Translation

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# Consolidated Financial Results for the Nine Months Ended April 30, 2026 (Under Japanese GAAP)

June 12, 2026

| | |
|---|---|
| Company name: | Liberaware Co., ltd. |
| Stock exchange listings: | Tokyo Stock Exchange |
| Stock code: | 218 a |
| URL: | https://liberaware.co.jp |
| Representative: | Hongkyu Min, Representative Director |
| Contact: | Junya Ichikawa, Director and CFO |
| TEL: | +81 43 497 5740 |
| Scheduled date for dividend payment: | None |
| Supplementary materials for financial summaries: | Yes |
| Financial results briefing: | Yes |

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending July 31, 2026 (from August 01, 2025 to April 30, 2026)**

**(1) Consolidated operating results (Cumulative)** (Percentage indicate YoY changes)

| | Revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Nine months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| April 30, 2026 | 1,216 | - | (1,969) | - | (1,348) | - | (1,349) | - |
| April 30, 2025 | - | - | - | - | - | - | - | - |

(Note) Comprehensive income 3rd quarter of the fiscal year ending July 2026: (1,347) million yen (-%) 3rd quarter of the fiscal year ending July 2025: - million yen (-%)

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Nine months ended | Yen | Yen |
| April 30, 2026 | (71.01) | - |
| April 30, 2025 | - | - |

(Note) 1. Since the Company has been preparing consolidated financial statements from the fourth quarter of the fiscal year ending July 2025, figures for the third quarter of the fiscal year ending July 2025 and YoY changes compared to the third quarter of the previous year are not provided.

2. Regarding diluted earnings per share for the third quarter of the fiscal year ending July 2026, although there are potential shares, it is not stated because there is a quarterly net loss per share.

**(2) Consolidated financial positions**

| | Total assets | Equity | Equity to total assets ratio |
|---|---|---|---|
| As of | Million yen | Million yen | % |
| April 30, 2026 | 1,460 | 729 | 46.6 |
| July 31, 2025 | 1,700 | 932 | 53.6 |

(Reference) Owner's equity July 2026 third quarter 681 million yen July 2025 912 million yen

**2. Cash dividends**

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | End of first quarter | End of second quarter | End of third quarter | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended July 31, 2025 | - | 0.00 | - | 0.00 | 0.00 |
| Fiscal year ending July 31, 2026 | - | 0.00 | - | | |
| Fiscal year ending July 31, 2026 (Forecast) | | | | 0.00 | 0.00 |

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending July 31, 2026 (from August 01, 2025 to July 31, 2026)**

(Percentages indicate YoY changes)

| | Revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Fiscal year ending July 31, 2026 | 1,700~1,900 | 20.8~35.0 | (2,154) ~ (2,311) | - | (574) ~ (730) | - | (575) ~ (731) | - | (30.26) ~ (38.47) |

(Note) Correction of financial forecast from the most recent financial forecast: Yes

* Notes

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

Newly included - company (company name) -, Excluded - company (company name) -

(2) Applying of specific accounting of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies due to revisions of accounting standards : None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(4) Number of shares issued (common stock)

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

| | |
|---|---|
| As of April 30, 2026 | 19,637,700 shares |
| As of July 31, 2025 | 18,896,600 shares |

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

| | |
|---|---|
| As of April 30, 2026 | - shares |
| As of July 31, 2025 | - shares |

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

| | |
|---|---|
| Nine months ended April 30, 2026 | 19,004,073 shares |
| Nine months ended April 30, 2025 | 18,852,436 shares |

※ Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: None

* Notes on the appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and on certain assumptions that are deemed reasonable. They are not intended as a guarantee of achievement by the Company. Actual results may differ significantly due to various factors. For the conditions underlying the forecasts and notes regarding the use of forecasts, please refer to the attached materials on P.5, "1. Overview of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Forecasts."

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1. Overview of operating results, etc.

(1) Overview of operating results for the current quarter

Since the Group has prepared quarterly consolidated financial statements starting from the current first-quarter consolidated accounting period, a comparative analysis with the same period of the previous year has not been conducted.

Our group, under the vision of "visualizing invisible risks," provides a variety of solutions that utilize drones and robots (hereinafter referred to as "drones, etc.") as well as data processing and analysis technologies to support improvements in safety, efficiency, and sustainability in the maintenance and inspection of industrial infrastructure. Among these, infrastructure and facility inspections in special environments that are "narrow, dark, and dangerous," where GPS does not reach indoors, are one of the areas where our group can demonstrate its greatest strengths. By using our proprietary indoor confined space inspection drone "IBIS," we acquire data from spaces that are difficult for humans to enter, and provide end-to-end services including data processing, AI analysis, and cloud management through our 3D cloud platform "LAPIS," thereby enabling full digitalization.

Our Group's solutions provide new options for inspecting aging infrastructure, labor shortages, and the aging of skilled workers—urgent social issues—without the need for human entry. By promoting the adoption of our Group's solutions, we believe we can contribute to strengthening the domestic industrial foundation and realizing our mission of "creating a society where everyone is safe."

Furthermore, going forward, we will continue our research and business activities to develop and deploy autonomous drones capable of freely flying in confined and enclosed indoor spaces, which is a specialty of our group. In addition, we aim to provide drone solutions tailored to special environments in areas facing labor shortages and safety challenges, such as railway maintenance and construction sites. Moreover, we consider it an important mission of our group to expand these Japan-originated industrial solutions to the world by entering overseas markets, including Asia, which face similar challenges.

In the maintenance and inspection domain of industrial infrastructure, where our group provides solutions, several challenges are progressing simultaneously: the aging of facilities and equipment, the aging and shortage of skilled workers, the increasing sophistication of on-site safety, and the growing demand for data utilization and traceability. In particular, there is a rising need for digitalization in areas that are difficult to access with conventional manpower, such as narrow, enclosed, or hazardous indoor environments. This includes acquiring data without human entry, processing data through 3D modeling and AI analysis, and centralized management via the cloud.

In the private sector, particularly in asset-heavy industries such as manufacturing, energy, railways, and construction, the main factors driving the decision to implement these solutions are ensuring safety, standardizing quality, improving operating rates (reducing downtime), and enhancing maintenance planning. The introduction of digital twins and inspection DX is positioned as a means to achieve both risk reduction and economic rationality (cost, construction period, and reproducibility).

In the public sector, institutional improvements are progressing. Specifically, these include the expansion of the principle application based on the BIM/CIM (*1) Utilization Guidelines in March 2020, the promotion of digitalization of inspections due to the amendment of the Basic Act on the Formation of a Digital Society on June 14, 2023, and the emergence of labor-saving and manpower-saving needs due to the strengthening of working hour regulations (Work Style Reform Related Law) from April 1, 2024. In addition, as a result of the agreement among relevant ministries and agencies by the Cabinet Office in September 2020, procurement policies for drones with secured security in life-related facilities such as power generation facilities, dams, and railway facilities have been confirmed, and similar requests are tending to spread to private procurement as well.

Overseas, there is a growing trend toward stricter procurement and operational requirements, particularly in the critical infrastructure sector, with a focus on security, data sovereignty, and diversification of supply chains. As a result, there is an increasing preference for aircraft, software, and operational systems that emphasize reliability and data governance, and the digitalization of infrastructure inspections is expanding internationally.

Against the backdrop of these industrial structure and institutional trends, the drone market is expected to expand to 1 trillion 19 billion 500 million yen by 2030 (Source: Impress Research Institute "Drone Business Survey Report 2025"), and the DX market is expected to expand to 2 trillion 900 billion yen by 2030 (Source: Fuji Chimera Research Institute, Inc. "2025 Future Outlook of the Digital Transformation Market" (Manufacturing Market)).

Under such circumstances, our group is working to promote DX (digital transformation) in the infrastructure industry by implementing drone inspections in confined indoor spaces and digitizing equipment inspections and surveys that have traditionally relied on analog methods. In particular, following the road collapse accident in Yashio City, Saitama Prefecture in January 2025, discussions have been advancing in the sewerage sector regarding measures to address aging infrastructure and strengthen maintenance and management systems. The Ministry of Land, Infrastructure, Transport and Tourism has also indicated policies such as establishing sewerage management that prioritizes safety, ensuring the safety of underground road spaces, and strengthening the foundation supporting sewerage management, through the "Partial Amendment to the Sewerage Act, etc." which was approved by the Cabinet in March 2026.

In addition, regarding the use of drones for sewer pipeline inspections, in addition to the previously presented roadmap, more concrete measures for promoting the adoption of drones for sewer pipes and a clearer image of a utilization scheme involving

collaboration among municipalities, pipeline inspection companies, drone providers, and industry organizations have been presented. As a result, institutional design for the social implementation of drone inspections is progressing.
In response to this, our group, continuing from the previous fiscal year, promoted the following initiatives toward the social implementation and standardization of drone utilization in the sewerage sector, in collaboration with the government, local municipalities, core sewerage companies, and industry associations.

| Category | Jurisdiction<br>Main customer | Contents |
|---|---|---|
| Government | Ministry of Land, Infrastructure, Transport and Tourism, etc.<br>System design, technical demonstration,<br>Entity responsible for promoting implementation | Selected for the Ministry of Land, Infrastructure, Transport and Tourism's 'AB-Cross Project' and the FY2026 Applied Research (Sewerage), promoting research and demonstration of drone utilization in sewerage inspection. |
| Local government | Management entity of sewerage facilities,<br>Entities with on-site issues | In collaboration with local governments across the country, infrastructure inspections such as sewer pipes have been conducted at more than 40 locations in total.<br>In addition, we are advancing the identification of on-site issues and implementation verification for the introduction of drone inspections. |
| Core company in the sewerage industry | Technology provision, implementation promotion,<br>Entity responsible for social implementation | In order to advance development sophistication, accelerate social implementation, and expand sales and adoption, we are promoting business collaboration and capital and business alliances with four core companies in the sewerage industry. |
| Industry association | Technical standardization, promotion of widespread adoption,<br>Entity responsible for consensus building | Joined the Japan Sewage Works Association and the Japan Sewer Pipeline Management Association, and established a cooperative framework aimed at standardizing sewer inspections using drones.<br>In addition, promote industry collaboration to encourage widespread adoption. |

Furthermore, among our growth strategies, the two national projects under the SBIR program led by the Cabinet Office, which have been continuously implemented since the previous fiscal year, have also progressed smoothly as outlined below.

| SBIR Project Name | Jurisdiction<br>Lead customer | Contents | Progress |
|---|---|---|---|
| Technology development and demonstration for the advancement (labor-saving, automation, decarbonization) of construction work and disaster information collection | Ministry of Land, Infrastructure, Transport and Tourism | DX solution development project using drones aimed at improving operational efficiency at construction sites<br>Maximum subsidy grant amount:<br>0.47000000000000003 billion yen | The main technological development and demonstration have been largely completed, and preparations are underway to launch a construction progress management support service utilizing the spatial iPaaS (*3) "LAPIS." At the same time, expansion into the infrastructure maintenance and management field has begun.<br>・Level 3.5 (*4) Completed major technology development such as flight demonstration, high-precision point cloud generation, and AI anomaly detection |

| | | | |
|---|---|---|---|
| | | | Promote the commercialization of development results as finished goods under the spatial iPaaS "LAPIS," advancing the business of construction progress management support services that digitalize operations such as performance management, as-built management, and progress management in construction projects.<br>In addition to the construction market, we have begun to expand horizontally into infrastructure maintenance and management markets such as sewerage, electric power, and bridges. |
| Technology development and demonstration to improve efficiency and labor-saving in the maintenance and management of railway facilities | Ministry of Land, Infrastructure, Transport and Tourism | Project aiming to develop a railway inspection solution using drones adapted to railway environments<br>Maximum subsidy grant amount: 5.2 billion yen | Development of mass production prototype is underway<br>We are developing a solution that provides end-to-end support for railway inspections, from work requests to drone flights and 3D modeling. |

In overseas activities, in South Korea, we continued to expand awareness and create use cases toward market formation, and carried out activities such as the introduction of "IBIS2" by a major Korean energy company, business alliances, and participation in exhibitions. In Southeast Asia and other regions, we utilized public support programs such as those from the Ministry of Economy, Trade and Industry and JICA to develop markets in Southeast Asia, and promoted market understanding and expansion of business opportunities for the overseas deployment of "IBIS" through participation in exhibitions in Europe and Hong Kong and by establishing connections with overseas government and industry stakeholders. On the other hand, the indoor drone market in South Korea remains in its infancy, and since it takes a certain amount of time for customers to conduct introduction verification, on-site demonstrations, and to establish operational processes for inspection work using drones, market formation and full-scale sales expansion are taking longer than initially expected. In other regions as well, due to the need to comply with regulations and certifications in each country, the local customers' decision-making processes for introduction, and the establishment of maintenance and operational systems, it is taking longer than anticipated to develop business negotiations, make introduction decisions, and build a continuous sales structure, and full-scale sales contributions are expected from the next fiscal year onward.

In addition, regarding the new product released during the current fiscal year, the autonomous patrol camera "Torinos," we had anticipated a quicker transition from PoC to mass production. However, as the PoC is taking longer than expected, we are taking a cautious view on a full-scale mass production rollout within the current fiscal year, and there is a possibility that significant sales contributions may be realized from the next fiscal year onward.

As a result of the above activities, the operating results for the current third-quarter consolidated cumulative period were net sales of 1,216,546 thousand yen, operating loss of 1,969,879 thousand yen, ordinary loss of 1,348,592 thousand yen, and quarterly net loss attributable to owners of the parent of 1,349,392 thousand yen.

[Glossary]

*1 BIM/CIM: BIM stands for "Building Information Modeling," which refers to a solution that utilizes a database of structures by adding attribute data such as management information to three-dimensional digital models of buildings created on a computer, for information utilization in all processes from design and construction to maintenance and management of buildings.

CIM stands for "Construction Information Modeling" and refers to a standard that defines methods for identifying equipment and other items to be managed, as well as describing the relationships among multiple objects.

*2 SBIR System: The SBIR system stands for "Small Business Innovation Research." It is a system in which the Cabinet Office sets budget expenditure targets and provides consistent support through inter-ministerial cooperation, from the initial stages of research and development to government procurement and civilian use, aiming to create innovation and unicorns.

*3 Spatial iPaaS: Spatial iPaaS stands for "Integration Platform as a Service" and refers to a cloud-based data integration platform that centrally connects devices such as robots, drones, and cameras, as well as various software, in digital spaces (such as 3D data, point cloud data, BIM, etc.).

*4 Level 3.5 flight: Level 3.5 flight refers to flights that, by possessing an unmanned aircraft operator skill certificate, obtaining insurance, and utilizing onboard cameras and other equipment, make it easier to cross over roads, railways, etc. without the conventional requirement for entry control measures (such as the placement of assistants or signs).

As our group operates a single segment, the Infrastructure DX business, segment information is omitted. The status of net sales by our group's main service categories is as follows.

(Unit: Thousands of yen)

| Business segment name | | Current third-quarter consolidated cumulative period (From August 1, 2025 Until April 30, 2026 |
|---|---|---|
| Drone business | Inspection Solution | 176,886 |
| | Product provision service | 448,286 |
| Subtotal | | 625,173 |
| Digital Twin Business | Data processing and analysis services | 173,290 |
| | Digital Twin Platform | 65,879 |
| Subtotal | | 239,169 |
| Solution Development Business | | 305,582 |
| New area | | 46,622 |
| Total | | 1,216,546 |

(2) Overview of financial positions for the current quarter

( Assets)

At the end of the current third-quarter consolidated accounting period, current assets amounted to 1,190,094 thousand yen, a decrease of 271,614 thousand yen compared to the end of the previous consolidated fiscal year. This was mainly due to increases in work in process by 19,680 thousand yen, raw materials and supplies by 17,248 thousand yen, and consumption taxes refund receivable by 11,625 thousand yen, while notes and accounts receivable - trade decreased by 207,931 thousand yen and cash and deposits decreased by 122,953 thousand yen. Non-current assets amounted to 270,316 thousand yen, an increase of 31,272 thousand yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease in investment and other assets by 17,729 thousand yen, while property, plant and equipment increased by 49,456 thousand yen.

As a result, total assets amounted to 1,460,410 thousand yen, a decrease of 240,341 thousand yen compared to the end of the previous consolidated fiscal year.

( Liabilities)

At the end of the current third-quarter consolidated accounting period, current liabilities amounted to 585,870 thousand yen, an increase of 29,570 thousand yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 41,922 thousand yen in accounts payable - trade, 40,524 thousand yen in provision for bonuses, and 28,589 thousand yen in accrued expenses, despite a decrease of 100,000 thousand yen in short-term borrowings and 31,448 thousand yen in accrued expenses. Non-current liabilities amounted to 145,407 thousand yen, a decrease of 66,442 thousand yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of 73,080 thousand yen in long-term borrowings.

As a result, total liabilities amounted to 731,277 thousand yen, a decrease of 36,871 thousand yen compared to the end of the previous consolidated fiscal year.

( Net assets)

As of the end of the current third-quarter consolidated accounting period, total net assets amounted to 729,133 thousand yen, a decrease of 203,470 thousand yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase in share capital and capital surplus by 558,025 thousand yen each as a result of the exercise of share acquisition rights and a third-party allotment of shares, while retained earnings decreased by 1,349,392 thousand yen due to the recording of a quarterly net loss attributable to owners of the parent company.

As a result, the equity to total assets ratio was 46.6% (53.6% at the end of the previous consolidated fiscal year).

(3) Explanation regarding consolidated forecasts and other forward-looking information

Taking into account the performance of our group up to the current third-quarter consolidated cumulative period and the future business environment, we have revised the consolidated forecasts for the fiscal year ending July 2026, which were announced on September 12, 2025. For details, please refer to the "Notice Regarding Revision of Full-Year Consolidated Forecasts for the Fiscal Year Ending July 2026" released today. Please note that these forecasts are based on information currently available to the company and on certain assumptions deemed reasonable, and are not intended as a commitment to achieve such results. Actual performance may differ from these forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Main Notes (1) Quarterly consolidated balance sheet

(Unit: Thousands of yen)

| | Previous consolidated fiscal year (July 31, 2025) | Current third-quarter consolidated accounting period (April 30, 2026) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposit | 751,988 | 629,034 |
| Notes and trade receivables | 323,009 | 115,077 |
| Contract assets | 36,918 | 36,415 |
| Merchandise and finished goods | 40,023 | 39,051 |
| Work in process | 13,510 | 33,191 |
| Raw materials and supplies | 108,977 | 126,225 |
| Advance payments | 29,774 | 29,436 |
| Consumption taxes refund receivable | 107,766 | 119,391 |
| Others | 51,234 | 62,846 |
| Allowance for doubtful accounts | (1,492) | (574) |
| Total current asset | 1,461,709 | 1,190,094 |
| Non-current assets | | |
| Property, plant, and equipment | 129,397 | 178,853 |
| Intangible assets | 4,263 | 3,808 |
| Investment Other assets | 105,382 | 87,653 |
| Total non-current assets | 239,043 | 270,316 |
| Total assets | 1,700,752 | 1,460,410 |
| Liabilities | | |
| Current liabilities | | |
| Trade payables | 2,324 | 44,246 |
| Short-term borrowings | 200,000 | 100,000 |
| Current portion of long-term borrowings | 80,840 | 95,780 |
| Accounts payable | 75,602 | 104,192 |
| Accrued expenses | 122,185 | 90,737 |
| Income taxes payable | 819 | 1,804 |
| Contract liabilities | 66,093 | 94,156 |
| Provision for bonuses | - | 40,524 |
| Others | 8,432 | 14,427 |
| Total current liabilities | 556,299 | 585,870 |
| Non-current liabilities | | |
| Long-term borrowings | 211,850 | 138,770 |
| Asset retirement obligations | - | 6,637 |
| Total non-current liabilities | 211,850 | 145,407 |
| Total liabilities | 768,149 | 731,277 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 11,946 | 569,972 |
| Capital surplus | 852,063 | 1,410,089 |
| Retained earnings | 54,951 | (1,294,440) |
| Total shareholders' equity | 918,962 | 685,621 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | (6,654) | (4,419) |
| Total accumulated other comprehensive income | (6,654) | (4,419) |
| Share acquisition rights | 20,295 | 47,931 |
| Total net assets | 932,603 | 729,133 |
| Total liabilities and net assets | 1,700,752 | 1,460,410 |

(2) Quarterly consolidated statement of income and statement of comprehensive income

(Unit: Thousands of yen)

| | Current third-quarter consolidated cumulative period (From August 1, 2025 Until April 30, 2026 |
|---|---|
| Revenue | 1,216,546 |
| Cost of sales | 703,406 |
| Gross profit | 513,140 |
| Selling, general and administrative expenses | 2,483,019 |
| Operating loss (-) | (1,969,879) |
| Non-operating income | |
| Interest income | 865 |
| Government grant income | 660,038 |
| Other | 5,470 |
| Total non-operating income | 666,373 |
| Non-operating expenses | |
| Interest expense | 5,975 |
| Share of loss of investments accounted for using equity method | 27,694 |
| Other | 11,417 |
| Total non-operating expenses | 45,087 |
| Ordinary loss (-) | (1,348,592) |
| Quarterly net loss before income taxes (-) | (1,348,592) |
| Income taxes - current | 799 |
| Quarterly net loss (-) | (1,349,392) |
| Comprehensive income attributable to | |
| Quarterly net loss attributable to owners of the parent (-) | (1,349,392) |
| Other comprehensive income (loss), net of tax | |
| Foreign currency translation adjustment | 2,234 |
| Other comprehensive income, net of tax | 2,234 |
| Comprehensive income | (1,347,158) |
| Comprehensive income attributable to | |
| Quarterly comprehensive income attributable to owners of the parent | (1,347,158) |

(3) Notes regarding quarterly consolidated financial statements

(Notes on segment information, etc.)

As our group operates a single segment, the Infrastructure DX business, disclosure is omitted.

(Notes in case of significant changes in the amount of shareholders' equity)

As of December 26, 2025, the Company received payment for a third-party allotment of shares from Kyushu Electric Power Company, Incorporated, resulting in an increase of 24,988 thousand yen each in Share capital and Legal capital surplus. In addition, as of March 31, 2026, the Company received payment for a third-party allotment of shares from Nihon Hume Co., Ltd., Nissui-Con Co., Ltd., Kansei Kogyo Co., Ltd., and Yamada Shokai Co., Ltd., resulting in an increase of 530,186 thousand yen each in Share capital and Legal capital surplus.

Furthermore, in the current third-quarter consolidated cumulative period, share capital and legal capital surplus each increased by 2,850 thousand yen due to the exercise of share acquisition rights.

As a result, at the end of the current third-quarter consolidated accounting period, share capital was 569,972 thousand yen and capital surplus was 1,410,089 thousand yen.

(Notes regarding the going concern assumption)

There are no applicable matters.

(Notes on quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows for the current third-quarter consolidated cumulative period has not been prepared. In addition, depreciation (including amortization of intangible assets excluding goodwill) for the current third-quarter consolidated cumulative period is as follows.

| | Current third-quarter consolidated cumulative period (From August 1, 2025 Until April 30, 2026 |
|---|---|
| Depreciation | 40,701 thousand yen |

(Additional information)

(Decrease in the amount of Share capital and Legal capital surplus)

At the Board of Directors meeting held on April 21, 2026, the Company resolved to submit a proposal regarding the reduction of the amounts of Share capital and Legal capital surplus to the extraordinary general meeting of shareholders scheduled to be held on July 14, 2026.

1. Purpose

This measure is intended to enable the implementation of agile and flexible capital policies in the future, and as part of our financial and tax strategies, we will reduce Share capital and Legal capital surplus and transfer these amounts to Other capital surplus in accordance with the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act. Please note that this will not result in any change to the total number of issued shares or the amount of Net assets, and there will be no impact on Net assets per share.

2. Contents

(1) Details of the decrease in the amount of share capital

(i) Decreased amount of share capital

The amount of share capital, 569,972,450 yen, will be reduced by 559,972,450 yen, resulting in a post-reduction share capital amount of 10 million yen. Please note that if the stock options (share acquisition rights) issued by the Company are exercised by the effective date of the capital reduction, the amount of share capital and the post-reduction share capital amount may change.

(ii) Method of reduction of share capital amount

No changes will be made to the total number of issued shares, and the entire amount of the decrease in share capital will be transferred to other capital surplus.

(iii) Effective date of the reduction of share capital

It is scheduled for July 17, 2026.

(2) Details of the decrease in the amount of legal capital surplus

(i) Amount of legal capital surplus to be decreased

The entire amount of Legal capital surplus, 1,051,973,395 yen, will be reduced, resulting in a post-reduction Legal capital surplus of 0 yen. Please note that if the stock options (Share acquisition rights) issued by the Company are exercised before the effective date of the Capital reduction, the amount of Legal capital surplus and the post-reduction Legal capital surplus will fluctuate.

(ii) Method of reduction of legal capital surplus

No changes will be made to the total number of issued shares, and the entire amount of the decreased Legal capital surplus will be transferred to Other capital surplus.

(iii) Effective date of the reduction in the amount of legal capital surplus

It is scheduled for July 17, 2026.

3. Schedule

| | |
|---|---|
| (1) Resolution of the Board of Directors | April 21, 2026 |
| (2) Public notice date for creditor objection statements | June 15, 2026 (scheduled) |
| (3) Extraordinary General Meeting of Shareholders Resolutions | July 14, 2026 (scheduled) |
| (4) Final deadline for creditors' objections | July 16, 2026 (scheduled) |
| (5) Effective date | July 17, 2026 (scheduled) |

4. Other Important Matters

This matter is a transfer between accounts within Net assets, and there will be no change in the amount of Net assets, nor will it have any impact on business performance. Furthermore, this matter is subject to approval and resolution at the extraordinary general meeting of shareholders scheduled to be held on July 14, 2026.