

To Our Shareholders

I hope you are in good health and prospering. I would like to express my sincere gratitude for your continued support.

I have returned to the management field as Representative Director for the first time in three years and have assumed the posts of Chairman of the Board and President.

As the founder, being involved in management again, I feel the weight of responsibility day after day.

The liquidity of human resources is increasing in labor markets in Japan and overseas, and work styles and career views have diversified.

Due to the progress of generative AI and other technologies, we have reached a time when recruitment and human resource development methods will also be reviewed from the ground up.

In Japan in particular, labor shortages are getting worse and have become a big issue for society. For us, whose mission is the resolution of people and organizational problems, it is also an opportunity for growth.

The raison d'être and value proposition of en Japan will be put to the question again.

The work result generated by the company is the loyalty of clients, both companies and individuals.

Rather than just responding to the needs in front of us, we will maintain our user-first stance, continuing to question what is “really pleasing and makes you want to recommend it to others.”

I will return to the ambition of the time of the company's founding and face the question of “whether or not we are a trusted company” head on.

We look forward to everyone's continued support moving forward.

June 2025
en Japan Inc.
Michikatsu Ochi, Representative Director, Chairman and President

Securities Code: 4849

June 5, 2025

(Commencement date of measures for electronic provision June 2, 2025)

To Our Shareholders:

6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

en Japan Inc.

Michikatsu Ochi, Representative Director,
Chairman and President

Notice of the 25th Annual Meeting of Shareholders

en Japan cordially invites shareholders to the 25th Annual Meeting of Shareholders as described below.

In convening the 25th Annual Meeting of Shareholders, the Company has taken measures for electronic provision and has posted the items to be provided in electronic format under “Notice of the 25th Annual Meeting of Shareholders” on the website indicated below.

Website of the Company

<https://corp.en-japan.com/en/IR/release.html>

In addition to the above website, the items are also posted on the Japan Exchange Group (TSE) website. Please access the TSE website (Listed Company Search), enter and search for either “en Japan” in the “Issue name (company name)” field or the Company’s securities code number (4849) in the “Code” field. Then select “Basic information” and “Documents for public inspection/PR information” in this order to view the information.

Japan Exchange Group website (Listed Company Search)

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

If you will not attend the meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the Reference Document for the Annual Meeting of Shareholders included in the items to be provided in electronic format and exercise your voting rights by no later than 6:00 p.m., on Monday, June 23, 2025.

1. **Date:** 10:00 a.m., Tuesday, June 24, 2025
(Reception starts from 9:30 a.m.)
2. **Venue:** 35F, en Japan Inc. Seminar room, I-land Tower,
6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
3. **Purpose:**
 1. **Items to be reported:** The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit and Supervisory Committee for the 25th business period (April 1, 2024 to March 31, 2025)
 2. The non-consolidated financial statements for the 25th business period (April 1, 2024 to March 31, 2025)

Items to be resolved:

- | | |
|--------------------|---|
| Item No. 1: | Appropriation of Retained Earnings |
| Item No. 2: | Partial Amendment to the Articles of Incorporation |
| Item No. 3: | Election of Five (5) Directors (Excluding Directors Serving on the Audit and Supervisory Committee) |
| Item No. 4: | Election of One (1) Substitute Director Serving on the Audit and Supervisory Committee |

- 4. Predetermined terms of the convocation**
- If you are exercising your voting rights by a proxy, you may appoint another shareholder who holds his/her voting rights as your proxy to attend the general meeting of shareholders. Please note, however, that your proxy must submit a power of attorney in writing.
- If there is no indication on the voting form of your approval or disapproval of proposals, the Company will assume that you approve the proposals.
- When you attend the meeting, please submit the enclosed voting form to the receptionist at the venue. Persons other than the shareholders who are eligible to exercise voting rights, including any proxies who are not shareholders and accompanying guests, may not enter the venue. In order to save on resources, please bring along this “Notice of Convocation” with you.
 - Among the items provided in electronic format, “Consolidated Notes to Consolidated Financial Statements in the consolidated financial statements”, “Notes to Non-consolidated Financial Statements in the financial statements”, “Consolidated Statements of Changes in Net Assets”, “Non-consolidated Statements of Changes in Net Assets”, and “Systems to Ensure the Appropriateness of Business Operations” are not included in the paper-based documents to be delivered to shareholders who have requested the delivery of such documents, pursuant to the provisions of laws and regulations and Article 15 of the Company’s Articles of Incorporation. Therefore, the paper-based documents to be delivered to shareholders who have requested the delivery of such documents constitute only part of the documents that were audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.
 - If there are any revisions to the items provided in electronic format, the details of the revisions will be posted on each of the aforementioned websites.
 - No souvenirs or gifts will be distributed at this fiscal year’s general meeting of shareholders. Thank you for your understanding.

Item No. 1: Appropriation of Retained Earnings

The Company would like to appropriate retained earnings as follows.

Year-end Dividend

The Company is committed to making investments that contribute to enhancing shareholder value and strengthening shareholder returns while ensuring financial soundness. The basic policy is to pay a fixed annual dividend of 70.10 yen per share for the period up to the fiscal year ending March 31, 2025, which is the period of front-loaded investment set out in the Medium-Term Management Plan.

Based on the above policy, concerning the dividend for the fiscal year ended March 31, 2025, the Company would like to disburse 70.10 yen per share.

- 1) Type in which dividends are paid

Cash payment

- 2) Allocation of dividends and total amount of dividends

The Company would like to disburse 70.10 yen per common share of the Company.

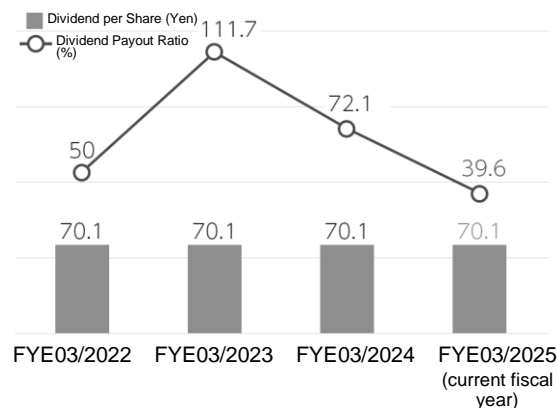
In this case, the total amount of dividends shall be 3,023,509,458 yen.

- 3) Effective date on which dividends are disbursed from retained earnings

The Company would like to disburse the dividend on June 25, 2025.

- * The difference from the dividend payout ratio shown in the financial results is a result of accounting for the J-ESOP dividend amount.
Specifically, the Company calculates a dividend payout ratio using the following formula:
Total amount of dividends paid / Profit attributable to owners of the parent
= Dividend payout ratio (%).

(Reference) Changes in dividends/payout ratio



Item No. 2: Partial Amendment to the Articles of Incorporation

1. Reason for proposal

The Company has resolved the change of the Company's trade name to “en Inc.” subject to the approval of partial amendments to the Articles of Incorporation related to this proposal at the Board of Directors meeting held on April 25, 2025. Article 1 of the proposed amendment is based on the decision made at this Board of Directors meeting.

2. Details of revision

The detail of revision of the Articles of Incorporation is as follows.

(Those parts to be amended are underlined.)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions (Trade name) Article 1 The name of the Company shall be “ <u>en-japan Kabushiki Kaisha</u> ” and in English, “ <u>en Japan inc.</u> ” (Newly established)	Chapter 1 General Provisions (Trade name) Article 1 The name of the Company shall be “ <u>en Kabushiki Kaisha</u> ” and in English, “ <u>en Inc.</u> ” Supplementary Provisions <u>(Transitional Measures regarding Change of Trade Name)</u> <u>Article 2</u> <u>The amendments to Article 1 shall become effective as of October 1, 2025. This paragraph shall be deleted after the effective date of the amendment of Article 1.</u>

Item No. 3: Election of Five (5) Directors (Excluding Directors Serving on the Audit and Supervisory Committee)

The term of office of all eight (8) Directors (excluding Directors serving on the Audit and Supervisory Committee; the same applies hereinafter in this agenda item) will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company proposes the election of five (5) Directors.

The candidates for Directors are as follows.

Candidate's No.		Name	Current position and responsibilities in the Company	Attendance at the meetings of the Board of Directors
1	Reappointment	Michikatsu Ochi	Representative Director, Chairman and President	12/12 (100%)
2	Reappointment	Teruyuki Terada	Director and Executive Officer General Manager of Digital Product Development Division Manager of AI Technology Office	12/12 (100%)
3	Reappointment	Takuo Iwasaki	Director and Executive Officer General Manager of HR Media & Technology Recruitment Support Division	12/12 (100%)
4	New appointment	Jun Nakajima	Executive Officer, General Manager of the Corporate Strategy Division	-/- (-%)
5	Reappointment Outside Director Independent Officer	Yuri Hayashi	Outside Director	12/12 (100%)

Policy for the selection of candidates

With regard to the election of Inside Directors, the Company has nominated personnel who are appropriate for promoting a highly efficient management system, and who not only possess high levels of expertise in their respective fields, but also can respond rapidly, flexibly, and appropriately to changes in the business environment, premised on the fact that the personnel have jointly created the Company's management philosophy and are able to devote themselves every day to the realization of that philosophy.

With regard to the election of Outside Directors, the Company has nominated personnel who are sympathetic to its management philosophy, are able to monitor management independently from an objective standpoint, and possess a wide range of perspectives, without being biased toward the interests of management and specific stakeholders.

Decision procedure

When nominating a candidate for Director, the Board of Directors considers and decides based on the opinions of the Voluntary Nomination and Compensation Committee, which is composed mainly of Outside Directors.

Criteria for determining the independence of Outside Officers

The Company has established the Criteria for Determining the Independence of Outside Officers as follows. If they fall under the following criteria, the Company determines that they are not to be sufficiently independent of the Company.

1. An officer who currently falls under any of the following or has done within the past ten (10) years

(1) A person who has work experience (including being an Executive (*1)) at the Company or subsidiaries of the Company (hereinafter collectively referred to as the "Group")

(2) A person who is a major shareholder of the Company (a person who holds 10% or more of the shares) or a person who, if such person is a juridical person, has assumed the office of an Executive or Corporate Auditor of such juridical person (limited to cases where an Outside Auditor is designated as an Independent Officer).

2. An officer who currently falls under any of the following or has done within the past three (3) years

(1) A major business partner (*2) of the Group or an Executive thereof

(2) A person with whom the Group (*3) is a major business partner or an Executive thereof

(3) A major lender of the Group (*4) or an Executive thereof

(4) A consultant, an accounting professional, or a legal professional (*5) who has received large amounts of money or other property other than officer's remuneration from the Group

(5) A certified public accountant who belongs to the accounting auditor or the auditing firm as an accounting auditor of the Group

(6) A person who has received large donations from the Group (*6) or an Executive thereof

3. An officer whose relatives within the second degree of kinship of the officer (limited to important persons (*7)) fall under any of the above 1 or 2.

*1 A Director, an Executive Officer, an Executive Managing Officer, and other officers or employees equivalent thereto

*2 A business partner to whom the total net sales of the Group in any of the last three (3) fiscal years exceed 2% of the consolidated net sales of the Company

*3 A business operator whose net sales to the Group in any of the last three (3) fiscal years exceeds 2% of the consolidated net sales of the business operator

*4 A lender whose amount of lending to the Group exceeds 2% of the total consolidated assets of the Company at the end of any of the last three (3) fiscal years

*5 A person whose total amount of remuneration from the Group in any of the last three (3) fiscal years exceeds 10 million yen

*6 A recipient whose total donations from the Group in any of the last three (3) fiscal years exceeds 10 million yen

*7 Important persons shall be Directors, Executive Officers, Executive Managing Officers, and Executives who are at the level of Manager or above, or Executives who have authority equivalent thereto.

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
1	Michikatsu Ochi Male (January 18, 1951) Reappointment	<p>Aug. 1983 Established Nihon Brain Center, K.K.</p> <p>Jan. 2000 Established the Company</p> <p>Dec. 2000 President of the Company</p> <p>Jun. 2008 Chairman of the Company</p> <p>Apr. 2015 Chairman and Executive Officer of the Company</p> <p>Mar. 2022 Chairman of the Board of the Company</p> <p>Apr. 2025 Representative Director, Chairman and President of the Company (incumbent)</p> <p>[Significant concurrent positions]</p> <p>Representative Director of en Human Capital Education Association Inc.</p> <p>Representative Director of CSA Management Association</p> <p>Reasons for nomination as candidate for Director</p> <p>Mr. Michikatsu Ochi established Nihon Brain Center, K.K. in 1983 and subsequently established the Digital Media Division in 1995 to begin the operation of Internet job listing and recruitment information sites, etc. In 2000, he separated the Division, making it independent, and founded the Company and has been leading the organization as the founder. Since April 2025 he has served as Representative Director, Chairman and President, and drawn on his extensive experience and achievements to promote management of the Company. The Company nominated him as a candidate for Director again with confidence that it is necessary to leverage his experience and knowledge gained over the years to help the Company achieve sustainable growth.</p>	4,383,900 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions		Number of the Company's shares owned
2	Teruyuki Terada Male (April 22, 1979) Reappointment	<p>Apr. 2002 Joined the Company</p> <p>Feb. 2013 Manager of Websites Planning Division of the Company</p> <p>Apr. 2014 Manager of Digital Product Development Division of the Company (incumbent)</p> <p>Apr. 2015 Executive Officer of the Company</p> <p>Jun. 2021 Director and Executive Officer of the Company (incumbent)</p> <p>Jul. 2024 Manager of AI Technology Office of the Company (incumbent)</p> <p>Reasons for nomination as candidate for Director</p> <p>Mr. Teruyuki Terada joined the Company as a fresh graduate in 2002. Subsequently, he was engaged in corporate sales strategy and marketing to support mid-career recruitment before assuming the office of General Manager of the current division that is in charge of planning, development, and marketing of websites in 2014. Since then, he has led the establishment and renewal of many representative web services of the Company, including en TENSHOKU, en BAITO, and engage. Believing that his knowledge of digital technology and extensive achievements will contribute to the development of management strategies of the Company, the Company continues to nominate him as a candidate for Director.</p>		11,000 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
3	Takuo Iwasaki Male (Febuary 10, 1981) Reappointment	Apr. 2003 Joined the Company Oct. 2011 Manager of Metropolitan 1st Sales Group of Mid-Career Recruitment Support Division of the Company Apr. 2016 Manager of Mid-Career Recruitment Media Division of the Company Apr. 2018 Executive Officer of the Company Jun. 2021 Director and Executive Officer of the Company (incumbent) Apr. 2022 General Manager of engage Division of the Company Apr. 2024 General Manager of HR Media & Technology Recruitment Support Division of the Company (incumbent) [Significant concurrent positions] President of en SX Inc. Reasons for nomination as candidate for Director Mr. Takuo Iwasaki joined the Company as a fresh graduate in 2003. Subsequently, he served as a sales manager for the Mid-Career Recruitment Media Division and other positions, and successfully led the major renewal of en TENSHOKU. Since assuming the office of Manager of the Mid-Career Recruitment Media Division in 2016, he administered its business as a whole for many years. In 2021, he began working on the launch of en SX, a business designed to help companies transform their sales operations and boost performance. In 2024, he became Manager of the HR Media & Technology Recruitment Support Division, which integrates the Company's key businesses including en TENSHOKU, and since then has been working to grow the division's operations. Believing that his extensive experience and achievements will contribute to the development of the Company's business strategies, the Company continues to nominate him as a candidate for Director.	7,500 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
4	Jun Nakajima Male (January 8, 1984) New appointment	Apr. 2006 Joined the Company Aug. 2012 Manager of the Tokyo 1st Sales Group of Mid-Career Recruitment Support Division of the Company Jan. 2019 Manager of the Temporary Staffing Agency Support Division of the Company Apr. 2021 Executive Officer of the Company (incumbent) Oct. 2021 President and Representative Director of ZEKU Corporation May. 2023 Manager of Corporate Planning Office of the Company Apr. 2024 General Manager of the Corporate Strategy Division (incumbent) May. 2025 Chairman of the Board of ZEKU Corporation (incumbent) [Significant concurrent positions] Chairman of the Board of ZEKU Corporation Mr. Jun Nakajima joined the Company as a fresh graduate in 2006. Subsequently, he served as manager of sales in Mid-Career Recruitment Support Division. Then he was involved in the launch of a new business in 2014, before being appointed manager of Temporary Staffing Company Support Division in 2019 where he spearheaded the growth of en HAKEN. He was appointed Representative Director and President of ZEKU Corporation, which works on recruitment related system solutions, from 2021 and is striving for the company's development. He was appointed manager of Corporate Planning Office in 2023 and is leading the design and execution of the company's management strategy. Believing that his extensive experience and achievements will contribute to the development of the Company's management strategies, the Company newly nominates him as a candidate for Director.	300 shares

Candidate's No.	Name (Date of birth)	Brief profile and positions	Number of the Company's shares owned
5	Yuri Hayashi Female (July 11, 1980) Reappointment	<p>Apr. 2003 Joined Recruit Co., Ltd.</p> <p>Jan. 2011 Editor-in-chief of Recruit's "Suumo Magazine"</p> <p>Feb. 2015 Established Yurisha (sole proprietorship) Engaged in public relations- and community development-related activities at various organizations and companies</p> <p>Mar. 2017 Withdrew from the Doctoral Program at the Graduate School of Media and Governance, Keio University</p> <p>Oct. 2017 Appointed Deputy Mayor of Shijonawate City, Osaka Prefecture</p> <p>Jun. 2022 Outside Director of the Company (incumbent)</p> <p>Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Ms. Yuri Hayashi has extensive knowledge of marketing and management gained over the years while working for Recruit Co., Ltd. She became the first female deputy mayor of Shijonawate City, Osaka Prefecture in 2017 and utilized her experience working in the private sector to implement organizational reforms while promoting childcare policies and urban development. She is also improving transparency and fairness of the procedures for election and dismissal of Officers and the process for determining remuneration as a member of the Nomination and Compensation Committee. Determining that she is the right person to supervise management for sustainable growth and improved corporate value of the Group, the Company requests her re-election as an Outside Director.</p>	- shares

Notes:

1. The Company has signed a part-time advisory contract with Ms. Yuri Hayashi. Compensation for this contract was paid in consideration of her consulting services for recruitment planning. To date, the amount paid to her totals less than 5 million yen. Because all of the above transactions satisfy the Rules for Determining the Independence of Outside Officers established by the Company, the Company has determined that there are no issues concerning their independence. There are no special interests between Mr. Michikatsu Ochi, Mr. Teruyuki Terada, Mr. Takuo Iwasaki and Mr. Jun Nakajima and the Company.
2. Ms. Yuri Hayashi is the candidate for Outside Director.
3. Ms. Yuri Hayashi is currently an Outside Director of the Company, and her term of office is three (3) years ending at the conclusion of the Annual Meeting of Shareholders.
4. The Company has registered Ms. Yuri Hayashi as an Independent Officer stipulated under the rules of the Tokyo Stock Exchange. If Ms. Yuri Hayashi assumes the office of Director, the Company plans to register Ms. Yuri Hayashi as an Independent Officer again stipulated under the rules of the Tokyo Stock Exchange.
5. The Company has entered into a limited liability agreement with Ms. Yuri Hayashi based on the provisions of its Articles of Incorporation to limit their damage compensation liability as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability under the said agreement shall be the

amount prescribed in laws and regulations. If re-election of Ms. Yuri Hayashi is approved, the Company will continue the above limited liability agreement with her.

6. The Company has concluded liability insurance contracts for Officers with an insurance company, that cover Directors, Executive Officers, and Officers of subsidiaries as the insured. These insurance contracts compensate for damages caused at the responsibility assumed by the insured for the execution of their duties or damages claimed related to the pursuit of such responsibility. The Company pays all the insurance premiums. The above insurance contracts do not cover claims for damages caused by intentional acts or gross negligence of the insured. If the candidates assume the offices of Directors, they will become the insured of the above insurance contracts, and the Company plans to renew the above insurance contracts in January 2026.

The Composition of Directors when Proposal No.3 is Approved
Professional competence and experience of the Company's Directors are as follow.

Skill matrix

			Attribute		Business experience/knowledge									expertise
Officer			Independence Notification filed with TSE ● Company standard ○	gender Male ● Female ○	Corporate management	Human resource business	Sales/marketing	Technology/DX	Brand strategy	Global business	Risk management/legal/ compliance	Finance/accounting/M&A	Sustainability/ESG	Professional license/ relevant qualifications
Michikatsu Ochi	Representative Director, Chairman and President			●	●	●	●		●	●		●	●	
Teruyuki Terada	Director and Executive Officer			●		●		●						
Takuo Iwasaki	Director and Executive Officer			●		●	●							
Jun Nakajima	Director and Executive Officer	New appointment		●		●					●			
Yuri Hayashi	Independent Outside Director		●	○			●		●				●	
Taisuke Igaki	Outside Director (Audit and Supervisory Committee)		○	●						●	●		●	Japanese Attorney/Attorney in the state of New York
Toshihiko Ishikawa	Independent Outside Director (Audit and Supervisory Committee)		●	●	●			●				●		Certified Public Accountant, Licensed Tax Accountant
Takeshi Nishikawa	Independent Outside Director (Audit and Supervisory Committee)		●	●	●					●		●		

- Notes: 1. The above does not represent all the skills, experience, abilities, and other knowledge and expertise possessed by each person.
2. "Experience" in each column means, as a general rule, having worked in the relevant area or having served in the relevant position for a total of three or more years.

Item No. 4: Election of One (1) Substitute Director Serving on the Audit and Supervisory Committee

In order to prepare for the case where the number of Directors serving on the Audit and Supervisory Committee falls short of the number stipulated by laws and regulations, the Company requests the election of one (1) substitute Director serving on the Audit and Supervisory Committee in advance.

The term of office of the elected substitute Director serving on the Audit and Supervisory Committee shall continue until expiration of the term of office of the Director serving on the Audit and Supervisory Committee who retires in accordance with the provisions of the Articles of Incorporation of the Company.

The effectiveness of election in this proposal may be cancelled based on the concurrence of the Audit and Supervisory Committee and by resolution of the Board of Directors provided that the cancellation is made prior to the assumption of office by the nominee.

With regard to this agenda item, the consent of the Audit and Supervisory Committee has been obtained.

The candidate for substitute Director serving on the Audit and Supervisory Committee is as follows.

Name (Date of birth)	Brief profile and positions		Number of the Company’s shares owned
Tomoyuki Otsuki Male (April 1, 1972)	Apr. 1994	Joined Otsuki Management & Labor Consulting Office	- shares
	Jan. 2006	Registered as Labor and Social Security Attorney Head of Ginza Branch Office of Otsuki Management & Labor Consulting Office	
	Jan. 2011	Control Office Manager of Otsuki Management & Labor Consulting Office	
	Dec. 2013	Representative Director of OTSUKI M Co., Ltd. (incumbent) Representative Director of OTSUKI M SINGAPORE PTE, LTD.	
	Jul. 2016	Representative Partner of Otsuki Management & Labor Consulting Office (incumbent)	
	Jun. 2019	Director of Tokyo Metropolitan Labor and Social Security Attorney’s Associations	
	Jun. 2025	Executive Director of Tokyo Metropolitan Labor and Social Security Attorney’s Associations (incumbent)	
	[Significant concurrent positions]		
	Representative Partner of Otsuki Management & Labor Consulting Office		
	Representative Director of OTSUKI M Co., Ltd.		
	Reasons for nomination as candidate for substitute Director serving on the Audit and Supervisory Committee		
	Mr. Tomoyuki Otsuki has extensive knowledge and experience as a labor and social security attorney. If he is elected, the Company believes that he can leverage his expertise in enhancing its risk management structure and nominates him as a candidate for substitute Director serving on the Audit and Supervisory Committee.		

Notes:

1. The Company entered into an advisory contract with Otsuki Management & Labor Consulting Office, for which Mr. Tomoyuki Otsuki serves as a Representative Director, but the amount of remuneration is not more than 5 million yen per year. Because such contract satisfies the Rules for Determining Independence of Outside Officers established by the Company, the Company has determined that there are no issues concerning his independence.
2. Mr. Tomoyuki Otsuki is the candidate for substitute Outside Director serving on the Audit and Supervisory Committee.
3. If Mr. Tomoyuki Otsuki assumes the office of Director serving on the Audit and Supervisory Committee, the Company plans to register Mr. Otsuki as an Independent Officer stipulated under the rules of the Tokyo Stock Exchange.
4. If Mr. Tomoyuki Otsuki assumes the office of Director serving on the Audit and Supervisory Committee, the Company will enter into a limited liability agreement with Mr. Otsuki based on the provisions of its Articles of Incorporation to limit his damage compensation liability as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability under the said agreement shall be the amount prescribed in laws and regulations.
5. The Company has concluded liability insurance contracts for Officers with an insurance company, that cover Directors, Executive Officers, and Officers of subsidiaries as the insured. These insurance contracts compensate for damages caused at the responsibility assumed by the insured for the execution of their duties or damages claimed related to the pursuit of such responsibility. The Company pays all the insurance premiums. The above insurance contracts do not cover claims for damages caused by intentional acts or gross negligence of the insured. If Mr. Tomoyuki Otsuki assumes the office of Director serving on the Audit and Supervisory Committee, he will become the insured of the above insurance contracts, and the Company plans to renew the above insurance contracts in January 2026.

(Exhibit)

Business Report

From April 1, 2024
to March 31, 2025

1. State of Corporate Group

(1) State of Business for the Current Fiscal Year

1) Business progress and results

(Million yen)

(million yen)

Net Sales			Prior Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)	Change	Percent change (%)
Businesses with investment	HR-Tech engage		7,193	9,657	2,464	34.3%
	Human Resources Platform		7,091	7,806	714	10.1%
Existing businesses	Domestic	Job Board	29,396	25,000	-4,396	-15.0%
		Permanent Recruitme nt	9,871	9,895	24	0.2%
		Other	3,349	5,102	1,752	52.3%
	Overseas		11,616	10,148	-1,467	-12.6%

(a) HR-Tech engage

HR-Tech Engage renewed its brand as the new concept of “job selections for everybody” in July 2024. It supports all job selections, including career changes, part-time jobs and new graduates, and is defined as the brand that will realize “success after joining a company,” which the Company values. In addition, it is also collaborating with the Company's corporate review site, which has enabled the collection of even more multidimensional information than ever as the “engage Kaisha no Hyoban,” and aimed for the realization of support for job selection without mismatches.

As a result of implementing promotions aimed at attracting job seekers under the new brand, the number of members increased to 5,550,000 people, up 1,810,000 people from the previous year. With the number of members increasing, so has the number of user companies, with the number of user accounts reaching a total of 680,000. The business continues to grow as a domestic top class recruitment service, with the number of publicized job offers amounting to 2,110,000, and sales have increased. On the other hand, it has not been possible to create sufficient matching utilizing the numbers of job listings and job seekers, and results were below those planned.

As a result, net sales of HR-Tech engage amounted to ¥9,657 million, up 34.3% year on year.

(b) Human Resources Platform

The Company actively invested in advertising and publicity aimed at acquiring job seekers. As a result, the number of members increased to 4,330,000 (up 510,000 from the previous year). In particular, demand for high-level expertise is strong this fiscal year, especially for the middle-aged career changers, and user companies increased both among permanent recruitment agencies and general companies. Consequently, sales rose significantly.

As a result, net sales of Human Resources Platform amounted to ¥7,806 million, up 10.1% year on year.

(c) Domestic Job Board

As a result of user companies decreasing due to the Company reducing advertising and publicity expenses aiming for greater efficiency at en TENSOKU, sales decreased. The job posting sites for temporary staffing companies saw a decline in sales as major temporary staffing agencies held back from posting job listings. On the other hand, sales increased for the headhunting site for new graduates against the backdrop of the expansion of headhunting in new graduate recruitment.

As a result, net sales of Domestic Job Board amounted to ¥25,000 million, down 15.0% year on year.

(d) Domestic Permanent Recruitment

en Agent increased its new graduates greatly at the start of the term, but there were a lot of new graduate members against existing members and it struggled to increase productivity so sales declined.

At en world Japan, demand for high career recruitment rose and sales increased due to improved consultant productivity.

As a result, net sales of Domestic Permanent Recruitment amounted to ¥9,895 million, up 0.2% year on year.

(e) Overseas

The IT-related temporary staffing business in India experienced a decline in revenue due to the method for recording sales changing partly from gross revenue recognition to net revenue recognition following a revision of contract formats (year-on-year decline in revenue of 925 million yen) and IT demand trending at the same level as the previous consolidated fiscal year.

In Vietnam, where the Company primarily operates job posting sites boasting the biggest domestic market share, sales trended at the same level as last term as domestic business confidence did not recover under the impact of the Chinese and American economies.

As a result of the above, net sales of overseas business amounted to ¥10,148 million, down 12.6% year on year.

As a result, net sales in the current consolidated fiscal year amounted to ¥65,678 million (a decrease of 2.9% year on year), operating income amounted to ¥5,892 million (an increase of 14.2% year on year), ordinary income amounted to ¥5,943 million (an increase of 10.7% year on year) and profit attributable to owners of parent amounted to ¥7,628 million (an increase of 81.8% year on year).

(Million yen)

	Current Fiscal Year (From April 1, 2024 to March 31, 2025)	Percent change (%)
Net sales	65,678	Down 2.9%
Operating income	5,892	Up 14.2%
Ordinary income	5,943	Up 10.7%
Profit attributable to owners of parent	7,628	Up 81.8%

2) Capital investment

During the current fiscal year, the Company invested a total of ¥3,806 million, and investments are mainly as follows.

- Websites development, additional repairs, etc.

3) Fund procurement

The Company has concluded an overdraft facility agreement (maximum amount of ¥11,000 million) with two banks. There are no borrowings outstanding as of the end of the current fiscal year.

4) Business transfers, Absorption-type Demerger or Incorporation-type Demerger

Not applicable.

5) Assignment of business from other companies

Not applicable.

6) Succession of right obligation related to other entities business through an absorption-type merger or an absorption-type Demerger

Not applicable.

7) Acquisition or Disposal of shares, other equity interests or subscription rights to shares, etc. of other companies

Not applicable.

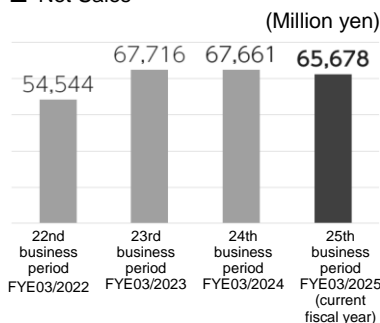
(2) Trends in Assets, Profits and Losses

(Million yen)

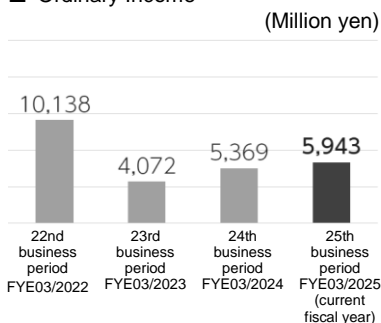
Item	Fiscal 2022 22nd business period	Fiscal 2023 23rd business period	Fiscal 2024 24th business period	Fiscal 2025 25th business period (current fiscal year)
Net sales	54,544	67,716	67,661	65,678
Ordinary income	10,138	4,072	5,369	5,943
Profit attributable to owners of parent	6,628	2,695	4,196	7,628
Profit per share (yen)	147.71	60.98	102.38	186.76
Total assets	56,215	51,967	48,974	56,942
Net assets	41,160	35,125	32,161	37,618
Net asset per share (yen)	903.89	816.84	777.70	905.56
ROE (%)	17.2	7.2	12.6	22.2

Note: Consumption tax is not included in net sales.

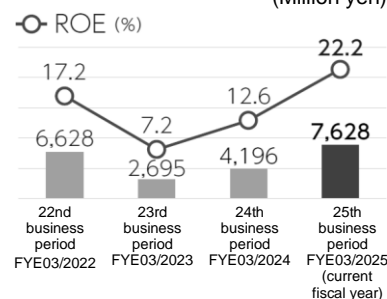
■ Net Sales



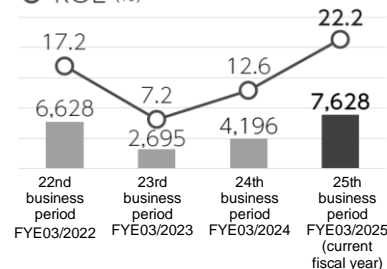
■ Ordinary Income



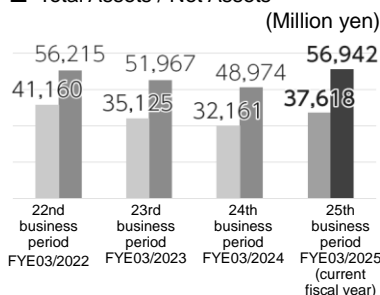
■ Profit Attributable to Owners of Parent



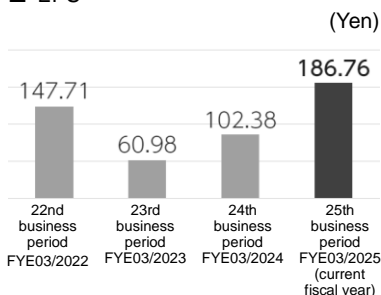
○ ROE (%)



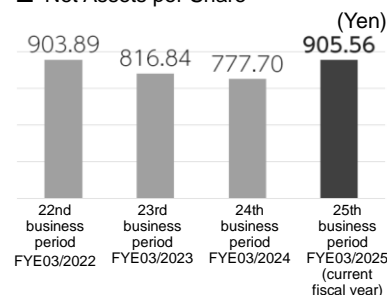
■ Total Assets / Net Assets



■ EPS



■ Net Assets per Share



(3) Important Information on Parent Company and Subsidiaries

a) Relationship with parent company

Not applicable

b) Status of important subsidiaries

Name	Capital stock	Ratio of voting rights	Main Business
en world Japan K.K.	65 million yen	100%	Permanent Recruitment, Temporary staffing
Navigos Group Vietnam Joint Stock Company	63,912 million VND	100%	Job Board business Permanent Recruitment
Future Focus Infotech Pvt,Ltd.	25 million INR	99.3%	IT Permanent Recruitment

Notes:

1. Of the ratio of voting rights of the Company for Navigos Group Vietnam Joint Stock Company, 100.0% is based on indirect ownership through consolidated subsidiaries of the Company.
2. Of the ratio of voting of the Company for Future Focus Infotech Pvt, Ltd., 85.8% is based on indirect ownership through consolidated subsidiaries of the Company.
3. There are no subsidiaries that fall within the category of specified wholly-owned subsidiary.

(4) Issues to Deal with

In Japan's recruitment market, in which the en Japan Group operates, labor shortages are advancing rapidly due to a decline in the working age population associated with the declining birthrate and aging population, changes in the industrial structure and other factors.

From now on, in addition to further increases in the liquidity of employment and the intensification of recruitment competition, the Company Group believes that the diversification and selection of service use by job seekers and hiring companies will advance further.

Competition for the acquisition of human resources by companies will increase in intensity as production and opportunities to provide services decrease because of the constraints on the supply of labor and as labor shortages connect to the slowing down of economic growth.

On the other hand, companies are making efforts to raise wages and strengthen measures to prevent employment separation, and to enhance reskilling measures and various employment systems.

As a result, mismatches are occurring in the labor market such as workers being critically short in specific industries and regions, and bankruptcies are tending to increase centered on medium-sized and small companies due to recruitment difficulties and soaring labor costs.

The structural issue of labor supply will become more serious from now on and the Company believes that job changes straddling industries will be promoted due to changes in orientations towards job changes among job seekers in association with that.

At companies, competition for the acquisition of human resources, which also impacts on business continuity, will become more active, and it seems that the rising liquidity and polarization of employment will advance further.

In the overseas human resources business market, both Vietnam and India, where our group is developing business, are expected to show high economic growth in the future.

Given their large populations and low average ages, expectations of market growth centered on the IT and technology sectors, as well as needs for human resources in those sectors, remain high, and we continue to anticipate strong growth in these two countries.

After formulating the five-year Medium-Term Management Plan, which runs through the fiscal year ending March 31, 2027, we have expanded our revenue.

During that time, we needed to make significant revisions to the plan including management policies and business strategies as the business environment changed rapidly.

The increasingly serious labor shortages are a major issue for society.

For the Company group, whose mission is resolving the problems of people and organizations, they are also an opportunity for growth.

The Company group will transition to a new management system, rebuild its business portfolio, further strengthen corporate governance, and further accelerate management decision-making.

Through our business activities, we will create better encounters for people and companies, play our role contributing to the improved vitality of society, and strive for the improvement of corporate value.

(5) Main Businesses (As of March 31, 2025)

Business	Main Service
Human Resource Service	<ul style="list-style-type: none">▪ HR-Tech engage Recruitment website creation, job offering, hiring support tools▪ Human resource platform Major brands include AMBI and MIDDLE NO TENSHOKU▪ Job Board business Main boards are en TENSHOKU, en HAKEN, iroots, etc.▪ Permanent Recruitment Main brands are en world Japan K.K., en AGENTS, etc.▪ Temporary staffing Future Focus Infotech Pvt, Ltd. (IT staffing), part of en world Japan K.K. business (professional staffing)▪ Support for promoting human resources, and others en-college (supporting service for promoting human resource), ZEKU (recruiting management system for temporary staffing), en SX (sales and marketing support), etc.

(6) Main Offices (As of March 31, 2025)

1) The Company

Name	Location
Head Office	Shinjuku-ku, Tokyo
Branch Office	Osaka, Nagoya, Yokohama, Fukuoka, Others

2) Subsidiaries

Name	Location
en world Japan K.K.	Chuo-ku, Tokyo
Navigos Group Vietnam Joint Stock Company	Ho Chi Minh city, Vietnam
Future Focus Infotech Pvt, Ltd.	Chennai, India

(7) Employees (As of March 31, 2025)

1) The Group

Number of employees	Change from the end of the previous fiscal year
3,430	Up 113

Note: The number of employees represents the number of full-time employees and does not include four hundred and fifty-five (455) temporary (part-time) employees.

2) The Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average years of service
2,254	Up 119	30 years 9 months	4 years 3 months

Note: The number of employees represents the number of full-time employees and does not include eighty-four (84) employees loaned to other companies and one hundred and thirty-four (134) temporary (part-time) employees.

(8) Major Creditors (As of March 31, 2025)

Not applicable.

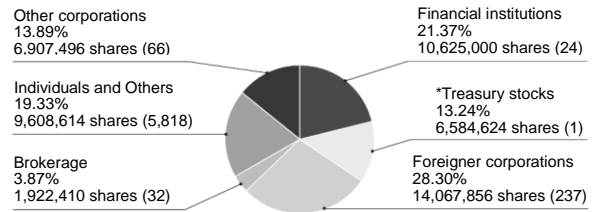
(9) Other Important Matters concerning the Group

Not applicable.

2. State of the Company

(1) Shares (As of March 31, 2025)

- 1) Total Number of Shares
Authorized to Be Issued: 187,200,000
- 2) Total Number of
Shares Outstanding: 40,862,976
(Excluding treasury shares of 8,853,024)
- 3) Number of Shareholders: 6,178
- 4) Major Shareholders (Top 10):



* ESOPs are included in Financial institutions

Name of shareholder	Number of shares owned	Ratio of shareholding
Michikatsu Ochi	4,383,900	10.73%
The Master Trust Bank of Japan, Ltd. (Account in trust)	3,922,500	9.60
Custody Bank of Japan, Ltd. (Account in trust)	3,329,600	8.15
en Foundation for HR development	3,060,000	7.49
en Kikaku, Ltd.	2,184,800	5.35
MO Research Institute inc.	1,487,000	3.64
Akiyuki Ochi	1,475,200	3.61
Nomura Securities Co.,Ltd.	1,105,452	2.71
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE SEGREGATION ACC FOR THIRD PARTY (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited)	1,090,138	2.67
CGML PB CLIENT ACCOUNT/COLLATERAL (Standing Proxy: Citibank, N.A.)	856,205	2.10

Notes: 1. The above excludes 6,584,624 treasury shares owned by the Company, which are ranked first, and 2,268,400 shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account), which are ranked sixth.

2. The ratio of shareholding was calculated by subtracting the number of treasury shares (8,853,024 shares).

- 5) Share Warrants Granted to the Company's Directors as Compensation for the Execution of Duties during the Current Fiscal Year
Not applicable.
- 6) Other Important Matters Concerning Shares
Not applicable.

(2) Share Warrants and Others

1) Warrants Held by the Company's Executive Officers as Compensation for the Execution of Duties

Share warrants by resolution of the Board of Directors held on May 29, 2015

Section	Directors (excluding Audit and Supervisory Committee members and Outside Directors)
Amount paid for share warrants	No payment required
Execution price for share warrants	200 yen per share
Execution period for share warrants	From July 1, 2015 to June 30, 2033
Execution condition for share warrants	Share warrants can be exercised on and after a date that is earlier of the date three (3) years from the next day of the allocation date or the next day of the date of losing the status of Director, Corporate Auditor, or Executive Officer of the Company or subsidiaries of the Company.
Number of holders	6
Number of share warrants	285
Type and number of share to be delivered upon exercise	Common stock, 57,000 shares

Notes: 1. The number of shares underlying 1 (one) share warrant is 200.

2. The execution period and the execution conditions have been amended by an allocation contract as follows:

Exercise period: From July 1, 2020 to June 30, 2033

Exercise condition:

- 1) At the time of executing share warrants, the holder must be an officer or an employee of the Company or an affiliate of the Company. However, in the case that the holder becomes an officer or an employee of a company other than the Company or affiliates of the Company for reasons to do with the Company, the execution of share warrants is permitted.
- 2) The share warrant holder must achieve performance goals, etc. that have been set individually.
- 3) The details of the conditions shown in 1) and 2) above and other conditions shall be provided in the allocation contract.

Share warrants by resolution of the Board of Directors held on July 22, 2016

Section	Directors (excluding Audit and Supervisory Committee members and Outside Directors)
Amount paid for share warrants	No payment required
Execution price for share warrants	200 yen per share
Execution period for share warrants	From September 1, 2016 to June 30, 2033
Execution condition for share warrants	Share warrants can be exercised on and after a date that is earlier of the date three (3) years from the next day of the allocation date or the next day of the date of losing the status of Director, Corporate Auditor, or Executive Officer of the Company or subsidiaries of the Company.
Number of holders	2
Number of share warrants	15
Type and number of share to be delivered upon exercise	Common stock, 3,000 shares

Notes: 1. The number of shares underlying 1 (one) share warrant is 200.

2. The execution period and the execution conditions have been amended by an allocation contract as follows:

Exercise period: From July 1, 2021 to June 30, 2033

Exercise condition:

- 1) At the time of executing share warrants, the holder must be an officer or an employee of the Company or an affiliate of the Company. However, in the case that the holder becomes an officer or an employee of a company other than the Company or affiliates of the Company for reasons to do with the Company, the execution of share warrants is permitted.
- 2) The share warrant holder must achieve performance goals, etc. that have been set individually.
- 3) The details of the conditions shown in 1) and 2) above and other conditions shall be provided in the allocation contract.

Share warrants by resolution of the Board of Directors held on June 28, 2022

Section	Directors (excluding Audit and Supervisory Committee members and Outside Directors)
Amount paid for share warrants	No payment required
Execution price for share warrants	100 yen per share
Execution period for share warrants	From July 14, 2022 to July 13, 2037
Execution condition for share warrants	Share warrants can be exercised on condition to hold the status of Director, Executive Officer or employee of the Company or subsidiaries of the Company.
Number of holders	6
Number of share warrants	1,804
Type and number of share to be delivered upon exercise	Common stock, 180,400 shares

Notes: 1. The number of shares underlying 1 (one) share warrant is 100.

2. The execution period and the execution conditions have been amended by an allocation contract as follows:

Exercise period: From July 14, 2027 to July 13, 2037

Exercise condition:

- 1) At the time of executing share warrants, the holder must be an officer or an employee of the Company or an affiliate of the Company. However, in the case that the holder becomes an officer or an employee of a company other than the Company or affiliates of the Company for reasons to do with the Company, the execution of share warrants is permitted.
- 2) The share warrant holder must achieve performance goals, etc. that have been set individually.
- 3) The details of the conditions shown in 1) and 2) above and other conditions shall be provided in the allocation contract.

2) Share Warrants Granted to the Company's Employees and Other Staff as Compensation for the Execution of Duties during the Current Fiscal Year

Share warrants by resolution of the Board of Directors held on June 26, 2024

Section		Employees of the Company	
Number of share warrants		1,425	
Type and number of share to be delivered upon exercise		Common stock, 142,500 shares	
Amount paid for share warrants		No payment required	
Execution price for share warrants		100 yen per share	
Execution period for share warrants		From July 13, 2024 to July 12, 2037	
Execution condition for share warrants		Share warrants can be exercised on condition to hold the status of Director, Executive Officer or employee of the Company or subsidiaries of the Company.	
Issuance to employees and others	Employees of the Company	Number of share warrants	1,425
		Number of shares to be delivered upon exercise	142,500
		Number of grantees	75

Notes: 1. The number of shares underlying 1 (one) share warrant is 100.

2. The execution period and the execution conditions have been amended by an allocation contract as follows:

Exercise period: From July 13, 2027 to July 12, 2037

Exercise condition:

- 1) At the time of executing share warrants, the holder must be an officer or an employee of the Company or an affiliate of the Company. However, in the case that the holder becomes an officer or an employee of a company other than the Company or affiliates of the Company for reasons to do with the Company, the execution of share warrants is permitted.
- 2) The share warrant holder must achieve performance goals, etc. that have been set individually.
- 3) The details of the conditions shown in 1) and 2) above and other conditions shall be provided in the allocation contract.

3) Other Important Matters Concerning Share Warrants

Not applicable.

3. Executive Officers

(1) Directors (As of March 31, 2025)

Position and responsibility	Name	Significant concurrent positions
Representative Director and President	Takatsugu Suzuki	Executive Officer Chairman and Representative Director of en world Japan K.K. Chairman of Navigos Group Vietnam Joint Stock Company Director of Future Focus Infotech Pvt.Ltd. Director of en SX Inc.
Chairman of the Board	Michikatsu Ochi	Representative Director of en Human Capital Education Association Inc. Representative Director of CSA Management Association
Managing Director	Megumi Kawai	Executive Officer Manager of SI Recruitment Promotion Office of the Company Director of ZEKU Corporation
Director	Teruyuki Terada	Executive Officer General Manager of Digital Product Development Division of the Company Manager of AI Technology Office of the Company Director of Navigos Group Vietnam Joint Stock Company
Director	Takuo Iwasaki	Executive Officer General Manager of HR Media & Technology Recruitment Support Division of the Company President of en SX Inc. Director of ONLY STORY Inc.
Director	Yasushi Numayama	Executive Officer General Manager of the Recruitment Consultancy Division of the Company Director of en world Japan K.K.
Director (Outside) (Independent)	Wataru Sakakura	Director and Chief Operating Officer of One Capital Outside Director of COTEN Inc. Outside Director of Agatha Inc.
Director (Outside) (Independent)	Yuri Hayashi	
Director (Audit and Supervisory Committee member) (Outside)	Taisuke Igaki	LPC Partner of Nishimura & Asahi LPC Outside Director of UT Group Co., Ltd.
Director (Audit and Supervisory Committee member)	Toshihiko Ishikawa	

Position and responsibility	Name	Significant concurrent positions
(Outside) (Independent)		
Director (Audit and Supervisory Committee member) (Outside) (Independent)	Takeshi Nishikawa	Representative Director, Senior Vice President and Chief Financial Officer (CFO), and in charge of DEI Promotion of Panasonic Connect Co., Ltd. Board of Director of Blue Yonder Holding Inc. Board of Director of Zetes Industries S.A.

Notes:

1. Directors Mr. Wataru Sakakura, Ms. Yuri Hayashi, Mr. Taisuke Igaki, Mr. Toshihiko Ishikawa and Mr. Takeshi Nishikawa are Outside Directors.
2. Since the Audit and Supervisory Committee takes the lead in conducting organizational audits through the personnel in charge of internal audits and thus the election of full-time officers is not absolutely necessary, the Company does not appoint full-time Audit and Supervisory Committee Members.
3. The Audit and Supervisory Committee Member, Mr. Toshihiko Ishikawa is a licensed Certified Public Accountant and has considerable knowledge of finance and accounting.
4. The Company has registered Directors Mr. Wataru Sakakura, Ms. Yuri Hayashi, Mr. Toshihiko Ishikawa and Mr. Takeshi Nishikawa as Independent Officers stipulated under the rules of the Tokyo Stock Exchange.

(2) Outline of contracts for limitations of liability

The Company has entered into a limited liability agreement with Outside Directors to limit their damage compensation liability as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability under the said agreement shall be the amount prescribed in laws and regulations.

(3) Outline of contracts for Officer Liability Insurance

The Company has concluded officer liability insurance contracts in which the insured include Directors, Executive Officers, and officers of the subsidiaries, in order to indemnify the insured for damages caused by the responsibility assumed by the insured for their execution of duties and claims made related to the pursuit of such responsibility. The Company pays all the insurance premiums. Since claims for damages caused by the willful misconduct or gross negligence of the insured are not covered by the above insurance policy, the Company has taken measures to ensure that nothing will impede officers and other personnel from appropriately executing their duties.

(4) Compensation and Other Amounts to Directors for the Current Fiscal Year

- a. Matters related to the policy for determining compensation and other amounts to individual Directors (excluding Directors Serving on the Audit and Supervisory Committee)

The Company, at the Board of Directors Meeting, has defined the policy for determining (hereinafter referred to as “determination policy”) remuneration for individual Directors (excluding Directors Serving on the Audit and Supervisory Committee and Outside Directors) linked with shareholder interests so that remuneration adequately functions as an incentive to sustainably improve corporate value.

Remuneration for the Company’s Directors (Excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) consists of basic remuneration, performance-linked remuneration (bonus), and medium-to-long-term performance-linked remuneration in the form of share-remuneration type stock options, and is paid

within the maximum remuneration amount resolved at the general meeting of shareholders. Remuneration for Directors (Excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) is checked and verified by the Nomination and Compensation Committee, which is composed mainly of Outside Directors, and is determined by the Board of Directors in light of the consultation with and recommendations received from the Committee.

Basic remuneration is a fixed amount set for each Director according to his or her position and responsibility.

The bonus is monetary remuneration for Directors (Excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) and is calculated for each Director by multiplying the base amount specified according to the Director's position and responsibility by the payout rate based on evaluation weights of three indicators – consolidated net sales, consolidated operating income, consolidated profit – as well as the target achievement rate.

Share-remuneration type stock options are calculated as bonus for each Director by multiplying the base amount specified according to the Director's position and responsibility by the payout rate based on evaluation weights of three indicators – consolidated net sales, consolidated operating income, consolidated profit – as well as the target achievement rate

b. Matters related to the resolution for compensation and other amounts to Directors at the meeting of shareholders

It was resolved at the general meeting of shareholders held on June 28, 2022 to set the maximum total annual remuneration for Directors (excluding Directors serving on the Audit and Supervisory Committee) at 300 million yen (including up to an annual amount of 20 million yen for Outside Directors). This remuneration amount does not include share-remuneration type stock options and the portion of employee salaries for Directors who concurrently serve as employees. At the conclusion of the said general meeting of shareholders, there were eight (8) Directors (including three (3) Outside Directors) (excluding Directors serving on the Audit and Supervisory Committee).

In addition, it was resolved at the general meeting of shareholders held on June 28, 2022 to set the maximum total annual amount of stock options to be granted to Directors (Excluding Directors serving on the Audit and Supervisory Committee and Outside Directors) as remuneration at 500 million yen. At the conclusion of the said general meeting of shareholders, there were eight (8) Directors (including three (3) Outside Directors).

The remuneration for Directors serving on the Audit and Supervisory Committee consists only of a fixed compensation amount paid on a regular basis (basic remuneration) in order to ensure their independence and objectivity in auditing management. The amount of remuneration is determined through discussions among the Directors serving on the Audit and Supervisory Committee within the range of the remuneration set and in consideration of the consultation with and recommendations received from the Nomination and Compensation Committee.

It was resolved at the general meeting of shareholders held on June 28, 2022 to set the maximum total annual amount of remuneration for Directors serving on the Audit and Supervisory Committee at 30 million yen. At the conclusion of the said general meeting of shareholders, three (3) Directors served on the Audit and Supervisory Committee (all Outside Directors).

c. Matters related to delegation of authority for determining compensation and other amounts to individual Directors

Not applicable.

- d. Reason why the Board of Directors determined that the details of the remuneration, etc. for each Director for the fiscal year under review were in line with the determination policy

The details of the remuneration, etc. for each Director were determined under the leadership of President, Representative Director and Executive Officer Takatsugu Suzuki in accordance with the maximum remuneration amount approved at the aforementioned general meeting of shareholders and the determination policy by preparing a draft proposal for the fixed remuneration amount and the performance-linked remuneration for each Director (excluding Director who serves on the Audit and Supervisory Committee) and subsequently consulting with and receiving recommendations from the Nomination and Compensation Committee, which is composed mainly of Outside Directors, and determining the remuneration amount based on those recommendations. Thus, the Board of Directors determined that the details of the remuneration, etc. were in line with the aforementioned determination policy.

e. Compensation and Other Amounts to Directors

Category	Total amount of compensation (million yen)	Compensation and other amount by type (million yen)			Number of eligible Officers
		Basic compensation	Performance-linked compensation, etc.		
			Bonuses	Share-remuneration (Non-monetary compensation, etc.)	
Directors (excluding Audit and Supervisory Committee members) (of which, Outside Directors)	244 (10)	177 (10)	40 (-)	26 (-)	9 (3)
Directors (Audit and Supervisory Committee members) (of which, Outside Directors)	15 (15)	15 (15)	- (-)	- (-)	4 (4)

Notes: 1. The amount of performance-based remuneration, etc. (share-remuneration) is the amount of expenses recorded during the fiscal year under review related to stock acquisition rights granted as stock options to Directors (excluding Outside Directors).

2. The performance indicators for performance-linked compensation, etc. (bonuses) are consolidated net sales, consolidated operating income, and profit attributable to owners of the parent, and they respectively amounted to 65,678 million yen, 5,892 million yen, and 7,628 million yen. The Company calculates performance-linked compensation, etc. (bonuses) based on the achievement level of targets set for the performance indicators each fiscal year. The above performance indicators were selected because the Company determined that the indicators were appropriate in establishing a linkage between the remuneration for Directors and the enhancement of the short-term performance of the Company as a short-term incentive for Directors.

3. The performance indicators for performance-linked compensation, etc. (share-remuneration) are consolidated net sales, consolidated operating income, and profit attributable to owners of the parent, and they respectively amounted to 65,678 million yen, 5,892 million yen, and 7,628 million yen. The Company calculates performance-linked compensation, etc. (share-remuneration) based on the achievement level of targets set for the performance indicators each fiscal year. The above performance indicators were selected because the Company determined that the indicators were appropriate for sharing value with shareholders and eliciting the motivation to contribute to enhancing corporate value and shareholder value over the medium and long term.

(5) Outside Executive Officers

1) Major activities at the Company

Position	Name	Status of attendance of the Board of Directors Meetings	Status of attendance of the Audit and Supervisory Committee	Major activities at the Company
Outside Director	Wataru Sakakura	12 / 12 (100%)	-	Director Wataru Sakakura has provided indications and opinions useful for the Company's management based on his extensive experience and knowledge on digital transformation and, investment and strategies for SaaS in Japan.
	Yuri Hayashi	12 / 12 (100%)	-	Director Yuri Hayashi has provided indications and opinions useful for the Company's management based on her extensive experience in marketing and management in the private sector as well as a wealth of experience instituting organizational reforms, childcare policies, urban development, etc. all gained while serving as the deputy mayor of Osaka Prefecture's Shijonawate City.
Outside Director (Audit and Supervisory Committee member)	Taisuke Igaki	12 / 12 (100%)	11 / 11 (100%)	Director (Audit and Supervisory Committee member) Taisuke Igaki has provided indications and opinions useful for the Company's management based on his professional view as an attorney.
	Toshihiko Ishikawa	12 / 12 (100%)	11 / 11 (100%)	Director (Audit and Supervisory Committee member) Toshihiko Ishikawa has provided indications and opinions useful for the Company's management based on his professional view, and has a high degree of insight in corporate management as a certified public accountant.
	Takeshi Nishikawa	10 / 10 (100%)	10 / 10 (100%)	Director (Audit and Supervisory Committee member) Takeshi Nishikawa has provided indications and opinions useful for the Company's management based on his professional view, and has knowledge of corporate management and global business, and a wealth of expertise in finance and accounting.

2) Outline of duties executed for the roles expected to be played by Outside Directors

Director Wataru Sakakura has provided indications and opinions useful for the Company's management in the meetings of the Board of Directors and the management meetings based on his extensive experience and knowledge on digital transformation and, investment and strategies for SaaS in Japan. He has also improved transparency and fairness in the election and dismissal of officers and the process of determining remuneration as a member of the Nomination and Compensation Committee.

Director Yuri Hayashi has extensive experience in marketing and management in the private sector as well as a wealth of experience instituting organizational reforms, childcare policies, urban development, etc. all gained while serving as the deputy mayor of Osaka Prefecture's Shijonawate City. During Board of Directors and management meetings she has drawn from her experience and unique perspective as a woman to share keen insights that have proven extremely

useful in managing the Company. She has also improved transparency and fairness in the election and dismissal of officers and the process of determining remuneration as a member of the Nomination and Compensation Committee.

Director (Audit and Supervisory Committee member) Taisuke Igaki has provided indications and opinions useful for the Company's management in the meetings of the Board of Directors primarily from the professional perspective of an attorney. He has also improved transparency and fairness in the election and dismissal of officers and the process of determining remuneration as the chair of the Nomination and Compensation Committee.

Director (Audit and Supervisory Committee member) Toshihiko Ishikawa has provided indications and opinions useful for the Company's management based on his professional view, and has a high degree of insight in corporate management as a certified public accountant.

Director (Audit and Supervisory Committee member) Takeshi Nishikawa has provided indications and opinions useful for the Company's management based on his knowledge of corporate management and global business, and a wealth of expertise in finance and accounting.

3) Significant concurrent positions and their relationship to the Company

Mr. Wataru Sakakura concurrently serves as Director and COO for One Capital, Inc., Outside Director of COTEN Inc. and Outside Director of Agatha Inc. The Company has invested 449 million yen for a purely investment purpose in a partnership that One Capital manages as a general partner, however, there are no transactions occur other than profit sharing. This amount accounts for less than 1% of the Company's total consolidated assets and less than 5% of the total amount invested in the said partner. For this reason, the Company has determined that there are no issues concerning his independence. There are no other interests that should be disclosed. There are no special interests between COTEN Inc., Agatha Inc., and the Company.

Director (Audit and Supervisory Committee member) Taisuke Igaki concurrently serves as LPC Partner of Nishimura & Asahi LPC and Outside Director of UT Group Co., Ltd. The Company receives recruitment support fees from UT Group Co., Ltd., where Mr. Taisuke Igaki serves as an Outside Director. But all transactions are carried out under terms and conditions similar to those for general transactions, and the annual transaction amount is less than 1% of the consolidated net sales of UT Group and the Company. For this reason, the Company has determined that there are no issues concerning his independence. There are no other interests that should be disclosed.

Director (Audit and Supervisory Committee member) Takeshi Nishikawa concurrently serves as Representative Director of Panasonic Connect Co., Ltd., Board of Director of Blue Yonder Holding Inc. and Board of Director of Zetes Industries S.A. The Company receives recruitment support fees from Panasonic Connect Co., Ltd. But all transactions are carried out under terms and conditions similar to those for general transactions, and the annual transaction amount is less than 1% of the consolidated net sales of Panasonic Connect Co., Ltd. and the Company. For this reason, the Company has determined that there are no issues concerning his independence. There are no special interests between Blue Yonder Holding Inc., Zetes Industries S.A., and the Company.

4. Accounting Auditor

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Compensations and Other Amounts to the Accounting Auditor for the Current Fiscal Year

	Amount of payment
Compensations and other amounts related to services stipulated in Article 2 Paragraph 1 of Certified Public Accountants act	47,000,000 yen
Compensations and other amounts for services other than those stipulated in Article 2 Paragraph 1 of Certified Public Accountants act	- yen
Total amount of cash and other property benefits paid to the Accounting Auditor by the Company and its subsidiaries	47,000,000 yen

Notes:

1. Some consolidated subsidiaries of the Company are audited by an auditing firm other than the Accounting Auditor of the Company.
2. Reasons why the Audit and Supervisory Committee agreed on the remuneration for the Accounting Auditor

The Audit and Supervisory Committee has given consent, as stipulated in Article 399, Paragraph 1 of the Companies Act, to the remuneration for the Accounting Auditor as a result of a review of the trends in audit hours and audit fees in the audit plan as well as the audit plans and results in past fiscal years, and the examination of appropriateness of the estimated remuneration amounts, based on the “Practical Guidelines for Cooperation with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Association.
3. The audit contract between the Company and the Accounting Auditor has not differentiated between the amount of the fee for an audit based on the Companies Act and the amount of the fee for an audit based on the Financial Instruments and Exchange Act, and it is also impossible to distinguish those amounts practically. Therefore, the amounts shown above represent the total of those amounts.

(3) Policy for Determining the Dismissal or Non-reappointment of the Accounting Auditor

When it is reasonable to expect that a serious obstacle to auditing the financial documents will arise due to a situation corresponding to any of the Items in Article 340, Paragraph 1 of the Companies Act or the like, the Audit and Supervisory Committee shall dismiss the Accounting Auditor based on the unanimous agreement of the Audit and Supervisory Committee.

In addition, if it is determined that the Accounting Auditor’s system for the performance of duties, auditing capabilities, expertise, and other factors are not sufficient for the Company, or that it is possible to put in place an appropriate auditing system for the Company by changing the Accounting Auditor, the Audit and Supervisory Committee shall submit a proposal regarding the dismissal of the Accounting Auditor to the general meeting of shareholders.

5. Systems to Ensure the Appropriateness of Business Operations

The details determined in relation to the system to ensure that the performance of duties by Directors complies with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of business operations are outlined as follows.

[Basic policy on the internal control system and the status of the establishment and operations thereof]

(1) Basic policy

Through our business, we aim to be a company that delivers wide-ranging benefits to society, including our shareholders, clients, and many other stakeholders. To this end, we have established an organizational structure for the entire Group that can respond to changes in the business environment. We are therefore working to strengthen and enhance our corporate governance and create a fair management system in order to ensure the sound growth of the Group.

The Company also believes that enhancing the sense of ethics and integrity among its executives and employees is a fundamental prerequisite for gaining the true trust of its many stakeholders. One of our management philosophies is “personal empowerment,” which expresses the principle that the significance of the Company’s existence lies in doing the right thing for society and contributing to society. While establishing this philosophy and approach as the pillar of the actions of our executives and employees, we will ensure sound management by further developing our internal control system, including thorough education on compliance, and making the system function properly.

(2) Status of establishment

- a. System to ensure that the duties of Directors and employees of the Company and its Group companies are performed efficiently

The Company has in place a system where the Board of Directors holds periodic meetings once a month and extraordinary meetings whenever necessary, flexibly deliberates important matters of the Group and engages in decision making. In addition, the Board of Directors is positioned as an organ to supervise the performance of duties by Directors, thereby ensuring the appropriateness of operations. The Board of Directors formulates and promotes specific measures to achieve the management plan, ascertains the achievement status of targets and factors impeding the achievement, and implements response measures. The Audit and Supervisory Committee also meets once a month, as a general rule, and holds an extraordinary meeting whenever necessary to discuss matters specified by laws and regulations and the Company’s Articles of Incorporation as well as important audit operations in accordance with the audit policy and the division of duties determined by the Audit and Supervisory Committee as it strives to enhance the audit system.

- b. System to ensure that the performance of duties by Directors and employees of the Company and its group companies is in compliance with laws and regulations and the Articles of Incorporation

The Company’s Compliance Division has put in place a compliance system for the entire Group and is responsible for the task of promoting compliance activities across the organization. The Compliance Division coordinates with each Group company to put in place a compliance system within the region it is in charge of and promotes compliance with laws and regulations, internal rules, etc. and other compliance activities.

The Internal Audit Department, which is directly under the President and Representative Director, is in charge of internal audits and works to supervise the status of compliance

related to internal control. The Department conducts internal audits periodically and shares the results of those audits as part of active information sharing with the Audit and Supervisory Committee to promote cooperation. The internal audit reports are submitted by the Manager of Internal Audit Department to the President and Representative Director.

As for our whistleblowing system, the Company has in place a system based on the “Rules on the Handling of Whistleblowing,” where employees, when recognizing an act which is questionable in terms of compliance, report the matter to the internal whistleblowing desk while the Company protects the whistleblower.

- c. System concerning the storage and management of information related to the performance of duties by Directors of the Company

The Company properly stores and manages information related to the performance of duties by Directors by formulating rules on the storage period of texts (including those recorded by electronic means), management method and others, and storing and managing such information according to the aforementioned rules.

- d. Rules and other systems concerning the management of risk of loss for the Company and its Group companies

With respect to risks related to daily operations performed, the responsible person in each division of the Group collectively predicts and measures such risks and prevents them. Risks related to each business division are reported to the Board of Directors or the President and Representative Director to implement prompt, appropriate measures.

In the event of an emergency, a response headquarters headed by the President and Representative Director is established to cooperate with the legal advisor and other specialists and take a prompt response in establishing a system to prevent the expansion of damage and to keep damage to a minimum.

- e. System to ensure the appropriateness of operations in the corporate entity consisting of the Company and its Group companies

The management of group companies and affiliates (hereinafter “affiliated companies”) is handled by the Administrative Division in accordance with the Rules on Management of Affiliated Companies. It works together with the administrative division at each affiliated company. Based on those rules, some management matters require approval by the Board of Directors or mandate reporting to the Board of Directors and the division concerned.

The Internal Audit Department and the Internal Audit Committee conduct internal audits of major affiliated companies in the same way they conduct internal audits of the Company. They help affiliated companies with auditing the status of their internal control systems and make recommendations for improvement based on the audit results.

- f. Matters concerning employees who assist with the duties of the Audit and Supervisory Committee

If employees are requested to assist with the duties of the Audit and Supervisory Committee pursuant to a request from the Audit and Supervisory Committee, Directors shall appoint appropriate personnel as employees who will assist with the duties of the Audit and Supervisory Committee. Such employees shall, in accordance with instructions from the Audit and Supervisory Committee, offer their cooperation or cooperate with relevant departments to check, analyze and report matters subject to audits, and assist the Audit and Supervisory Committee in conducting audits, if necessary.

- g. Matters concerning the independence of employees who assist with the duties of the Audit and Supervisory Committee from Directors (excluding Directors Serving on the

Audit and Supervisory Committee) and matters to ensure the effectiveness of instructions to such employees

If an employee who assists with the duties of the Audit and Supervisory Committee is subject to a personnel evaluation, personnel transfer or disciplinary action, the person in charge of personnel shall report the matter to the Audit and Supervisory Committee in advance, and if necessary, shall obtain the approval of the Audit and Supervisory Committee.

In addition, the Audit and Supervisory Committee shall give instructions to such employees.

- h. System for reporting to the Audit and Supervisory Committee by Directors (excluding Directors Serving on the Audit and Supervisory Committee) and employees and system to ensure that no unfair treatment is given to persons who make a report on account of the report

When requested by the Audit and Supervisory Committee, Directors (excluding Directors Serving on the Audit and Supervisory Committee) and employees timely report the status of internal audits conducted, the status of the protection and management of personal information and relevant details and others in addition to the matters prescribed by laws and regulations and matters that have a material impact on a company-wide basis.

In addition, the Company encourages its executives and employees to promptly report any cases where they believe the policies of the Company, business activities and the like are in violation (or might be in violation) of laws and regulations or the internal rules and policies.

The Company has established and maintains a system to ensure that persons who have made such reports are treated in a fair manner and to not allow any act of retaliation whatsoever regardless of whether the reports are made to the Audit and Supervisory Committee.

- i. System for prepayment or reimbursement of expenses incurred in connection with the performance of duties by Audit and Supervisory Committee members (limited to those related to the performance of duties by the Audit and Supervisory Committee) and other expenses or liabilities incurred in the performance of said duties

When an Audit and Supervisory Committee member requests advance payment or reimbursement of expenses incurred in the performance of his/her duties, the Company promptly processes such expenses or obligations, except in cases where such expenses or obligations are deemed not necessary for the performance of the said Audit and Supervisory Committee member's duties.

- j. Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

For the performance of duties by the Audit and Supervisory Committee, Directors (excluding Directors Serving on the Audit and Supervisory Committee) provide an environment in which collaboration can be promoted with attorneys, certified public accountants and other external experts if deemed necessary by the Audit and Supervisory Committee.

(3) Status of operation

The Company establishes internal systems based on the "Systems to Ensure the Appropriateness of Business Operations" and endeavors to operate them properly. The

status of their operation in the fiscal year ended March 31, 2025 is summarized below.

a. Performance of duties by Directors

Directors of the Company and its Group companies have performed their duties in accordance with internal rules and have pursued compliance and risk management. In addition, at the meetings of the Board of Directors, Directors made important decisions and actively exchanged information on the reported status of the performance of duties and other matters, and carried out supervision. Thus, the effectiveness of the performance of duties is secured. The materials and minutes of the meetings of the Board of Directors are properly stored.

b. Risk management system

Under the Company's risk management system, the person responsible for each division predicts and measures the risks associated with the execution of day-to-day business operations and takes steps to prevent such risks from materializing. Risks associated with each business unit are reported to the Board of Directors or the president, who then takes swift and appropriate measures to address them.

In the event of an emergency, the Company will set up an emergency response headquarters headed by the president. It will work with an attorney and other experts to immediately take action to prevent and minimize the spread of any damage.

c. Implementation of internal audits

The Company has established the Internal Audit Department, which conducts audits through inspecting documents, holding interviews, and taking other steps to see if each of the departments of the Company executes appropriate operations in compliance with laws and regulations, the Articles of Incorporation, rules, other social norms and the like. The Manager of Internal Audit Department reports the audit results to the President and Representative Director and the Audit and Supervisory Committee.

d. Performance of duties by the Audit and Supervisory Committee

The Audit and Supervisory Committee holds meetings and conducts audits in accordance with the audit plan formulated by the Audit and Supervisory Committee. Members of the Audit and Supervisory Committee also attend Board of Directors meetings and regularly exchange information with the representative director, accounting auditor, and the Internal Audit Department to audit the performance of duties by directors and stay up to date with the status of internal controls.

[Basic policy for eliminating anti-social forces]

The Company has adopted a basic policy of systematically dealing with anti-social forces, which can affect social order and the sound activities of companies, by taking a resolute stance against them, in cooperation with the police and other relevant organizations, and promotes thorough dissemination of this policy among executives and employees.

6. Basic Policy on the Control of the Company

The Company has not established a basic policy on the status of a person who shall control the decision on the policy of finance and business of the Company.

(Note) Figures and the numbers of shares listed in the business report do not show amounts less than the units of display. Percentages are rounded to the nearest units of display.

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025
Assets	
Current assets	37,089
Cash and deposits	27,481
Notes and accounts receivable - trade, and contract assets	6,439
Securities	2,000
Supplies	2
Other	1,348
Allowance for doubtful accounts	-183
Non-current assets	19,853
Property, plant and equipment	681
Buildings	98
Furniture and fixtures	87
Leased assets	495
Intangible assets	10,073
Software	7,427
Goodwill	1,681
Other	964
Investments and other assets	9,097
Investment securities	4,661
Long-term loans receivable	816
Deferred tax assets	1,315
Shares of subsidiaries and associates	650
Other	2,122
Allowance for doubtful accounts	-468
Total assets	56,942

	As of March 31, 2025
Liabilities	
Current liabilities	16,540
Accounts payable-trade	913
Lease obligations	128
Accounts payable-other	4,445
Income taxes payable	3,070
Provision for bonuses	1,292
Provision for directors' bonuses	29
Advances received	5,010
Other	1,649
Non-current liabilities	2,783
Provision for retirement benefits for directors (and other officers)	2
Retirement benefit liability	258
Lease obligations	423
Deferred tax liabilities	52
Provision for share benefits	610
Asset retirement obligations	209
Long-term accounts payable-other	1,203
Other	24
Total liabilities	19,323
Net assets	
Shareholders' equity	35,019
Capital stock	1,194
Capital surplus	488
Retained earnings	48,306
Treasury shares	-14,971
Accumulated other comprehensive income	1,984
Valuation difference on available-for-sale securities	238
Foreign currency translation adjustment	1,746
Subscription rights to shares	600
Non-controlling interests	14
Total net assets	37,618
Total liabilities and net assets	56,942

Consolidated Statements of Income

(Million yen)

	From April 1, 2024 to March 31, 2025	
Net sales		65,678
Cost of sales		13,240
Gross profit		52,437
Selling, general and administrative expenses		46,545
Operating income		5,892
Non-operating income		520
Non-operating expenses		469
Ordinary income		5,943
Extraordinary income		
Gain on sales of non-current assets	0	
Gain on sales of investment securities	5,456	5,456
Extraordinary losses		
Loss on cancellation of leases	36	
Loss on sale of non-current assets	5	
Loss on retirement of non-current assets	374	
Loss on valuation of investment securities	0	417
Income before income taxes		10,982
Income taxes - current	3,704	
Income taxes - deferred	-353	3,350
Profit		7,631
Profit attributable to non-controlling interests		2
Profit attributable to owners of parent		7,628

Consolidated Statements of Changes in Net Assets (from April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,194	489	43,696	-14,993	30,388
Changes of items during the period					
Dividends of surplus			-3,023		-3,023
Profit attributable to owners of parent			7,628		7,628
Purchase of treasury shares				-0	-0
Disposal of treasury shares		-0		21	20
Change in scope of consolidation			4		4
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-0	4,610	21	4,630
Balance at end of current period	1,194	488	48,306	-14,971	35,019

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated other comprehensive income			
Balance at beginning of period	247	1,119	1,367	395	10	32,161
Changes of items during the period						
Dividends of surplus						-3,023
Profit attributable to owners of parent						7,628
Purchase of treasury shares						-0
Disposal of treasury shares						20
Change in scope of consolidation						4
Net changes of items other than shareholders' equity	-9	627	617	205	3	826
Total changes of items during period	-9	627	617	205	3	5,457
Balance at end of current period	238	1,746	1,984	600	14	37,618

Notes to the Consolidated Financial Statements

(Notes to the Basis of Preparing the Consolidated Financial Statements)

1. Matters regarding the scope of consolidation

(1) Number of consolidated subsidiaries: 13

Names of consolidated subsidiaries:

en world Japan K.K.
en-Asia Holdings Ltd.
Navigos Group, Ltd.
Navigos Group Vietnam Joint Stock Company
Nhan Luc Viet Development&Education Company Limited
New Era India Consultancy Pvt. Ltd.
Future Focus Infotech Pvt. Ltd.
Future Focus Infotech FZE
Focus America INC
Focus Infotech Labors Supply Services
ZEKU Corporation
en SX Inc.
VOLLECT Inc.

Brocante Inc., which was formerly a consolidated subsidiary, has been removed from the scope of consolidation from the fiscal year under review because it was subject to an absorption-type merger. In addition, Focus Infotech Labors Supply Services, a non-consolidated subsidiary last fiscal year, has been included in the scope of consolidation because it has increased in importance. Moreover, en SX, Inc. has been included in the scope of consolidation because it was newly established this year, and VOLLECT Inc. has been included in the scope of consolidation because all of its shares have been acquired.

(2) Names of major unconsolidated subsidiaries

Insight Tech Inc. and four other companies

(Reason for exclusion from consolidation)

Unconsolidated subsidiaries are excluded from the scope of consolidation since their total assets, net sales, profit (amount proportional to the equity share), and retained earnings (amount proportional to the equity share), etc., have no material impact on the consolidated financial statements.

2. Matters concerning application of equity method

- (1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 1

Hajimari Inc.

- (2) Names of the unconsolidated subsidiaries and affiliates that are not accounted for by the equity method

Insight Tech Inc. and five other companies

(Reason for not applying the equity method)

Companies that are not accounted for by the equity method are excluded from the scope of application of the equity method since they have no material impact on the consolidated financial statements and are also immaterial on the whole even if excluded from the equity method subjects as seen from their profit (amount proportional to the equity share), retained earnings (amount proportional to the equity share), etc.

3. Summary of Significant Accounting Policies

(1) Valuation basis and method for important assets

(i) Basis and method for valuation of securities

a. Held-to-maturity securities Carried at amortized cost (straight-line method)

b. Available-for-sale securities

Available-for-sale securities other than shares, etc., without market prices

Valued at market as of the balance sheet date. Unrealized gain or loss is included directly in net assets. The cost of securities sold is determined by the moving-average method.

Available-for-sale securities that are shares, etc., without market prices

Valued at cost determined by the moving-average method

The Company accounts for investments in investment limited partnerships and similar associations (investments deemed to be negotiable securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act) by booking a net amount equivalent to the equity method value, based on the most recent closing statement that can be obtained in accordance with the account reporting date provided for in the partnership agreement.

(ii) Basis and method for valuation of inventories

Supplies:

Most recent purchase cost method (amount reported on the balance sheet is stated by writing down based on decrease in profitability)

(2) Depreciation method for major depreciable assets

(i) Property, plant and equipment (excluding lease assets)

The depreciation of property, plant and equipment at the Company and its consolidated subsidiaries is computed by the declining-balance method using the applicable rates based on the estimated useful lives of the assets. However, the straight-line method is used to depreciate buildings (excluding accompanying facilities) and facilities attached to buildings and structures acquired on or after April 1, 2016.

The range of useful lives is as follows:

Buildings: 8–25 years

Furniture and fixtures: 2–20 years

For assets acquired on or before March 31, 2007, the remaining book values are equally depreciated on a straight-line basis over five years, starting from the year following the year during which depreciation to the residual values was completed up to the maximum depreciable amounts.

(ii) Intangible assets (excluding lease assets)

The amortization of intangible assets at the Company and its consolidated subsidiary is computed by the straight-line method. Computer software for internal use is amortized over the estimated useful life (five years) depending on the nature of the respective software products.

(iii) Lease assets

Lease assets related to the finance lease transactions other than those where the ownership of the lease assets is deemed to be transferred

These lease assets are amortized by the straight-line method, assuming that the lease period is the useful life and there is no residual value.

(3) Accounting for important reserves

(i) Allowance for doubtful accounts:

The allowance for doubtful accounts is provided for possible bad debt of claims at an amount of possible losses from uncollectible receivables based on the actual loan loss ratio from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

(ii) Provision for bonuses:

The provision for bonuses is provided for possible payment of bonuses to employees at an amount to be borne based on the amount estimated to be paid for the fiscal year under review

(iii) Provision for directors' bonuses:

The provision for bonuses is provided for possible payment of bonuses to directors at an amount based on the amount estimated to be paid and which corresponds to the fiscal year under review.

(iv) Provision for retirement benefits for directors (and other officers):

The provision for retirement benefits for directors (and other officers) is provided for possible payment of retirement benefits for directors (and other officers) at an amount to be borne based on the amount estimated to be paid for the fiscal year under review.

(v) Provision for share benefits:

A provision for share benefits is provided for possible delivery of stock to employees in accordance with the stock delivery regulation at an amount based on the estimated amount of stock benefits obligation at the end of the fiscal year under review.

(4) Accounting standard for significant revenues and expenses

Details of main performance obligations of major businesses relating to revenue from contracts with customers of the en Japan Group, and the normal point in time at which such performance obligations are satisfied (the normal point in time at which revenue is recognized) are as follows:

(i) HR Tech engage

HR-Tech engage receives user fees from customers mainly through their use of recruitment support tools that are provided when services for generally creating their own recruitment websites and the like are offered free of charge. As the use of recruitment support tools is billed in line with the frequency of using the tools under contracts, based on the judgement that performance obligations will be satisfied at the time of use, revenue is recognized when used.

(ii) Human Resources Platform

The human resources platform receives recruitment fees from customers by providing permanent recruitment services that introduce workers wishing to change jobs to customers who have demand for hiring mid-career employees, using the job boards operated by the Group. As permanent recruitment for customers is a success fee-based service offered to conclude employment in a company for workers wishing to change jobs, and based on the judgment that performance obligations will be satisfied when workers join the company, revenue is recognized.

(iii) Domestic Job Board

The domestic job board receives advertising fees from customers by providing advertising services to the Group operating job board. Target customers are those who have demand for hiring full-time and temporary staff. As the advertising service on the job board is a service offered throughout the contract period, based on the judgement that performance obligations will be satisfied in accordance with the elapse of time, revenue is

recognized on a pro rata basis over such contract period.

(iv) Domestic Permanent Recruitment

The domestic permanent recruitment receives recruitment fees from customers by career partners' providing permanent recruitment services that introduce workers wishing to change jobs to customers who have for hiring mid-career employees. As permanent recruitment for customers is a success fee-based service offered to conclude employment in a company for workers wishing to change jobs, and based on the judgment that performance obligations will be satisfied when workers join the company, revenue is recognized.

(v) Overseas

The overseas business operates job boards, provides permanent recruitment services, and temporary staffing services mainly in Vietnam and India. The temporary staffing service receives staffing fees from customers by staffing personnel to customers who have demand for personnel such as specialists. As staffing service is a service offering a contract-based work force, based on the judgement that performance obligations will be satisfied in accordance with the work force provided by temporary staff workers, revenue is recognized according to the actual work performed in the staffing period. Details of the main performance obligations related to the operation of job boards and provision of permanent recruitment services is the same as described in iii) and iv).

(5) Method and period of depreciation of goodwill

The amount of goodwill and negative goodwill is equally amortized over the estimated years during which the effects are estimated to emerge.

(6) Standards for translating significant assets or liabilities that are in a foreign currency into Japanese currency

Foreign currency-denominated assets and liabilities are translated into yen based on the spot exchange rate on the consolidated closing date and translation differences are processed as profit or loss. Assets and liabilities of overseas subsidiaries, etc., are translated into yen based on the spot exchange rate on the closing date of the overseas subsidiary, revenue and expenses are translated into yen based on the average exchange rate during the term, and any translation differences are included in the foreign currency translation adjustment account under net assets and non-controlling interests.

(7) Other significant matters for preparing consolidated financial statements

Accounting policy for liabilities for retirement benefits

For the calculation of liabilities for retirement benefits and retirement benefit cost, some consolidated subsidiaries adopt the simplified method, which assumes that the benefit obligation is equal to the retirement benefits payable assuming voluntary retirement at the end of the fiscal year.

(Notes on Changes in Accounting Policy)

(Application of Accounting Standard for Current Income Taxes)

The Company applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) from the beginning of the current fiscal year.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policy had no impact on the consolidated financial statements.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company applied Revised Guidance 2022 from the beginning of the current fiscal year. The change in accounting policies has been applied retrospectively to the consolidated financial statements for the previous consolidated fiscal year. The change in the accounting policy had no impact on the consolidated financial statements for the previous consolidated fiscal year.

(Significant accounting estimates)

Accounting estimates are calculated based on the information available at the time of the preparation of the consolidated financial statements. Among the amounts based on the accounting estimates recorded in the consolidated financial statements for the current consolidated fiscal year, the items that would have a risk of having a significant impact on the consolidated financial statements for the next consolidated fiscal year are as follows:

Valuation of non-listed shares

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

	(Million yen)
	The current consolidated fiscal year
Investment securities (Non-listed shares)	541
Loss on valuation of investment securities	0

(2) Information concerning the details of significant accounting estimates for identified items

(i) Calculation method of the amount

When the real value of unlisted stocks reflecting excess profitability decreases significantly, the Company decreases their value concomitantly and processes the impairment of the valuation difference. Significant decreases in real value are judged based on the state of achievement of the business plan at the time of acquisition, the degree of deterioration of results, the state of fund procurement, etc. When it is judged that excess profitability has been damaged, such as cases where actual results fall below the business plan or cases where the issue price of a new stock in a capital increase at the issuing company has decreased significantly due to changes in the situation after obtaining the business plan, the Company judges whether or not impairment processing is necessary at that time.

(ii) Key assumptions

When the Company evaluates whether or not excess profitability has been damaged, it does so based on the state of achievement of the business plan at the time of acquisition, the degree of deterioration of results, the state of fund procurement, etc. With regard to the state of fund procurement, the Company refers to the issue price of new shares or the share transfer price after taking into consideration the timing of implementation of any capital increase or stock transactions, etc. In addition, if there is no fund procurement, the Company compares the business plan at the time of acquisition and subsequent results, and judges whether or not there is damage to excess profitability taking the state of progress of business, etc., into account.

(iii) Impact on the next year's consolidated financial statements

If a revision of the assumptions used in these estimates becomes necessary due to changes in uncertain future economic conditions, there may be a significant impact on the recorded value of unlisted stocks in the consolidated financial statements for the next fiscal year.

(Notes to the Consolidated Balance Sheet)

- *1. Amount of receivables from contracts with customers in notes and accounts receivable–trade, and contract assets respectively was as follows.

	Current Fiscal Year (March 31, 2025)
Notes receivable – trade	- million yen
Accounts receivable – trade	6,383
Contract assets	55

- *2. Amount of contract liabilities in advances received was as follows.

	Current Fiscal Year (March 31, 2025)
Contract liabilities	5,010 million yen

- *3. Accumulated depreciation of property, plant and equipment: 1,822 million yen

(Notes to the Consolidated Statement of Changes in Net Assets)

(1) Matters concerning type and total number of outstanding shares and type and number of treasury shares

Type of shares	Number of shares at the beginning of the current consolidated fiscal year	Increase in the number of shares during the current consolidated fiscal year	Decrease in the number of shares during the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year
Outstanding shares				
Common shares	49,716,000 shares	- shares	- shares	49,716,000 shares
Total	49,716,000 shares	- shares	- shares	49,716,000 shares
Treasury shares				
Common shares	8,883,721 shares	3 shares	30,700 shares	8,853,024 shares
Total	8,883,721 shares	3 shares	30,700 shares	8,853,024 shares

(Notes)

1. The number of treasury shares at the beginning of the current consolidated fiscal year and at the end of the current consolidated fiscal year includes 2,297,800 shares and 2,268,400 shares, respectively, of treasury shares held by the trust.
2. The increase in the number of treasury shares is due to the purchase of fractional shares.
3. The decrease in the number of treasury shares by 30,700 shares is due to a decrease of 1,300 shares as a result of the exercise of stock options and the provision of 29,400 shares owned by the Share Benefit Trust based on the Share Benefit Rules.

(2) Matters concerning dividend of surplus

(i) Amount of dividend payment, etc.

Resolution	Type of share	Total amount of dividend	Amount of dividend per share	Record date	Effective date
Annual Meeting of Shareholders June 26, 2024	Common share	3,023 million yen	70.1 yen	March 31, 2024	June 27, 2024

(Note) The total amount of dividends resolved at the Annual Meeting of Shareholders held on June 26, 2024 includes 161 million yen of dividends for the treasury shares owned by the trust.

- (ii) Among the dividends with a record date falling within the current consolidated fiscal year, those with an effective date falling in the next consolidated fiscal year

Resolution	Type of share	Source of dividends	Total amount of dividend	Amount of dividend per share	Record date	Effective date
Annual Meeting of Shareholders June 24, 2025	Common share	Retained earnings	3,023 million yen	70.1 yen	March 31, 2025	June 25, 2025

(Note) The total amount of dividends to be resolved at the Annual Meeting of Shareholders to be held on June 24, 2025 includes 159 million yen of dividends for the treasury shares owned by the trust.

- (3) Type and number of shares issued upon exercise of stock acquisition rights at the end of the current consolidated fiscal year (excluding those for which the first day of the exercise period has not arrived)

Common share: 69,500 shares

(Notes to financial products)

1. Matters concerning the status of financial instruments

(1) Policies on financial instruments

The Group conducts fund management using surplus funds and invests in financial assets with a higher degree of safety that are convertible into cash during a certain period.

(2) Details and risks of financial instruments and risk management system

Foreign currency-denominated deposits included in cash and deposits are exposed to exchange rate volatility risk. However, we regularly check the exchange market to manage the exchange rate volatility risk.

Notes, accounts receivable and contract assets, which are trade receivables, are exposed to customer credit risk. However, we manage the same by means of due date control for each customer and balance management and have a system to report liabilities whose collection is delayed at every collection meeting and respond individually.

Securities mostly consist of joint money trusts and bonds and are exposed to the liquidity risk and credit risk of the issuer. However, risk is minimized by restricting holdings to short-term and safe instruments with a high credit rating.

Among investment securities, investments in shares, the investment enterprise limited liability association, etc. are exposed to the business risk of the issuer and investee company as well as market price fluctuation risk. In addition, some foreign currency-denominated investment partnerships are exposed to exchange rate fluctuation risk. We manage these products using a method where we continue to review the holding status, etc. by checking the financial status, etc. of issuing bodies, the investment enterprise limited liability association, etc. regularly.

Bonds held to maturity have a low credit risk because we restrict our holdings to bonds with a high credit rating in accordance with the Regulations on Fund Management.

In addition, foreign currency-denominated bonds and foreign investment trusts are exposed to the credit risk of the issuer and investee company, interest rate fluctuation risk, market price fluctuation risk and exchange rate fluctuation risk. We manage these instruments by having highly secure financial institutions as our main issuers and investment targets and continue checking the changes in the market price and credit rating of issuers as well as financial market conditions such as exchange rate trends.

Accounts payable-trade, accounts payable-other and income tax payable, which are trade receivables, are exposed to liquidity risk; however, we manage them by preparing a cash management plan as needed.

2. Matters concerning market value of financial instruments, etc.

The book value on the consolidated balance sheet and market value as of March 31, 2025 as well as the differences between these values are as follows:

			(Million yen)
	Book value on the consolidated balance sheet	Market value	Difference
(1) Securities and Investment securities			
Bonds held to maturity	1,900	1,879	-20
Other securities	2,000	2,000	-
Total assets	3,900	3,879	-20

(*1) The description of cash and deposits, notes and accounts receivable - trade, and contract assets, notes and accounts payable – trade, accounts payable-other and income taxes payable is omitted here because they constitute cash and their market value is similar to their book value because they are settled in a short period.

(*2) The description of investments in partnerships or other entities equivalent to partnerships whose net amount of equity interest is recorded on the consolidated balance sheet is omitted here. The investment amount recorded on the consolidated balance sheet is 2,219 million yen.

(*3) The shares, etc. without market prices are not included in “(1) Securities and Investment securities”. The amount of financial instruments recorded on the consolidated balance sheet is as follows:

	(Million yen)
Classification	Amount on consolidated balance sheet
Investment securities (Non-listed shares)	541
Shares of subsidiaries and associates	650

3. Matters concerning the breakdown of financial instruments by the level of market price
Financial instruments are classified into the following three levels according to their market prices, the observability of the inputs used for their market price calculations and importance.

Level 1 market price: Market price calculated with (unadjusted) the market price on an active market for the same asset or liability

Level 2 market price: Market price calculated using inputs that can be directly or indirectly observed other than Level 1 inputs

Level 3 market price: Market price calculated using important inputs that cannot be observed

When multiple inputs that would have a significant impact on the calculation of the market price are used, the market price is classified into the lowest priority for the market price calculation among those levels of inputs.

(1) Financial instruments whose market price is recorded on the consolidated balance sheet

Classification	Market price (Million yen)			Total
	Level 1	Level 2	Level 3	
Securities and Investment securities				
Other securities				
Other	-	2,000	-	2,000
Total assets	-	2,000	-	2,000

(2) Financial instruments other than financial instruments whose market price is recorded on the consolidated balance sheet

Classification	Market price (Million yen)			Total
	Level 1	Level 2	Level 3	
Securities and Investment securities				
Bonds held to maturity				
Corporate bonds	-	-	1,879	1,879
Total assets	-	-	1,879	1,879

(Note) Valuation method used for the calculation of market price and description of input

Securities and Investment securities

Listed stocks are evaluated using market prices. Since listed shares are traded on an active market, their market value is classified as Level 1 market price. Meanwhile, as for the corporate bonds and joint money trusts owned by the Company, since their transaction frequency on a market is low and their price is not regarded as a market price on an active market, the market price of those whose investment period is short and whose market price is proximate to the book value are classified as a Level 2 market price and those whose prices are offered by correspondent financial institutions are classified as Level 3.

(Notes on Revenue Recognition)

1. Breakdown of the revenue incurred from contracts with customers

(Million yen)

Sales	The current consolidated fiscal year (From April 1, 2024 To March 31, 2025)
HR-Tech engage	9,657
Human resources platform	7,806
Domestic Job Board	25,000
Domestic Permanent Recruitment	9,895
Domestic Other	5,102
Overseas	10,148
Adjustment	-1,932
Sales to external customers	65,678

2. Basic information for understanding the revenue incurred from contracts with customers

The Group consists of a single business segment. Within the segment, the revenue is classified into “HR-Tech engage”, “Human resources platform”, “Domestic” and “Overseas”.

The details of major performance obligations concerning the major business of the Group and information on the normal point in time when the performance obligations are fulfilled are listed in the basis of preparing the consolidated financial statements.

3. The relationship between the fulfillment of performance obligations based on contracts with customers and the cash flow generated from the contracts, the amount of revenue expected to be recognized in or after the following consolidated fiscal year based on contracts with customers existing at the end of the current fiscal year and information on the timing

(1) Balance of contract assets and liabilities

(Million yen)

	The current consolidated fiscal year
Credit generated from contracts with customers (balance at the beginning of the term)	5,975
Credit generated from contracts with customers (balance at the end of the term)	6,383
Contract assets (balance at the beginning of the term)	42
Contract assets (balance at the end of the term)	55
Contract liabilities (balance at the beginning of the term)	4,768
Contract liabilities (balance at the end of the term)	5,010

Contract assets refer to the Group’s rights to unclaimed consideration generated from various services, which are transferred to credit generated from contracts with customers when the right to the consideration becomes unconditional. The consideration is mostly paid at the time of fulfillment of the performance obligations or within two months from the start of the

contract period.

Contract liabilities refer to the advances received from customers based on contracts, which are transferred to revenue as the Group fulfills the performance obligations based on the contracts (or upon the completion of fulfillment). Among the revenue recognized during the consolidated fiscal year, the amount included in the balance of contract liabilities at the beginning of the term is 4,739 million yen.

(2) Transaction price allocated to remaining performance obligations

The Group uses a practical expedient for the notes to trade price allocated to the remaining performance obligations. We do not include in the scope of the notes contracts that recognize revenue based on the amount entitled to be claimed according to the service performed, as well as contracts whose initially expected contract period is less than a year. The Group has no significant transactions whose initially expected contract period exceeds one year.

(Notes on Per Share Information)

Net assets per share: 905.56 yen

Net income per share: 186.76 yen

(Note) As for shareholders' equity, the Company's shares remaining in the trust that are recorded as treasury stock are included in the number of treasury shares that are deducted in the calculation of the average number of shares during the period to calculate the amount of net income per share. For the calculation of net assets per share, they are included in the number of treasury shares that are deducted from the total amount of outstanding shares at the end of the term.

The average number of treasury shares during the term deducted for the calculation of the amount of net income per share was 2,282,133 shares, and the number of treasury shares at the end of the term deducted for the calculation of the amount of net assets per share was 2,268,400 shares,

(Notes Regarding Significant Subsequent Events)

The Company passed a resolution to acquire treasury shares based on the provisions of Article 156 of the Companies Act as applied pursuant to the provisions of Article 165, Paragraph 3 of the same act, by a written resolution of the Board of Directors dated May 14, 2025 based on the provisions of Article 370 of the same act and Article 25 of the Company's Articles of Incorporation.

1. Reason

The Company has resolved to repurchase its own shares with the aim of enhancing shareholder returns and capital efficiency, as well as enabling agile capital management in response to changes in the business environment.

2. Details of share buyback program

- | | |
|--|--|
| (1) Class of shares | : Common stock |
| (2) Aggregate number of shares to be repurchased | : Up to 7,800,000 shares
(equal to 19.1% of total issued shares excluding treasury stock) |
| (3) Aggregate price of shares to be repurchased | : Up to 5,000 million yen |
| (4) Period for share buyback | : From May 16, 2025 to April 30, 2026 |
| (5) Repurchase method | : Purchase on the Tokyo Stock Exchange |

(Note) The amounts for the accounts listed in the consolidated financial statements and other items are listed by rounding down to the nearest million yen.

Non-consolidated Financial Statements
Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2025
Assets	
Current assets	21,486
Cash and deposits	16,243
Accounts receivable-trade	2,752
Securities	2,000
Supplies	2
Prepaid expenses	510
Other	104
Allowance for doubtful accounts	-127
Non-current assets	27,427
Property, plant and equipment	74
Buildings	61
Furniture and fixtures	12
Intangible assets	8,028
Trademark right	16
Software	6,993
Goodwill	256
Other	761
Investments and other assets	19,324
Investment securities	4,661
Shares of subsidiaries and associates	10,684
Long-term loans receivable	1,650
Distressed receivables	12
Deferred tax assets	997
Other	1,776
Allowance for doubtful accounts	-458
Total assets	48,914

	As of March 31, 2025
Liabilities	
Current liabilities	11,656
Accounts payable-trade	125
Accounts payable-other	2,741
Accrued expenses	299
Income taxes payable	2,508
Advances received	4,471
Deposits	65
Unearned revenue	1
Provision for bonuses	970
Provision for directors' bonuses	21
Other	450
Non-current liabilities	2,011
Long-term accounts payable-other	1,203
Provision for share benefits	610
Asset retirement obligations	175
Long-term accrued expenses	22
Total liabilities	13,667
Net assets	
Shareholders' equity	34,407
Capital stock	1,194
Capital surplus	3,093
Legal capital surplus	2,678
Other capital surplus	414
Retained earnings	45,091
Other retained earnings	45,091
General reserve	2,030
Retained earnings brought forward	43,061
Treasury shares	-14,971
Valuation and translation adjustments	238
Valuation difference on available-for-sale securities	238
Subscription rights to shares	600
Total net assets	35,246
Total liabilities and net assets	48,914

Non-consolidated Statements of Income

(Million yen)

	From April 1, 2024 to March 31, 2025	
Net sales		47,523
Cost of sales		4,816
Gross profit		42,707
Selling, general and administrative expenses		38,629
Operating income		4,077
Non-operating income		927
Non-operating expenses		448
Ordinary income		4,555
Extraordinary income		
Gain on sales of investment securities	5,456	
Gain on sale of shares of subsidiaries and associates	1	
Gain on extinguishment of tie-in shares	78	5,535
Extraordinary losses		
Loss on retirement of non-current assets	422	
Loss on valuation of investment securities	0	423
Income before income taxes		9,668
Income taxes - current	2,903	
Income taxes - deferred	-238	2,664
Profit		7,003

Non-consolidated Statements of Changes in Net Assets (from April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,194	2,678	415	3,093	2,030	39,081	41,111	-14,993	30,407
Changes of items during the period									
Dividends of surplus						-3,023	-3,023		-3,023
Profit						7,003	7,003		7,003
Purchase of treasury shares								-0	-0
Disposal of treasury shares			-0	-0				21	20
Net changes of items other than shareholders' equity				—			—	—	—
Total changes of items during period	—	—	-0	-0	—	3,979	3,979	21	4,000
Balance at end of current period	1,194	2,678	414	3,093	2,030	43,061	45,091	-14,971	34,407

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	247	247	395	31,050
Changes of items during the period				
Dividends of surplus				-3,023
Profit				7,003
Purchase of treasury shares				-0
Disposal of treasury shares				20
Net changes of items other than shareholders' equity	-9	-9	205	195
Total changes of items during period	-9	-9	205	4,196
Balance at end of current period	238	238	600	35,246

Notes to the Non-consolidated Financial Statements

(Notes Regarding Significant Accounting Policies)

1. Valuation basis and method for assets

(1) Basis and method for valuation of securities

(i) Held-to-maturity securities Carried at amortized cost (straight-line method)

(ii) Shares of subsidiaries and shares of affiliates:

Valued at cost determined by the moving-average method

(iii) Available-for-sale securities

Available-for-sale securities other than shares, etc., without market prices

Valued at market as of the balance sheet date. Unrealized gain or loss is included directly in net assets. The cost of securities sold is determined by the moving-average method.

Available-for-sale securities that are shares, etc., without market prices

Valued at cost determined by the moving-average method

The Company accounts for investments in investment limited partnerships and similar associations (investments deemed to be negotiable securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act) by booking a net amount equivalent to the equity method value, based on the most recent closing statement that can be obtained in accordance with the account reporting date provided for in the partnership agreement.

(2) Basis and method for valuation of inventories

Supplies:

Most recent purchase cost method (amount reported on the balance sheet is stated by writing down based on decrease in profitability)

2. Depreciation method for non-current assets

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

The depreciation of property, plant and equipment at the Company is computed by the declining-balance method using the applicable rates based on the estimated useful lives of the assets. However, the straight-line method is used to depreciate buildings (excluding accompanying facilities) and facilities attached to buildings and structures acquired on or after April 1, 2016.

The range of useful lives is as follows:

Buildings: 8–25 years

Furniture and fixtures: 2–20 years

For assets acquired on or before March 31, 2007, the remaining book values are equally depreciated on a straight-line basis over five years, starting from the year following the year during which depreciation to the residual values was completed up to the maximum depreciable amounts.

(2) Intangible assets (excluding lease assets)

The amortization of intangible assets at the Company is computed by the straight-line method. Computer software for internal use is amortized over the estimated useful life (five years) depending on the nature of the respective software products.

(3) Lease assets

Lease assets related to the finance lease transactions other than those where the ownership of the lease assets is deemed to be transferred

These lease assets are amortized by the straight-line method, assuming that the lease period is the useful life and there is no residual value.

3. Accounting for reserves

(1) Allowance for doubtful accounts:

The allowance for doubtful accounts is provided for possible bad debt of claims at an amount of possible losses from uncollectible receivables based on the actual loan loss ratio from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

(2) Provision for bonuses:

The provision for bonuses is provided for possible payment of bonuses to employees at an amount to be borne based on the amount estimated to be paid for the fiscal year under review.

(3) Provision for directors' bonuses:

The provision for bonuses is provided for possible payment of bonuses to directors at an amount based on the amount estimated to be paid and which corresponds to the fiscal year under review.

(4) Provision for share benefits:

A provision for share benefits is provided for possible delivery of stock to employees in accordance with the stock delivery regulation at an amount based on the estimated amount of stock benefits obligation at the end of the fiscal year under review.

4. Accounting policy for significant income and expense

(i) HR Tech engage

HR-Tech engage receives user fees from customers mainly through their use of recruitment support tools that are provided when services for generally creating their own recruitment websites and the like are offered free of charge. As the use of recruitment support tools is billed in line with the frequency of using the tools under contracts, based on the judgement that performance obligations will be satisfied at the time of use, revenue is recognized when used.

(ii) Human Resources Platform

The human resources platform receives recruitment fees from customers by providing permanent recruitment services that introduce workers wishing to change jobs to customers who have demand for hiring mid-career employees, using the job boards operated by the Group. As permanent recruitment for customers is a success fee-based service offered to conclude employment in a company for workers wishing to change jobs, and based on the judgment that performance obligations will be satisfied when workers join the company, revenue is recognized.

(iii) Domestic Job Board

The domestic job board receives advertising fees from customers by providing advertising services to the Group operating job board. Target customers are those who have demand for hiring full-time and temporary staff. As the advertising service on the job board is a service offered throughout the contract period, based on the judgement that performance obligations will be satisfied in accordance with the elapse of time, revenue is recognized on a pro rata basis over such contract period.

(iv) Domestic Permanent Recruitment

The domestic permanent recruitment receives recruitment fees from customers by career partners' providing permanent recruitment services that introduce workers wishing to change jobs to customers who have for hiring mid-career employees. As permanent recruitment for customers is a success fee-based service offered to conclude employment in a company for workers wishing to change jobs, and based on the judgment that performance obligations will be satisfied when workers join the company, revenue is recognized.

5. Method and period of depreciation of goodwill

The amount of goodwill and negative goodwill is equally amortized over the estimated years during which the effects are estimated to emerge.

6. Standards for translating assets or liabilities that are in a foreign currency into Japanese currency

Foreign currency-denominated assets and liabilities are translated into yen based on the spot exchange rate on the closing date and the translation differences are processed as profit or loss.

(Notes on Changes in Accounting Policy)

(Application of Accounting Standard for Current Income Taxes)

The Company applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) from the beginning of the current fiscal year.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policy had no impact on the non-consolidated financial statements.

(Significant accounting estimates)

Accounting estimates are calculated based on the information available at the time of the preparation of the non-consolidated financial statements. Among the amounts based on the accounting estimates recorded in the non-consolidated financial statements for the current fiscal year, the items that would have a risk of having a significant impact on the non-consolidated financial statements for the next fiscal year are as follows:

Valuation of non-listed shares

(1) Amount recorded in the non-consolidated financial statements for the current fiscal year
(Million yen)

	The current fiscal year
Investment securities (Non-listed shares)	541
Loss on valuation of investment securities	0

(2) Information concerning the details of significant accounting estimates for identified items

The content is the same as that listed for “Note: (Significant accounting estimates) Valuation of non-listed shares” of the consolidated financial statements.

(Notes to the Balance Sheet)

1. Accumulated depreciation of property, plant and equipment:	893 million yen
2. Monetary receivables and payables for affiliates	
Short-term monetary receivables	87 million yen
Long-term monetary receivables	1,649 million yen
Short-term monetary payables	131 million yen

(Note to statements of income)

Volume of trade with affiliates

Volume of trade arising from business transactions

Net sales	70 million yen
Cost of sales	29 million yen
Selling, general and administrative expenses	1,274 million yen

Volume of trade arising out of business transactions

Non-operating income	44 million yen
Non-operating expenses	2 million yen

(Notes to the Statement of Changes in Net Assets)

(1) Matters concerning type and number of treasury shares

Type of shares	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares at the end of the current fiscal year
Common shares	8,883,721 shares	3 shares	30,700 shares	8,853,024 shares
Total	8,883,721 shares	3 shares	30,700 shares	8,853,024 shares

(Notes)

1. The number of treasury shares at the beginning of the current fiscal year and at the end of the current fiscal year includes 2,297,800 shares and 2,268,400 shares, respectively, of treasury shares held by the trust.
2. The increase in the number of treasury shares is due to the purchase of fractional shares.
3. The decrease in the number of treasury shares by 30,700 shares is due to a decrease of 1,300 shares as a result of the exercise of stock options and the provision of 29,400 shares owned by the Share Benefit Trust based on the Share Benefit Rules.

(Notes on deferred tax accounting)

Breakdown of the reasons for deferred tax assets and deferred tax liabilities

(Deferred tax assets)

Loss on valuation of shares of subsidiaries and associates	217 million yen
Provision for bonuses	303 million yen
Allowance for doubtful accounts	183 million yen
Enterprise tax payable	133 million yen
Loss on valuation of investment securities	517 million yen
Provision for share benefits	192 million yen
Share-based payment expenses	189 million yen
Asset retirement obligations	55 million yen
Software	86 million yen
Other	98 million yen
Deferred tax assets subtotal	1,979 million yen
Valuation allowance	-873 million yen
Deferred tax assets total	1,105 million yen
(Deferred tax liabilities)	
Valuation difference on available-for-sale securities	-105 million yen
Retirement cost for asset retirement obligations	-2 million yen
Deferred tax liabilities total	-107 million yen
Net amount of deferred tax assets	997 million yen

(Notes on Revenue Recognition)

The basis for understanding revenue from contracts with customers is provided in the Notes to Consolidated Financial Statements (Notes on Revenue Recognition) and is hence not noted here.

(Notes on Per Share Information)

Net assets per share: 847.86 yen

Net income per share: 171.45 yen

(Note) As for shareholders' equity, the Company's shares remaining in the trust that are recorded as treasury stock are included in the number of treasury shares that are deducted in the calculation of the average number of shares during the period to calculate the amount of net income per share. For the calculation of net assets per share, they are included in the number of treasury shares that are deducted from the total amount of outstanding shares at the end of the term.

The average number of treasury shares during the term deducted for the calculation of the amount of net income per share was 2,282,133 shares, and the number of treasury shares at the end of the term deducted for the calculation of the amount of net assets per share was 2,268,400 shares,

(Notes concerning company to which consolidated dividend regulations apply)

The Company is a company to which the consolidated dividend regulations apply.

(Notes Regarding Significant Subsequent Events)

The same information is provided in the Notes to Consolidated Financial Statements (Notes Regarding Significant Subsequent Events) and is hence not noted here.

(Note) The amounts for the accounts listed in the financial statements and other items are listed by rounding down to the nearest million yen.

Independent Auditor's Report

May 16, 2025

en Japan Inc. The Board of Directors

Ernst & Young ShinNihon LLC

Designated and
Engagement Partner

Certified Public Accountant

Yoshio Yukawa (Seal)

Designated and
Engagement Partner

Certified Public Accountant

Kinuyo Matsuo (Seal)

Audit Opinion

The independent auditor has audited the consolidated financial statements, including the consolidated balance sheet, the consolidated statements of income, the consolidated statements of changes in net assets and the notes to the consolidated financial statements of en Japan Inc. for the fiscal year from April 1, 2024 to March 31, 2025, in accordance with Article 444, Paragraph 4 of the Companies Act.

In the independent auditor's opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group, comprising en Japan Inc. and its consolidated subsidiaries, as of March 31, 2025 and the consolidated results of their operations for the year then ended, in conformity with accounting principles generally accepted in Japan.

Grounds for Auditor's Opinion

We conducted the audit in accordance with auditing standards generally accepted in Japan. Our responsibility in the auditing standards is described in the section "Auditor's Responsibility for the Audit of Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with rules of business ethics in Japan, and have fulfilled our ethical responsibility as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Other information comprises the information included in the business report and supplementary schedules thereof. Management is responsible for preparing and disclosing other information. The Audit and Supervisory Committee is responsible for monitoring the performance of duties of the Directors in the development and operation of the reporting process for other information.

Our opinion on the consolidated financial statements does not cover other information, and we do not express an opinion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read other information and consider whether a material inconsistency exists between other information and the consolidated financial statements or our knowledge acquired in the process of audit, or whether other information otherwise appears to be materially misstated.

If, based on the work performed, we conclude that an uncorrected material misstatement of other information exists, we are required to describe it in our report.

We have nothing to report in this regard.

Responsibility of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting principles in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing consolidated financial statements, management is responsible for assessing the Company's

ability to continue as a going concern and disclosing, as required by accounting standards generally accepted in Japan, matters related to a going concern.

The responsibility of the Audit and Supervisory Committee is to monitor the execution of duties by Directors in the establishment and operation of the financial reporting process.

Auditor's Responsibility for the Audit of Consolidated Financial Statements

The responsibility of the auditor is to obtain reasonable assurance about whether the overall consolidated financial statements are free from material misstatement, whether due to fraud or error, and express independent opinions on the consolidated financial statements in the audit report based on the auditor's audit. Material misstatement may arise from fraud or error, and is considered material when it is reasonably expected to affect, whether individually or in aggregate, the decision-making of the users of the consolidated financial statements.

The auditor makes judgments as a professional and carries out the following with professional skepticism through audit procedures in accordance with auditing standards generally accepted in Japan.

- The auditor identifies and assesses material misstatement risks due to fraud or error. The auditor also formulates and implements audit procedures suitable for material misstatement risks. The audit procedures are selected and applied based on the auditor's judgment. Moreover, the auditor obtains adequate and appropriate audit evidence as a basis of expressing opinions.

- The purpose of the audit of the consolidated financial statements is not to express opinions on the effectiveness of internal controls. In making those risk assessments, meanwhile, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- The auditor evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the appropriateness of relevant notes to the consolidated financial statements.

- The auditor concludes the Company's ability to continue as a going concern for preparing the consolidated financial statements, and whether material uncertainty exists regarding events or circumstances that may cast significant doubt on the ability to continue as a going concern, based on audit evidence obtained by the auditor. If there is significant uncertainty on the ability to continue as a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report. If the notes to the consolidated financial statements regarding the significant uncertainty are not appropriate, the auditor is required to express a modified opinion on the consolidated financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- The auditor evaluates whether the presentation of the consolidated financial statements and the notes thereto are in accordance with auditing standards generally accepted in Japan. The auditor also evaluates the presentation, structure, and contents of the consolidated financial statements including relevant notes thereto, and whether the consolidated financial statements appropriately present their underlying transactions and accounting events.

- The auditor obtains adequate and appropriate audit evidence on financial information of the Company and its consolidated subsidiaries in order to express opinions to the consolidated financial statements. The auditor is responsible for instruction, supervision, and implementation of the audit of the consolidated financial statements. The auditor is solely responsible for audit opinions. The auditor makes a report to the Audit and Supervisory Committee regarding the scope and period of the planned audit, material audit findings including material defects in internal controls identified during the implementation process of the audit, and other matters required by the audit standards.

The auditor makes a report to the Audit and Supervisory Committee regarding compliance with rules of business ethics for independence in Japan, matters reasonably expected to affect the independence of the auditor, and any safeguard measures taken to eliminate or mitigate obstructive factors.

Interest

The independent auditor and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Accounting Audit Report regarding Non-consolidated Financial Statements

Independent Auditor's Report

May 16, 2025

en Japan Inc. The Board of Directors

Ernst & Young ShinNihon LLC

Designated and Engagement Partner	Certified Public Accountant Yoshio Yukawa (Seal)
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Designated and Engagement Partner	Certified Public Accountant Kinuyo Matsuo (Seal)
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The independent auditor has audited the non-consolidated financial statements, including the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statements of changes in net assets and the notes to the non-consolidated financial statements (hereinafter referred to as "Non-consolidated financial statements"), as well as the supporting schedules of en Japan Inc. for the 25th fiscal year from April 1, 2024 to March 31, 2025, in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

In the independent auditor's opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of the Company as of March 31, 2025 and the non-consolidated results of its operations for the year then ended, in conformity with accounting principles generally accepted in Japan.

Grounds for Auditor's Opinion

We conducted the audit in accordance with auditing standards generally accepted in Japan. Our responsibility in the auditing standards is described in the section "Auditor's Responsibility for the Audit of Non-consolidated Financial Statements." We are independent of the Company in accordance with rules of business ethics in Japan, and have fulfilled our ethical responsibility as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Other information comprises the information included in the business report and supplementary schedules thereof. Management is responsible for preparing and disclosing other information. The Audit and Supervisory Committee is responsible for monitoring the performance of duties of the Directors in the development and operation of the reporting process for other information.

Our opinion on the Non-consolidated financial statements does not cover other information, and we do not express an opinion thereon.

In connection with our audit of the Non-consolidated financial statements, our responsibility is to read other information and consider whether a material inconsistency exists between other information and the Non-consolidated financial statements or our knowledge acquired in the process of audit, or whether other information otherwise appears to be materially misstated.

If, based on the work performed, we conclude that an uncorrected material misstatement of other information exists, we are required to describe it in our report.

We have nothing to report in this regard.

Responsibility of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with generally accepted accounting principles in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting standards generally accepted in Japan, matters related to a going concern.

The responsibility of the Audit and Supervisory Committee is to monitor the execution of duties by Directors in the establishment and operation of the financial reporting process.

Auditor's Responsibility for the Audit of Non-consolidated Financial Statements

The responsibility of the auditor is to obtain reasonable assurance about whether the overall non-consolidated financial statements are free from material misstatement, whether due to fraud or error, and express independent opinions on the non-consolidated financial statements in the audit report based on the auditor's audit. Material misstatement may arise from fraud or error, and is considered material when it is reasonably expected to affect, whether individually or in aggregate, the decision-making of the users of the non-consolidated financial statements.

The auditor makes judgments as a professional and carries out the following with professional skepticism through audit procedures in accordance with auditing standards generally accepted in Japan.

- The auditor identifies and assesses material misstatement risks due to fraud or error. The auditor also formulates and implements audit procedures suitable for material misstatement risks. The audit procedures are selected and applied based on the auditor's judgment. Moreover, the auditor obtains adequate and appropriate audit evidence as a basis of expressing opinions.

- The purpose of the audit of the non-consolidated financial statements is not to express opinions on the effectiveness of internal controls. In making those risk assessments, meanwhile, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- The auditor evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the appropriateness of relevant notes to the non-consolidated financial statements.

- The auditor concludes the Company's ability to continue as a going concern for preparing the non-consolidated financial statements, and whether material uncertainty exists regarding events or circumstances that may cast significant doubt on the ability to continue as a going concern, based on audit evidence obtained by the auditor. If there is significant uncertainty on the ability to continue as a going concern, the auditor is required to call attention to the notes to the non-consolidated financial statements in the audit report. If the notes to the non-consolidated financial statements regarding the significant uncertainty are not appropriate, the auditor is required to express a modified opinion on the non-consolidated financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- The auditor evaluates whether the presentation of the non-consolidated financial statements and the notes thereto are in accordance with auditing standards generally accepted in Japan. The auditor also evaluates the presentation, structure, and contents of the non-consolidated financial statements including relevant notes thereto, and whether the non-consolidated financial statements appropriately present their underlying transactions and accounting events.

The auditor makes a report to the Audit and Supervisory Committee regarding the scope and period of the planned audit, material audit findings including material defects in internal controls identified during the implementation process of the audit, and other matters required by the audit standards.

The auditor makes a report to the Audit and Supervisory Committee regarding compliance with rules of business ethics for independence in Japan, matters reasonably expected to affect the independence of the auditor, and any safeguard measures taken to eliminate or mitigate obstructive factors.

Interest

The independent auditor and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

The Audit and Supervisory Committee Audit Report

Audit Report

The Audit and Supervisory Committee audited the performance of duties by Directors for the 25th fiscal year from April 1, 2024 to March 31, 2025. The Committee hereby reports on the audit method used and the audit results as follows.

1. Method and details of audit

The Audit and Supervisory Committee regularly received reports from Directors, employees, and other relevant personnel on the details of the resolutions of the Board of Directors regarding the matters set forth in Article 399-13, paragraph 1, items 1(b) and 1(c) of the Companies Act as well as the status of the systems (internal control systems) based on such resolutions, requested explanations as necessary, expressed its opinions, and conducted audits in the following manner.

- (i) In accordance with the audit policy, division of duties, etc., as determined by the Audit and Supervisory Committee, and working in cooperation with the Company's Internal Control Division, members of the Audit and Supervisory Committee attended important meetings, received reports from Directors, employees, and other relevant personnel on the performance of their duties, requested explanations as necessary, reviewed important approval documents, etc., and investigated the operations and assets of the head office and principal business locations. Meanwhile, the Audit and Supervisory Committee communicated and exchanged information with Directors, Corporate Auditors and other staff of subsidiaries, and received business reports from subsidiaries whenever necessary.
- (ii) The Audit and Supervisory Committee monitored and verified whether the Accounting Auditor maintained independence and implemented appropriate audits; received reports from the Accounting Auditor on performance of their duties, and sought explanations whenever necessary. Furthermore, the Audit and Supervisory Committee received notice from the Accounting Auditor that the "System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Ordinance on Accounting of Companies) is established in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council) and other standards, and sought explanations whenever necessary.

Based on the above methods, the Audit and Supervisory Committee examined the business report and the supporting schedules, the non-consolidated financial statements (balance sheet, statements of income, statements of changes in net assets, and notes to non-consolidated financial statements) and the supporting schedules, and the consolidated financial statements (balance sheet, statements of income, statements of changes in net assets, and notes to consolidated financial statements) for the current fiscal year.

2. Audit Results

(1) Audit Results of Business Report and Others

- 1) The Audit and Supervisory Committee acknowledges that the business report and the supporting schedules fairly present the Company's conditions in accordance with laws, regulations and the Articles of Incorporation.
- 2) With regard to the performance of duties by Directors, the Audit and Supervisory Committee finds no significant evidence of wrongful acts, nor violations of laws, regulations, or the Articles of Incorporation.
- 3) The Audit and Supervisory Committee acknowledges that the content of the resolution by the Board of Directors concerning the internal control system is appropriate. In addition, the Board finds no matters on which to remark with regard to the contents of the business report or the performance of duties by Directors regarding the internal control system.

(2) Audit Results of Non-consolidated Financial Statements and Supporting Schedules

The Audit and Supervisory Committee acknowledges that the audit method of the Accounting Auditor, Ernst & Young ShinNihon LLC, and the results thereof are appropriate.

(3) Audit Results of Consolidated Financial Statements

The Audit and Supervisory Committee acknowledges that the audit method of the Accounting Auditor, Ernst & Young ShinNihon LLC, and the results thereof are appropriate.

May 16, 2025

en Japan Inc.

Audit and Supervisory Committee Member

Audit and Supervisory Committee Member

Audit and Supervisory Committee Member

Taisuke Igaki (Seal)

Toshihiko Ishikawa (Seal)

Takeshi Nishikawa (Seal)

Note: Audit & Supervisory Committee members Taisuke Igaki, Toshihiko Ishikawa, and Takeshi Nishikawa are Outside Directors as defined in Article 2, item 15 and Article 331, paragraph 6 of the Companies Act.