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To Shareholders,

Company Name: Innovation Holdings Co., LTD.
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(TSE Prime Market, Code: 3484)
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Notice of Status of Progress Based on the Plan for Compliance with Continued Listing Criteria for the Tokyo Stock Exchange (Improvement Period Has Started)

Innovation Holdings Co., LTD. (hereinafter referred to as the "Company") submitted a plan for compliance with continued listing criteria for the Tokyo Stock Exchange Prime Market (hereinafter referred to as the "Plan") on December 15, 2021. Subsequently, the Company submitted reports on the progress based on the Plan in March 24, 2023; June 20, 2023; March 13, 2024; and June 11, 2024, and disclosed their details.

Please be advised of the status of progress in the Plan as of March 31, 2025, as below.

- The Company's status of compliance with continued listing criteria and plan period

The Company's status of compliance with continued listing criteria for the Prime Market as of March 31, 2025, including the trend, is as per the table below, which shows that "the market capitalization of tradable shares" does not comply with the criterion. The Company submitted the Plan on December 15, 2021, and set the end of March 2028 as the end of the plan period. Nonetheless, the Company aims to satisfy the criterion by the end of March 2026, which is the improvement period, and is actively continuing to make efforts.

		Number of tradable shares	Tradable shares Market capitalization	Ratio of tradable shares	Average daily trading value
The Company's status of compliance and the trend	As of June 30, 2021 (as of the transitional record date)	62,647 units	5,556,146,272 yen	35.1%	37,262,970 yen
	As of March 31, 2024	63,393 units	6,117,488,190 yen	35.8%	—
	As of December 31, 2024	—	—	—	27,180,420 yen
	As of March 31, 2025	62,616 units	6,105,513,061 yen	35.4%	—
Continued listing criteria		20,000 units or more	10 billion yen or more	35% or more	20 million yen or more
Plan period (Improvement period)		—	End of March 2028 End of March 2026	—	—

*The Company's status of compliance is calculated based on the distribution of share certificates, etc. of the Company, which the Tokyo Stock Exchange has knowledge of as of the record date.

- Status of efforts to comply with continued listing criteria and evaluation thereof

The Company's basic policy for fulfilling the continued listing criterion for "Market capitalization of tradable shares" is "First, we aim to grow our market capitalization by achieving continuous improvements in business performance, then consider and execute initiatives for raising the ratio of tradable shares, as necessary." Specifically, as a measure for raising market capitalization, the Company aims to continue an increase of 10% to 20% on a year-on-year basis in both sales and profits as the guideline, toward reaching 5,500 subleasing properties in the store subleasing business in the fiscal year ending March 2031. In the process, the Company will send out information on the progress status to the market through proactive IR activities to reflect the progress in its share price.

The number of subleasing properties has steadily increased and is on track to meet the targets stated below.

	Number of subleasing properties	Ratio (vs. November 30, 2021)	Ratio (vs. March 31, 2024)
As of November 30, 2021	1,868 cases	—	—
As of March 31, 2024	2,445 cases	130.9%	—
As of March 31, 2025	2,706 cases	144.9%	110.7%

Earnings for the fiscal year ended March 2025 posted the highest net sales and operating profit in the Company's history. Net sales were 16,659 million yen, up 16.8% year on year. Operating profit was 1,381 million yen, up 41.8% year on year.

Compared with the fiscal year ended March 2021, net sales increased 61.1%, operating profit rose 88.8%, and the compound annual growth rate (CAGR) was 12.7% for net sales and 17.2% for operating profit. Operating profit margin rose from 7.1% for the fiscal year ended March 2021 to 8.3% for the fiscal year ended March 2025, an increase of 1.2 percentage points.

	Net sales	Ratio (vs. FYE March 2021)	Ratio (vs. FYE March 2024)	Operating profit	Ratio (vs. FYE March 2024)	Ratio (vs. FYE March 2024)	Operating profit margin
FYE March 2021)	10,342 million yen	—	—	731 million yen	—	—	7.1%
FYE March 2024)	14,263 million yen	137.9%	—	974 million yen	133.1%	—	6.8%
FYE March 2025)	16,659 million yen	161.1%	116.8%	1,381 million yen	188.8%	141.8%	8.3%

The Company shifted its status to a holding company system in October 2024. The Company supervises the corporate management of the entire group, which enables each subsidiary to focus on carrying out business, and in this way the Group aims to maximize its corporate value. The Company has advanced IR activities proactively (including holding financial results briefings twice a year, disclosing explanatory materials on financial results four times a year, issuing reports on the Company by multiple firms [English and Japanese versions], distributing interview videos to introduce the Company, and making changes to dividend policy in addition to mandatory disclosure and timely disclosure). Consequently, market capitalization has grown as below.

	Market capitalization	Ratio (vs. November 30, 2021)	Ratio (vs. March 31, 2024)
As of November 30, 2021	14.6 billion yen	—	—
As of March 31, 2024	16.6 billion yen	113.2%	—
As of March 31, 2025	17.0 billion yen	115.8%	102.2%

- Issues regarding complying with continued listing criteria and details of initiatives down the road

The Company did not satisfy the continued listing criterion for market capitalization of tradable shares as of the end of March 2025.

The issues are as stated in the Plan that the Company submitted on December 15, 2021 (including the reports on the progress based on the Plan) and remain unchanged.

Regarding the initiatives, having become a holding company, the Company supervises the corporate management of the entire group. At the subsidiaries, Tempo Innovation Co., Ltd. pushes forward with the subleasing business, and Asset Innovation Co., Ltd. advances the commercial real estate trading business with Safety Innovation Co., Ltd. expanding the rent guarantee business for commercial real estate, in a group-wide effort to enhance corporate value. By specializing in and focusing on commercial real estate, which is the Company's strength, and maintaining stable growth, the Company intends to garner a high evaluation of its ability to create profits and expectations for the realization of long-term growth strategy.

- Consideration of switching to the Standard Market

As described above, the Company will push forward with a series of initiatives and aims to exceed the record-high net sales and operating profit posted in the previous fiscal year; in this way, the Company endeavors to comply with continued listing criteria for the Tokyo Stock Exchange Prime Market. On the other hand, the Company has currently entered the one-year improvement period and its stock is due to be designated as securities under supervision (confirmation is pending) for the subsequent two years, depending on changes to the environment inside and outside Japan, the impact of the markets, etc. The Company also regards it as important to ensure an environment that allows shareholders and investors to hold and trade shares of the Company with peace of mind. The Company recognizes that it should also consider switching to the Standard Market if certain circumstances arise. However, the Company recognizes that should the Company switch stock markets, the impact on transactions with main business partners will be minimal and will not impair the Company's business value.