July 11, 2025

Consolidated Financial Results for the Three Months Ended May 31, 2025 (Under Japanese GAAP)

Company name: Riso Education Inc.
Listing: Tokyo Stock Exchange
Securities code: 4714
URL: https://www.riso-kyoikugroup.com/
Representative: Please refer to the website.
Inquiries: Please refer to the website.
Telephone: +81-3-5996-3701
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2025	7,110	3.0	(599)	-	(588)	-	(383)	-
May 31, 2024	6,901	3.1	(190)	-	(197)	-	(208)	-

Note: Comprehensive income For the three months ended May 31, 2025: ¥(366) million [-%]
For the three months ended May 31, 2024: ¥(237) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2025	(2.25)	-
May 31, 2024	(1.34)	-

Note: Quarterly net income per share adjusted for potential shares is not shown due to quarterly net loss per share, although there are potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31, 2025	20,359	9,966	48.6
February 28, 2025	22,109	12,034	54.1

Reference: Equity
As of May 31, 2025: ¥9,891 million
As of February 28, 2025: ¥11,958 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	0.00	0.00	0.00	10.00	10.00
Fiscal year ending February 28, 2026	0.00				
Fiscal year ending February 28, 2026 (Forecast)		0.00	0.00	10.00	10.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2026	36,000	7.8	3,145	7.2	3,140	6.8	2,000	14.7	11.76

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

Note: For details, see "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policy)" are available.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2025	171,806,159 shares
As of February 28, 2025	171,806,159 shares

(ii) Number of treasury shares at the end of the period

As of May 31, 2025	1,722,779 shares
As of February 28, 2025	1,722,779 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2025	170,083,380 shares
Three months ended May 31, 2024	155,043,002 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:nothing

* Proper use of earnings forecasts, and other special matters

The forecasts expressed in this material are based on information available at the time of publication, and are not intended to be a promise by the Company to achieve them. In addition, actual results may differ from forecasts due to changes in business conditions and other factors. For matters related to consolidated earnings forecasts, please refer to "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

1. Overview of Business Results and Financial Position

(1) Overview of Operating Results for the First Quarter

During the consolidated cumulative first quarter, the Japanese economy continued to show signs of moderate recovery, supported by improvements in the employment and income environment, various policy measures, and an increase in inbound tourism demand. However, uncertainty remains due to persistent inflation caused by surging energy and raw material prices, labor shortages, and concerns over potential interest rate hikes.

In the cram school industry, which constitutes the core business of our Group, we are required to swiftly adapt to a changing business environment influenced by factors such as demographic decline, ongoing economic uncertainties, and the diversification of university entrance examinations resulting from a series of educational reforms.

Under these circumstances, our Group, whose business model is premised on a declining birthrate, upholds the corporate philosophy of "everything for the future of children" and strives to deliver high-quality, authentic educational services through a thorough differentiation strategy. Our aim is to become a unique and leading company representing Japan.

Further synergies have been achieved since becoming part of the Hulic Group. In collaboration with Hulic Co., Ltd. and Konami Sports Co., Ltd., we are jointly developing an education-focused facility, “Kodomo Depart.” In addition, through our business alliance between Shingakai Co., Ltd. and Konami Sports Co., Ltd., we are expanding initiatives that nurture well-rounded children with rich personalities and a balance of academics and physical development. By advancing partnerships both within and beyond our industry, we will continue to provide high value-added services and strive for sustainable growth and enhanced corporate value.

In order to adapt to changes in the business environment and achieve sustainable growth, we have decided to reorganize our Group into a more efficient structure. Effective September 1, 2025, we will transition to a holding company system with our current company as the parent, and our trade name will be changed to “Riso Kyoiku Group Co., Ltd.”

During the first quarter, net sales exceeded the same period of the previous fiscal year in all segments, reaching a record high for a first quarter.

On the expense side, fixed costs increased due to a base salary raise aimed at retaining talented personnel, as well as higher rents. Additionally, strategic investments were made in preparation for the transition to a holding company system, advertising for new Kodomo Depart openings, and DX initiatives aimed at maximizing group synergies and enhancing customer value.

As a result, net sales totaled ¥7,110 million (up 3.0% YoY), operating loss was ¥599 million (compared to an operating loss of ¥190 million in the previous year), ordinary loss was ¥588 million (compared to an ordinary loss of ¥197 million), and net loss attributable to owners of the parent was ¥383 million (compared to ¥208 million in the previous year).

Our Group’s business performance is subject to seasonal fluctuations due to student turnover after entrance exams. As such, the first quarter, which marks the start of the academic year, tends to represent a seasonal low, while profitability significantly increases in the second and fourth quarters when intensive courses are conducted. Compared to these periods, profitability tends to be lower in the first and third quarters.

Segment Performance

① TOMAS [Cram School Division]

TOMAS provides high-quality, one-on-one individualized instruction aimed at academic advancement. Net sales were ¥3,479 million (up 1.8% YoY), or ¥3,500 million including internal sales (up 1.5% YoY).

During the first quarter, we opened new locations in Shonandai (Kanagawa), Sengawa (Tokyo), and Shin-Kawasaki (Kanagawa). We also renovated schools in Kunitachi, Monzennakacho, Nakano, and Oizumigakuen (Tokyo), and Matsudo (Chiba).

② Meimonkai [Private Tutoring Division]

Offering instruction exclusively by professional adult instructors and expanding nationwide, net sales reached ¥1,060 million (up 5.2% YoY).

During the quarter, MEDIC Meimonkai Kyoto Station School (Kyoto) was newly opened, and the Hoshigaoka Station School (Aichi) was renovated.

③ Shingakai [Early Childhood Education Division]

With a strong track record in preparing students for prestigious kindergarten and elementary school entrance exams, Shingakai expanded its two brands: the traditional "Shingakai" and the extended-hours gifted daycare “Shinga’s Club.” Net sales were ¥1,316 million (up 0.9% YoY), or ¥1,326 million including internal sales (up 0.8% YoY).

During the first quarter, the following schools were newly opened Shingakai Kodomo Depart Tama-Plaza Classroom (Kanagawa), Shinga’s Club Kodomo Depart Tama-Plaza Daycare (Kanagawa), Shinga’s Club Kodomo Depart Tama-Plaza Afterschool (Kanagawa), Shinga’s Club Kodomo Depart Nakano Afterschool (Tokyo), Shinga’s Club Kichijoji Daycare (Tokyo).

④ School TOMAS [In-School Tutoring Division]

We expanded our operations of in-school individualized tutoring through "School TOMAS," resulting in net sales of ¥839 million (up 9.4% YoY).

⑤ Plus One Kyoiku [Character and Emotional Development Camp Division]

Providing a range of experiential learning services aimed at emotional and character development, net sales were ¥408 million (up 2.4% YoY), or ¥411 million including internal sales (up 2.4% YoY).

⑥ Other Businesses

Net sales were ¥5 million (up 7.9% YoY), or ¥36 million including internal sales (up 3.2% YoY).

(2) Overview of Financial Position for the First Quarter

As of the end of the first quarter, total assets decreased by ¥1,750 million from the end of the previous fiscal year to ¥20,359 million, mainly due to decreases in cash and deposits, and trade receivables, despite increases in prepaid expenses, tangible and intangible fixed assets, investment securities, and deferred tax assets.

Liabilities increased by ¥317 million from the end of the previous fiscal year to ¥10,392 million, due to increases in accounts payable, contract liabilities, provision for bonuses, asset retirement obligations, and other fixed liabilities (such as lease liabilities), offset by a decrease in income taxes payable.

Net assets decreased by ¥2,067 million to ¥9,966 million due to a reduction in retained earnings.

(3) Forecasts and Forward-Looking Statements

As the Group’s performance during the first quarter was generally in line with our expectations, there are no changes to the full-year earnings forecasts announced on April 18, 2025, at this time.

Please note that the earnings forecasts are based on information currently available to the Company and involve inherent risks and uncertainties. Actual results may differ due to various factors.

Quarterly consolidated balance sheet

(Thousands of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	8,952,594	7,800,294
Trade accounts receivable	2,904,137	934,695
Inventories	214,251	205,662
Prepaid expenses	595,273	816,953
Other	26,218	32,027
Allowance for doubtful accounts	(6,267)	(7,941)
Total current assets	12,686,208	9,781,692
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,161,628	4,695,913
Accumulated depreciation	(2,046,377)	(2,094,153)
Buildings and structures, net	2,115,250	2,601,760
Tools, furniture and fixtures	2,260,329	2,457,119
Accumulated depreciation	(1,095,264)	(1,135,025)
Tools, furniture and fixtures, net	1,165,065	1,322,094
Land	395,039	395,039
Construction in progress	32,667	7,195
Other	35,868	35,868
Accumulated depreciation	(11,853)	(13,840)
Other, net	24,014	22,027
Total property, plant and equipment	3,732,038	4,348,117
Intangible assets		
Other	478,048	615,373
Total intangible assets	478,048	615,373
Investments and other assets		
Investment securities	82,650	168,140
Deferred tax assets	1,666,192	1,934,825
Leasehold and guarantee deposits	3,168,566	3,216,729
Other	302,115	300,453
Allowance for doubtful accounts	(6,072)	(6,072)
Total investments and other assets	5,213,452	5,614,076
Total non-current assets	9,423,539	10,577,566
Total assets	22,109,747	20,359,259

(Thousands of yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - other	1,251,226	1,569,997
Income taxes payable	596,743	90,429
Contract liabilities	2,558,048	2,684,235
Provision for bonuses	327,046	581,927
Asset retirement obligations	36,830	8,046
Other	1,095,172	1,064,453
Total current liabilities	5,865,068	5,999,089
Non-current liabilities		
Retirement benefit liability	2,907,317	2,934,846
Asset retirement obligations	1,295,019	1,369,342
Other	8,268	89,536
Total non-current liabilities	4,210,605	4,393,725
Total liabilities	10,075,673	10,392,814
Net assets		
Shareholders' equity		
Share capital	4,590,415	4,590,415
Capital surplus	4,331,411	4,331,411
Retained earnings	3,530,585	1,446,572
Treasury shares	(355,814)	(355,814)
Total shareholders' equity	12,096,598	10,012,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,252	22,735
Remeasurements of defined benefit plans	(156,895)	(143,994)
Total accumulated other comprehensive income	(137,642)	(121,259)
Share acquisition rights	75,118	75,118
Total net assets	12,034,074	9,966,444
Total liabilities and net assets	22,109,747	20,359,259

Quarterly consolidated statement of income

(Thousands of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Net sales	6,901,554	7,110,414
Cost of sales	5,560,006	5,975,182
Gross profit	1,341,548	1,135,232
Selling, general and administrative expenses	1,531,815	1,734,448
Operating loss	(190,267)	(599,215)
Non-operating income		
Dividend income	2,818	-
Gain on forfeiture of unclaimed dividends	3,354	4,992
Subsidy income	1,224	581
Photo sales profit	1,202	-
Return gains of deposit	-	3,636
Other	1,414	2,445
Total non-operating income	10,014	11,655
Non-operating expenses		
Interest expenses	69	-
Share issuance costs	16,017	-
Penalty loss	-	180
Other	1,422	342
Total non-operating expenses	17,509	522
Ordinary loss	(197,762)	(588,082)
Extraordinary income		
Gain on sale of non-current assets	55	-
Gain on sales of parent company's stocks	44,409	-
Gain on sale of golf club membership	-	1,100
Total extraordinary income	44,465	1,100
Extraordinary losses		
Loss on retirement of non-current assets	204	8,188
Impairment losses	3,458	-
Relocation expenses	488	3,848
Tender offer related expenses	95,120	-
Total extraordinary losses	99,272	12,036
Loss before income taxes	(252,569)	(599,019)
Income taxes	(44,450)	(215,840)
Loss	(208,119)	(383,178)
Loss attributable to owners of parent	(208,119)	(383,178)

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Loss	(208,119)	(383,178)
Other comprehensive income		
Valuation difference on available-for-sale securities	(35,496)	3,482
Remeasurements of defined benefit plans, net of tax	5,822	12,900
Total other comprehensive income	(29,673)	16,383
Comprehensive income	(237,793)	(366,795)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(237,793)	(366,795)
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)

I. the three months of the previous fiscal year (March 1, 2024 to May 31, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Unit: 1 thousand yen)

	Reportable segments						Other (Note) 1	Total	Adjustment amount (Note) 2	Quarterly Consolidated Statements of Income (Note)3
	Juku Buisiness	Private Tutor Dispatch Business	Early Childhood Education Business	Tutoring Business In School	Personality enrichment camp education business	Total				
Sales										
Goods or services to be transferred at a single point in time	128	-	59,377	-	55	59,560	4,869	64,430	-	64,430
Goods or services that are transferred over a period of time	3,416,616	1,008,124	1,246,156	767,230	398,996	6,837,124	-	6,837,124	-	6,837,124
Revenue generated from customer contracts	3,416,744	1,008,124	1,305,533	767,230	399,052	6,896,684	4,869	6,901,554	-	6,901,554
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	3,416,744	1,008,124	1,305,533	767,230	399,052	6,896,684	4,869	6,901,554	-	6,901,554
Transactions with other segments	31,764	-	9,709	-	3,000	44,473	30,456	74,929	(74,929)	-
Total	3,448,508	1,008,124	1,315,242	767,230	402,052	6,941,157	35,326	6,976,484	(74,929)	6,901,554
Segment profit (loss)	(385,855)	(50,777)	53,356	70,890	5,028	(307,359)	3,590	(303,768)	113,500	(190,267)

Note: 1. The "Other" category is for business segments that are not included in the reporting segments.
2. The adjustment amount is due to the elimination of inter-segment transactions.
3. Segment profit or loss is adjusted for operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

It is omitted because it is not important.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant Negative Goodwill Accrual)

Not applicable.

II. the three months of the current fiscal year (March 1, 2025 to May 31, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Unit: 1 thousand yen)

	Reportable segments						Other (Note) 1	Total	Adjustment amount (Note) 2	Quarterly Consolidated Statements of Income (Note)3
	Juku Buisiness	Private Tutor Dispatch Business	Early Childhood Education Business	Tutoring Business In School	Personality enrichment camp education business	Total				
Sales										
Goods or services to be transferred at a single point in time	1,388	-	63,486	-	22	64,898	5,256	70,154	-	70,154
Goods or services that are transferred over a period of time	3,478,516	1,060,780	1,253,160	839,195	408,605	7,040,260	-	7,040,260	-	7,040,260
Revenue generated from customer contracts	3,479,905	1,060,780	1,316,647	839,195	408,628	7,105,158	5,256	7,110,414	-	7,110,414
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	3,479,905	1,060,780	1,316,647	839,195	408,628	7,105,158	5,256	7,110,414	-	7,110,414
Transactions with other segments	20,823	-	9,693	-	3,003	33,519	31,199	64,718	(64,718)	-
Total	3,500,728	1,060,780	1,326,340	839,195	411,631	7,138,677	36,456	7,175,133	(64,718)	7,110,414
Segment profit (loss)	(658,616)	(21,726)	(97,841)	59,590	12,088	(706,504)	4,811	(701,693)	102,477	(599,215)

Note: 1. The "Other" category is for business segments that are not included in the reporting segments.
2. The adjustment amount is due to the elimination of inter-segment transactions.
3. Segment profit or loss is adjusted for operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant Negative Goodwill Accrual)

Not applicable.

(Significant Changes in Shareholders' Equity)
There are no applicable matters to report.

(Going Concern Assumption)
There are no applicable matters to report.

(Notes on the Consolidated Statement of Cash Flows)
A consolidated statement of cash flows for the first quarter of the fiscal year ending February 2026 has not been prepared. However, depreciation (including amortization of intangible assets) for the cumulative first quarter is as follows:

	From March 1, 2024 to May 31, 2024 (Previous Q1)	From March 1, 2025 to May 31, 2025 (Current Q1)
Depreciation	¥115,354 thousand	¥148,375 thousand

Subsequent Events
(1) Business Alliance Agreement
At the Board of Directors meeting held on June 12, 2025, the Company resolved to enter into a business alliance agreement between its consolidated subsidiary Plus One Kyoiku Co., Ltd. ("Plus One Kyoiku") and UNI SOUND Co., Ltd. ("UNI SOUND"), a subsidiary of GRACE Inc. The agreement was signed on the same day.

1. Background and Purpose of the Business Alliance
In light of the evolving market conditions due to the declining birthrate, the Company aims to expand its revenue streams over the medium to long term by leveraging its existing assets beyond traditional classroom operations. As part of this initiative, the Company will begin a customer referral business using UNI SOUND's instrument purchasing and sales services.

Musical instruments, which are closely tied to emotional development in children, are highly compatible with the Company's clientele. This initiative aligns with our philosophy of "Plus One Learning," which encourages children to discover interests outside of academics and nurture their individuality.

Moreover, this project is not only a new business venture but also contributes to environmental sustainability by promoting reuse. It is expected to generate social value and hold significant meaning for the Company.

2. Overview of the Business Alliance
UNI SOUND, a GRACE Group company, operates a reuse business centered on the purchase and sale of second-hand audio equipment and musical instruments, under the brand philosophy "Sound is the greatest expression of self."

Under this alliance, the Company will promote UNI SOUND's services to its members and employees. UNI SOUND will conduct purchases and sales of second-hand musical instruments with referred customers, and the Company will act as an intermediary. This initiative also contributes to the realization of a "sustainable consumption model" and the reduction of environmental impact through the promotion of reuse. Together, both parties aim to grow further through this collaboration.

3. Overview of the Alliance Partner

(1) Name	UNI SOUND Co., Ltd.
(2) Location	3-4-7, Shin-yamashita, Naka-ku, Yokohama, Kanagawa, Japan
(3) Representative	Tatsuki Nishizono, Representative Director
(4) Business	Purchase of used musical instruments, sales, and manufacturing
(5) Capital	132.25 million yen
(6) Establishment	November 2024
(7) Relationship with Our Company	No capital, personnel, or transactional relationships, and not a related party.

4. Overview of the Parent Company of the Alliance Partner

(1) Name	GRACE Co., Ltd.
(2) Location	2-3-5, Minato Mirai, Nishi-ku, Yokohama, Kanagawa, Japan
(3) Representative	Yuta Sawamura, Representative Director
(4) Business	Reuse, Car reuse, Business consulting, DX promotion, and Cafe restaurant operations
(5) Capital	20 million yen
(6) Establishment	November 2012
(7) Relationship with Our Company	No capital, personnel, or transactional relationships, and not a related party.

5. Schedule
Board resolution date: June 12, 2025
Contract signing date: June 12, 2025
Business launch: Scheduled for September 2025

6. Future Outlook
The impact of this business alliance on the Company's results for the fiscal year ending February 2026 is expected to be minor. However, it is expected to contribute to the Group's growth over the medium to long term.

(2) Disposal of Treasury Shares as Restricted Stock Compensation
At the Board of Directors meeting held on June 12, 2025, the Company resolved to dispose of treasury shares as restricted stock compensation (the "Disposal"), and the payment was completed on July 11, 2025.

1. Summary of the Disposal

(1) Payment Date	July 11, 2025
(2) Class and Number of Shares to be Disposed	218,300 shares of common stock of the Company
(3) Disposal Price	224 yen per share
(4) Total Disposal Amount	48,899,200 yen
(5) Allottees	3 Directors of the Company: 176,300 shares (Excludes non-executive and outside directors) 7 Directors of subsidiaries: 42,000 shares (Excludes directors also serving as employees of wholly owned subsidiaries)

2. Purpose and Reason for the Disposal
At the Board meeting held on April 18, 2025, the Company resolved to introduce a new restricted stock compensation plan (the "Plan") for Directors (excluding non-executive and external Directors) to provide incentives for enhancing corporate value and to align interests with shareholders.

At the 40th Annual General Meeting of Shareholders held on May 23, 2025, the following was approved:

To grant restricted stock as compensation to Directors under the Plan. The restriction period will last from the delivery date until resignation or retirement from the Director position or any other position designated by the Board.

Shares may be issued or disposed of without cash contribution or in exchange for monetary claims granted as compensation.

The maximum number of shares issued or disposed under the Plan is 260,000 shares per year, and the annual monetary cap is ¥100 million or 1.5% of consolidated ordinary income for the fiscal year, whichever is lower, outside the existing compensation framework.

The Company also decided to grant restricted shares to Directors of its subsidiaries under the same purpose and framework.

On this basis, the Board resolved to grant a total of ¥48,899 thousand in monetary claims to 3 Company Directors and 7 subsidiary Directors (“Eligible Officers”) and to dispose of 218,300 shares of treasury stock as restricted stock via in-kind contribution of said claims.

＜Summary of Restricted Stock Allocation Agreement＞

Transfer Restriction Period

For Company Directors: From July 11, 2025 until resignation or retirement from their position at the Company or any subsidiary/position designated by the Board.

For Subsidiary Directors: From July 11, 2025 until resignation or retirement from the position as Director, Executive Officer, or employee of the Company or its subsidiaries.

Lifting of Transfer Restrictions

For Company Directors: Restrictions will be lifted for all shares at the end of the service period (AGM to next AGM), provided continuous service. If resignation occurs mid-period for justifiable reasons, restrictions will be lifted proportionally.

For Subsidiary Directors: Same as above, calculated based on the period between AGMs of the subsidiary.

Forfeiture of Shares

Any shares still under restriction at the end of the period will be forfeited without compensation.

Management of Shares

Shares are held in a restricted account at Daiwa Securities during the restriction period to prevent transfers or pledges.

Reorganizations

If the Company undergoes a merger or reorganization during the restriction period, a portion of shares (pro rata by months served) may have their restrictions lifted before the effective date, subject to Board approval.

3. Basis for Calculation of Disposal Price

The disposal price of ¥224 per share was based on the closing price of the Company’s stock on the Tokyo Stock Exchange on June 11, 2025 (the business day prior to the Board resolution). There were no special circumstances indicating that this market price did not reflect fair value. The price is considered reasonable and not particularly favorable to the Eligible Officers.