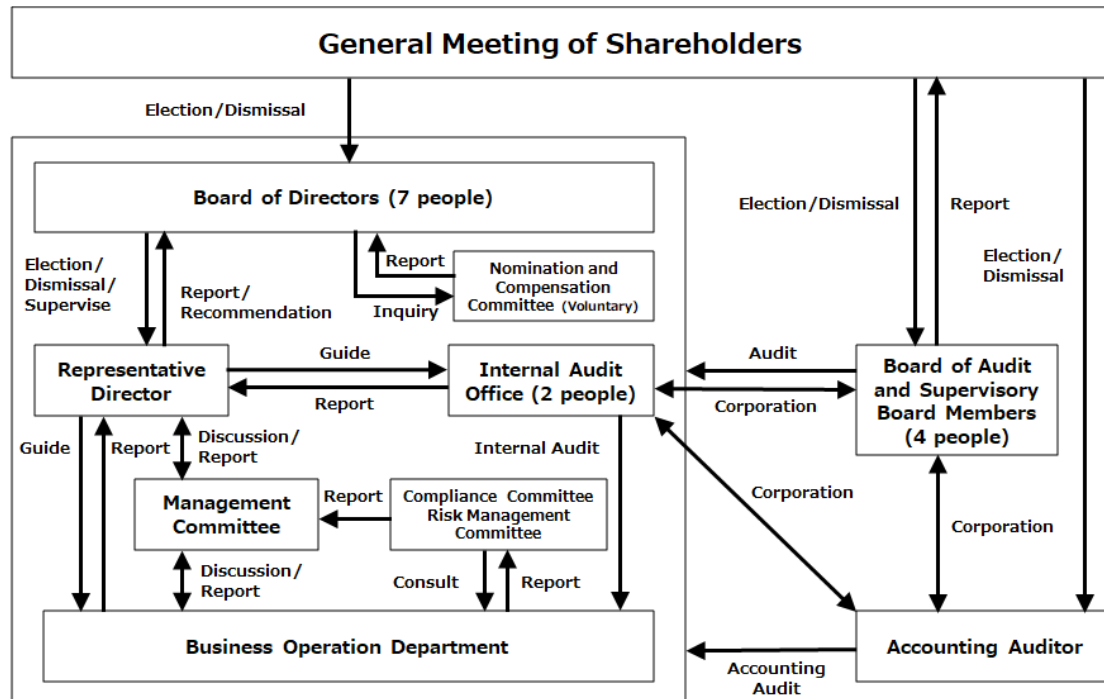
(g) Compliance Committee

The Compliance Committee has been set up as an organization to carry out efforts toward compliance, and is composed of the Representative Director, Director in charge of the administrative department, full-time Audit & Supervisory Board Members, and other general managers, and is held twice a year on a regular basis. In addition, we will hold it as needed.

(h) Risk Management Committee

The Risk Management Committee, chaired by the Representative Director and vice-chaired by the Director in charge of administration, is established to discuss risk prevention measures and to take measures to minimize damage in the event that a serious management risk materializes.

b. Structure of Corporate Governance



③ Other matters relating to corporate governance

a. Internal control system

As a system to ensure the appropriateness of operations, the Company has established and resolved the “Basic Policy for Establishment of Internal Control System” at the Board of Directors’ meeting. The outline is as follows.

(a) System to ensure that the execution of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation

- i. The Company has established the “Compliance Regulations” to ensure that the execution of duties by Directors and employees complies with laws, regulations, the Articles of Incorporation, and the Company’s management philosophy as the highest priority in corporate management.
- ii. To ensure that compliance activities are carried out thoroughly, the Compliance Committee, with the President as the officer in charge, shall be established to carry out company-wide efforts.
- iii. The Company shall establish the Internal Audit Office, which shall conduct internal audits of the overall activities of the business execution divisions in accordance with the audit plan approved by the Representative Director and shall report the audit results to the Representative Director as well as to the Audit & Supervisory Board Members.
- iv. The Company shall ensure that there is a means by which officers and employees can directly report violations or suspicious activities, etc. One such means is the Company shall establish and operate a compliance reporting and consultation service that allows officers and employees to directly report outside the Company. The Company shall ensure that the name of the informant is not disclosed without the consent of the informant (guarantee of anonymity) and that the informant is not disadvantaged.
- v. The Board of Directors recognizes that the preparation of appropriate financial reports is extremely important for the maintenance and improvement of social credibility, and to ensure the appropriateness of financial reports, the Board of Directors shall establish effective internal controls to prevent misstatements and errors from occurring in the process of preparing financial reports.

(b) System for the storage and management of information relating to the execution of duties by Directors

- i. In accordance with the Document Management Regulations, the person in charge of management shall preserve the documents (including electromagnetic records, the same shall apply hereinafter.) specified in each of the following items together with related materials.
 - (i) Minutes of the General Meeting of Shareholders and related materials
 - (ii) Minutes of Board of Directors’ meetings and related materials
 - (iii) Minutes of Management Committee’s meetings and related materials
 - (iv) Minutes and related materials of other important meetings held by Directors

- (v.) Other important documents relating to the execution of duties by Directors
- ii. In addition to the above, documents relating to the Company’s business operations shall be properly stored and managed in accordance with the “Document Management Regulations” and the “Document Storage Period Table.”
- iii. For electromagnetic records stored or managed by the Company, security shall be ensured in accordance with the “Information Security Regulations,” the “Information Security Operation Regulations,” and the “Information Security Management Regulations” to prevent damage to information and its leakage to external parties.
- iv. Directors and Audit & Supervisory Board Members shall be able to directly inspect, copy or duplicate the information stored and managed by each business execution division at any time.
- (c) Regulations and other systems for managing the risk of loss
 - i. With respect to risk management, the Company shall establish “Risk Management Regulations,” designate the President as the chief risk management officer and establish a Risk Management Committee to implement risk management effectively and efficiently.
 - ii. Policies for dealing with major management risks and other important matters from the viewpoint of risk management shall be fully deliberated at the Management Committee, and particularly important matters shall be reported to the Board of Directors.
- (d) System to ensure the efficient execution of duties by Directors
 - i. The Board of Directors shall, in principle, hold regular meetings once a month, and extraordinary meetings shall be held as necessary to ensure flexible decision-making.
 - ii. The status of execution of duties by Directors shall be reported to the Board of Directors as appropriate.
 - iii. Directors and employees shall exercise their authority in an appropriate and efficient manner in accordance with the “Regulations on Authority of Duties.”
- (e) System to ensure the appropriateness of operations of the Group consisting of the Company and its subsidiaries
 - i. With respect to the management of the affiliated companies, while respecting the autonomy of each company, the Company shall require compliance with the “Affiliated Company Management Regulations” established by the Company.
 - ii. The Internal Audit Office shall conduct internal audits and monitor the proper execution of business by the affiliated companies as appropriate.
- (f) Matters relating to employees who are requested by Audit & Supervisory Board Members to assist them in their duties and matters relating to the independence of such employees from Directors
 - i. The appointment of employees to assist Audit & Supervisory Board Members in their duties, and the number of employees to be appointed, shall be decided upon consultation between Audit & Supervisory Board Members and the Board of Directors.
 - ii. The employees set forth in the preceding paragraph, when assisting the duties of the Audit & Supervisory Board Members, shall not receive instructions or orders from the Directors.
- (g) System for reporting to Audit & Supervisory Board Members by Directors and employees and other systems for reporting to Audit & Supervisory Board Members
 - i. Directors and employees shall report on the status of execution of their duties and other matters as needed in response to requests from Audit & Supervisory Board Members.
 - ii. The General Manager of the Accounting Department, etc. shall periodically make reports to the Audit & Supervisory Board Members in accordance with the nature of their duties.
 - iii. In addition to attending meetings of the Board of Directors, the Audit & Supervisory Board Members appointed by the Board of Audit & Supervisory Board Members shall attend important meetings such as the Management Committee.
- (h) Other systems to ensure that Audit & Supervisory Board Members are conducted effectively

The Audit & Supervisory Board Members shall hold regular meetings of the Board of Audit & Supervisory Board Members once a month and extraordinary meetings as necessary to exchange information and discuss the status of audits, etc., as well as to receive reports on audits from the Internal Audit Office and the Accounting Auditor on a regular basis and exchange opinions.
- (i) Basic policy for eliminating transactions with antisocial forces and its development
 - i. The Company has established a compliance policy to have no relationship with antisocial forces and will take a resolute stance in response.
 - ii. In the event of a case of unreasonable demands by antisocial forces, the Legal Affairs Department will be the department that responds, in cooperation with the police and other relevant organizations.
 - iii. When entering a contract related to business, the Company shall confirm that the business partner is not an antisocial force or an

individual or corporation having a relationship with such a force.

- iv. When concluding contracts relating to business, both parties shall promise that they are not anti-social forces or individuals or corporations relating to anti-social forces, and if any violation is later discovered, the contract document should include “Provisions for Exclusion of Antisocial Forces,” such as the obligation to claim compensation for damages upon termination of the contract.

b. Risk management system

The Group has established a Risk Management Committee to discuss risk prevention measures and to take measures to minimize damage when serious management risks materialize.

We hold a Management Committee’s meeting at least once a month to share information to prevent business risks from materializing, and implements risk management, including reporting to the Board of Directors, as necessary.

In addition, when internal audits are conducted, employees’ awareness of risks is collected and reported to the Representative Directors and Audit & Supervisory Board Members.

We have also obtained “Privacy Mark” certification and “ISMS” certification for information security, and are promoting the maintenance and operation of information security-related systems.

c. Number of Directors

The Company’s Articles of Incorporation stipulate that the Company shall have no more than 8 Directors.

d. Requirements for resolution on election and dismissal of Directors

The Company’s Articles of Incorporation stipulate those resolutions for the election and dismissal of Directors shall be adopted by most of the voting rights of the shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

The Company’s Articles of Incorporation also stipulate those resolutions for the election of Directors shall not be made by cumulative voting.

e. Interim dividends

To enable flexible return of profits to shareholders, the Articles of Incorporation stipulate that the Company may, by resolution of the Board of Directors, pay interim dividends with a record date of June 30 of each year in accordance with the provisions of Article 454, Paragraph 5 of the Companies Act.

f. Acquisition of treasury shares

The Company’s Articles of Incorporation stipulate that the Company may acquire its treasury shares by a resolution of the Board of Directors in accordance with the provisions of Article 165, Paragraph 2 of the Companies Act, for the purpose of enabling the Company to implement flexible capital policies in response to changes in the business environment.

g. Requirements for special resolution of the General Meeting of Shareholders

The Company stipulates in its Articles of Incorporation that the requirements for special resolutions of the General Meeting of Shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be met by two-thirds or more of the voting rights of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present. The purpose of this provision is to facilitate the smooth operation of the General Meeting of Shareholders by relaxing the quorum for special resolutions at the General Meeting of Shareholders.

h. Exemption from liability of Directors and Audit & Supervisory Board Members

In accordance with the provisions of Article 426, Paragraph 1 of the Companies Act, the Company shall exempt the liability of Directors (including those who were previously Directors) and Audit & Supervisory Board Members (including those who were previously Audit & Supervisory Board Members) from the liability for damages stipulated in laws and regulations. The purpose of this exemption is to enable Directors and Audit & Supervisory Board Members to fully demonstrate their expected roles.

In addition, the Company stipulates in its Articles of Incorporation that the Company may enter into agreements with Directors (excluding Executive Directors) and Audit & Supervisory Board Members to limit their liability for damages to the amount stipulated

by laws and regulations pursuant to Article 427, Paragraph 1 of the Companies Act.

i. Outline of the contents of the Liability Limitation Agreement

The Company and its Directors (excluding Executive Directors, etc.) and Audit & Supervisory Board Members have entered into an agreement to limit their liability for damages as provided in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the said agreement is the amount stipulated in laws and regulations. Such limitation of liability is permitted only when the relevant Directors or Audit & Supervisory Board Members perform their duties in good faith and without gross negligence.

j. Summary of Officers' Liability Insurance Contracts

The Company has concluded an Officers' Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The policy covers damages and legal costs incurred by the insured in the event of a claim for damages arising from acts (including omissions) committed by the insured, including Directors and Audit & Supervisory Board Members of the Company and its subsidiaries in their capacity as officers. All insurance fees are borne by the Company.

(2) Officers

① Directors and Audit & Supervisory Board Members

9 male, 2 female (18.2% of officers are female)

Position	Name	Date of birth	Career summary	Tenure	Number of shares held (shares)
Chairman and CEO	Kenichi Sano	November 7, 1969	February 1991 June 1995 April 1996 December 2001 November 2004 October 2011 December 2011 January 2012 February 2012 April 2014 November 2014 December 2014 July 2016 August 2016 March 2023 Joined HIKARI TSUSHIN, Inc. Founded Vision LLC President and CEO Founded Vision Co., Ltd. President and CEO Founded Vision Inc. Director Vision Inc. President and CEO Vision Mobile Korea Inc. Representative director Vision Mobile Hawaii Inc. Representative director and president (current) Vision Mobile Hong Kong Limited Chairman of the Board (current) GLOBAL WIFI.COM PTE. LTD. Representative director (current) Vision Mobile Taiwan Co. Ltd. Chairman of the Board (current) Vision Mobile Shanghai Ltd. Chairman of the Board (current) Global WiFi France SAS Président (current) Vision Mobile Italia S.r.l. Presidente del CdA (current) VISION MOBILE USA CORP. Director and President (current) Vision Mobile New Caledonia SAS Président (current) Vision Inc. Chairman and CEO (current)	(Note 3)	2,611,900

Position	Name	Date of birth	Career summary	Tenure	Number of shares held (shares)
President, Representative Director and COO	Kenji Ota	November 24, 1971	<p>November 1997 December 2001 March 2008 October 2011 February 2012 October 2012 April 2014 November 2014 December 2014 March 2015 July 2016 August 2016 February 2018 March 2018 May 2018 March 2020 August 2022 March 2023 June 2024 October 2024 December 2024</p> <p>Joined Vision Co., Ltd. Vision Inc. Director Vision Inc. Director Vision Mobile Korea Inc. Director (current) Vision Mobile Hawaii Inc. Director and Vice-president (current) Vision Mobile Taiwan Co. Ltd. Board Member (current) Best Link Inc. Representative Director Vision Mobile Shanghai Ltd. Board Member (current) Global WiFi France SAS Directeur Général (current) Vision Mobile Italia S.r.l. Consigliere (current) Vision Inc. Director and General Manager of Sales Dept. VISION MOBILE USA CORP. Director Vice-President (current) Vision Mobile New Caledonia SAS Directeur Général (current) Alpha Techno Inc. Representative Director BOS Inc. Director (current) Vision Ad Inc. Director Vision Digital Marketing Inc. (Current Best Link Inc.) Representative Director Koshikano Onsen K.K. Director (current) adval Corp. Director (current) Best Link Inc. Director (current) Alpha Techno Inc. Director (current) Vision Inc. President, Representative Director and COO (current) ZORSE Co., Ltd. Director (current) Vision Works Inc. Director (current) Vision Link Inc. Director (current)</p>	(Note 3)	97,700

Position	Name	Date of birth	Career summary		Tenure	Number of shares held (shares)
Director and CFO	Shinichi Nakamoto	October 21, 1972	<p>December 1991 August 1995 April 1996</p> <p>November 2004</p> <p>October 2011</p> <p>February 2012</p> <p>June 2013</p> <p>April 2014</p> <p>March 2015</p> <p>July 2016</p> <p>August 2022</p> <p>March 2023</p>	<p>Joined HIKARI TSUSHIN, Inc. Joined Vision LLC Vision Co., Ltd. Director Vision Inc. Director Vision Mobile Korea Inc. Director (current) Vision Mobile Hawaii Inc. Director and Vice-president (current) Vision Mobile Taiwan Co. Ltd. Board Member (current) Find Japan, Inc. Director Vision Mobile Shanghai Ltd. Board Member (current) Vision Inc. Director and General Manager of Administration Dept. VISION MOBILE USA CORP. Director Vice-President (current) Koshikano Onsen K.K. Director (current) Vision Inc. Director and CFO (current)</p>	(Note 3)	191,000
Director	Shinichiro Naito	June 13, 1967	<p>April 1991</p> <p>October 1994</p> <p>December 1995</p> <p>December 1996</p> <p>July 1998</p> <p>June 2009</p> <p>July 2009</p> <p>July 2010</p> <p>July 2011</p> <p>December 2011</p> <p>July 2012</p> <p>October 2012</p> <p>July 2015</p> <p>September 2015</p> <p>November 2015</p> <p>March 2016</p> <p>December 2018</p>	<p>Joined Recruit Human Resource Center Co., Ltd. (current Recruit Co., Ltd.) Joined Japan Remodel, Inc. Founded PERSONNE and PERSONNE Entertainment Co., Ltd. (current PERSONNE, Inc.) Director Founded Allest Inc. (current Findstar Co., Ltd.) Director Allest Inc. Representative Director (current) TMH Inc. Director (current) MDK Inc. Representative Director (current) D-POPS Co., Ltd. (current D-POPS GROUP Co., Ltd.) Director (current) Startrise Co., Ltd. Director onestar Co., Ltd. Director STARX Inc. Director SHIFT Inc. Director (current) onestar Co.,Ltd. Auditor Star Asset Consulting, Inc. Representative Director Founded Findstar GROUP Co., Ltd. Representative Director (current) Vision Inc. Director (current) TEMONA, Inc. Director (current)</p>	(Note 3)	—

Position	Name	Date of birth	Career summary		Tenure	Number of shares held (shares)
Director	Shiori Harada	June 21, 1974	<p>April 2001 September 2003 February 2006 September 2013 July 2015 July 2016 March 2017 December 2019 July 2020</p>	<p>Joined SoftBank Commerce Corp. (current Softbank Corp.) Joined Dell Inc. Business Development Manager Trend Micro Inc. Global Marketing Director Tripadvisor, Inc. Representative Director Founded LandReam Inc. Representative Director (current) WILLER, Inc. Director Vision Inc. Director (current) Shanghai Town Check Culture & Service Co. Authorized Representative TOUCH GROUP Co., Ltd. Representative Director (current)</p>	(Note 3)	3,800
Director	Michimasa Naka	August 14, 1964	<p>April 1989 December 2004 June 2008 October 2009 December 2009 December 2010 March 2011 July 2014 September 2014 October 2014 November 2014 July 2015 July 2016 June 2017 December 2018 March 2019 May 2020</p>	<p>Joined Salomon Brothers Asia Ltd. (current Citigroup Global Markets Japan Inc.) Nikko Citigroup Securities Co., Ltd. (current Citigroup Global Markets Japan Inc.) Managing Executive Officer and Joint General Manager of the Debt Capital Markets Division Nikko Citigroup Securities Co., Ltd. Managing Executive Officer and General Manager of the Markets and Sales Division Citigroup Global Markets Japan Inc. Director Citigroup Global Markets Japan Inc. Director and Deputy President Founded StormHarbour Japan Ltd. CEO and Representative Director GLM. Co., Ltd. Auditor Asuka Asset Management Co., Ltd. Director eWell Inc. Director istyle Inc. Director (current) StormHarbour Japan Ltd. Chairman and Director Geniece, Inc. Director Prevent SAST Insurance Co., Ltd. (current Mikata SAST Insurance Co., Ltd) Director (current) Founded Boardwalk Capital Inc. Representative Director and President (current) Founded Accelerator Inc. Representative Director and President (current) Boardwalk Trading Co., Ltd. Director (current) Vision Inc. Director (current) VECTOR INC. Director (current)</p>	(Note 3)	15,300

Position	Name	Date of birth	Career summary		Tenure	Number of shares held (shares)
			May 2021	Houyou Inc. Director (current)		
			September 2022	Adrex Corporation Director (current)		
			October 2022	HR Cloud Co., Ltd. Director (current)		
Director	Shieri Mori (Note 5)	March 29, 1989	January 2015	Registered as a practicing attorney (Tokyo Bar Association)		
			January 2015	Joined Baba & Sawada Law Office		
			November 2017	Joined K&L Gates LLP		
			October 2018	Integral Law Office Partner attorney (current)		
			March 2024	Vision Inc. Director (current)	(Note 3)	—
			August 2024	LiME Inc. Auditor (current)		
			September 2024	uSonar Co., Ltd. Director (current)		
			March 2025	AMIYA Corporation Auditor (current)		

Position	Name	Date of birth	Career summary		Tenure	Number of shares held (shares)
Full-time Audit and Supervisory Board Member	Kazuhiko Umehara	March 3, 1953	April 1975 March 2006 June 2008 June 2015 March 2016	Joined Toyo Trust and Banking (current Mitsubishi UFJ Trust and Banking Corporation) M.U. Trust Liquidation Service Managing Director Mitsubishi UFJ Capital Co., Ltd. Full-time Auditor Mitsubishi UFJ Capital Co., Ltd. Corporate Advisor Vision Inc. Full-time Audit and Supervisory Board Member (current)	(Note 4)	—
Full-time Audit and Supervisory Board Member	Tetsuya Niwa	February 10, 1966	February 1996 October 2004 October 2007 December 2010 November 2011 October 2014 January 2016 June 2017 May 2018 January 2019 March 2020 March 2022 November 2022 March 2023	Joined Fullcast Co., Ltd. (current Fullcast Holdings Co., Ltd.) Fullcast Co., Ltd. Legal Department General Manager Fullcast Co., Ltd. Compliance Department General Manager Fullcast Co., Ltd. Director Joined Kadokawa Haruki Corporation Joined Vision Inc. Legal Department General Manager Vision Inc. Legal Department Executive Manager Members Net Inc. Auditor Best Link Inc. Auditor BOS Inc. Auditor Vision Mobile Korea Inc. Supervisor Vision Mobile Hawaii Inc. Director Vision Mobile Taiwan Co. Ltd. Inspector Vision Mobile Shanghai Ltd. Inspector VISION MOBILE USA CORP. Director Vision Ad Inc. Auditor Vision Inc. Executive Officer of Human Resources, General Affairs and Legal Affairs Vision Digital Marketing Inc. (current Best Link Inc.) Auditor Joined Musashi Seimitsu Industry Co., Ltd. Vision Inc. Corporate Advisor Vision Inc. Full-time Audit and Supervisory Board Member (current)	(Note 4)	3,700

Position	Name	Date of birth	Career summary		Tenure	Number of shares held (shares)
Audit and Supervisory Board Member	Junichi Motai	March 19, 1974	April 1996	Joined Asahi Audit Corporation (current KPMG AZSA LLC)	(Note 4)	10,000
			September 2005	Joined Clifix certified public tax accountant's corporation		
			June 2006	Start Today Co., Ltd. (current ZOZO, Inc.) Auditor (current)		
			December 2008	Founded Accounting Assist Co., Ltd. Representative Director (current)		
			September 2009	EC Navi Inc. (current CARTA HOLDINGS, INC.) Auditor		
			March 2015	Vision Inc. Audit and Supervisory Board Member (current)		
			March 2016	Cyber Area Research, Inc. (current Geolocation Technology, Inc.) Auditor (current)		
			December 2017	ONGAKUKAN Co., Ltd. Auditor (current)		
			October 2018	Ficha Inc. Director		
			November 2018	Spocale, Inc. Auditor (current)		
			March 2020	REX ADVISORS Co., Ltd. Auditor (current)		
			June 2020	JUNTEN BIO Co. Ltd Auditor (current)		
			June 2021	gooddays holdings, Inc. Director (current)		
March 2024	Cookpad Inc. Director (current)					
Audit and Supervisory Board Member	Jun Hozumi	September 1, 1977	December 2004	Joined Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC)	(Note 4)	—
			October 2007	Joined Ligaya Partners, Inc.		
			October 2010	STREAM Co., Ltd. Representative Director and Vice President (current)		
			April 2012	Shell Partners Accounting Firm Representative Partner		
			April 2014	FIRSTLOGIC, INC. (current RAKUMACHI, INC.) Auditor (current)		
			October 2014	TriFort, Inc. Auditor		
			March 2018	Vision Inc. Audit and Supervisory Board Member (current)		
Total						2,933,400

- (Note) 1. Directors Shinichiro Naito, Shiori Harada, Michimasa Naka, and Shieri Mori are Outside Directors.
2. Audit & Supervisory Board Members Kazuhiko Umehara, Junichi Motai, and Jun Hozumi are Outside Audit & Supervisory Board Members.
3. The term of office of Directors will expire at the close of the Ordinary General Meeting of Shareholders to be held on March 28, 2025, and at the close of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within 1 year after their election.
4. The term of office of Audit & Supervisory Board Members shall begin at the close of the Ordinary General Meeting of Shareholders held on March 30, 2023, and end at the close of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within 4 years after their election.
5. Regarding Director Shieri Mori, her name is listed above as it is the name she uses for professional purposes, but her recorded in the Family Register is Shieri Sato.

② Outside officers

The Company has 4 Outside Directors and 3 Outside Audit & Supervisory Board Members. They have no personal, capital, business or other interest relationships with the Company, except for the relationships described in “4. Corporate Governance, etc. (2) Officers.”

The Company has not established clear criteria for the independence of the appointment of Outside Directors or Outside Audit & Supervisory Board Members, but the Company refers to the Companies Act and the criteria of the Tokyo Stock Exchange for determining the independence of independent officers and appointing them.

Shinichiro Naito is an Outside Director and has a wealth of experience in web marketing, advanced knowledge from many years as a corporate manager, and a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company.

Shiori Harada is an Outside Director and has a wealth of experience in the inbound travel business, advanced knowledge from many years as a corporate manager, and a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company.

Michimasa Naka is an Outside Director and has a wealth of experience in the financial industry and global business, advanced knowledge from many years as a corporate manager, and a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company.

Shieri Mori is an Outside Director and has appropriate knowledge of legal affairs through her expertise and extensive experience as an attorney. We hope to make use of the expertise to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company.

Kazuhiko Umehara is an Outside Audit & Supervisory Board Member and has a wealth of experience and high level of insight at financial institutions, and is expected to provide objective and neutral auditing duties for the Company based on his experience as a corporate manager.

Junichi Motai is an Outside Audit & Supervisory Board Member and has appropriate knowledge of finance and accounting through his expertise and extensive experience as a certified public accountant, and is expected to provide objective and neutral auditing duties for the Company based on his experience as a corporate manager.

Jun Hozumi is an Outside Audit & Supervisory Board Member and has appropriate knowledge of finance and accounting through his expertise and extensive experience as a certified public accountant, and is expected to provide objective and neutral auditing duties for the Company based on his experience as a corporate manager.

- ③ Mutual collaboration between supervision or auditing by Outside Directors or Outside Audit & Supervisory Board Members and Internal Audit, Audit by Audit & Supervisory Board Member and Accounting Auditor, and relationship with the internal control division

As for the mutual collaboration between supervision or auditing by Outside Directors or Outside Audit & Supervisory Board Members and Internal Audit, Audit by Audit & Supervisory Board Member and Accounting Auditor, and relationship with the internal control division, we enhance mutual cooperation by exchanging opinions and information as necessary, in addition to meetings of the Board of Directors and the Board of Audit & Supervisory Board Members.

(3) Audits

① Audits by Audit & Supervisory Board Members

a. Board of Audit & Supervisory Board Members

The Board of Audit & Supervisory Board Members consists of 2 full-time Audit & Supervisory Board Members and 2 non-full-time Audit & Supervisory Board Members, 3 of whom are Outside Audit & Supervisory Board Members. The Board of Audit & Supervisory Board Members prepares an audit plan for each fiscal year and conducts audits in accordance with the auditing standards for Audit & Supervisory Board Members established by the Board of Audit & Supervisory Board Members. Junichi Motai and Jun Hozumi are certified public accountants.

b. Activities of the Board of Audit & Supervisory Board Members

In principle, the Board of Audit & Supervisory Board Members meet monthly prior to the Board of Directors' meetings, and also meets, as necessary.

The total number of meetings held during FY2024 was 19, and the attendance of each Audit & Supervisory Board Member was as follows. Each meeting lasted approximately 1 hour.

	Name	Number of times held	Number of times attended
Audit and Supervisory Board Member (Outside)	Kazuhiko Umehara (Full-time)	19 times	19 times
Audit and Supervisory Board Member	Tetsuya Niwa (Full-time)	19 times	17 times
Audit and Supervisory Board Member (Outside)	Junichi Motai	19 times	19 times
Audit and Supervisory Board Member (Outside)	Jun Hozumi	19 times	19 times

The Board of Audit & Supervisory Board Members mainly made resolutions, reports, deliberations, and discussions throughout the year as follows.

Major resolutions included the audit plan and division of duties, report on the audit by the Board of Audit & Supervisory Board Members, reappointment of the Accounting Auditor, and agreement on the remuneration of the Accounting Auditor.

Major matters reported include the contents of audit reports from the accounting auditor, monthly activity reports such as division audits, participation reports in various meetings, and the operation status of the internal reporting system.

Major matters discussed and deliberated include pre-deliberation of matters to be submitted to the Board of Directors, deliberation of major considerations on audit, evaluation of the Accounting Auditor, and operation status of internal control systems.

c. Activities of Audit & Supervisory Board Members

Audit & Supervisory Board Members attended the Board of Directors' meetings, audited the proceedings and resolutions, and expressed their opinions, as necessary. In addition, full-time Audit & Supervisory Board Members attend the weekly Management Committee' meetings, and other Audit & Supervisory Board Members confirm the content of the meeting minutes. Full-time Audit & Supervisory Board Members also formulate the annual audit policy, audit plan, and audit assignment plan for each department and subsidiary, convene and conduct interviews with Representative Directors and Inside & Outside Directors, prepare minutes, convene meetings of the Board of Audit & Supervisory Board Members, prepare materials, prepare minutes, and participate as members in the internal reporting desk and the committee on internal reporting, sharing information with the Board of Audit & Supervisory Board Members.

All of Audit & Supervisory Board Members hold regular meetings with the representative directors, Chairman and President, each twice a year, and hold annual meetings with the Director, Managing Executive Officer CFO to exchange opinions and make recommendations based on audit findings.

Each Audit & Supervisory Board Member is responsible for auditing each division and subsidiary, and exchanges opinions and makes recommendations at quarterly information sharing meetings with the Internal Audit Office.

Regular liaison meetings with Outside Directors are held twice a year to share information and exchange opinions from the viewpoint of corporate governance.

② Internal Audits

In accordance with the Internal Audit Regulations, the Internal Audit Office (2 members), which is under the direct control of the Representative Directors, is permanently established to conduct audits of all divisions and subsidiaries by preparing an audit implementation plan for each fiscal year. The results of the Internal Audits are compiled into a report and submitted to the audited divisions, Representative Directors, and Audit & Supervisory Board Members, and the audited divisions are requested to make improvements as necessary in order to normalize the situation.

It also reports to the Board of Audit & Supervisory Board Members and the Accounting Auditor on the status of internal control systems and other important matters as needed, and exchanges information and opinions with them.

③ Accounting Audits

a. Name of auditing firm

KPMG AZSA LLC.

b. Period of continuous auditing

12 years

c. Certified Public Accountants who performed the duties

Yoshinori Saito

Masato Nagai

d. Composition of assistants for audit work

The Company's accounting audit was assisted by 6 certified public accountants, 4 people who have passed the accountant examination, and 7 other people.

e. Selection policy and reasons for the auditing firm

The Company selects certified public accountants, etc., based on the outline of the auditing firm, audit implementation system, estimated amount of audit fees, etc., and after questions and interviews. KPMG AZSA LLC is a member of the KPMG Group, which operates globally, and has extensive knowledge of overseas accounting and auditing. We believe it is effective for the Company, which promotes overseas business.

f. Evaluation of the auditing firm by the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members

The Board of Audit & Supervisory Board Members evaluates the independence and expertise required of the external auditors and the reasonableness of the audit through the accounting audit reports at the end of the fiscal year and the end of each quarter and other timely meetings.

The Board of Audit & Supervisory Board Members also evaluates the Accounting Auditor in accordance with the "Practical Guidelines for Formulation of Evaluation Standards for Accounting Auditors" issued by the Japan Corporate Auditors Association and resolves whether to reappoint the Accounting Auditor after repeated consideration and discussion.

④ Summary of audit fees, etc.

a. Remuneration for Audit Certified Accountants, etc.

Classification	FY2023		FY2024	
	Remuneration for audit certification work (thousands of yen)	Remuneration for non-audit work (thousands of yen)	Remuneration for audit certification work (thousands of yen)	Remuneration for non-audit work (thousands of yen)
The Company	40,000	—	44,000	—
Consolidated subsidiaries	—	—	—	—
Total	40,000	—	44,000	—

b. Remuneration for Audit Certified Accountants (excluding a.) from the same network (KPMG)

Classification	FY2023		FY2024	
	Remuneration for audit certification work (thousands of yen)	Remuneration for non-audit work (thousands of yen)	Remuneration for audit certification work (thousands of yen)	Remuneration for non-audit work (thousands of yen)
The Company	—	—	—	—
Consolidated subsidiaries	1,651	3,008	—	4,991
Total	1,651	3,008	—	4,991

Non-audit work for consolidated subsidiaries includes tax advisory services for overseas subsidiaries.

c. Details of remuneration for other important audit certification work

Not applicable.

d. Policy for determining audit remuneration

The Company determines audit remuneration by taking into consideration the audit plan, audit details, number of audit days, etc. of the Audit Certified Accountants, etc.

e. Reasons why the Board of Audit & Supervisory Board Members agrees to the remuneration of the Accounting Auditor

The Board of Audit & Supervisory Board Members has determined the amount of remuneration, etc. to be paid to the Accounting Auditor after conducting the necessary verification of the appropriateness of the content of the audit plan, the performance of duties of the accounting audit, and the basis for calculating the remuneration estimate.

(4) Remuneration for officers, etc.

① Matters relating to the policy for determining the amount of remuneration, etc. for officers and the calculation method

a. Details of the policy for determining the amount of remuneration, etc. for officers and the calculation method and the decision policy

The Board of Directors held on February 21, 2024 resolved and decided on the policy for determining remuneration for individual Directors. Our basic policy is to establish a remuneration system that is appropriate for the roles and responsibilities of Directors, motivates Directors to improve their performance and corporate value, and is linked to shareholder interests.

The contents to be resolved at the Board of Directors is consulted in advance with the Nomination and Compensation Committee (chaired by an Outside Director Shinichiro Naito, with a majority of Outside Director as the committee members), and receives its report.

Regarding the individual remuneration, etc. for Directors in FY2024, the Board of Directors makes decisions on individual remuneration, etc. based on the content of the report made by the Nomination and Compensation Committee after deliberating on the remuneration proposal of each Director, and the Company believes that the content of such decisions is in line with the above decision-making policy.

Furthermore, with regard to the individual remuneration (stock remuneration) for Directors, points are calculated in accordance with the Share Benefit Regulations for Officers determined by the Board of Directors based on the report made by the Nomination and Compensation Committee following its deliberations, and the Company believes that the content is in line with the above decision-making policy.

b. Policy on determining the ratio of performance-linked remuneration and remuneration other than performance-linked remuneration

Stock-based compensation is determined using a trust-based stock compensation system, which was introduced with the aim of raising awareness of contributing to medium-to long-term improvement in business performance and increased corporate value. We shall entrust money to a trust designated by us (hereinafter referred to as the Trust), acquire our common stocks (hereinafter referred to as our Common Stocks) in the Trust, and deliver to the Directors, through the Trust. Restricted stock shall be delivered to Directors through the Trust in proportion to the number of points granted to them in accordance with the Share Benefit Regulations for Officers established by the Board of Directors.

c. Details of the policy relating to the determination of the amount of remuneration, etc. for officers and the calculation method

Not applicable.

d. If there is a resolution of the General Meeting of Shareholders relating to remuneration, etc. of officers, the date, and details of the resolution of the General Meeting of Shareholders

At the General Meeting of Shareholders held on March 30, 2023, the Company resolved to limit the amount of remuneration for Directors to 300 million yen per year (including 100 million yen for Outside Directors, and not including employee salaries for directors who serve concurrently as employees). The resolution also stipulated that Audit & Supervisory Board Members shall be compensated up to 40 million yen per year.

e. Targets and results of performance-linked remuneration indices for FY2024

Not applicable.

f. Name of the person who has the authority to make decisions on policies regarding the amount of remuneration, etc., of officers and the method of calculating such amount, the details of such authority, and the scope of discretion

The Board of Directors is authorized to determine the policy regarding the determination of the amount of remuneration, etc. of Directors of the Company or the method of calculation thereof, within the maximum amount of remuneration resolved at the General Meeting of Shareholders held on March 30, 2023, based on the consultation and report of the Nomination and Compensation Committee, in which Outside Directors constitute the majority and serve as chairman.

The Company's Board of Directors consists of 4 Outside Directors out of 7 Directors and 3 Outside Audit & Supervisory Board Members out of 4 Audit & Supervisory Board Members. All of these outside officers actively express their opinions at meetings of the Board of Directors from an independent and objective standpoint, and sufficient discussions are held when delegating authority to determine policies regarding the determination of the amount of remuneration for Directors and the calculation method thereof.

g. Outline of the committee, etc., if any, involved in the determination of the amount of remuneration, etc., of Directors and Audit & Supervisory Board Members or the method of calculation thereof, and the procedures thereof

The Company has established the Nomination and Compensation Committee, in which Outside Directors constitute the majority and serve as chairman. The Board of Directors determines the amount of remuneration, etc. for officers, or the method of calculation thereof, based on the advice and report of the Nomination and Compensation Committee.

h. Activities of the Board of Directors and its committees, etc. in the process of determining the amount of remuneration, etc. for officers during FY2024

The remuneration for Directors for FY2024 was determined by the Board of Directors based on the content of the report made by the Nomination and Compensation Committee following its deliberations. The remuneration for Audit & Supervisory Board Members was determined through consultation with the Board of Audit & Supervisory Board Members.

② Remuneration for Directors

a. Total remuneration by classification and number of officers of the Company

Classification	Total remuneration (thousands of yen)	Total remuneration by classification (thousands of yen)				Applicable officers (persons)
		Fixed remuneration	Performance-linked remuneration	Retirement benefits	Of the left, non-monetary compensation	
Director (excluding Outside Directors)	109,576	109,576	—	—	—	3
Outside officers	51,050	51,050	—	—	—	7

(Note) The amount of remuneration paid to Directors does not include the portion of remuneration paid to Directors who concurrently work as employees.

b. Total amount of consolidated remuneration for each officer of the Company

It is not stated because there is no officer whose total amount of consolidated remuneration is 100 million yen or more.

c. Significant salary of Directors who concurrently work as employees

Total (thousands of yen)	Applicable officers (persons)	Summary
26,404	1	Salary and bonuses

(5) Shareholding

① Standards and concepts for classification of investment stocks

The Company classifies investment stocks held for purposes other than pure investment into those held for the purpose of earning profits from changes in the value of the stocks or from dividends on the stocks, and other stocks are classified as investment stocks held for purposes other than pure investment.

② Investment stocks with a purpose other than pure investment

a. The content of what the Board of Directors verifies regarding the holding policy, the method of verifying the rationality of holding, and the appropriateness of holding individual stocks

With respect to investment stocks held for purposes other than pure investment, the Company determines the necessity of holding such stocks by examining, from both qualitative and quantitative perspectives, the benefits and risks associated with holding such stock, in addition to the nature and scale of transactions, from a medium- to long-term perspective. In addition, the departments in charge of such investments and the Board of Directors verify the necessity of holding such investments.

b. Number of stocks and balance sheet amount

	Number of stocks	Total amount on balance sheet (thousands of yen)
Unlisted stock	17	20,117
Stocks other than unlisted stock	—	—

(Stocks whose number of stocks increased in FY2024)

	Number of stocks	Total acquisition cost relating to the increase in the number of stocks (thousands of yen)	Reason for stock increase
Unlisted stock	—	—	—
Stocks other than unlisted stock	—	—	—

(Stocks whose number of stocks decreased in FY2024)

	Number of stocks	Total amount of sales price relating to the decrease in the number of stocks (thousands of yen)
Unlisted stock	3	91,682
Stocks other than unlisted stock	—	—

c. Information on the number of stocks, balance sheet amounts, etc. for each issue of specified investment stocks and deemed shareholdings

Not applicable.

③ Investment stocks whose holding purpose for pure investment

Classification	FY2024		FY2023	
	Number of stocks	Total amount on balance sheet (thousands of yen)	Number of stocks	Total amount on balance sheet (thousands of yen)
Unlisted stock	—	—	—	—
Stocks other than unlisted stock	2	41,312	2	39,894

Classification	FY2024		
	Total amount of received dividends (thousands of yen)	Total gain (loss) on sale (thousands of yen)	Total valuation gain (loss) (thousands of yen)
Unlisted stock	—	—	—
Stocks other than unlisted stock	1,024	—	—

Item 5: Accounting

1. About Consolidated Financial Statements and their Preparation Methods

- (1) The Company's consolidated financial statements are prepared based on "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976).
- (2) The Company's financial statements are based on "Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements, etc." (Ordinance of the Ministry of Finance No. 59 of 1963, hereinafter referred to as "Financial Statement Regulations"). In addition, the Company submits special financial statements and prepares financial statements in accordance with the provisions of Article 127 of the Regulations for Financial Statements.

2. Audit Certification

Based on the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company has consolidated and non-consolidated financial statements for FY2024 (January 1, 2024 until December 31, 2024) audited by KPMG AZSA LLC.

3. Special Efforts to Ensure the Appropriateness of Consolidated Financial Statements

The Company is making special efforts to ensure the appropriateness of consolidated financial statements. In order to specifically establish a system that can properly grasp the contents of accounting standards, we participate in workshops sponsored by auditing and tax accounting firms and subscribe to professional accounting books.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

① Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	10,221,202	11,883,390
Accounts receivable - trade	3,713,323	6,187,813
Investments in leases	1,317	-
Merchandise	305,559	329,440
Supplies	5,957	34,327
Other	1,376,274	1,057,827
Allowance for doubtful accounts	(177,158)	(260,352)
Total current assets	15,446,475	19,232,446
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,811,511	1,974,230
Accumulated depreciation	(262,621)	(372,119)
Buildings and structures, net	1,548,890	1,602,111
Machinery, equipment and vehicles	131,490	142,863
Accumulated depreciation	(41,460)	(62,343)
Machinery, equipment and vehicles, net	90,029	80,520
Tools, furniture and fixtures	456,325	562,064
Accumulated depreciation	(250,126)	(336,052)
Tools, furniture and fixtures, net	206,198	226,011
Rental assets	1,791,887	1,982,295
Accumulated depreciation	(1,349,908)	(1,475,780)
Rental assets, net	441,979	506,514
Leased assets	7,629	7,629
Accumulated depreciation	(7,375)	(7,629)
Leased assets, net	254	-
Land	784,041	899,203
Construction in progress	116,766	243,813
Other	318	318
Accumulated depreciation	(174)	(203)
Other, net	144	115
Total property, plant and equipment	3,188,305	3,558,290
Intangible assets		
Software	104,969	102,694
Goodwill	1,248,924	905,650
Other	21	21
Total intangible assets	1,353,914	1,008,366
Investments and other assets		
Investment securities	*1 127,259	*1 115,026
Deferred tax assets	406,975	322,582
Other	933,927	1,164,488
Allowance for doubtful accounts	(90,351)	(139,677)
Total investments and other assets	1,377,810	1,462,419
Total non-current assets	5,920,030	6,029,075
Total assets	21,366,505	25,261,522

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,229,622	1,462,700
Current portion of long-term borrowings	120,665	135,594
Lease liabilities	1,317	-
Accounts payable - other	2,052,298	1,957,601
Income taxes payable	1,203,290	1,247,737
Provision for bonuses	439,572	221,098
Provision for shareholder benefit program	18,081	441,601
Other	*2 908,881	*2 1,221,279
Total current liabilities	5,973,728	6,687,612
Non-current liabilities		
Long-term borrowings	601,451	464,401
Deferred tax liabilities	17,454	24,711
Other	166,236	194,141
Total non-current liabilities	785,141	683,253
Total liabilities	6,758,870	7,370,866
Net assets		
Shareholders' equity		
Share capital	2,571,601	2,713,443
Capital surplus	2,637,682	2,531,442
Retained earnings	11,663,013	14,145,156
Treasury shares	(2,645,942)	(2,135,941)
Total shareholders' equity	14,226,354	17,254,100
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(9,563)	(7,862)
Deferred gains or losses on hedges	-	18,800
Foreign currency translation adjustment	172,936	202,452
Total accumulated other comprehensive income	163,373	213,390
Share acquisition rights	217,907	423,164
Total net assets	14,607,635	17,890,656
Total liabilities and net assets	21,366,505	25,261,522

② Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	*1 31,807,789	*1 35,528,993
Cost of sales	*2 14,005,098	*2 14,958,936
Gross profit	17,802,691	20,570,057
Selling, general and administrative expenses	*3 13,521,925	*3 15,205,001
Operating profit	4,280,765	5,365,056
Non-operating income		
Interest income	647	734
Dividend income	6,883	4,024
Share of profit of entities accounted for using equity method	-	17,841
Foreign exchange gains	9,789	1,239
Commission income	-	10,925
Subsidy income	31,562	27,064
Surrender value of insurance policies	12,233	-
Other	22,239	14,612
Total non-operating income	83,355	76,442
Non-operating expenses		
Interest expenses	12,373	10,618
Share of loss of entities accounted for using equity method	4,462	-
Consumption tax difference	2,487	3,978
Commission expenses	3,370	2,812
Other	3,437	1,855
Total non-operating expenses	26,130	19,264
Ordinary profit	4,337,990	5,422,233
Extraordinary income		
Gain on sale of investment securities	84,282	60,204
Return profit on cancellation of contract	9,370	-
Total extraordinary income	93,652	60,204
Extraordinary losses		
Loss on sale of non-current assets	-	*4 698
Loss on retirement of non-current assets	*5 44,303	*5 57,703
Impairment losses	-	*6 118,243
Total extraordinary losses	44,303	176,645
Profit before income taxes	4,387,340	5,305,793
Income taxes - current	1,396,690	1,846,568
Income taxes - deferred	(35,744)	83,634
Total income taxes	1,360,945	1,930,202
Profit	3,026,394	3,375,590
Profit attributable to non-controlling interests	499	-
Profit attributable to owners of parent	3,025,895	3,375,590

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	3,026,394	3,375,590
Other comprehensive income		
Valuation difference on available-for-sale securities	4,635	1,700
Deferred gains or losses on hedges	-	18,800
Foreign currency translation adjustment	48,517	29,515
Total other comprehensive income	* 53,152	* 50,017
Comprehensive income	3,079,547	3,425,607
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,079,048	3,425,607
Comprehensive income attributable to non-controlling interests	499	-

③ Consolidated Statements of Changes in Shareholders' Equity

For the fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,535,941	2,602,056	8,637,117	(1,862,967)	11,912,147
Changes during period					
Issuance of new shares - exercise of share acquisition rights	35,660	35,660			71,320
Profit attributable to owners of parent			3,025,895		3,025,895
Purchase of treasury shares				(782,974)	(782,974)
Purchase of shares of consolidated subsidiaries		(34)			(34)
Net changes in items other than shareholders' equity					
Total changes during period	35,660	35,626	3,025,895	(782,974)	2,314,207
Balance at end of period	2,571,601	2,637,682	11,663,013	(2,645,942)	14,226,354

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(14,198)	124,419	110,220	11,344	6,284	12,039,996
Changes during period						
Issuance of new shares - exercise of share acquisition rights						71,320
Profit attributable to owners of parent						3,025,895
Purchase of treasury shares						(782,974)
Purchase of shares of consolidated subsidiaries						(34)
Net changes in items other than shareholders' equity	4,635	48,517	53,152	206,563	(6,284)	253,431
Total changes during period	4,635	48,517	53,152	206,563	(6,284)	2,567,639
Balance at end of period	(9,563)	172,936	163,373	217,907	-	14,607,635

For the fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,571,601	2,637,682	11,663,013	(2,645,942)	14,226,354
Changes during period					
Issuance of new shares - exercise of share acquisition rights	141,842	141,842			283,684
Dividends of surplus			(631,463)		(631,463)
Profit attributable to owners of parent			3,375,590		3,375,590
Purchase of treasury shares				(66)	(66)
Disposal of treasury shares to stock benefit trust		(10,529)		10,529	-
Cancellation of treasury shares		(499,537)		499,537	-
Transfer from retained earnings to capital surplus		261,984	(261,984)		-
Net changes in items other than shareholders' equity					
Total changes during period	141,842	(106,240)	2,482,143	510,000	3,027,745
Balance at end of period	2,713,443	2,531,442	14,145,156	(2,135,941)	17,254,100

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(9,563)	-	172,936	163,373	217,907	14,607,635
Changes during period						
Issuance of new shares - exercise of share acquisition rights						283,684
Dividends of surplus						(631,463)
Profit attributable to owners of parent						3,375,590
Purchase of treasury shares						(66)
Disposal of treasury shares to stock benefit trust						-
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	1,700	18,800	29,515	50,017	205,257	255,274
Total changes during period	1,700	18,800	29,515	50,017	205,257	3,283,020
Balance at end of period	(7,862)	18,800	202,452	213,390	423,164	17,890,656

④ Consolidated Statements of Cash Flow

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,387,340	5,305,793
Depreciation	544,740	705,255
Impairment losses	-	118,243
Amortization of goodwill	210,385	230,516
Share-based payment expenses	207,000	207,000
Increase (decrease) in allowance for doubtful accounts	81,007	132,523
Increase (decrease) in provision for bonuses	71,239	(217,795)
Increase (decrease) in provision for shareholder benefit program	12,429	423,520
Interest and dividend income	(7,531)	(4,758)
Subsidy income	(31,562)	(27,064)
Interest expenses	12,373	10,618
Share of loss (profit) of entities accounted for using equity method	4,462	(17,841)
Loss (gain) on sale of non-current assets	-	698
Loss on retirement of non-current assets	44,303	57,703
Loss (gain) on sale of investment securities	(84,282)	(60,204)
Decrease (increase) in trade receivables	(94,810)	(2,517,071)
Decrease (increase) in inventories	(70,940)	(53,225)
Increase (decrease) in trade payables	397,923	228,229
Increase (decrease) in accounts payable - other	(90,002)	17,307
Other, net	161,572	362,660
Subtotal	5,755,645	4,902,108
Interest and dividends received	7,467	4,694
Subsidies received	31,562	27,064
Interest paid	(12,401)	(10,388)
Income taxes paid	(727,654)	(1,807,320)
Net cash provided by (used in) operating activities	5,054,619	3,116,158
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,766,502)	(1,043,389)
Proceeds from sales of property, plant and equipment	23	6,997
Purchase of intangible assets	(48,387)	(33,427)
Proceeds from sale of investment securities	160,148	91,697
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (211,738)	-
Payments for acquisition of businesses	(33,958)	(5,619)
Payment for guarantee deposits	(158,837)	(228,519)
Proceeds from collection of lease deposits and guarantee deposits	140,600	43,488
Other, net	78,465	5,233
Net cash provided by (used in) investing activities	(1,840,186)	(1,163,539)
Cash flows from financing activities		
Repayments of long-term borrowings	(308,668)	(128,768)
Income from exercising stock options	70,883	281,942
Purchase of treasury shares	(782,974)	(66)
Repayments of lease liabilities	(12,977)	(1,317)
Dividends paid	-	(629,810)
Other, net	(6,783)	-
Net cash provided by (used in) financing activities	(1,040,520)	(478,019)
Effect of exchange rate change on cash and cash equivalents	50,926	27,440
Net increase (decrease) in cash and cash equivalents	2,224,838	1,502,039

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash and cash equivalents at beginning of period	8,185,773	10,410,612
Cash and cash equivalents at end of period	*1 10,410,612	*1 11,912,652

[Notes]

(Basis of Presenting Consolidated Financial Statements, etc.)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 24 companies

Names of consolidated subsidiaries

The above information is omitted because it is stated in "Item 1. Company Information 4. Affiliated Companies."

In FY2024, we have newly established Vision Works Inc., Vision Link Inc., and VISION USA CORP., and have included them in the scope of consolidation.

(2) Names of principal non-consolidated subsidiary

Names of principal non-consolidated subsidiary

Vision Ventures Co., Ltd.

Reason for exclusion from scope of consolidation

The non-consolidated subsidiary is small in size, and its total assets, net sales, net income (the Company's interest share), retained earnings (the Company's interest share), etc. have no material impact on the consolidated financial statements.

2. Application of equity method

Number of companies accounted for by the equity method: 1 company

Name of affiliated company to which the equity method is applied

eeats Co., Ltd.

3. Fiscal year of consolidated subsidiaries and equity method affiliates

Among the consolidated subsidiaries, adval Corp. has a fiscal year ending May 31. In preparing the financial statements, a provisional settlement of accounts was made as of November 30, and adjustments necessary for consolidation were made for significant transactions that occurred during the period up to the consolidated fiscal year end. In addition, the fiscal year end of ZORSE Co., Ltd. is June 30, and in preparing the consolidated financial statements, a provisional settlement of accounts as of December 31 is used and adjustments necessary for consolidation were made for significant transactions that occurred during the period up to the consolidated fiscal year end.

Additionally, Vision Mobile Hong Kong Limited and six other subsidiary companies have a fiscal year ending September 30, and in preparing the consolidated financial statements, the financial statements of the consolidated subsidiaries as of their fiscal year end are used, and necessary adjustments are made for significant transactions that occurred during the period up to the consolidated fiscal year end.

Although the fiscal year end of equity-method affiliates differs from the consolidated fiscal year end, the financial statements of the fiscal year of the equity-method affiliates are used.

4. Matters relating to accounting policies

(1) Valuation standards and methods for important assets

① Marketable securities

Other securities

Securities with market quotations

Market value method (Unrealized gains and losses are included directly in net assets and cost of sales is calculated using the moving average method.)

Securities without market quotations

Cost method based on the moving average method

② Inventories

Merchandise / Supplies

Stated at cost determined by the first-in, first-out method (Method of devaluation of book value based on decline in profitability)

(2) Depreciation and amortization methods for significant depreciable assets

① Property, plant and equipment (excluding leased assets)

The declining-balance method is used. However, the straight-line method is used for buildings (excluding building fixtures), rental assets, and building fixtures and structures acquired on or after April 1, 2016.

The durable lives of major assets are as follows.

Buildings and structures	2-50 years
Machinery, equipment, and vehicles	2-17 years
Tools, furniture, and fixtures	2-20 years
Rental assets	2 years

② Intangible fixed assets

The straight-line method is used.

Software for internal use is amortized over the estimated durable life (5 years).

③ Leased assets

Leased assets relating to finance leases that do not transfer ownership

The straight-line method, where the lease period is deemed as the durable life and the residual value is set as zero, is used.

(3) Basis for accounting for allowances

① Allowance for doubtful accounts

To provide for losses due to bad debts, the Company and its consolidated subsidiaries reserve an estimated uncollectible amount based on historical bad debt ratios for general bonds and on an individual assessment of collectability for specific bonds such as bonds in danger of bankruptcy.

② Allowance for bonuses

To provide for bonuses payable to employees, an allowance is provided based on the estimated amount of payment.

③ Provision for shareholder benefit program

To provide for expenses relating to the shareholder benefit program, the amount expected to be incurred after FY2025 is recorded.

(4) Basis for recording significant revenues and expenses

The main performance obligations and the usual point in time for satisfying those obligations (the usual point of revenue recognition) regarding the revenue arising from contracts with the Company and its consolidated subsidiaries' customers in the major businesses are as follows.

① GLOBAL WiFi Business

The GLOBAL WiFi Business mainly rents router terminals for mobile data communication. The Company is obligated to provide communication services during the rental period based on the contract and recognizes revenue upon satisfaction of the performance obligation for the rental period. Lease revenue included in rentals is recognized in accordance with the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, March 30, 2007).

The consideration for these services is generally received within one month, and the amount of consideration does not include a significant financial component.

② Information and Communications Service Business

The Information and Communications Service Business, which includes brokering of telecommunication lines, sales of MFPs and network equipment, production of websites, etc., is obligated to provide products and services to customers based on service provision contracts concluded with them, and the main performance obligation is satisfied by delivery of deliverables or provision of services. The Company recognizes revenue when these obligations are satisfied by the delivery of deliverables or provision of services. The consideration for these services and products provided is received in accordance with the terms of the contract, within one month from the time of fulfillment of the performance obligation in the case of normal services and products, or within seven years in the case of installment sales and leasing transactions. In addition, we don't adjust the amount of the promised consideration for the impact of financial component, which are not significant on a contract basis in installment sales and lease transactions.

In the case of telecommunication line agency services, the Company recognizes as a refund liability the estimated amount of refunds to be received when a customer cancels the telecommunication line within a short period of time.

③ Glamping and Tourism Business

The Glamping and Tourism Business provides services incidental to glamping facilities and arranges inbound travel, and revenue is recognized when the customer obtains control over the products or services at the time of delivery and the Group's performance obligations are satisfied. The consideration for these services is generally received within one month, and the amount of consideration does not include any significant financial component.

(5) Conversion of significant assets and liabilities denominated in foreign currencies into Japanese currency

Monetary receivables and payables on foreign currency denominated basis are translated into Japanese yen at the spot exchange rates prevailing on the consolidated balance sheet date, with translation differences recognized as gains or losses. Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate on the balance sheet date, and revenues and expenses are translated into yen at the average exchange rate during the period. The translation differences are included in the foreign currency translation adjustment under net assets.

(6) Significant hedge accounting methods

① Hedge accounting methods

Deferred hedge accounting is adopted. Allocation processing is applied to foreign exchange forward contracts that meet the requirements for allocation treatment.

② Hedging instruments and hedged item

Hedging instruments Forward exchange contracts

Hedging item Monetary receivables and payables on foreign currency denominated and foreign currency-denominated expected transactions

③ Hedging policy

The Company enters into forward exchange contract transactions to hedge risks arising from fluctuations in foreign exchange rates.

④ Methods of evaluating hedge effectiveness

The Company compares the cumulative cash flow fluctuations of the hedged item or market fluctuations and the cumulative cash flow fluctuations of the hedging instrument or market fluctuations, and evaluates the effectiveness of the hedge based on the amount of fluctuation in both cases. However, foreign exchange reserves by using allocation processing are omitted the effectiveness evaluation.

(7) Amortization method and period of goodwill

Goodwill is amortized by the straight-line method over a reasonable amortization period not exceeding 20 years.

(8) Scope of cash and cash equivalents in the consolidated statements of cash flows

It consists of cash on hand, deposits that can be withdrawn on demand, and short-term investments that can be easily converted into cash with little risk of price fluctuations and that mature within 3 months of acquisition.

(Significant Accounting Estimates)

The following is a list of items for which an accounting estimate has been recorded in the consolidated financial statements for FY2024 and which may have a material effect on the consolidated financial statements for FY2025.

Valuation of goodwill recognized at the time of the acquisition of shares of adval Corp.

(1) Amount recorded in the consolidated financial statements for FY2024

(Unit: thousands of yen)

	FY2023	FY2024
Goodwill	1,248,924	905,650

(2) Information on significant accounting estimates relating to identified items

The Group has recognized 771,559 thousand yen of unamortized goodwill identified as excess earning capacity of its consolidated subsidiary, adval Corp., in the consolidated balance sheet. adval Corp. reviewed the impact on its business plan considering changes in the market environment, such as customer needs in the space rental business. As a result, in FY2024, in conjunction with the revision of the business plan that had been formulated in FY2023, adval examined whether the revision of the business plan indicated a significant deterioration of the business environment in the examination of signs of impairment of asset groups including goodwill, but determined that it did not indicate any sign of impairment.

Asset groups that include recognized goodwill are determined to be impaired primarily by monitoring the achievement of business plans. When an indication of impairment of goodwill is identified, an impairment loss is recognized for the asset group including goodwill if the total undiscounted future cash flows from the asset group including goodwill are less than the carrying amount of the asset group.

Future cash flows are estimated based on business plans, which plans are based on key assumptions of various indicators, and these key assumptions are subject to uncertainty.

If the key assumptions used in these estimates need to be revised due to changes in the economic environment or other factors, the amount of goodwill may be materially affected in FY2025.

(Change in Presentation Method)

(Consolidated Statements of Income)

“Consumption tax difference” (2,487 thousand yen in FY2023), which was included in “Other” under “Non-operating expenses” in FY2023, is independently presented in FY2024 because its importance in terms of amount has increased.

(Additional Information)

(Introduction of performance-linked stock compensation plan (BBT-RS))

The Company has introduced the performance-linked stock compensation plan “Board Benefit Trust-Restricted Stock (BBT-RS)” for the purpose of clarifying the link between remuneration for Directors (excluding Outside Directors) and share value and having Directors share not only the benefits of rising stock prices but also the risks of falling stock prices with shareholders, thereby raising awareness of contributing to improving medium- to long-term performance and increasing corporate value. The accounting treatment for such trust agreement is in accordance with the “Practical Treatment of Transactions in which the Company’s shares are delivered to employees, etc. through a trust” (Practical Response Report No. 30, March 26, 2015).

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan under which the Company’s shares are acquired through a trust in which the Company’s shares are contributed as funds, and an amount equivalent to the amount calculated by converting the Company’s shares and the Company’s shares at market price is provided to the Eligible Directors in accordance with the Share Benefit Regulations for Officers as set forth by the Company through the trust. In principle, the period when Eligible Directors receive payment of the Company’s shares shall be fixed every year, and the period when Eligible Directors receive payment of money equivalent to the amount calculated by converting the Company’s shares at market price shall be the period when Eligible Directors resign as a rule. In the event that Eligible Directors receive the benefit of our Shares during the term of office, the Eligible Directors will enter into a transfer restriction agreement with us prior to the payment of our Shares. As a result, the disposition of the Company’s shares for which the Eligible Directors received benefits during their tenure will be restricted by transfer, etc. until the retirement of the said Eligible Directors.

(2) Shares of the Company remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury shares under net assets based on the book value in the trust (excluding the amount of incidental expenses). The book value and number of shares of treasury shares are 213,043 thousand yen and 183,500 shares, respectively, for FY2024.

(Consolidated Balance Sheet)

*1. The amount due to non-consolidated subsidiaries and affiliated companies are as follows.

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Investment securities (stocks)	34,770 thousands of yen	52,596 thousands of yen

*2. The amount due to contract liabilities in Other is as follows.

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Contract liabilities	503,800 thousands of yen	718,858 thousands of yen

*3. Overdraft agreements

The Group has current account overdraft and commitment line agreements with 3 banks for the purpose of efficient procurement of working capital.

The following table shows the balance of unused lines of credit related to overdraft and commitment line agreements at the end of the consolidated fiscal year.

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Overdraft limit and total lending commitment	3,750,000 thousands of yen	3,750,000 thousands of yen
Borrowing execution balance	— thousands of yen	— thousands of yen
Deduction	3,750,000 thousands of yen	3,750,000 thousands of yen

(Consolidated Statements of Income)

*1. Revenue from contracts with customers

Net sales are not separately presented for revenues arising from contracts with customers and other revenues. The amount of revenue arising from contracts with customers is presented in the Consolidated Financial Statements “Notes (Revenue Recognition) 1. Information that disaggregates revenue arising from customer contracts.”

*2. Ending inventory is the amount after devaluation of book value due to decline in profitability, and the following loss on valuation of inventories is included in cost of sales.

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
	4,505 thousands of yen	7,238 thousands of yen

*3. The major expense items and amounts of selling, general and administrative expenses are as follows.

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Salaries and allowances	2,760,054 thousands of yen	3,045,781 thousands of yen
Sales promotion expenses	2,583,647 thousands of yen	3,063,738 thousands of yen
Commissions paid	2,277,964 thousands of yen	2,548,533 thousands of yen
Provision of allowance for doubtful accounts	120,915 thousands of yen	192,858 thousands of yen
Provision for bonuses	390,934 thousands of yen	154,802 thousands of yen
Provision for shareholder benefit program	33,156 thousands of yen	443,623 thousands of yen

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

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Buildings and structures	— thousands of yen	669 thousands of yen
Tools, furniture and fixtures	— thousands of yen	28 thousands of yen
Total	— thousands of yen	698 thousands of yen

*5. The losses on retirement of non-current assets are as follows.

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Buildings and structures	28,672 thousands of yen	55,385 thousands of yen
Tools, furniture and fixtures	1,437 thousands of yen	2,318 thousands of yen
Software	13,125 thousands of yen	— thousands of yen
Other	1,067 thousands of yen	— thousands of yen
Total	44,303 thousands of yen	57,703 thousands of yen

*6. Impairment losses

The Group is available to get separate financial information for each component, regularly considering assets into groups for the Board of Directors to evaluate the determination of allocation of management resources and performance.

The Group recorded impairment losses for the following asset groups in FY2024.

Place	Usage	Type	Impairment amount (thousands of yen)
Sendai City, Miyagi Prefecture	Business assets	Goodwill	118,243

The Group treats goodwill on a company-by-company basis in principle.

In FY2024, the goodwill recognized at the time of the acquisition of some consolidated subsidiaries was reduced carrying amount to the recoverable amount because the profits expected at the time of the acquisition are no longer expected. The reduction in the carrying amount was recorded as an impairment loss. The recoverable amount is calculated using the value in use, discounting future cash flows at 19.2%.

(Statements of Comprehensive Income)

*Reclassification adjustments and tax effects relating to other comprehensive income

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Valuation difference on available-for-sale securities		
Amount arising during the period	91,377 thousands of yen	1,418 thousands of yen
Reclassification adjustment	(84,282) thousands of yen	— thousands of yen
Before tax effect adjustment	7,094 thousands of yen	1,418 thousands of yen
Tax effect amount	(2,458) thousands of yen	282 thousands of yen
Valuation difference on available-for-sale securities	4,635 thousands of yen	1,700 thousands of yen
Deferred gains or losses on hedges		
Amount arising during the period	— thousands of yen	27,098 thousands of yen
Reclassification adjustment	— thousands of yen	— thousands of yen
Before tax effect adjustment	— thousands of yen	27,098 thousands of yen
Tax effect amount	— thousands of yen	(8,297) thousands of yen
Deferred gains or losses on hedges	— thousands of yen	18,800 thousands of yen
Foreign currency translation adjustment		
Amount arising during the period	48,517 thousands of yen	29,515 thousands of yen
Total other comprehensive income	53,152 thousands of yen	50,017 thousands of yen

(Consolidated Statements of Changes in Shareholders' Equity)

FY2023 (January 1, 2023 – December 31, 2023)

1. Matters relating to issued stock

Stock type	Beginning of FY2023	Increase	Decrease	End of FY2023
Common stock (shares)	50,422,200	83,100	—	50,505,300

(Reason for change)

Increase of 83,100 shares due to exercise of share acquisition rights.

2. Matters relating to treasury shares

Stock type	Beginning of FY2023	Increase	Decrease	End of FY2023
Common stock (shares)	1,501,642	670,039	—	2,171,681

(Reasons for change)

Increase of 670,000 shares due to acquisition of treasury shares by resolution of the Board of Directors on November 13, 2023.

Increase of 39 shares due to purchase of odd-lot shares.

3. Matters relating to share acquisition rights

Company	Breakdown	Type of objective stocks	Number of objective stocks (shares)				Balance at the end of FY2023 (thousands of yen)
			Beginning of FY2023	Increase	Decrease	End of FY2023	
The Company	Share acquisition rights as stock options in 2017	—	—	—	—	5,147	
	Share acquisition rights as stock options in 2022	—	—	—	—	212,760	
Total			—	—	—	217,907	

4. Matters relating to dividends

Not applicable.

FY2024 (January 1, 2024 – December 31, 2024)

1. Matters relating to issued stock

Stock type	Beginning of FY2024	Increase	Decrease	End of FY2024
Common stock (shares)	50,505,300	326,700	410,000	50,422,000

(Reason for change)

Increase of 326,700 shares due to exercise of share acquisition rights.

Decrease of 410,000 shares due to cancellation of treasury shares by resolution of the Board of Directors on March 21, 2024.

2. Matters relating to treasury shares

Stock type	Beginning of FY2024	Increase	Decrease	End of FY2024
Common stock (shares)	2,171,681	54	410,000	1,761,735

(Note) 1. The number of treasury shares of common stock at the end of FY2024 includes 183,500 shares of the Company's stock held by the Board Benefit Trust-Restricted Stock (BBT-RS).

2. (Reason for change)

Increase of 54 shares due to purchase of odd-lot shares.

Decrease of 410,000 shares due to cancellation of treasury shares by resolution of the Board of Directors on March 21, 2024.

3. Matters relating to share acquisition rights

Company	Breakdown	Type of objective stocks	Number of objective stocks (shares)				Balance at the end of FY2024 (thousands of yen)
			Beginning of FY2024	Increase	Decrease	End of FY2024	
The Company	Share acquisition rights as stock options in 2017	—	—	—	—	—	3,404
	Share acquisition rights as stock options in 2022	—	—	—	—	—	419,760
Total			—	—	—	—	423,164

4. Matters relating to dividends

(1) Dividends paid

Resolution	Stock type	Total amount of dividends (thousands of yen)	Dividend per share (yen)	Record date	Effective date
June 21, 2024 Board of Directors	Common stock	631,463	13	June 30, 2024	September 10, 2024

(Note) The total amount of dividends resolved by the Board of Directors on June 21, 2024 includes dividends of 2,385 thousand yen for the Company's shares held by the Board Benefit Trust-Restricted Stock (BBT-RS).

(2) Dividends with a record date in FY2024 but an effective date in FY2025

Resolution	Stock type	Total amount of dividends (thousands of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
February 13, 2025 Board of Directors	Common stock	683,812	Retained earnings	14	December 31, 2024	March 13, 2025

(Note) The total amount of dividends resolved by the Board of Directors on February 13, 2025 includes dividends of 2,569 thousand yen for the Company's shares held by the Board Benefit Trust-Restricted Stock (BBT-RS).

(Consolidated Statements of Cash Flow)

*1. Cash and cash equivalents at the end of the period are reconciled to the accounts reported in the consolidated balance sheet as follows.

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Cash and deposits	10,221,202 thousands of yen	11,883,390 thousands of yen
Deposits received ("Other" in Current assets)	189,410 thousands of yen	29,261 thousands of yen
Cash and cash equivalents	10,410,612 thousands of yen	11,912,652 thousands of yen

*2. Major breakdown of assets and liabilities of the company newly consolidated through stock acquisition

FY2023 (January 1, 2023 – December 31, 2023)

Breakdown of assets and liabilities of ZORSE Co., Ltd. at the time of its consolidation through stock acquisition, and the relationship between the acquisition cost of the stock and the expenditure for the acquisition (net amount) are as follows.

Current assets	13,851 thousands of yen
Non-current assets	3,721 thousands of yen
Goodwill	276,145 thousands of yen
Current liabilities	24,506 thousands of yen
Non-current liabilities	53,212 thousands of yen
Acquisition cost of stock	216,000 thousands of yen
Cash and cash equivalents	4,261 thousands of yen
Difference: Expenditure for acquisition	211,738 thousands of yen

FY2024 (January 1, 2024 – December 31, 2024)

Not applicable.

(Lease Transactions)

1. Financial lease transaction

(Borrower)

Finance lease transaction without transfer of ownership

(1) Details of leased assets

Property, plant and equipment: Vehicles that have been borrowed from a leasing company and then subleased to our business partners.

(2) Depreciation method for leased assets

The straight-line method is used, where the lease period is deemed as the useful life of the asset and the residual value is set as zero.

(Lender)

(1) Breakdown of lease investment assets

Current assets

(Unit: thousands of yen)

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Lease payment receivable portion	1,321	—
Estimated residual value portion	—	—
Interest income portion	4	—
Lease investment assets	1,317	—

(2) Scheduled collection of the portion of lease receivable to lease investment assets after the balance sheet date

(Unit: thousands of yen)

	FY2023 (As of December 31, 2023)					
	Under 1 year	Over 1 year, under 2 years	Over 2 years, under 3 years	Over 3 years, under 4 years	Over 4 years, under 5 years	Over 5 years
Lease investment assets	1,321	—	—	—	—	—

(Unit: thousands of yen)

	FY2024 (As of December 31, 2024)					
	Under 1 year	Over 1 year, under 2 years	Over 2 years, under 3 years	Over 3 years, under 4 years	Over 4 years, under 5 years	Over 5 years
Lease investment assets	—	—	—	—	—	—

2. Operating lease transaction

(Borrower)

Unearned lease fees for non-cancellable operating lease transactions

(Unit: thousands of yen)

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Under 1 year	243,179	319,196
Over 1 year	1,033,316	1,218,561
Total	1,276,495	1,537,757

(Financial Instruments)

1. Matters relating to the status of financial instruments

(1) Policy on financial instruments

The Group's policy is to limit fund management to deposits and to procure funds mainly through bank loans. Derivative transactions are used to avoid the risk of exchange rate fluctuations and the Group's policy is not to engage in speculative transactions.

(2) Description of financial instruments and their risks

Trade accounts receivable is exposed to customer credit risk.

Investment securities are stocks of companies with which the Company has business relationships and are exposed to the risk of fluctuations in the market prices and financial conditions of the counterparty companies.

Most of trade payables, such as trade notes and accounts payable and accounts payable-other, are due within three months.

Short-term borrowings and long-term borrowings are intended to procure funds necessary for working capital and capital investment and are exposed to interest rate risk and liquidity risk relating to funding procurement.

Derivative transactions are forward exchange contracts aimed at hedging against the risk of fluctuations in foreign exchange rates related to operating payables denominated in foreign currencies. Furthermore, we only transact with highly rated financial institutions in order to reduce credit risk.

(3) Risk management system for financial instruments

① Credit risk management (risk relating to nonperformance of contract by counterparties)

The Company has established a dedicated credit management department for operating receivables to manage due dates and outstanding balances for each counterparty and to early identify and mitigate concerns about collection due to deterioration of financial conditions and other factors. Consolidated subsidiaries also manage their receivables in the same manner.

② Management of market risk (market value fluctuation risk)

Regarding investment securities, the Company periodically monitors the market prices and financial conditions of the counterparty companies and continuously reviews its holdings, taking into consideration market conditions and the relationship with the counterparty companies.

③ Management of liquidity risk (risk of being unable to make payments by due dates) relating to fund procurement

The Company manages liquidity risk by preparing and updating cash flow plans in a timely manner based on reports from each department and by maintaining liquidity on hand. The same management is applied to consolidated subsidiaries.

(4) Supplementary explanation on market value of financial instruments

Since variable factors are incorporated in the calculation of the market value of financial instruments, such values may change due to the adoption of different assumptions and other factors. In addition, the contract amounts of derivative transactions in the Notes to "Derivative Transactions" do not in themselves represent the market risk associated with derivative transactions.

2. Matters relating to the market value of financial instruments

Carrying amount on the consolidated balance sheet, market value, and the difference between the two are as follows.

FY2023 (As of December 31, 2023)

	Consolidated balance sheet (thousands of yen)	Market value (thousands of yen)	Difference (thousands of yen)
(1) Accounts receivable - trade	3,713,323	3,687,950	(25,373)
(2) Investment securities (*2)	39,894	39,894	—
(3) Long-term loans receivable (*3)	3,915	3,857	(58)
(4) Lease investment assets (*3)	1,317	1,298	(19)
Total assets	3,758,450	3,732,999	(25,450)
(5) Long-term loans payable (*3)	722,116	698,368	(23,748)
(6) Lease obligations (*3)	1,317	1,298	(19)
Total liabilities	723,433	699,666	(23,767)

FY2024 (As of December 31, 2024)

	Consolidated balance sheet (thousands of yen)	Market value (thousands of yen)	Difference (thousands of yen)
(1) Accounts receivable - trade	6,187,813	6,138,135	(49,678)
(2) Investment securities (*2)	41,312	41,312	—
Total assets	6,229,126	6,179,447	(49,678)
(3) Long-term loans payable (*3)	599,995	569,614	(30,381)
Total liabilities	599,995	569,614	(30,381)
Derivative transactions (*4)	27,098	27,098	—

(*1) “Cash and deposits,” “Notes and accounts payable - trade,” and “Accounts payable - other” are omitted because their market values approximate their book values due to their short maturities.

(*2) FY2023 (As of December 31, 2023)

Stocks and other securities without market quotations are not included in “(2) Investment securities.” The consolidated balance sheet amounts of such financial instruments are as follows.

Classification	FY2023 (thousands of yen)
Unlisted stocks	52,609
Stocks of affiliated companies (unlisted)	34,755

FY2024 (As of December 31, 2024)

Stocks and other securities without market quotations are not included in “(2) Investment securities.” The consolidated balance sheet amounts of such financial instruments are as follows.

Classification	FY2024 (thousands of yen)
Unlisted stocks	21,117
Stocks of affiliated companies (unlisted)	52,596

(*3) Long-term loans receivable, lease investment assets, long-term loans payable, and lease obligations include current portion of long-term loans receivable and lease investment assets, and current portion of long-term loans payable and lease obligations.

(*4) Net receivables and payables arising from derivative transactions are presented on a net basis, and items that total net payables are shown in (loss).

(Note 1) Scheduled redemption amount of monetary claims after the consolidated balance sheet date

FY2023 (As of December 31, 2023)

	Under 1 year (thousands of yen)	Over 1 year, under 5 years (thousands of yen)	Over 5 years, under 10 years (thousands of yen)	Over 10 years (thousands of yen)
Cash and deposits	10,221,202	—	—	—
Notes and accounts receivable - trade	2,642,908	946,902	123,512	—
Long-term loans receivable	3,915	—	—	—
Lease investment assets	1,317	—	—	—
Total	12,869,343	946,902	123,512	—

FY2024 (As of December 31, 2024)

	Under 1 year (thousands of yen)	Over 1 year, under 5 years (thousands of yen)	Over 5 years, under 10 years (thousands of yen)	Over 10 years (thousands of yen)
Cash and deposits	11,883,390	—	—	—
Notes and accounts receivable - trade	3,979,786	1,932,460	275,566	—
Total	15,863,176	1,932,460	275,566	—

(Note 2) Scheduled repayment amounts of short-term loans payable, long-term loans payable, and lease obligations after the consolidated balance sheet date

FY2023 (As of December 31, 2023)

	Under 1 year (thousands of yen)	Over 1 year, under 2 years (thousands of yen)	Over 2 years, under 3 years (thousands of yen)	Over 3 years, under 4 years (thousands of yen)	Over 4 years, under 5 years (thousands of yen)	Over 5 years (thousands of yen)
Long-term loans payable	120,665	137,578	100,591	72,525	71,409	219,348
Lease obligation	1,317	—	—	—	—	—
Total	121,982	137,578	100,591	72,525	71,409	219,348

FY2024 (As of December 31, 2024)

	Under a year (thousands of yen)	Over 1 year, under 2 years (thousands of yen)	Over 2 years, under 3 years (thousands of yen)	Over 3 years, under 4 years (thousands of yen)	Over 4 years, under 5 years (thousands of yen)	Over 5 years (thousands of yen)
Long-term loans payable	135,594	100,452	72,525	72,076	62,836	156,512
Total	135,594	100,452	72,525	72,076	62,836	156,512

3. Matters relating to the breakdown of the market value of financial instruments by level

The market value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate market value.

Level 1 Market value: Market value calculated based on quoted market prices for assets or liabilities subject to market value calculations that are formed in active markets, which are among the inputs for the calculation of observable market value.

Level 2 Market value: Market value calculated using inputs other than Level 1 inputs to the calculation of observable market value.

Level 3 Market value: Market value calculated using inputs for the calculation of market value that are not observable.

If multiple inputs that have a significant impact on the market value calculation are used, the market value is classified at the lowest priority level in the market value calculation.

(1) Financial instruments recorded on the consolidated balance sheet at market value

FY2023 (As of December 31, 2023)

Classification	Market value (thousands of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stocks	39,894	—	—	39,894
Total assets	39,894	—	—	39,894

FY2024 (As of December 31, 2024)

Classification	Market value (thousands of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stocks	41,312	—	—	41,312
Derivative transactions	—	27,098	—	27,098
Total assets	41,312	27,098	—	68,410

(2) Financial instruments other than those recorded on the consolidated balance sheets at market value

FY2023 (As of December 31, 2023)

Classification	Market value (thousands of yen)			
	Level 1	Level 2	Level 3	Total
Accounts receivable - trade	—	3,687,950	—	3,687,950
Long-term loans receivable	—	3,857	—	3,857
Lease investment assets	—	1,298	—	1,298
Total assets	—	3,693,105	—	3,693,105
Long-term loans payable	—	698,368	—	698,368
Lease obligations	—	1,298	—	1,298
Total liabilities	—	699,666	—	699,666

FY2024 (As of December 31, 2024)

Classification	Market value (thousands of yen)			
	Level 1	Level 2	Level 3	Total
Accounts receivable - trade	—	6,138,135	—	6,138,135
Total assets	—	6,138,135	—	6,138,135
Long-term loans payable	—	569,614	—	569,614
Total liabilities	—	569,614	—	569,614

(Note) Explanation of valuation techniques and inputs relating to the calculation of market value

Investment securities

Listed stocks are valued using quoted market prices. Since listed stocks are traded in active markets, their market value is classified as Level 1 market value.

Derivative transactions

All derivative transactions are exchange forward contracts, and their valuation is based on prices provided by the counterparty financial institutions, classified as Level 2 market value.

Accounts receivable - trade

Accounts receivable - trade related to installment transactions are classified as Level 2 market value, which is calculated based on the present value of cash flows discounted by an interest rate that takes into account the period until maturity and credit risk for each receivable classified by a certain period.

Long-term loans receivable (including current portion)

The market value of long-term loans receivable is calculated based on the present value of the total principal and interest discounted at the interest rate that would be applicable to a similar new loan and is classified as Level 2 market value.

Lease investment assets (including current portion)

The market value of lease investment assets is calculated based on the present value of the total amount of principal and interest discounted at the interest rate that would be applicable to a new similar lease transaction and is classified as Level 2 market value.

Long-term loans payable (including current portion)

The market value of long-term loans payable is calculated based on the present value of the total principal and interest discounted at the interest rate that would be applicable to a similar new loan transaction and is classified as Level 2 market value.

Lease obligations (including current portion)

The market value of lease obligations is calculated based on the present value of the total lease obligations discounted at the interest rate assumed for a new similar lease transaction and classified as Level 2 market value.

(Marketable Securities)

1. Available-for-sale securities

FY2023 (As of December 31, 2023)

Classification	Consolidated balance sheet (thousands of yen)	Acquisition cost (thousands of yen)	Difference (thousands of yen)
Securities whose reported amounts in the consolidated balance sheet exceed acquisition cost			
Stocks	—	—	—
Subtotal	—	—	—
Securities whose reported amounts in the consolidated balance sheet do not exceed acquisition cost			
Stocks	39,894	53,424	(13,529)
Subtotal	39,894	53,424	(13,529)
Total	39,894	53,424	(13,529)

(Note) Unlisted stocks (consolidated balance sheet: 52,609 thousand yen) are not included in “Available-for-sale securities” in the above table because they have no market price.

FY2024 (As of December 31, 2024)

Classification	Consolidated balance sheet (thousands of yen)	Acquisition cost (thousands of yen)	Difference (thousands of yen)
Securities whose reported amounts in the consolidated balance sheet exceed acquisition cost			
Stocks	9,108	7,344	1,764
Subtotal	9,108	7,344	1,764
Securities whose reported amounts in the consolidated balance sheet do not exceed acquisition cost			
Stocks	32,204	46,080	(13,875)
Subtotal	32,204	46,080	(13,875)
Total	41,312	53,424	(12,111)

(Note) Unlisted stocks (consolidated balance sheet: 21,117 thousand yen) are not included in “Available-for-sale securities” in the above table because they have no market price.

2. Available-for-sale securities sold during the consolidated fiscal year

FY2023 (As of December 31, 2023)

Classification	Sale amount (thousands of yen)	Total gain on sale (thousands of yen)	Total loss on sale (thousands of yen)
Stocks	160,148	84,282	—
Total	160,148	84,282	—

FY2024 (As of December 31, 2024)

Classification	Sale amount (thousands of yen)	Total gain on sale (thousands of yen)	Total loss on sale (thousands of yen)
Stocks	91,697	60,204	—
Total	91,697	60,204	—

3. Securities with impairment losses

No impairment losses were recorded for available-for-sale securities in FY2023.

No impairment losses were recorded for available-for-sale securities in FY2024.

In impairment of available-for-sale securities with market value, if the market value at the end of the consolidated fiscal year has declined by 50% or more compared to the acquisition cost, all such securities are written down, and if the market value has declined by 30% to 50%, impairment is recognized for the amount deemed necessary in consideration of the recoverability of the relevant amount.

In the case of impairment of unlisted stocks that have no market price, etc., the Group determines whether impairment is necessary by assessing the recoverability of each stock on an individual basis when its real value has declined significantly due to deterioration of its financial condition.

(Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied

Currency related

FY2023 (As of December 31, 2023)

Not applicable.

FY2024 (As of December 31, 2024)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

Currency related

FY2023 (As of December 31, 2023)

Not applicable.

FY2024 (As of December 31, 2024)

Hedge accounting method	Types of derivative transactions	Main hedge item	Contract amount etc. (thousands of yen)	Contract amount etc. exceeding one year (thousands of yen)	Market price (thousands of yen)
Allocation processing of foreign exchange forward contracts	Exchange forward contract	Accounts payable - trade			
	Order to buy USD		237,408	—	27,098
Total			237,408	—	27,098

(Stock Options)

1. Amount and title of expense recognized for stock options

	FY2023	FY2024
Stock compensation expense in selling, general and administrative expenses	207,000 thousands of yen	207,000 thousands of yen

2. Details, scale, and changes in stock options

(1) Details of stock option

Company	The Company
Date of resolution	March 1, 2022 Resolution by the Board of Directors Fourth share acquisition rights
Classification and number of grantees	Directors: 3 Employees: 27 Subsidiary company directors: 2
Type and number of shares granted (Note 1)	Common stock 720,000 shares
Date of grant	March 18, 2022
Vesting conditions	(Note 2)
Subject service period	There is no fixed subject service period.
Exercise period	April 1, 2024 – March 31, 2032

(Note) 1. The number of shares is converted into the number of shares.

2. (1) The holder of the share acquisition rights (hereinafter referred to as the “Share Acquisition Rights Holder”) shall be entitled to receive the Company’s Consolidated Statements of Income (or Statements of Income if the Company does not prepare a Consolidated Statements of Income; the same shall apply hereinafter) for FY2023 through FY2027. The allotted share acquisition rights may be exercised only when the operating profit stated in conditions ① or ② is satisfied. Any fraction of less than one share acquisition rights that becomes exercisable in the calculation of such “exercisable ratio” shall be rounded down.

① When operating profit in FY2023 to FY2025 exceeds 4 billion yen, the exercisable ratio is 50%.

② When operating profit in any of the fiscal year from FY2023 to FY2027 exceeds 5 billion yen, the exercisable ratio is 100%. In the event that the Board of Directors determines that it is not appropriate to use the actual figures shown in the Company’s Consolidated Statements of Income for the determination of operating profit in the above, due to a change in applicable accounting standards or an event such as a corporate acquisition that has a significant impact on the Company’s performance, the Company shall exclude the impact of such corporate acquisition to a reasonable extent and use such figures for the determination. If stock compensation expenses related to the share acquisition rights are recorded in the relevant Consolidated Statements of Income, the judgment shall be made based on the operating profit before deduction of stock compensation expenses after eliminating the effect of such expenses.

(2) The holder of share acquisition rights must be a Director, an Audit & Supervisory Board Member or an employee of the Company or its affiliates when exercising the share acquisition rights. However, this shall not apply if the Board of Directors of the Company recognizes that there is an exception due to the expiration of the term of office, retirement age, or other justifiable reasons.

(3) Inheritance of share acquisition rights by heirs is not permitted.

(4) If the total number of issued shares of the Company exceeds the total number of authorized shares at that time due to the exercise of share acquisition rights, the share acquisition rights cannot be exercised.

(5) The exercise of less than one unit of share acquisition right is not permitted.

(2) Changes in the scale of stock options

Stock options that existed during FY2024 (ended December 31, 2024) are covered, and the number of stock options has been converted into the number of shares.

① Number of stock options

Company	The Company
Date of resolution	March 1, 2022 Resolution by the Board of Directors Fourth share acquisition rights
Before vested rights (shares)	
At the end of FY2023	360,000
Granted	—
Forfeiture	—
Vested	360,000
Unvested balance	—
After vested rights (shares)	
At the end of FY2023	360,000
Vested	360,000
Exercise	—
Forfeited	—
Unexercised balance	720,000

② Unit price

Company	The Company
Date of resolution	March 1, 2022 Resolution by the Board of Directors Fourth stock acquisition rights
Exercise price (yen)	1,162
Average stock price at the time of exercise (yen)	—
Fair valuation unit price at grant date (yen)	800

3. Estimation of the number of stock options vested

Basically, since it is difficult to reasonably estimate the number of future lapses, the Company adopts a method that reflects only the actual number of lapses.

(Additional Information)

(Application of the “Practical Solution on Transactions Granting Employees and Others Stock Acquisition Rights, which Involve Considerations, with Vesting Conditions”)

For transactions in which paid-in stock acquisition rights with vesting conditions are granted to employees, etc. prior to the effective date of “Practical Solution on Transactions Granting Employees and Others Stock Acquisition Rights, which Involve Considerations, with Vesting Conditions” (ASBJ PITF No. 36, January 12, 2018; hereinafter referred to as “PITF No. 36”), the accounting treatment that was previously adopted will be continued based on PITF No. 36, Paragraph 10 (3).

The Company conducted a 3-for-1 stock split on October 1, 2019, and the following figures reflect the stock split.

1. Overview of share acquisition rights with vesting conditions

(1) Details of share acquisition rights with vesting conditions

	Third share acquisition rights
Classification and number of grantees	Directors: 3 Employees: 155 Subsidiary company employees: 5
Type and number of shares granted (Note 1)	Common stock 4,068,000 shares
Date of grant	November 30, 2017
Vesting conditions	(Note 2)
Subject service period	There is no fixed subject service period.
Exercise period	April 1, 2019 - March 31, 2025

(Note) 1. The number of shares has been converted into the number of shares.

2. (1) If the operating profit of the Company meets the conditions listed below, share acquisition rights holders will be required to pay the percentage of the rights assigned according to the conditions (listed for each item). The share acquisition rights multiplied by the “exercisable ratio” can be exercised from the first of the month following the submission date of the securities report for the period in which the operating profit level is met.

- ① When operating profit for FY2018 exceeds 2.1 billion yen and operating profit for FY2019 exceeds 2.6 billion yen, the exercisable ratio is 30%.
- ② When operating profit for FY2020 exceeds 3.1 billion yen, the exercisable ratio is 30%. Note that when both conditions ① and ② are met, the exercisable rate is 60%.
- ③ Notwithstanding any of the above, when operating profit in any of the fiscal years from FY2018 to FY2021 exceeds 3.6 billion yen, the exercisable ratio is 100%.

In determining operating profit, reference shall be made to operating profit as shown in the consolidated statements of income (or statements of income if consolidated statements of income are not prepared) included in the Company’s Annual Securities Report. If there is a significant change in the concept of items to be referenced due to the application of International Financial Reporting Standards or other reasons, the Company’s Board of Directors shall separately determine the indicators to be referenced. In addition, in calculating the exercisable ratio, any fraction less than 1 in the number of share acquisition rights exercisable by each share acquisition rights holder shall be rounded down to the nearest whole number.

- (2) Notwithstanding (1) above, share acquisition rights, except for rights that have already been exercised, cannot be exercised if operating profit falls below 1.6 billion yen in any year between FY2018 and FY2021.
- (3) The holder of share acquisition rights must be a Director (excluding Outside Directors) or an employee of the Company or an employee of a subsidiary of the Company when exercising the share acquisition rights. However, this shall not apply if the Board of Directors of the Company recognizes that there is an exception due to the expiration of the term of office, retirement age, or other justifiable reasons.
- (4) Notwithstanding the provisions of (3) above, if the holder of the share acquisition rights dies, inheritance of the share acquisition rights shall not be permitted. However, if the Board of Directors of the Company approves the exercise of the share acquisition rights by the heir in writing in consideration of various circumstances, the heir will be able to exercise the share acquisition rights which the holder of share acquisition rights would exercise if the holder were alive.

- (5) Except as provided in (4) above, succession of the share acquisition rights by inheritance shall not be permitted. If the heir of a share acquisition right holder dies, the share acquisition rights shall not be inherited again.
- (6) If the total number of issued shares of the Company exceeds the total number of authorized shares at that time due to the exercise of share acquisition rights, the share acquisition rights cannot be exercised.
- (7) The exercise of less than one unit of share acquisition right is not permitted.
- (8) Other conditions for exercising share acquisition rights shall be as set forth in the “Share Acquisition Rights Allotment Agreement,” made between the Company and the person to whom the stock acquisition rights are allotted.

(2) Size of paid-in share acquisition rights with vesting conditions and changes thereof

Stock options that existed during FY2024 (ended December 31, 2024) are covered, and the number of stock options has been converted into the number of shares.

The Company conducted a 3-for-1 stock split on October 1, 2019, and the following figures reflect this stock split.

① Number of stock options

	Third share acquisition rights
Before vested rights (shares)	
At the end of FY2023	—
Granted	—
Forfeiture	—
Vested	—
Unvested balance	—
After vested rights (shares)	
At the end of FY2023	965,100
Vested	—
Exercise	326,700
Forfeited	
Unexercised balance	638,400

② Unit price

Exercise price (yen)	863
Average stock price at the time of exercise (yen)	1,198

2. Overview of the adopted accounting method

(Accounting treatment prior to the vesting date)

- (1) The amount paid by employees for the grant of share acquisition rights with vesting conditions is recorded as share acquisition rights in the net assets section.
- (2) The portion of the paid-in amount recognized as share acquisition rights that corresponds to the forfeiture due to non-vested rights is recognized as income.

(Accounting treatment after the vesting date)

- (1) When share acquisition rights with vesting conditions are exercised and new shares are issued in response, the portion of the amount recorded as share acquisition rights corresponding to the exercise of such rights shall be transferred to paid-in capital.
- (2) In the event of forfeiture due to non-exercise of rights, the portion of the amount recorded as share acquisition rights that corresponds to such forfeiture shall be recorded as income. This accounting treatment shall be made in the period in which the relevant lapse is fixed.

(Tax Effect Accounting)

1. Breakdown by cause of occurrence of deferred tax assets and deferred tax liabilities

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Deferred tax assets		
Provision for bonuses	124,928 thousand yen	63,085 thousand yen
Accrued enterprise tax	67,787 thousand yen	67,258 thousand yen
Accrued social insurance premiums	16,817 thousand yen	6,957 thousand yen
Allowance for doubtful accounts	89,003 thousand yen	150,021 thousand yen
Refundable liabilities	21,380 thousand yen	25,878 thousand yen
Loss on valuation of investment securities	114,716 thousand yen	112,987 thousand yen
Contract liabilities	8,151 thousand yen	4,727 thousand yen
Accrued salaries	25,257 thousand yen	26,213 thousand yen
Asset retirement obligations	33,467 thousand yen	38,428 thousand yen
Excess depreciation	68,702 thousand yen	104,164 thousand yen
Excess amortization of deferred assets	12,266 thousand yen	9,654 thousand yen
Net operating loss carried forward for tax purposes (Note 1)	368,343 thousand yen	362,667 thousand yen
Impairment loss	72,292 thousand yen	22,363 thousand yen
Loss on valuation of merchandise	1,440 thousand yen	3,082 thousand yen
Other	31,035 thousand yen	42,698 thousand yen
Subtotal of deferred tax assets	1,055,592 thousand yen	1,040,186 thousand yen
Valuation allowance on tax loss carryforwards (Note 1)	(368,343) thousand yen	(362,667) thousand yen
Valuation allowance for total future deductible temporary differences, etc.	(264,625) thousand yen	(331,998) thousand yen
Subtotal of valuation allowance	(632,969) thousand yen	(694,665) thousand yen
Total deferred tax assets	422,623 thousand yen	345,520 thousand yen
Deferred tax liabilities		
Reserve for advanced depreciation of fixed assets	(25,466) thousand yen	(30,998) thousand yen
Assets for asset retirement obligations	(7,636) thousand yen	(8,353) thousand yen
Deferred gains or losses on hedges	0 thousand yen	(8,297) thousand yen
Total deferred tax liabilities	(33,102) thousand yen	(47,649) thousand yen
Net deferred tax assets	389,520 thousand yen	297,871 thousand yen

(Note) 1. Tax loss carryforwards and their deferred tax asset carryforwards by expiration
FY2023 (As of December 31, 2023)

	Under 1 year	Over 1 year, under 2 years	Over 2 years, under 3 years	Over 3 years, under 4 years	Over 4 years, under 5 years	Over 5 years	Total
Net operating loss carryforwards for tax purposes (a)	—	227	9,609	—	53,054	305,451	368,343 thousand yen
Valuation allowance	—	(227)	(9,609)	—	(53,054)	(305,451)	(368,343) thousand yen
Deferred tax assets	—	—	—	—	—	—	— thousand yen

(a) Tax loss carried forward is the amount of tax loss carried forward multiplied by the statutory effective tax rate.

FY2024 (As of December 31, 2024)

	Under 1 year	Over 1 year, under 2 years	Over 2 years, under 3 years	Over 3 years, under 4 years	Over 4 years, under 5 years	Over 5 years	Total
Net operating loss carryforwards for tax purposes (b)	175	262	—	21,975	46,292	293,961	362,667 thousand yen
Valuation allowance	(175)	(262)	—	(21,975)	(46,292)	(293,961)	(362,667) thousand yen
Deferred tax assets	—	—	—	—	—	—	— thousand yen

(b) Tax loss carried forward is the amount of tax loss carried forward multiplied by the statutory effective tax rate.

2. Breakdown of major components of the difference between the statutory tax rate and the effective tax rate after the application of tax effect accounting

	FY2023 <u>(As of December 31, 2023)</u>	FY2024 <u>(As of December 31, 2024)</u>
Statutory effective tax rate	— %	30.62 %
(Adjustment)		
Change in valuation allowance	— %	2.13 %
Per capita corporate inhabitant tax	— %	0.65 %
Difference in tax rates between consolidated subsidiaries	— %	(0.24) %
Entertainment expenses and other items not permanently deductible for income tax purposes	— %	0.36 %
Tax deductions	— %	(1.65) %
Amortization of goodwill	— %	1.21 %
Qualified stock option	—	1.19
Provision for shareholder benefit program	—	2.38
Other	— %	(0.27) %
Effective tax rate after application of tax effect accounting	— %	36.38 %

(Note) In FY2023, notes are omitted because the difference between the statutory tax rate and the effective tax rate is less than or equal to 5/100 of the statutory tax rate.

(Asset Retirement Obligations)

The Group recognizes the obligation to restore offices and other properties to their original state at the time of vacating based on real estate lease contracts as asset retirement obligations, but this information has been omitted because the total amount of such obligations is immaterial.

Instead of recording a liability, the asset retirement obligation at the end of FY2024 is recorded as an expense based on a reasonable estimate of the amount of the security deposit related to the real estate lease contract that is not expected to be collected in the end, and the amount that belongs to the burden of FY2024.

(Revenue Recognition)

1. Information that disaggregates revenue arising from customer contracts

FY2023 (January 1, 2023 – December 31, 2023)

(Unit: thousands of yen)

	Reporting segment				Other (Note 1)	Total
	GLOBAL WiFi	Information and Communications Services	Glamping and Tourism	Subtotal		
Data communications	13,962,893	—	—	13,962,893	—	13,962,893
Airport operations	1,744,562	—	—	1,744,562	—	1,744,562
OA equipment	—	4,325,569	—	4,325,569	—	4,325,569
Mobile communications	—	2,802,758	—	2,802,758	—	2,802,758
Internet media	—	969,961	—	969,961	—	969,961
Broadband lines	—	417,033	—	417,033	—	417,033
Eco-solution	—	480,936	—	480,936	—	480,936
Glamping	—	—	902,863	902,863	—	902,863
Other	176,714	1,775,103	—	1,951,818	90,180	2,041,999
Revenue from customer contracts	15,884,170	10,771,364	902,863	27,558,398	90,180	27,648,579
Other revenues (Note 2)	2,844,232	1,314,978	—	4,159,210	—	4,159,210
Sales to external customers	18,728,403	12,086,342	902,863	31,717,609	90,180	31,807,789

(Note) 1. “Other” is a business segment not included in the reportable segments and includes media business, catalog sales business, etc.

2. “Other revenues” are revenues based on accounting standards for lease transactions.

FY2024 (January 1, 2024 – December 31, 2024)

(Unit: thousands of yen)

	Reporting segment				Other (Note 1)	Total
	GLOBAL WiFi	Information and Communications Services	Glamping and Tourism	Subtotal		
Data communications	17,335,320	—	—	17,335,320	—	17,335,320
Airport operations	—	—	—	—	—	—
OA equipment	—	5,439,161	—	5,439,161	—	5,439,161
Mobile communications	—	3,334,390	—	3,334,390	—	3,334,390
Internet media	—	1,008,869	—	1,008,869	—	1,008,869
Broadband lines	—	427,605	—	427,605	—	427,605
Eco-solution	—	832,179	—	832,179	—	832,179
Glamping	—	—	928,874	928,874	—	928,874
Other	820	1,851,609	226,476	2,078,906	32,171	2,111,078
Revenue from customer contracts	17,336,141	12,893,815	1,155,350	31,385,308	32,171	31,417,479
Other revenues (Note 2)	2,539,430	1,572,084	—	4,111,514	—	4,111,514
Sales to external customers	19,875,571	14,465,900	1,155,350	35,496,822	32,171	35,528,993

- (Note) 1. “Other” is a business segment not included in the reportable segments and includes media business, catalog sales business, etc.
 2. “Other revenues” are revenues based on accounting standards for lease transactions.
 3. The “Eco-solutions” business, which was calculated as “Others” of “Information and Communications Service Business / Others” in FY2023, has become increasingly important and is therefore presented separately from FY2024. Additionally, “Fixed communication lines,” which was calculated as “Information and Communications Service Business / Fixed communication lines” in FY2023, has been included in “Information and Communications Services Business / Others” from FY2024 due to its decreased importance.

2. Basis for understanding revenues arising from contracts with customers

Information that forms the basis for understanding revenues is as described in “Notes (Basis of Presenting Consolidated Financial Statements, etc.) 4. Matters relating to accounting policies (4) Basis for recording significant revenues and expenses.”

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers that exist at the end of FY2024 to be recognized in FY2025 or later

FY2023 (January 1, 2023 – December 31, 2023)

(1) Outstanding contract liabilities

(unit: thousands of yen)

Contractual liabilities (balance at the beginning)	433,336
Contractual liabilities (balance at the ending)	503,800

In the consolidated balance sheets, contract liabilities are included in “Other current liabilities.” Contract liabilities consist primarily of advances received from customers. Contract liabilities are reversed upon recognition of revenue.

The amount of revenue recognized in FY2024 that was included in the contract liability balance at the beginning of the period was 433,336 thousand yen.

(2) Transaction prices allocated to remaining performance obligations

The Group has no material transactions with an initially expected contract term exceeding 1 year. In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price. The practical expedient method is applied in the notes to the transaction prices allocated to the remaining performance obligations, and contracts with an initially expected term of 1 year or less are not included in the scope of the notes.

FY2024 (January 1, 2024 – December 31, 2024)

(1) Outstanding contract liabilities

(unit: thousands of yen)

Contractual liabilities (balance at the beginning)	503,800
Contractual liabilities (balance at the ending)	718,858

In the consolidated balance sheets, contract liabilities are included in “Other current liabilities.” Contract liabilities consist primarily of advances received from customers. Contract liabilities are reversed upon recognition of revenue.

The amount of revenue recognized in FY2024 that was included in the contract liability balance at the beginning of the period was 503,800 thousand yen.

(2) Transaction prices allocated to remaining performance obligations

The Group has no material transactions with an initially expected contract term exceeding 1 year. In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price. The practical expedient method is applied in the notes to the transaction prices allocated to the remaining performance obligations, and contracts with an initially expected term of 1 year or less are not included in the scope of the notes.

(Segment Information)

[Segment Information]

1. Overview of reporting segments

(1) Determination of reporting segments

The Group's reporting segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group has established business divisions by product and service, and the Sales Division, which oversees the business divisions, formulates domestic and overseas business strategies for the products and services it handles and develops business activities.

Accordingly, the Group is composed of segments by product and service and has three reporting segments: "GLOBAL WiFi Business," "Information and Communications Service Business," and "Glamping and Tourism Business."

(2) Type of products and services belonging to each reporting segment

"GLOBAL WiFi Business" includes the rental service of Wi-Fi routers in Japan and overseas.

"Information and Communications Service Business" provides services such as subscription agency services for various telecommunication services, sales of mobile communication devices, sales of office automation equipment, website production, and space rental service.

"Glamping and Tourism Business" operates glamping facilities and arrange inbound travel.

2. Calculation of net sales, profit or loss, assets, and other items by reporting segment

The accounting method for reported business segments is generally the same as that described in "Basis of Presenting Consolidated Financial Statements, etc." Profits of reporting segments are based on operating profit. Inter-segment revenues and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, and other items by reporting segment
FY2023 (January 1, 2023 – December 31, 2023)

(Unit: thousands of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated income statement (Note 3)
	GLOBAL WiFi	Information and Communications Service	Glamping and Tourism	Total				
Net sales								
Sales to external customers	18,728,403	12,086,342	902,863	31,717,609	90,180	31,807,789	—	31,807,789
Intersegment sales and transfers	—	21,717	10,224	31,942	4,561	36,504	(36,504)	—
Total	18,728,403	12,108,059	913,088	31,749,551	94,742	31,844,294	(36,504)	31,807,789
Segment profit (loss)	5,032,760	1,040,957	88,801	6,162,520	(176,682)	5,985,837	(1,705,071)	4,280,765
Segment assets	3,516,083	5,560,367	2,159,408	11,235,859	301,449	11,537,309	9,829,196	21,366,505
Other items								
Depreciation	321,244	91,504	110,571	523,320	2,748	526,069	18,671	544,740
Goodwill amortization	4,748	205,636	—	210,385	—	210,385	—	210,385
Increase in tangible and intangible fixed assets	583,522	294,637	692,128	1,570,288	—	1,570,288	12,666	1,582,955

(Note) 1. The “Other” category is for businesses that are not included in the reporting segment such as media and catalog sales businesses.

2. The details of adjustments are as follows.

(1) Adjustments in the segment profit (1,705,071) thousand yen are company-wide expenses that are not allocated to each reporting segment. These are mainly general and administrative expenses that do not belong to the reporting segment.

(2) Adjustments in the segment assets 9,829,196 thousand yen are company-wide expenses that are not allocated to each reporting segment. These are mainly cash and cash equivalents that do not belong to the reporting segment.

3. Segment profit is adjusted to the operating profit of the consolidated financial statements.

FY2024 (January 1, 2024 – December 31, 2024)

(Unit: thousands of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated income statement (Note 3)
	GLOBAL WiFi	Information and Communications Service	Glamping and Tourism	Total				
Net sales								
Sales to external customers	19,875,571	14,465,900	1,155,350	35,496,822	32,171	35,528,993	—	35,528,993
Intersegment sales and transfers	—	24,701	344	25,045	54	25,100	(25,100)	—
Total	19,875,571	14,490,601	1,155,695	35,521,868	32,225	35,554,094	(25,100)	35,528,993
Segment profit (loss)	5,987,093	1,693,125	119,839	7,800,058	(202,561)	7,597,496	(2,232,440)	5,365,056
Segment assets	4,467,767	7,494,417	2,248,567	14,210,752	275,662	14,486,414	10,775,107	25,261,522
Other items								
Depreciation	477,117	98,576	114,981	690,674	1,597	692,272	12,983	705,255
Goodwill amortization	4,950	225,566	—	230,516	—	230,516	—	230,516
Increase in tangible and intangible fixed assets	770,267	172,467	129,767	1,072,502	—	1,072,502	3,805	1,076,308

(Note) 1. The “Other” category is for businesses that are not included in the reporting segment such as media and catalog sales businesses.

2. The details of adjustments are as follows.

(1) Adjustments in the segment profit (2,232,440) thousand yen are company-wide expenses that are not allocated to each reporting segment. These are mainly general and administrative expenses that do not belong to the reporting segment.

(2) Adjustments in the segment assets 10,775,107 thousand yen are company-wide expenses that are not allocated to each reporting segment. These are mainly cash and cash equivalents that do not belong to the reporting segment.

3. Segment profit is adjusted to the operating profit of the consolidated financial statements.

[Related Information]

FY2023 (January 1, 2023 – December 31, 2023)

1. Information by product and service

Information by product and service has been omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

This information is omitted because net sales to external customers in Japan account for more than 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

(Unit: thousands of yen)

Customer name	Net sales	Related segment
Members Mobile Inc.	3,185,154	Information and Communications Service Business

FY2024 (January 1, 2024 – December 31, 2024)

1. Information by product and service

Information by product and service has been omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

This information is omitted because net sales to external customers in Japan account for more than 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

Not applicable, as there are no external customers for which net sales account for more than 10% of net sales in the consolidated statements of income.

[Information on Impairment Losses on Non-current Assets by Reporting Segment]

FY2023 (January 1, 2023 – December 31, 2023)

Not applicable.

FY2024 (January 1, 2024 – December 31, 2024)

(Unit: thousands of yen)

	Reporting Segments				Other	Adjustment	Total
	GLOBAL WiFi Business	Information and Communications Service Business	Glamping and Tourism Business	Total			
Impairment losses	—	118,243	—	118,243	—	—	118,243

[Information on Amortization and Unamortized Balance of Goodwill by Reporting Segment]

FY2023 (January 1, 2023 – December 31, 2023)

(Unit: thousands of yen)

	Reporting Segments				Other	Adjustment	Total
	GLOBAL WiFi Business	Information and Communications Service Business	Glamping and Tourism Business	Total			
Balance at the end of the period	9,162	1,239,761	—	1,248,924	—	—	1,248,924

(Note) Information on amortization of goodwill is omitted because the same information is disclosed in the segment information.

FY2024 (January 1, 2024 – December 31, 2024)

(Unit: thousands of yen)

	Reporting Segments			Total	Other	Adjustment	Total
	GLOBAL WiFi Business	Information and Communications Service Business	Glamping and Tourism Business				
Balance at the end of the period	4,079	901,571	—	905,650	—	—	905,650

(Note) Information on amortization of goodwill is omitted because the same information is disclosed in the segment information.

[Information on Gain on Negative Goodwill by Reportable Segment]

FY2023 (January 1, 2023 – December 31, 2023)

Not applicable.

FY2024 (January 1, 2024 – December 31, 2024)

Not applicable.

[Information on Related Parties]

1. Transactions with related parties

(1) Transactions between the Company and related parties

① Unconsolidated subsidiaries and affiliates of the Company

FY2023 (January 1, 2023 – December 31, 2023)

Not applicable.

FY2024 (January 1, 2024 – December 31, 2024)

Not applicable.

② Officers and major shareholders (limited to individuals) of the Company

FY2023 (January 1, 2023 – December 31, 2023)

Not applicable.

FY2024 (January 1, 2024 – December 31, 2024)

Not applicable.

(2) Transactions between consolidated subsidiaries of the Company and related parties

Officers and major shareholders of the Company's important subsidiaries

FY2023 (January 1, 2023 – December 31, 2023)

Type	Name	Location	Capital or investment (thousands of yen)	Business or occupation	Percentage of voting rights owned (%)	Relationship with related parties	Transaction details	Transaction amount (thousands of yen)	Account	Balance at end of the period (thousands of yen)
Subsidiary Officer	Kunihito Nakano	—	—	Representative Director of a subsidiary of the Company	(Ownership) Direct 0.3	Guarantee of debt	Guarantee of bank loans (Note 1)	337,949	—	—
							Guarantee of lease contracts (Note 2)	58,676	—	—

(Note) 1. The Company guarantees borrowings from financial institutions. The transaction amount is the balance of guaranteed liabilities at the end of FY2023. No guaranteed fee is paid.

2. The Company has received debt guarantees for the rent of its head office and other properties. The transaction amount is the annual rent of the property for which the Company has received a debt guarantee. No guaranteed fee is paid.

FY2024 (January 1, 2024 – December 31, 2024)

Type	Name	Location	Capital or investment (thousands of yen)	Business or occupation	Percentage of voting rights owned (%)	Relationship with related parties	Transaction details	Transaction amount (thousands of yen)	Account	Balance at end of the period (thousands of yen)
Subsidiary Officer	Kunihito Nakano	—	—	Representative Director of a subsidiary of the Company	(Ownership) Direct 0.3	Guarantee of debt	Guarantee of bank loans (Note 1)	257,512	—	—
							Guarantee of lease contracts (Note 2)	106,087	—	—

(Note) 1. The Company guarantees borrowings from financial institutions. The transaction amount is the balance of guaranteed liabilities at the end of FY2024. No guaranteed fee is paid.

2. The Company has received debt guarantees for the rent of its head office and other properties. The transaction amount is the annual rent of the property for which the Company has received a debt guarantee. No guaranteed fee is paid.

2. Notes on parent company and significant affiliates

Not applicable.

(Per Share Information)

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Net assets per share	297.72 yen	358.97 yen
Basic earnings per share	61.87 yen	69.75 yen
Diluted earnings per share	61.21 yen	69.33 yen

- (Note) 1. The Company has introduced a Board Benefit Trust-Restricted Stock t (BBT-RS) from FY2024, and the Company's shares remaining in the trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares as a deduction in the calculation of net assets per share and net income per share, as well as in the total number of shares issued and outstanding at the end of the period and the average number of shares during the period.
The number of such treasury shares at the end of the period deducted for the calculation of net assets per share in FY2024 was 183,500 shares, and the average number of such treasury shares during the period deducted for the calculation of net income per share in FY2024 was 107,794 shares.
2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	3,025,895	3,375,590
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common stock (thousand yen)	3,025,895	3,375,590
Average number of shares of common stock during the period (shares)	48,910,015	48,398,406
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (thousand yen)	—	—
Increase in common stock (shares)	526,816	289,334
[Of which share acquisition rights (shares)]	[526,816]	[289,334]
Summary of potential stock not included in the calculation of diluted earnings per share due to lack of dilutive effect	Share acquisition rights (360,000 shares of common stock) pursuant to a resolution of the Board of Directors on March 1, 2022	—

(Significant Subsequent events)

Not applicable.

⑤ Consolidated Supplementary Schedule

[Schedule of Bonds]

Not applicable.

[Schedule of Borrowings]

Classification	Balance at the beginning of FY2024 (thousands of yen)	Balance at the end of FY2024 (thousands of yen)	Average interest rate (%)	Repayment date
Short-term borrowings	—	—	—	—
Current portion of long-term borrowings	120,665	135,594	1.59	—
Current portion of lease obligations	1,317	—	—	—
Long-term borrowings (excluding current portion)	601,451	464,401	1.53	May 2035
Lease obligations (excluding current portion)	—	—	—	—
Other interest-bearing liabilities	—	—	—	—
Total	723,433	599,995	—	—

(Note) 1. “Average interest rate” is the weighted average interest rate on the outstanding balance of borrowings, etc. at the end of FY2024.

2. Total amount of long-term borrowings (excluding current portion) to be repaid per year within 5 years after the consolidated settlement date.

Classification	Over 1 year under 2 years (thousands of yen)	Over 2 years under 3 years (thousands of yen)	Over 3 years under 4 years (thousands of yen)	Over 4 years under 5 years (thousands of yen)
Long-term borrowings	100,452	72,525	72,076	62,836

[Schedule of Asset Retirement Obligations]

This information is omitted because the amount of asset retirement obligations at the beginning and end of FY2024 is less than 1% of the total liabilities and net assets at the beginning and end of FY2024.

(2) Other

Semi-annual information for FY2024

	First Quarter Cumulative Period	Interim Period	Third Quarter Cumulative Period	Fiscal Year
Net sales (thousands of yen)	8,581,300	17,021,149	26,111,617	35,528,993
Profit before income taxes (thousands of yen)	1,529,523	2,716,172	4,340,988	5,305,793
Profit attributable to owners of parent (thousands of yen)	1,019,613	1,785,811	2,869,211	3,375,590
Basic earnings per share (yen)	21.09	36.94	59.33	69.75

	First Quarter Accounting Period	Second Quarter Accounting Period	Third Quarter Accounting Period	Fourth Quarter Accounting Period
Basic earnings per share (yen)	21.09	15.85	22.38	10.44

(Note) Review of financial information for the third quarter cumulative period: None

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

① Non-consolidated Balance Sheet

(Unit: thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	7,992,781	9,214,053
Accounts receivable - trade	*1 3,380,304	*1 5,812,732
Investments in leases	1,317	—
Merchandise	280,637	286,736
Supplies	5,800	34,305
Advance payments	427,029	300,491
Prepaid expenses	157,958	189,165
Short-term loans receivable to subsidiaries and affiliates	14,207	340,098
Other	*1 632,444	*1 415,817
Allowance for doubtful accounts	(153,609)	(239,250)
Total current assets	12,738,873	16,354,149
Non-current assets		
Property, plant and equipment		
Buildings	838,339	844,252
Structures	108,774	111,207
Machinery and equipment	86,631	69,964
Vehicles	0	4,225
Tools, furniture and fixtures	151,440	176,605
Rental assets	435,717	486,199
Land	758,743	873,906
Construction in progress	63,233	235,325
Total property, plant and equipment	2,442,881	2,801,687
Intangible assets		
Software	70,571	63,726
Total intangible assets	70,571	63,726
Investments and other assets		
Investment securities	91,489	61,430
Affiliated company stock	1,127,839	1,045,577
Capital	3,252	3,185
Affiliated company long-term borrowings	1,010,443	822,989
Bankruptcy rehabilitation claims	29,350	80,173
Long-term prepaid expenses	11,730	17,503
Deferred tax asset	354,157	283,250
Other	*1 599,567	*1 762,820
Allowance for doubtful accounts	(92,724)	(143,297)
Total investments and other assets	3,135,107	2,933,633
Total non-current assets	5,648,560	5,799,046
Total assets	18,387,433	22,153,196

(Unit: thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable – trade	*1 1,103,786	*1 1,310,086
Lease obligations	1,317	–
Accounts payable - other	*1 1,861,595	*1 1,773,706
Accrued expenses	105,214	87,537
Income taxes payable	1,164,114	1,221,663
Contractual liabilities	311,726	347,036
Deposits received	*1 339,062	*1 357,074
Provision for bonuses	368,758	172,665
Provision for shareholder benefit program	18,081	441,601
Other	60,195	161,243
Total current liabilities	5,333,853	5,872,614
Non-current liabilities		
Provision for directors' stock benefits	–	13,932
Other	20,230	12,139
Total non-current liabilities	20,230	26,071
Total liabilities	5,354,083	5,898,685
Net assets		
Shareholders' equity		
Share capital	2,571,601	2,713,443
Capital surplus		
Capital reserve	2,389,599	2,531,442
Other capital surplus	248,116	–
Total capital surplus	2,637,716	2,531,442
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation of fixed assets	35,456	33,173
Retained earnings brought forward	10,226,174	12,678,289
Total retained earnings	10,261,630	12,711,463
Treasury shares	(2,645,942)	(2,135,941)
Total shareholders' equity	12,825,006	15,820,407
Valuation and translation adjustments		
Valuation difference on available-for-sale	(9,563)	(7,862)
Deferred gains or losses on hedges	–	18,800
Total valuation and translation adjustments	(9,563)	10,938
Share acquisition rights	217,907	423,164
Total net assets	13,033,350	16,254,510
Total liabilities and net assets	18,387,433	22,153,196

② Non-consolidated Statements of Income

(Unit: thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	*1 28,332,214	*1 31,848,671
Cost of sales	*1 11,916,343	*1 12,700,687
Gross profit	16,415,870	19,147,983
Selling, general, and administrative expenses	*1, *2 12,374,853	*1, *2 13,948,139
Operating profit	4,041,017	5,199,844
Non-operating income		
Interest income	*1 16,761	*1 22,874
Dividend income	6,883	4,024
Outsourcing fee	*1 69,069	*1 65,342
Other	17,661	26,061
Total non-operating income	110,375	118,302
Non-operating expenses		
Interest expense	113	105
Consumption tax difference	2,487	2,873
Commission expenses	3,371	—
Other	909	458
Total non-operating expenses	6,881	3,438
Ordinary profit	4,144,511	5,314,708
Extraordinary income		
Gain on sales of investment securities	84,282	60,204
Total extraordinary income	84,282	60,204
Extraordinary loss		
Loss on sale of non-current assets	28,318	37,752
Loss on valuation of stocks of subsidiaries and affiliates	—	145,941
Loss on extinguishment of tie-in stock	2,337	—
Total extraordinary loss	30,656	183,694
Profit before income taxes	4,198,138	5,191,219
Income taxes - current	1,294,062	1,785,080
Income taxes - deferred	(55,576)	62,891
Total income taxes	1,238,486	1,847,972
Profit	2,959,652	3,343,246

Non-consolidated Statement of Cost of Sales

Classification	Notes	FY2023 (January 1, 2023 – December 31, 2023)		FY2024 (January 1, 2024 – December 31, 2024)	
		Cost (thousands of yen)	Ratio (%)	Cost (thousands of yen)	Ratio (%)
I. Cost of sales of merchandise					
Inventory at the beginning of the period		212,411		280,637	
Cost of purchased goods		7,293,359		8,552,487	
Subtotal		7,505,771		8,833,125	
Ending balance of inventory		280,637		286,736	
Cost of sales of merchandise		7,225,133	60.6	8,546,388	67.3
II. Labor costs		201,059	1.7	197,445	1.6
III. Expenses	*	4,490,150	37.7	3,956,853	31.2
Cost of goods sold		11,916,343	100.0	12,700,687	100.0

(Note) * The main breakdown of expenses is as follows.

Item	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Outsourcing cost (thousands of yen)	3,693,132	2,764,460

③ Non-consolidated Statements of Changes in Shareholders' Equity

FY2023 (January 1, 2023 – December 31, 2023)

(Unit: thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Reserve for advanced depreciation of fixed assets	Retained earnings brought forward		
Balance at the beginning of the period	2,535,941	2,353,939	248,116	2,602,056	37,738	7,264,239	7,301,978
Changes during the period							
Issuance of new shares (Exercise of share acquisition rights)	35,660	35,660		35,660			
Reversal of reserve for advanced depreciation of fixed assets					(2,282)	2,282	—
Profit						2,959,652	2,959,652
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during the period	35,660	35,660	—	35,660	(2,282)	2,961,934	2,959,652
Balance at the end of the period	2,571,601	2,389,599	248,116	2,637,716	35,456	10,226,174	10,261,630

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of the period	(1,862,967)	10,577,007	(14,198)	(14,198)	11,344	10,574,153
Changes during the period						
Issuance of new shares (Exercise of share acquisition rights)		71,320				71,320
Reversal of reserve for advanced depreciation of fixed assets		—				—
Profit		2,959,652				2,959,652
Purchase of treasury shares	(782,974)	(782,974)				(782,974)
Net changes in items other than shareholders' equity			4,635	4,635	206,563	211,198
Total changes during the period	(782,974)	2,247,998	4,635	4,635	206,563	2,459,197
Balance at the end of the period	(2,645,942)	12,825,006	(9,563)	(9,563)	217,907	13,033,350

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for advanced depreciation of fixed assets	Retained earnings brought forward	
Balance at the beginning of the period	2,571,601	2,389,599	248,116	2,637,716	35,456	10,226,174	10,261,630
Changes during the period							
Issuance of new shares (Exercise of share acquisition rights)	141,842	141,842		141,842			
Dividends of surplus						(631,463)	(631,463)
Reversal of reserve for advanced depreciation of fixed assets					(2,282)	2,282	—
Profit						3,343,246	3,343,246
Purchase of treasury shares							
Disposal of treasury shares to stock benefit trust			(10,529)	(10,529)			
Cancellation of treasury shares			(499,537)	(499,537)			
Transfer from retained earnings to capital surplus			261,950	261,950		(261,950)	(261,950)
Net changes in items other than shareholders' equity							
Total changes during the period	141,842	141,842	(248,116)	(106,274)	(2,282)	2,452,115	2,449,833
Balance at the end of the period	2,713,443	2,531,442	—	2,531,442	33,173	12,678,289	12,711,463

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of the period	(2,645,942)	12,825,006	(9,563)	—	(9,563)	217,907	13,033,350
Changes during the period							
Issuance of new shares (Exercise of share acquisition rights)		283,684					283,684
Dividends of surplus		(631,463)					(631,463)
Reversal of reserve for advanced depreciation of fixed assets		—					—
Profit		3,343,246					3,343,246
Purchase of treasury shares	(66)	(66)					(66)
Disposal of treasury shares to stock benefit trust	10,529	—					—
Cancellation of treasury shares	499,537	—					—
Transfer from retained earnings to capital surplus		—					—
Net changes in items other than shareholders' equity			1,700	18,800	20,501	205,257	225,758
Total changes during the period	510,000	2,995,401	1,700	18,800	20,501	205,257	3,221,160
Balance at the end of the period	(2,135,941)	15,820,407	(7,862)	18,800	10,938	423,164	16,254,510

[Notes]

(Significant Accounting Policies)

1. Valuation standards and methods for marketable securities

(1) Stocks of subsidiaries and affiliates

Cost method based on the moving average method

(2) Other securities

Securities with market quotations

Market value method

(Unrealized gains and losses are included directly in net assets and cost of sales is calculated using the moving average method.)

Securities without market quotations

Cost method based on the moving average method

2. Valuation standards and methods for inventories

Merchandise / Supplies

Stated at cost determined by the first-in first-out method (Method of devaluation of book value based on decline in profitability)

3. Depreciation and amortization methods for non-current assets

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

The declining-balance method is used. However, the straight-line method is used for buildings (excluding building fixtures), rental assets, and building fixtures and structures acquired on or after April 1, 2016.

The durable lives of major assets are as follows.

Buildings	2-50 years
Structures	10-45 years
Machinery and equipment	10-17 years
Vehicles and delivery equipment	2 years
Tools, furniture, and fixtures	2-16 years
Rental assets	2 years

(2) Intangible fixed assets

The straight-line method is used.

Software for internal use is amortized over the estimated durable life (5 years).

(3) Leased assets

Leased assets relating to finance leases that do not transfer ownership

The straight-line method, where the lease period is deemed as the durable life and the residual value is set as zero, is used.

4. Basis for accounting for allowances

(1) Allowance for doubtful accounts

To provide for losses due to bad debts, the Company reserves an estimated uncollectible amount based on historical bad debt ratios for general bonds and on an individual assessment of collectability for specific bonds such as bonds in danger of bankruptcy.

(2) Provision for bonuses

To provide for bonuses payable to employees, an allowance is provided based on the estimated amount of payment to be paid in FY2024.

(3) Provision for shareholder benefit program

To provide for expenses relating to the shareholder benefit program, the amount expected to be incurred after FY2025 is recorded.

(4) Provision for directors' stock benefits

To provide for the payment of share-based remuneration to directors, the allowance is provided based on the expected amount of share-based remuneration obligations as of the end of FY2024.

5. Basis for recording significant revenues and expenses

The following is a description of the main performance obligations in the Company's main businesses related to revenue from contracts with customers and the usual time at which such performance obligations are satisfied (the usual time at which revenue is recognized).

(1) GLOBAL WiFi Business

GLOBAL WiFi Business mainly rents router terminals for mobile data communication. The Company is obligated to provide communication services during the rental period based on the contract and recognizes revenue upon satisfaction of the performance obligation for the rental period. Lease revenue included in rentals is recognized in accordance with the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, March 30, 2007).

The consideration for these services is generally received within one month, and the amount of consideration does not include a significant financial component.

(2) Information and Communications Service Business

The Information and Communications Service Business, which includes brokering of telecommunication lines, sales of MFPs and network equipment, production of websites, etc., is obligated to provide products and services to customers based on service provision contracts concluded with them, and the main performance obligation is satisfied by delivery of deliverables or provision of services. The Company recognizes revenue when these obligations are satisfied by the delivery of deliverables or provision of services. The consideration for these services and products provided is received in accordance with the terms of the contract, within one month from the time of fulfillment of the performance obligation in the case of normal services and products, or within seven years in the case of installment sales and leasing transactions. In addition, we don't adjust the amount of the promised consideration for the impact of financial component, which are not significant on a contract basis in installment sales and lease transactions.

In the case of telecommunication line agency services, the Company recognizes as a refund liability the estimated amount of refunds to be received when a customer cancels the telecommunication line within a short period of time.

(3) Glamping and Tourism Business

The Glamping and Tourism Business provides services incidental to glamping facilities and arranges inbound travel, and revenue is recognized when the customer obtains control over the products or services at the time of delivery and the Group's performance obligations are satisfied. The consideration for these services is generally received within one month, and the amount of consideration does not include any significant financial component.

6. Translation of assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables on foreign currency denominated basis are translated into Japanese yen at the spot exchange rates prevailing on the balance sheet date, with translation differences recognized as gains or losses.

7. Significant hedge accounting methods

(1) Hedge accounting methods

Deferred hedge accounting is adopted. Allocation processing is applied to foreign exchange forward contracts that meet the requirements for allocation treatment.

(2) Hedging instruments and hedged item

Hedging instruments Forward exchange contracts

Hedging item Monetary receivables and payables on foreign currency denominated and foreign currency-denominated expected transactions

(3) Hedging policy

The Company enters into forward exchange contract transactions to hedge risks arising from fluctuations in foreign exchange rates.

(4) Methods of evaluating hedge effectiveness

The Company compares the cumulative cash flow fluctuations of the hedged item or market fluctuations and the cumulative cash flow fluctuations of the hedge based on the amount of fluctuation in both cases. However, foreign exchange reserves by using allocation processing are omitted the effectiveness evaluation.

(Significant Accounting Estimates)

The following is a list of items for which an accounting estimate has been recorded in the financial statements for FY2024 and which may have a material effect on the financial statements for FY2025.

Valuation of shares of affiliated company (adval Corp.)

(1) Amount recorded in the non-consolidated financial statements for FY2024

(Unit: thousand yen)

	FY2023	FY2024
Stocks of subsidiaries and affiliates	1,127,839	1,045,577

(2) Information on significant accounting estimates relating to identified items

The Company recorded the shares of adval Corp. on the balance sheet as 581,860 thousand yen of stocks of subsidiaries and affiliates, and the acquisition price includes the portion of excess earning capacity evaluated.

The necessity of impairment of company stocks is determined by comparing the acquisition price with the actual value, and in the event of a significant decline in the actual value, impairment is recognized unless the possibility of recovery can be supported by sufficient evidence.

Significant estimates in the valuation of stocks of subsidiaries and affiliates include excess earning capacity based on the issuing company's business plan, etc. The key assumptions are described in the consolidated financial statements under "(Significant Accounting Estimates) Valuation of goodwill recognized at the time of the acquisition of shares of adval Corp."

If the key assumptions used in the estimate need to be revised due to changes in the economic environment or other factors, the amount of stocks of subsidiaries and affiliates may be materially affected in FY2025.

(Changes in Presentation Methods)

(Statements of Income)

"Profit on currency exchange" under "Non-operating income," which was presented separately in FY2023, is now included in "Other" under "Non-operating income" for FY2024, as the amount is decreased. In order to reflect this change in presentation methods, the financial statements for FY2023 have been reclassified.

As a result, "Profit on currency exchange" of 8,173 thousand yen and "Other" of 9,487 thousand yen presented as "Non-operating income" in the statements of income for FY2023 have been reclassified as "Other" of 17,661 thousand yen.

(Additional Information)

(Application of the "Treatment of Transactions Granting Share Acquisition Rights with Vesting Conditions to Employees, etc.")

For transactions in which paid-in share acquisition rights with vesting conditions are granted to employees, etc. prior to the effective date of the "Treatment of Transactions Granting Share Acquisition Rights with Vesting Conditions to Employees, etc." (Practical Issues Task Force No. 36, issued on January 12, 2018; hereafter referred to as "PITF No. 36."), the previously adopted accounting treatment is continued in accordance with Paragraph 10 (3) of the PITF No. 36.

For an overview of share acquisition rights with vesting conditions and the accounting treatment used, please refer to "Item 5: Accounting 1. Consolidated Financial Statements, etc. Notes (Stock Options)."

(Introduction of Board Benefit Trust-Restricted Stock (BBT-RS))

Regarding transactions in which the Company's shares are delivered to Directors (excluding Outside Directors) through a trust, notes are omitted because the same information is presented in "Notes (Additional Information)" in the consolidated financial statements.

(Non-consolidated Balance Sheet)

*1. Monetary receivables from and monetary payables to subsidiaries and affiliates (excluding those presented separately)

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Short-term monetary receivables	93,867 thousands of yen	135,636 thousands of yen
Long-term monetary receivables	4,800 thousands of yen	4,800 thousands of yen
Short-term monetary payables	387,059 thousands of yen	414,094 thousands of yen

*2. Overdraft agreement

The Company has overdraft and commitment line agreements with 3 banks for the purpose of efficient procurement of working capital. The following table shows the balance of unused lines of credit related to overdraft and commitment line agreements at the end of the fiscal year.

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Total amount of overdrafts and loan commitment agreements	3,700,000 thousands of yen	3,700,000 thousands of yen
Balance of borrowings	— thousands of yen	— thousands of yen
Net amount	3,700,000 thousands of yen	3,700,000 thousands of yen

(Non-consolidated Statements of Income)

*1. Transactions with subsidiaries and affiliates

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Operating transactions		
Sales	257,334 thousands of yen	272,473 thousands of yen
Purchases	850,014 thousands of yen	909,333 thousands of yen
Other operating transactions	409,737 thousands of yen	487,914 thousands of yen
Non-operating transactions	85,773 thousands of yen	88,074 thousands of yen

*2. The major items and amounts of selling, general and administrative expenses and their approximate percentages are as follows.

	FY2023 (January 1, 2023 – December 31, 2023)	FY2024 (January 1, 2024 – December 31, 2024)
Salaries and allowances	2,329,715 thousands of yen	2,524,833 thousands of yen
Sales promotion expenses	2,380,038 thousands of yen	2,869,612 thousands of yen
Commissions paid	2,538,456 thousands of yen	2,853,230 thousands of yen
Depreciation and amortization	76,740 thousands of yen	77,129 thousands of yen
Provision of allowance for doubtful accounts	85,236 thousands of yen	165,563 thousands of yen
Provision for bonuses	348,238 thousands of yen	150,075 thousands of yen
Provision for shareholder benefit program	33,156 thousands of yen	443,623 thousands of yen
Approximate percentage		
Selling expenses	47%	52%
General and administrative expenses	53%	48%

(Securities)

The market value of subsidiary stocks is not stated because the subsidiary stocks have no market price, etc.

The carrying amounts of subsidiary stocks of non-marketable stocks, etc. on the balance sheets are as follows.

(Unit: thousands of yen)

Classification	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Subsidiary stocks	1,127,839	1,045,577

(Tax Effect Accounting)

1. Significant components of deferred tax assets and liabilities

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Deferred tax assets		
Provision for bonuses	112,913 thousands of yen	52,870 thousands of yen
Accrued enterprise tax	65,034 thousands of yen	66,533 thousands of yen
Accrued social insurance premiums	15,030 thousands of yen	5,480 thousands of yen
Loss on valuation of investment securities	112,987 thousands of yen	112,987 thousands of yen
Loss on valuation of stocks of subsidiaries and affiliates	12,599 thousands of yen	57,286 thousands of yen
Allowance for doubtful accounts	75,427 thousands of yen	136,204 thousands of yen
Refund liabilities	17,850 thousands of yen	23,979 thousands of yen
Accrued salaries and wages	23,270 thousands of yen	24,846 thousands of yen
Asset retirement obligations	14,726 thousands of yen	20,021 thousands of yen
Excess depreciation	33,026 thousands of yen	67,913 thousands of yen
Excess amortization of deferred assets	12,266 thousands of yen	9,654 thousands of yen
Impairment loss	72,292 thousands of yen	22,363 thousands of yen
Other	26,003 thousands of yen	42,713 thousands of yen
Subtotal of deferred tax assets	593,430 thousands of yen	642,855 thousands of yen
Valuation allowance for total future deductible temporary differences, etc.	(223,624) thousands of yen	(336,666) thousands of yen
Subtotal of valuation allowance	(223,624) thousands of yen	(336,666) thousands of yen
Total deferred tax assets	369,805 thousands of yen	306,188 thousands of yen
Deferred tax liabilities		
Deferred gains or losses on hedges	—	(8,297)
Reserve for advanced depreciation of fixed assets	(15,648) thousands of yen	(14,640) thousands of yen
Total deferred tax liabilities	(15,648) thousands of yen	(22,938) thousands of yen
Net deferred tax assets	354,157 thousands of yen	283,250 thousands of yen

2. Breakdown of major components of the difference between the statutory tax rate and the effective tax rate after the application of tax effect accounting

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
Statutory effective tax rate	—	30.62 %
(Adjustment)		
Changes in valuation allowance	—	2.18 %
Per capita corporate inhabitant tax	—	0.61 %
Entertainment expenses and other items not permanently deductible for income tax purposes	—	0.36 %
Tax deductions	—	(1.63) %
Qualified stock option	—	1.22 %
Provision for shareholder benefit program	—	2.43 %
Other	—	(0.20) %
Effective tax rate after application of tax effect accounting	—	35.60 %

(Note) In FY2023, notes are omitted because the difference between the statutory tax rate and the effective tax rate is less than or equal to 5/100 of the statutory tax rate.

(Revenue Recognition)

Notes are omitted because the information that forms the basis for understanding revenue from contracts with customers is identical to the information presented in the Consolidated Financial Statements “Notes (Revenue Recognition).

(Significant Subsequent Events)

Not applicable.

④ Supplementary Schedule

[Schedule of Property, plant and equipment, etc.]

(Unit: thousands of yen)

Classification	Assets	Balance at the beginning of the period	Increase during the period	Decrease during the period	Amortization	Balance at the end of the period	Accumulated depreciation and amortization
Property, plant and equipment	Buildings	838,339	*1, *2 79,982	13,777	60,292	844,252	194,262
	Structures	108,774	*1 12,548	—	10,115	111,207	23,214
	Machinery and equipment	86,631	—	—	16,666	69,964	44,516
	Vehicles	0	*1 6,760	—	2,535	4,225	5,463
	Tools, furniture, and fixtures	151,440	*1, *2 91,756	1,156	65,435	176,605	255,172
	Rental assets	435,717	*2 480,889	13,969	416,438	486,199	1,363,255
	Land	758,743	*1 115,162	—	—	873,906	—
	Construction in progress	63,233	*1 703,317	*3 531,225	—	235,325	—
	Total	2,442,881	1,490,417	560,128	571,483	2,801,687	1,885,887
Intangible assets	Software	70,571	19,705	164	26,386	63,726	160,985
	Total	70,571	19,705	164	26,386	63,726	160,985

(Note) 1. The increase in FY2024 is mainly due to the following.

*1. Facilities for glamping business

Buildings	44,637 thousands of yen
Structures	12,548 thousands of yen
Vehicles	6,760 thousands of yen
Tools, furniture, and fixtures	12,177 thousands of yen
Land	115,162 thousands of yen
Construction in progress	35,319 thousands of yen

*2. GLOBAL WiFi related

Building	18,907 thousands of yen
Tools, furniture, and fixtures	159,472 thousands of yen
Rental assets	480,889 thousands of yen

2. The decrease in FY2024 is mainly due to the following.

*3. Transfer to rental assets

Construction in progress	483,594 thousands of yen
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[Schedule of Allowances and Reserves]

(Unit: thousands of yen)

Subject	Balance at the beginning of the period	Increase in the period	Decrease in the period	Balance at the end of the period
Allowance for doubtful accounts	246,333	336,816	200,602	382,548
Provision for bonuses	368,758	172,665	368,758	172,665
Provision for shareholder benefit program	18,081	441,601	18,081	441,601
Provision for directors' stock benefits	—	13,932	—	13,932

(2) Contents of Main Assets and Liabilities

Since consolidated financial statements have been prepared, the contents are omitted.

(3) Other

Not applicable.

Item 6: Outline of Stock-related Administration of the Company

Fiscal year	From January 1 to December 31
Ordinary General Meeting of Shareholders	Within 3 months of the day after the end of fiscal year
Record date	December 31
Record date for dividends from surplus	December 31 June 30
Number of shares per trading unit	100 shares
Purchase of fractional shares	
Place of handling	Mizuho Trust and Banking Co., Ltd. Transfer Agent Department, Head Office 1-3-3 Marunouchi, Chiyoda City, Tokyo 100-8241, Japan
Administrator of shareholder registry	Mizuho Trust and Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda City, Tokyo 100-8241, Japan
Broker	-
Trade commissions	A separately stipulated amount equivalent to the commissions for the entrustment of share trades
Public notification method	The Company uses digital notification as the public notification method. However, if digital notification is not possible due to an accident or other unavoidable circumstances, notification will be made through the Nikkei newspaper. The URL for public notification by the Company is as follows. https://www.vision-net.co.jp/
Benefits for shareholders	Not applicable.

(Note) The Articles of Incorporation stipulate that the shareholders holding fractional shares cannot exercise their rights except for those listed below.

- (1) The rights stipulated in each item of Article 189, Paragraph 2 of the Companies Act of Japan
- (2) The rights to make claims pursuant to Article 166, Paragraph 1 of the Companies Act of Japan
- (3) The rights to receive allotments of shares for subscription and allotments of stock options for subscription based on the number of shares held by the shareholder
- (4) The right to demand that the number of shares constituting one unit combined with the fractional shares held by the shareholders be sold

Item 7: Reference Information of the Company

1. Information on the Parent Company of the Company

The Company does not have a parent company as stipulated in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

2. Other Reference Information

The following documents have been submitted between the start date of FY2024 and the submission date of the Annual Securities Report.

(1) Annual Securities Report and its Attachments and its Confirmation Documents

FY2023 (from January 1, 2023 to December 31, 2023) was submitted to the Director-General of the Kanto Local Finance Bureau in Japan on March 29, 2024.

(2) Internal Control Report and its Attachments

Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on March 29, 2024.

(3) Quarterly Securities Report and its Confirmation Documents

Q1 FY2024 (from January 1, 2024 to March 31, 2024) was submitted to the Director-General of the Kanto Local Finance Bureau in Japan on May 15, 2024.

(4) Semi-annual Securities Report and its Confirmation Documents

Interim FY2024 (from January 1, 2024 to June 30, 2024) was submitted to the Director-General of the Kanto Local Finance Bureau in Japan on August 9, 2024.

(5) Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on April 8, 2024.

(6) Securities Registration Statement and its Attachments

Disposal of treasury shares through third-party allotment in connection with contribution to the Board Benefit Trust-Restricted Stock (BBT-RS)

Submitted to the Director-General of the Kanto Local Finance Bureau in Japan on May 15, 2024.

Part 2: Information on the Guarantor of the Company

Not applicable.

Independent Auditor’s Report and Internal Control Audit Report

March 31, 2025

Board of Directors

Vision Inc.

KPMG AZSA LLC

Tokyo Office

Yoshinori Saito

Certified Public Accountant

Designated and Engagement Partner

Masato Nagai

Certified Public Accountant

Designated and Engagement Partner

[Audit of Consolidated Financial Statements]

Opinion

We have audited, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law, the Financial Statements of Vision Inc. (the “Company”) included in the “Accounting” for the period from January 1, 2024 to December 31, 2024. We have audited the Consolidated Financial Statements, comprising the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Statements of Changes in Shareholders’ Equity, the Consolidated Statement of Cash Flows, the Notes to Consolidated Financial Statements and the related Consolidated Supplementary Schedules.

We have audited, in accordance with accounting principles generally accepted in Japan, the Consolidated Financial Statements referred to above which present fairly, in all material respects, the consolidated financial position of Vision Inc. and consolidated subsidiaries as of December 31, 2024, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the “Auditor’s Responsibility in the Audit of Consolidated Financial Statements” section of our report. We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as auditors in accordance with the rules on professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that the auditor, as a professional expert, considered to be of particular importance in the audit of the Consolidated Financial Statements for FY2024. Major audit considerations are matters that were addressed while performing the audit of the Consolidated Financial Statements as a whole and in forming our audit opinion, and we do not express an opinion on those matters individually.

Appropriateness of the judgment regarding whether to recognize impairment loss on goodwill recognized at the time of the acquisition of stocks of adval Corp.	
Details of major audit considerations and reasons for decisions	Audit responses
<p>In FY2024, goodwill of 905,650 thousand yen was recorded in the Consolidated Balance Sheets of Vision Inc. (the “Company”). As stated in the Notes (Significant Accounting Estimates), this includes 771,559 thousand yen of goodwill that arose when the company acquired control of adval Corp. and accounts for approximately 3.1% of total consolidated assets.</p> <p>As stated in (Basis of Presenting Consolidated Financial Statements, etc.) 4. Matters relating to accounting policies (7) Amortization method and period of goodwill, goodwill is amortized regularly by the straight-line method. Goodwill and other assets recognized at the time of acquisition are grouped in larger units, which consist of the asset group related to the business to which the goodwill belongs plus the goodwill. If a larger unit, including goodwill, is deemed to have an indication of impairment, the carrying amount is compared with the total undiscounted future cash flows from the larger unit, including goodwill, to determine whether an impairment loss should be recognized.</p> <p>adval Corp. changed its business plan in response to changes in the market environment, such as customer needs in the space rental business.</p> <p>Due to the revision of the business plan in FY2024, we examined whether the revision of the business plan indicates a significant deterioration of the business environment in the consideration of signs of impairment of asset groups including goodwill. Whether or not a significant deterioration of the business environment in the consideration of signs of impairment of asset groups including goodwill is applicable is determined by how changes in the market environment, such as customer needs in the space rental business, have affected the revised business plan, and such determination is based on highly uncertain assumptions regarding sales. The assumption has a significant impact on the estimated future cash flows on the revised business plan.</p> <p>Based on the above, we concluded that the appropriateness of our judgment regarding the indications of impairment of goodwill of adval Corp. is particularly important in our audit of the Consolidated Financial Statements for the fiscal year and constitutes a major matter for our audit.</p>	<p>We performed the following audit procedures, which were designed primarily to assess the reasonableness of the judgment regarding the indication of impairment of goodwill of adval Corp.</p> <p>(1) Assessment of internal control</p> <p>We assessed the effectiveness of the design and operation of internal controls related to the identification of indications of impairment of goodwill. In particular, the assessment focused on controls to ascertain whether or not a fact exists that would be an indication of goodwill impairment.</p> <p>(2) Consideration of significant assumptions used by management in estimating the revised business plan</p> <p>In order to assess the appropriateness of the key assumptions adopted in the preparation of the revised business plan of adval Corp., based on the results of our comparison of the business plan before the revision and actual results to ascertain the factors causing the differences and to verify the accuracy of the estimates, we asked the management of adval Corp. and the responsible persons in the Company’s administrative division about the basis for the assumptions. In addition to asking questions, we mainly carried out the following procedures.</p> <ul style="list-style-type: none"> -The following procedures were primarily implemented assumptions regarding sales based on changes in customer needs and other market conditions in the space rental business. <ul style="list-style-type: none"> - We compared past sales results with future forecasts and evaluated the accuracy of the business plan based on the analysis of the factors behind the difference. - For the future sales forecast, a comparison was made with demand forecasts and market scale estimated using external data, and the reasonableness of the forecast was evaluated. - Based on the past achievement of the business plan and the results of the above procedures, we considered whether the incorporation of certain uncertainties in the business plan would affect our judgment regarding the indications of impairment.

Other Information

Other information consists of information contained in the Annual Securities Report other than the Consolidated Financial Statements and Non-consolidated Financial Statements and the Auditor's Reports thereon. Management is responsible for the preparation and disclosure of the other information. The responsibility of the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members is to monitor the Directors' performance of their duties in establishing and operating the process for reporting the other information.

Our audit opinion on the Consolidated Financial Statements does not include the other information, and we express no opinion on the other information.

Our responsibility in the audit of the Consolidated Financial Statements is to read the other information carefully and, in the course of reading the other information, to consider whether there are material differences between the other information and the Consolidated Financial Statements, or our knowledge obtained in the audit. We have also noted whether there are any other indications of material errors in the other statements other than such material differences.

If, based on the work we have performed, we determine that there are material errors in the other entries, we are required to report those facts to you.

We have no matters to report with respect to the other entries.

Management's and the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members' Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan. This includes establishing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for evaluating whether it is appropriate to prepare the Consolidated Financial Statements on a going concern basis and for disclosing any matters related to going concern that are required to be disclosed in accordance with accounting principles generally accepted in Japan.

The responsibility of the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members is to monitor the Directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibility in the Audit of Consolidated Financial Statements

The auditor is responsible for obtaining reasonable assurance about whether the Consolidated Financial Statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the Consolidated Financial Statements that is independent in the Auditor's Report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to influence the decisions of users of the Consolidated Financial Statements.

The auditor shall exercise professional judgment and maintain professional skepticism throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and shall

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures are at the auditor's discretion. In addition, the auditor obtains sufficient appropriate audit evidence to provide a basis for its opinion.
- In making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Assess the appropriateness of the accounting policies and methods of application thereof adopted by management and the reasonableness of the accounting estimates made by management and the adequacy of the related notes.
- Conclude whether it is appropriate for management to prepare the Consolidated Financial Statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that might cast significant doubt on the Company's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern exists, the auditor is required to draw attention in the Auditor's Report to the notes to the Consolidated Financial Statements or, if the notes to the Consolidated Financial Statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the Consolidated Financial Statements. The auditor's conclusion is based on audit evidence obtained up to the date of the Auditor's Report, but future events or circumstances could cause the entity to cease to exist as a going concern.
- Assess whether the presentation and notes to the Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, and whether the Consolidated Financial Statements, including the related notes, are presented, organized, and presented fairly, and the Consolidated Financial Statements present fairly the underlying transactions and accounting events.
- Plan and perform the audit of the Consolidated Financial Statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the Consolidated Financial Statements. The auditor is responsible for directing, supervising, and reviewing the audit of the Consolidated Financial Statements. The auditor is solely responsible for its audit opinion.

The auditor shall report to the Company's Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control, identified during the

course of the audit, and other matters required by auditing standards.

The auditor shall report to the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members on compliance with Japanese professional ethics rules regarding independence, on matters that could reasonably be considered to affect the auditor's independence, and on the details of such measures if measures are being taken to remove disincentives or safeguards are being applied to reduce disincentives to an acceptable level.

Of the matters discussed with the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members, the auditor shall determine the matters that are considered to be particularly important for the audit of the Consolidated Financial Statements for the fiscal year as major audit considerations and shall include them in the Auditor's Report. However, the auditor shall not include such matters in the Auditor's Report if the disclosure of such matters is prohibited by law or if, although extremely limited, the auditor determines that such matters should not be reported because the disadvantages of reporting such matters in the Auditor's Report are reasonably expected to outweigh the public interest.

[Internal Control Audit]

Opinion

We have audited the Internal Control Report of Vision Inc. as of December 31, 2024 for the purpose of providing audit certification in accordance with Article 193-2, Section 2 of the Financial Instruments and Exchange Law.

In our opinion, the Internal Control Report referred to above, in which Vision Inc. indicated that internal control over financial reporting as of December 31, 2024 was effective, presents fairly, in all material respects, the assessment results of internal control over financial reporting, in accordance with the assessment criteria for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibility is to express an opinion on the internal control over financial reporting based on our audit. We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Management's and the Audit & Supervisory Board Members' and the Board of Audit & Supervisory Board Members' Responsibility for the Internal Control Report

Management is responsible for designing and operating internal control over financial reporting and preparing and properly presenting an Internal Control Report in accordance with the evaluation standards for internal control over financial reporting generally accepted in Japan.

It is the responsibility of the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members to monitor and verify the design and operation of internal control over financial reporting.

It is possible that misstatements in financial reports may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibility in Internal Control Audit

The auditor is responsible for obtaining reasonable assurance about whether the Internal Control Report is free of material misstatement based on the internal control audit performed by the auditor and for expressing an opinion on the Internal Control Report from an independent standpoint in the Internal Control Report.

In accordance with auditing standards for internal control over financial reporting generally accepted in Japan, the auditor, throughout the course of the audit, exercises judgment as a professional expert and maintains professional skepticism in performing the following.

- Perform audit procedures to obtain audit evidence about the results of our assessment of internal control over financial reporting in the Internal Control Report. Audit procedures for internal control audit are selected and applied at the auditor's discretion, based on the materiality of the effect on the reliability of financial reporting.
- The auditor shall review the presentation of the Internal Control Report as a whole, including the statements made by management regarding the scope of evaluation of internal control over financial reporting, evaluation procedures, and evaluation results.
- Plan and perform an audit of internal controls to obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting in the Internal Control Report. The auditor is responsible for directing, supervising, and performing the audit of the Internal Control Report. The auditor is solely responsible for its audit opinion.

The auditor shall report to the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members on the scope and timing of the planned internal control audit, the results of the internal control audit, any significant deficiencies in internal control identified that should be disclosed, the results of their remediation, and any other matters required by the standards for the audit of internal control.

The auditor shall report to the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members on compliance

with Japanese professional ethics rules regarding independence, on matters that could reasonably be considered to affect the auditor's independence, and on the details of such measures if measures are being taken to remove disincentives or safeguards are being applied to reduce disincentives to an acceptable level.

[Remuneration-related Information]

The amount of remuneration based on audit attestation services and non-audit services of the Company and its subsidiaries to the Audit Firm and persons belonging to the same network as the Audit Firm is stated in "Item 4: Status of the Company 4. Corporate Governance, etc. (3) Audits."

Conflicts of Interest

We have no interest in or relationship with the Company or its consolidated subsidiaries that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

(Note) 1. The above is an electronic version of the matters described in the original Auditor's Report. The original is stored separately by the Company (the company that submits the Annual Securities Report).

2. XBRL data is not included in the scope of the audit.

Independent Auditor's Report

March 31, 2025

Board of Directors

Vision Inc.

KPMG AZSA LLC

Tokyo Office

Yoshinori Saito

Certified Public Accountant

Designated and Engagement Partner

Masato Nagai

Certified Public Accountant

Designated and Engagement Partner

[Audit of Non-consolidated Financial Statements]

Opinion

We have audited, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law, the Financial Statements of Vision Inc. (the "Company") included in the "Accounting" for the period from January 1, 2024 to December 31, 2024. We have audited the Non-consolidated Financial Statements, comprising the Balance Sheet, the Statement of Income, the Statements of Changes in Shareholders' Equity, Significant Accounting Policies, the Notes to the Non-consolidated Financial Statements and the related Supplementary Schedules. We have audited, in accordance with accounting principles generally accepted in Japan, the Non-consolidated Financial Statements referred to above which present fairly, in all material respects, the financial position of Vision Inc. as of December 31, 2024, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibility in the Audit of Non-consolidated Financial Statements" section of our report. We are independent of the Company and fulfill our other ethical responsibilities as auditors in accordance with the rules on professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that the auditor, as a professional expert, considered to be of particular importance in the audit of the Non-consolidated Financial Statements for FY2024. Major audit considerations are matters that were addressed while performing the audit of the Non-consolidated Financial Statements as a whole and in forming our audit opinion, and we do not express an opinion on those matters individually.

Appropriateness of the judgment regarding the necessity of recording a valuation loss on stocks of affiliated companies (stocks of adval Corp.)	
Details of major audit considerations and reasons for decisions	Audit responses
<p>Vision Inc. (the “Company”) recorded 1,045,577 thousand yen of stocks of subsidiaries and affiliates in its Non-consolidated Balance Sheet for FY2024. As stated in the Notes to its Non-consolidated Financial Statements (Significant Accounting Estimates), it includes 581,860 thousand yen of stocks of its subsidiary, adval Corp., which the Company acquired on December 1, 2021, accounting for approximately 2.6% of total assets.</p> <p>As stated in (Significant Accounting Policies) 1. Valuation standards and methods for marketable securities (1) Stocks of subsidiaries and affiliates, these assets are valued at cost using the moving average method. However, stocks of adval Corp. are securities whose objective market value is difficult to determine. Such stocks contain the excess earning capacity of adval Corp. and if such excess earning capacity is impaired and the real value of the stocks declines significantly, the stocks are written down to an impaired value.</p> <p>In valuing the stocks of adval Corp., management compares the acquisition price with the real value of the stocks, which reflects the excess earning capacity. In reviewing whether there is a significant decrease in real value due to impairment of excess earning capacity, etc., the revised business plan made in FY2024 is used as the basis for the estimates in the business plan, but the estimates in this business plan use highly uncertain assumptions about sales. These assumptions have a significant impact on the estimates of future cash flows in the business plan.</p> <p>Based on the above, we concluded that the appropriateness of the judgment regarding the necessity of recording a valuation loss on the stocks of adval Corp. was particularly important in our audit of the financial statements for the fiscal year and constitutes a major audit consideration.</p>	<p>In order to assess the appropriateness of the judgment as to whether or not to recognize a valuation loss on stocks of adval Corp., we performed the following audit procedures.</p> <p>(1) Assessment of internal control We evaluated the effectiveness of the design and operation of internal controls related to the valuation of unlisted subsidiary stock, including the valuation of adval Corp. stock and the estimation of its real value. In particular, we focused our evaluation on controls over the calculation of real value, including excess earning capacity.</p> <p>(2) Examination of the reasonableness of the real value The excess earning capacity, etc. included in the stocks of adval Corp. is recorded as goodwill in the Consolidated Financial Statements. This information is omitted because it is identical to the audit response in the major audit consideration (Appropriateness of the judgment regarding whether to recognize impairment loss on goodwill recognized at the time of the acquisition of stocks of adval Corp.) included in the Auditor’s Report for the Consolidated Financial Statements.</p>

Other Information

Other Information consists of information contained in the Annual Securities Report other than the Consolidated Financial Statements and Non-consolidated Financial Statements and the Auditor’s Reports thereon. Management is responsible for the preparation and disclosure of the other information. The responsibility of the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members is to monitor the Directors’ performance of their duties in establishing and operating the process for reporting the other information.

Our audit opinion on the Non-consolidated Financial Statements does not include the other information, and we express no opinion on the other information.

Our responsibility in the audit of the Non-consolidated Financial Statements is to read the other information carefully and, in the course of reading the other information, to consider whether there are material differences between the other information and the Non-consolidated Financial Statements, or our knowledge obtained in the audit. We have also noted whether there are any other indications of material errors in the other statements other than such material differences.

If, based on the work we have performed, we determine that there are material errors in the other entries, we are required to report those facts to you.

We have no matters to report with respect to the other entries.

Management's and the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members' Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Non-consolidated Financial Statements in accordance with accounting principles generally accepted in Japan. This includes establishing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Non-consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Non-consolidated Financial Statements, management is responsible for evaluating whether it is appropriate to prepare the Non-consolidated Financial Statements on a going concern basis and for disclosing any matters related to going concern that are required to be disclosed in accordance with accounting principles generally accepted in Japan.

The responsibility of the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members is to monitor the Directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibility in the Audit of Non-consolidated Financial Statements

The auditor is responsible for obtaining reasonable assurance about whether the Non-consolidated Financial Statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the Non-consolidated Financial Statements that is independent in the Auditor's Report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to influence the decisions of users of the Non-consolidated Financial Statements.

The auditor shall exercise professional judgment and maintain professional skepticism throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and shall

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures are at the auditor's discretion. In addition, the auditor obtains sufficient appropriate audit evidence to provide a basis for its opinion.
- In making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Assess the appropriateness of the accounting policies and methods of application thereof adopted by management and the reasonableness of the accounting estimates made by management and the adequacy of the related notes.
- Conclude whether it is appropriate for management to prepare the Non-consolidated Financial Statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that might cast significant doubt on the Company's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern exists, the auditor is required to draw attention in the Auditor's Report to the notes to the Non-consolidated Financial Statements or, if the notes to the Non-consolidated Financial Statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the Non-consolidated Financial Statements. The auditor's conclusion is based on audit evidence obtained up to the date of the Auditor's Report, but future events or circumstances could cause the entity to cease to exist as a going concern.
- Assess whether the presentation and notes to the Non-Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, and whether the Non-Consolidated Financial Statements, including the related notes, are presented, organized, and presented fairly, and the Non-Consolidated Financial Statements present fairly the underlying transactions and accounting events.

The auditor shall report to the Company's Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control, identified during the course of the audit, and other matters required by auditing standards.

The auditor shall report to the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members on compliance with Japanese professional ethics rules regarding independence, on matters that could reasonably be considered to affect the auditor's independence, and on the details of such measures if measures are being taken to remove disincentives or safeguards are being applied to reduce disincentives to an acceptable level.

Of the matters discussed with the Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members, the auditor shall determine the matters that are considered to be particularly important for the audit of the Non-consolidated Financial Statements for the fiscal year as major audit considerations and shall include them in the Auditor's Report. However, the auditor shall not include such matters in the Auditor's Report if the disclosure of such matters is prohibited by law or if, although extremely limited, the auditor determines that such matters should not be reported because the disadvantages of reporting such matters in the Auditor's Report are reasonably expected to outweigh the public interest.

[Remuneration-related Information]

Remuneration-related information is presented in the Auditor's Report on the Consolidated Financial Statements.

Conflicts of Interest

We have no interest in or relationship with the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

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