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(Ticker code: 5721)

June 6, 2025

(Electronic provision begins on June 5, 2025)

To each shareholder

8-9-13 Ginza, Chuo-ku, Tokyo

S Science Company, Ltd.

Representative Director
& President

Kenko Hisanaga

Convocation Notice of the 106th Ordinary General Meeting of Shareholders

Dear Shareholders,

Thank you very much for your continued support. We would like to inform you that our 106th Ordinary General Meeting of Shareholders will be held on the date below.

The General Meeting of Shareholders will be convened electronically, and details regarding the electronic provision of the notice are posted on the following website as the "Notice of Convocation of the 106th Ordinary General Meeting of Shareholders."

Our website: <http://www.s-science.jp/e-soukai.html>

In addition to the above website, the electronic provision measures are also posted on the website of the Tokyo Stock Exchange (TSE), so please check the following.

【Tokyo Stock Exchange website (TSE listed company information service)】

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

(Please access the TSE website above, enter "S Science" in the "Stock Name (Company Name)" field or our securities code "5721" in the "Code" field, search, and select "Basic Information" and then "Public Documents/PR Information." You can then check the "Notice of General Shareholders' Meeting/General Shareholders' Meeting Materials" section under "Public Documents.")

If you are unable to attend, please review the reference documents for the General Meeting of Shareholders listed in the Electronic Provisions section, indicate your approval or disapproval on the enclosed voting form, and return it to us so that it arrives by 5:30 p.m. on Thursday, June 26, 2025.

Sincerely yours,

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Details

1. Date & Time June 27, 2025 (Friday) 10:00 am.
2. Location TKP Shinbashi Conference Center Hall 14E (Saiwai Building 14F)
Uchisawaicho 1-3-1, Chiyoda-ku, Tokyo
Due to venue restrictions, we will not allow entry if you arrive before 9:30, so
please arrive after that time.
Please note that the location will be different from last year, so if you are
attending, please refer to the map at the end of this document.
3. Objectives
Reporting Items 106th Fiscal Year (April 1, 2024 to March 31, 2025)
Business Report and Financial Statements
Resolutions
Proposal 1: Partial Amendment to the Articles of Incorporation
Proposal 2: Election of Five Directors (Excluding Directors Who Serve as Audit
and Supervisory Committee Members)
Proposal 3: Election of One Director Who Serves as Audit and Supervisory
Committee Member
Proposal 4: Presentation of Retirement Benefits to Retiring Directors

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## ■Notice

- ◎If you are attending the meeting, please submit the enclosed voting form to the reception desk at the venue.
- ◎If your voting slip does not indicate whether you are for or against a proposal, it will be treated as an expression of approval.
- ◎If the above measures are updated or the venue changes due to the spread of infection up until the day of the General Meeting of Shareholders or due to announcements by the government, etc., we will post this information on our website (address: <http://www.s-science.jp>).
- ◎At this General Shareholders' Meeting, we will send you a document containing the items to be provided electronically, regardless of whether or not you request a paper copy.  
Of the items to be provided electronically, the following items will not be included in the document we send you, in accordance with laws and regulations and our Articles of Incorporation.
  - ・ Financial Statements: "Statement of Changes in Equity" and "Notes to Non-Consolidated Financial Statements"Accordingly, the financial statements listed in these documents are only a portion of the documents audited by our corporate auditors and accounting auditors when preparing their audit reports.
- ◎If any amendments are made to the electronic provision measures, we will post a notice to that effect on each website on which the information is posted, along with the original and amended information.

- Please note that no thank-you gifts (souvenirs) will be distributed to shareholders attending the General Meeting of Shareholders.  
We appreciate your understanding.

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## Reference documents for the general meeting of shareholders

### Proposals and reference matters

#### Proposal No. 1: Partial Amendment to the Articles of Incorporation

1. Reason for the Proposal  
In response to the diversification of our business, we would like to add a new business objective in preparation for future business development.
2. Details of the Amendments to the Articles of Incorporation  
The details of the amendments are as follows:

(Underlined sections indicate changes)

| Current Articles of Incorporation                              | Proposed Amendments                                                              |
|----------------------------------------------------------------|----------------------------------------------------------------------------------|
| Article 1 <Omitted>                                            | Article 1: <As currently stated>                                                 |
| Article 2 (Purpose)                                            | Article 2 (Purpose)                                                              |
| 1.-76. <Provisions omitted>                                    | 1.-76. <As currently stated>                                                     |
| <New>                                                          | <u>77. Cryptocurrency investment and management</u>                              |
| <New>                                                          | <u>78. General business operation related to or incidental to cryptocurrency</u> |
| <u>77.</u> All business operations related to the above items。 | <u>79.</u> All business operations related to the above items                    |

3. Schedule for Partial Amendment to the Articles of Incorporation
  - (1) Date of Board of Directors Resolution: May 30, 2025
  - (2) Date of Shareholders Meeting Resolution: June 27, 2025 (Scheduled)
  - (3) Effective Date: June 27, 2025 (Scheduled)

#### Proposal No. 2: Election of five directors (excluding directors who are audit and supervisory committee members)

The terms of office of all current directors (excluding directors who are Audit and Supervisory Committee members) (two directors) will expire at the conclusion of this general meeting, and we therefore request the election of five new directors (excluding directors who are Audit and Supervisory Committee members).

The Audit and Supervisory Committee has considered this proposal and has expressed the opinion that there are no particular issues to be pointed out.

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The candidates for directors (excluding directors who are Audit and Supervisory Committee members) are as follows:

| Candidate Number | Name<br>(Date of Birth)           | Biography, Position, Responsibilities, and Significant Concurrent Positions Number of Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of Shares Owned by the Candidate |
|------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 1                | Kenko Hisanaga<br>(July 30, 1971) | <p>2011 February TBI Co., Ltd.<br/>Kagoshima Branch Manager</p> <p>2015 October Deputy Director of Corporate Planning Department of the same company</p> <p>2019 April Shizuoka Branch Manager of the same company</p> <p>2020 April Deputy General Manager, Security Division 1, SI Business Department of the same company</p> <p>2022 April Deputy General Manager, Metropolitan Sales Division 2, SI Business Department of the same company</p> <p>2023 December Left the same company</p> <p>2023 December Joined our company as General Manager of New Business Operations</p> <p>2024 June Managing Director of our company</p> <p>2025 January Representative Director &amp; President of our company (current position) up to the present</p> <p>(Reason to be selected)<br/>He has been selected based on his overall knowledge and experience in the new business division and his ability to contribute to business expansion.</p> | - shares                                |

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| Candidate Number | Name<br>(Date of Birth)         | Biography, Position, Responsibilities, and Significant Concurrent Positions Number of Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Number of Shares Owned by the Candidate |
|------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 2                | Takuya Hirose<br>(July 3, 1975) | <p>1999 April Joined Nomura Securities Co., Ltd.</p> <p>2004 October Joined Merrill Lynch Japan Securities Co., Ltd.</p> <p>2009 August Joined PwC Advisory Co., Ltd. (currently PwC Advisory LLC)</p> <p>2011 June Joined Morgan Stanley MUFG Securities Co., Ltd. as Executive Director</p> <p>2018 April Joined Remixpoint Inc. as Executive Officer and CFO</p> <p>2019 June Assigned as Director and CFO of the same company</p> <p>2022 December Assigned as Representative Director of Midori Corporation (current position) up to the present</p> <p>(Reason to be selected)</p> <p>He has extensive experience in financial institutions, most recently serving as a director at Remixpoint, Inc. We believe that he will be able to provide accurate advice and supervise the execution of business operations based on his extensive knowledge and insight regarding the strategic launch of the cryptocurrency investment business, which we are promoting as a new business, and the development of crypto asset businesses. Therefore, we propose that he be elected as an Outside Director.</p> | - shares                                |

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| Candidate Number | Name<br>(Date of Birth)         | Biography, Position, Responsibilities, and Significant Concurrent Positions Number of Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of Shares Owned by the Candidate |
|------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 3                | Takanori Seki<br>(June 1, 1981) | <p>2005 April Joined Sakuraya Co., Ltd.</p> <p>2015 October Joined Real World Co., Ltd. (currently Digital Plus Co., Ltd.)</p> <p>2019 May Joined bitFlyer, Inc.</p> <p>2020 March Obtained Certified Fraud Examiner (CFE) certification</p> <p>2021 February Joined Daiichi Shokuhin Co., Ltd. (currently UNBANKED Co., Ltd.)</p> <p>2025 May Joined Accounting Audit Research Institute, Inc. as President and CEO (current position) up to the present</p> <p>(Reason to be selected)</p> <p>He has extensive experience in the cryptocurrency industry, having worked in the management department of a listed company, handling core operations such as accounting, general affairs, and legal affairs.</p> <p>Additionally, as a certified fraud examiner, he has been involved in fraud investigations for various corporations.</p> <p>We expect him to contribute to improving our management oversight and auditing functions, as well as our corporate governance, and we therefore request his election as a new Outside Director.</p> | - shares                                |

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| Candidate Number | Name<br>(Date of Birth)               | Biography, Position, Responsibilities, and Significant Concurrent Positions Number of Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of Shares Owned by the Candidate |
|------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 4                | Hiroshi Shimooka<br>(August 12, 1974) | <div>2002 October Joined Shugakusha Co., Ltd.</div> <div>2008 February Joined Tori Holdings Co., Ltd.<br/>(currently LIEH Co., Ltd.)</div> <div>2017 October Assigned as Head of Internal Auditing<br/>of the same company</div> <div>2023 March Assigned as General Manager of<br/>Accounting, Corporate Planning<br/>Department of the same company</div> <div>2024 June Assigned as Director and General<br/>Manager of Accounting of the same<br/>company</div> <div>2024 August Assigned as Representative Director &amp;<br/>President of the same company (current<br/>position)<br/>up to the present</div> <div>(Reason to be selected)<br/>As he serves as Representative Director of another<br/>affiliated company, LIEH Inc., we believe that he will be<br/>able to strengthen the monitoring and supervision<br/>functions of the company's management and provide<br/>advice on management, and therefore we are requesting<br/>his election as an Outside Director.</div> | - shares                                |

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| Candidate Number | Name<br>(Date of Birth)       | Biography, Position, Responsibilities, and Significant Concurrent Positions Number of Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Number of Shares Owned by the Candidate |
|------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 5                | Ken Fukuda<br>(June 18, 1967) | <p>1995 April      Joined Yaohan Japan Co., Ltd.</p> <p>2010 May        Assigned as Outside Director of Seikido Co., Ltd.</p> <p>2011 June        Assigned as External Auditor of Bulk Holdings Co., Ltd.</p> <p>2012 April       Assigned as Outside Director, of Stream Co., Ltd.</p> <p>2012 December Policy Secretary to a Member of the House of Representatives (current position)</p> <p>2019 March      Assigned as Outside Director of Environmentally Friendly Holdings, Inc.(current position)<br/>up to the present</p> <p>(Reason to be selected)</p> <p>He has the experience and specialized knowledge he cultivated as a secretary to a member of the House of Representatives, and based on his extensive experience and deep insight, he is an individual who can provide appropriate advice and recommendations from an objective perspective regarding the Company's management structure and decision-making process. We believe that he will be able to fulfill this role and therefore propose his election as an Outside Director.</p> | - shares                                |

- (Note)
1. There are no special interests between the Company and any of the director candidates.
  2. Mr. Takuya Hirose, Mr. Takanori Seki, Mr. Hiroshi Shimooka and Mr. Ken Fukuda are candidates for Outside Directors.
  3. The Company plans to enter into agreements with Mr. Takuya Hirose, Mr. Takanori Seki, Mr. Hiroshi Shimooka and Mr. Ken Fukuda to limit their liability for damages due to dereliction of duties pursuant to Article 427, Paragraph 1 of the Companies Act. In addition, the limit of liability under the contract is the amount prescribed by law.
  4. The Company has concluded an officer liability insurance contract with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act, and in the event that an insured person is sued for damages arising from an act performed in the course of business as an officer of the company, the insurance contract will cover legal damages and litigation costs. The candidate will be included as an insured under the insurance contract.

We also plan to update the same content in the next update.

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### No. 3: Election of one Director who is an Audit and Supervisory Committee Member

Director Mimako Yabe, who is an Audit and Supervisory Committee member, will resign at the conclusion of this general meeting of shareholders. We therefore request that one Director who is also an Audit and Supervisory Committee member be elected to fill her vacancy. In addition, the term of office of the newly appointed directors who are Audit and Supervisory Committee members will be until the end of the term of office of the predecessor directors who are Audit and Supervisory Committee members, as stipulated in the Company's Articles of Incorporation. In addition, the consent of the Audit and Supervisory Committee has been obtained regarding the submission of this proposal to this General Meeting of Shareholders.

The candidates for Directors who are Audit and Supervisory Committee members are as follows:

| Name<br>(Date of Birth)            | Biography, Position, Responsibilities, and Significant Concurrent Positions<br>Number of Company                                                                                                                                                                                                                                               |                                                                                                                                                                                                         | Number of Shares<br>Owned by the<br>Candidate |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Yoshihiko Fuchibe<br>(May 8, 1964) | 1987 March                                                                                                                                                                                                                                                                                                                                     | Graduated from the Faculty of Law, University of Tokyo                                                                                                                                                  | - shares                                      |
|                                    | 1989 March                                                                                                                                                                                                                                                                                                                                     | Completed legal training (41st term) and registered as an attorney (Daiichi Tokyo Bar Association).<br>Joined Nishimura & Sanada Law Offices (currently Nishimura & Asahi Foreign Law Joint Enterprise) |                                               |
|                                    | 2000 July                                                                                                                                                                                                                                                                                                                                      | Assigned as Partner, TMI Associates                                                                                                                                                                     |                                               |
|                                    | 2008 April                                                                                                                                                                                                                                                                                                                                     | Visiting Lecturer, Chuo University Business School                                                                                                                                                      |                                               |
|                                    | 2013 April                                                                                                                                                                                                                                                                                                                                     | Visiting Professor, Chuo University Business School (until March 2022)                                                                                                                                  |                                               |
|                                    | 2016 April                                                                                                                                                                                                                                                                                                                                     | Professor, Graduate School of Law and Politics, University of Tokyo<br>(Full-time, until September 2018)                                                                                                |                                               |
|                                    | 2019 January                                                                                                                                                                                                                                                                                                                                   | Founder of Venture Lab Law Office                                                                                                                                                                       |                                               |
|                                    | 2024 September                                                                                                                                                                                                                                                                                                                                 | Assigned as Outside Director, e-Logit, Inc. (current position)<br>up to the present                                                                                                                     |                                               |
|                                    | (Reason to be selected)<br><br>Although he has little experience in corporate management, he has extensive experience as an attorney, and is particularly knowledgeable in corporate law, international law, and legal education, providing him with ample insight into corporate management. We expect that he will utilize his experience to |                                                                                                                                                                                                         |                                               |

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|  |                                                                                                                                                                                       |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | provide accurate advice on our management and objectively audit and supervise the execution of duties by our directors, and we therefore request his election as an Outside Director. |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

- (Note)
1. There are no special interests between the Company and the candidates for Director who are Audit and Supervisory Committee members.
  2. Mr. Yoshihiko Fuchibe is a candidate for Outside Director.
  3. The Company plans to enter into an agreement with Yoshihiko Fuchibe to limit his liability for damages arising from dereliction of duties pursuant to Article 427, Paragraph 1 of the Companies Act. The amount of liability under the agreement will be limited to the amount prescribed by law.
  4. The Company has concluded an insurance contract for directors and officers liability insurance as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event that an insured person is sued for damages arising from an act performed in the course of his or her duties as a company director, the insurance contract will cover legal damages and litigation costs. The candidate will be included as an insured under the insurance policy.

We also plan to update the same content in the next update.

**Proposal No. 4: Presentation of retirement benefits to retiring directors**

We would like to ask for your approval to present a reasonable amount of retirement benefits to Mr. Moritoshi Shinada, who will be retiring from his position as a Director (excluding Directors who are Audit and Supervisory Committee Members) at the conclusion of this General Meeting of Shareholders due to the expiration of his term of office, in accordance with certain standards set by our company, as a reward for his service during his term of office. The specific amount, timing, and method of payment will be left to the discretion of the Board of Directors. The amount will be calculated and paid in accordance with the Company's internal regulations for director retirement benefits, and we believe it is appropriate.

The career profiles of the retiring directors are as follows:

| Name              | Career profiles |                                                                                           |
|-------------------|-----------------|-------------------------------------------------------------------------------------------|
| Moritoshi Shinada | 2000 June       | Executive Vice President of our company                                                   |
|                   | 2001 October    | Representative Director and Executive Vice President of our company                       |
|                   | 2003 June       | Representative Director and President of our company                                      |
|                   | 2009 May        | Representative Director and Chairman of our company                                       |
|                   | 2025 January    | Resigned as Representative Director of our company                                        |
|                   | 2025 January    | Chairman of the Board of Directors of our company (current position)<br>up to the present |

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## Business Report

( From April 1, 2024  
To March 31, 2025 )

### 1. Matters concerning the current status of the company

#### (1) Business progress and results

As a result of the sale of all shares of our subsidiary, Nagomi Design Co., Ltd., on July 31, 2024, we have transitioned to non-consolidated financial statements from this fiscal year.

During the fiscal year under review, the Japanese economy was expected to recover due to improvements in the employment and income environment and increased inbound demand. However, the outlook remains uncertain due to factors such as rising prices of commodities caused by soaring global resource prices because of the prolonged situation in Russia and Ukraine, the U.S. tariff issue, uncertainty over economic policy, concerns about the future of the Chinese economy, and armed conflict in the Middle East.

Under these circumstances, our performance for the fiscal year under review was as follows: in the nickel business, sales prices fell due to a drop in LME nickel prices, resulting in sales of JPY 625 million (down 2.2% from JPY 640 million in the same period of the previous fiscal year).

In the real estate business, only rental income was recorded, resulting in sales of JPY 8 million (decreased by 89.2% from JPY 78 million in the same period of the previous fiscal year).

In the education business, there were no sales (no sales in the same period of the previous fiscal year).

The Smart DX Solutions business was a new business launched in August 2024, therefore there were no sales.

As a result of the above, the business results for this fiscal year were sales of JPY 634 million (sales of JPY 718 million in the same period of the previous fiscal year), an operating loss of JPY 292 million (operating loss of JPY 311 million in the same period of the previous fiscal year), an ordinary loss of JPY 295 million (ordinary profit of JPY 243 million in the same period of the previous fiscal year), and a net loss of JPY 96 million (net profit of JPY 389 million in the same period of the previous fiscal year) due to the recording of a gain on the sale of subsidiary shares of JPY 206 million as extraordinary income.

It is with deep regret that we have decided to forgo dividend payments.

We ask our shareholders for their understanding of our current situation and for their continued support and encouragement.

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### Sales by Segment

| Classification             | Current Business Year |                 |
|----------------------------|-----------------------|-----------------|
|                            | Amount (JPY million)  | Composition (%) |
| Nickel Business            | 625                   | 98.7            |
| Real Estate Business       | 8                     | 1.3             |
| Education Business         | —                     | 0.0             |
| Smart DX Solution Business | —                     | 0.0             |
| Total                      | 634                   | 100.0           |

#### (2) Capital Investment Status

Not applicable.

#### (3) Funding Status

Not applicable.

#### (4) Status of business transfer, absorption-type split, or incorporation-type split

Not applicable.

#### (5) Status of acquisition of business of other companies

Not applicable.

#### (6) Status of succession of rights and obligations related to the business of other corporations, etc. through an absorption-type merger or absorption-type split

Not applicable.

#### (7) Acquisition or disposal of shares, other equities, or stock acquisition rights of other companies

2024On July 31, 2024, we sold all shares of our subsidiary, Nagomi Design Co., Ltd.

#### (8) Issues to be addressed

(Strengthening the sales structure)

We are engaged in the nickel business, real estate business, smart DX solutions business, etc., and through the activities of each business, we aim to increase corporate value, improve profits, and strengthen our financial structure, and we will work to reform and improve our performance.

Going forward, we will continue to strive to improve profitability by establishing a business structure that aims to be profitable through reforms in each business division and flexible sales activities.

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(Promotion of internal control)

Regarding internal control, we are strengthening measures against significant risks and working to build an effective management system based on our "Basic Policy on Internal Control" and "Basic Policy on the Corporate Governance Code." We will continue to ensure that operations are carried out in accordance with this system.

Regarding internal controls related to financial reporting, we follow the "Basic Policy for Internal Controls Related to Financial Reporting" and evaluate the status of the development and operation of our company-wide controls and business processes. We will continue to steadily operate in accordance with this basic policy.

(9) Assets and profit/loss status

| Classification                              | 103rd Fiscal Year<br>(ended March 2022) | 104th Fiscal Year<br>(ended March 2023) | 105th Fiscal Year<br>(ended March 2024) | 106th Fiscal Year<br>(Current Fiscal Year)<br>(ended March 2025) |
|---------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------------------------------|
| Sales (JPY thousand)                        | 865,361                                 | 806,791                                 | 718,710                                 | 634,428                                                          |
| Operating profit or loss (△) (JPY thousand) | △220,178                                | △110,872                                | 243,791                                 | △295,954                                                         |
| Net profit or loss (△) (JPY thousand)       | △321,423                                | △119,838                                | 389,497                                 | △96,734                                                          |
| Net income or net loss (△) per share (JPY)  | △2.68                                   | △0.85                                   | 2.75                                    | △0.68                                                            |
| Total assets (JPY thousand)                 | 2,846,516                               | 2,777,842                               | 3,122,255                               | 3,006,612                                                        |
| Net assets (JPY thousand)                   | 2,697,867                               | 2,624,405                               | 2,967,616                               | 2,871,007                                                        |

(10) Main business content (as of March 31, 2025)

| Business division          | Business content                                                                                         |
|----------------------------|----------------------------------------------------------------------------------------------------------|
| Nickel Business            | Sales of Nickel bullion and Nickel salts                                                                 |
| Real Estate Business       | Land and building sales, brokerage and rental                                                            |
| Education Business         | Full franchise management of cram schools                                                                |
| Smart DX Solution Business | Joint provision of core systems and IoT devices such as electronic shelf labels and surveillance cameras |

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## (11) Major sales offices and factories (as of March 31, 2025)

| Name                                  | Location                           |
|---------------------------------------|------------------------------------|
| Our company – Head office             | Chuo-ku, Tokyo                     |
| Kawaguchi factory                     | Kawaguchi City, Saitama Prefecture |
| West Japan sales office               | Tennoji-ku, Osaka City             |
| Education Business division           | Tennoji-ku, Osaka City             |
| Subsidiary – Shimura Sangyo Co., Ltd. | Chuo-ku, Tokyo                     |

## (12) Employee status (as of March 31, 2025)

| Number of employee | Change from the end of the previous fiscal year |
|--------------------|-------------------------------------------------|
| 16                 | —                                               |

- (Note) 1. The number of employees is the number of employed people.  
 2. The number of employees includes one seconded employee.

## (13) Status of parent company and subsidiaries

- ① Relationship with parent company  
 Not applicable.

## ② Status of Subsidiaries

| Name of the company      | Capital        | Voting rights ratio | Major business activities                              |
|--------------------------|----------------|---------------------|--------------------------------------------------------|
| Shimura Sangyo Co., Ltd. | JPY 20,000,000 | 100 %               | Design, manufacture, and sales of industrial equipment |

- ③ Specified wholly-owned subsidiaries as of the end of the fiscal year under review  
 Not applicable.

## (14) Major lenders (as of March 31, 2025)

Not applicable.

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## 2. Information regarding company stock

Status on company stock (as of March 31, 2025)

- (1) Total number of authorized shares 200,000,000 shares
- (2) Total number of issued shares 141,591,582 shares (excluding 2,167 treasury stock)
- (3) Number of shareholders 29,874
- (4) Major shareholders

| Name of shareholder                            | Number of shares held (shares) | Shareholding ratio (%) |
|------------------------------------------------|--------------------------------|------------------------|
| KAYLEO BROTHERS LIMITED                        | 31,057,186                     | 21.93                  |
| Yuta Misaki                                    | 6,502,100                      | 4.59                   |
| Moritoshi Shinada                              | 2,300,000                      | 1.62                   |
| SBI Securities Co., Ltd.                       | 1,617,118                      | 1.14                   |
| Nobuyoshi Mori                                 | 1,512,000                      | 1.07                   |
| Mitsubishi UFJ e-Commerce Securities Co., Ltd. | 1,379,100                      | 0.97                   |
| Kimiko Maeda                                   | 1,267,100                      | 0.89                   |
| Yáng Yǔjié 楊宇潔                                 | 1,260,500                      | 0.89                   |
| Shinji Takeichi                                | 1,000,000                      | 0.71                   |
| Qián Jiànhuá 錢建華                               | 987,700                        | 0.70                   |

(Note) The shareholding ratio is calculated excluding treasury stock (2,167 shares).

- (5) Other important matters regarding company stock

There are no applicable items

## 3. Matters concerning the company's stock acquisition rights, etc.

Not applicable.

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## 4. Matters Concerning Company Officers

### (1) Status of Directors

(As of March 31, 2025)

| Position                                                    | Name                | Responsibilities and significant concurrent positions   |
|-------------------------------------------------------------|---------------------|---------------------------------------------------------|
| Chairman of the Board                                       | Moritoshi Shinada 敏 | Representative Director and President of Koyo Co., Ltd. |
| Representative Director & President                         | Kenko Hisanaga      |                                                         |
| Director (Full-time Audit and Supervisory Committee Member) | Masamichi Hanaoka   |                                                         |
| Director (Audit and Supervisory Committee Member)           | Hidakazu Kanbayashi | Advisor, Toyo Tsushin Kogyo Co., Ltd.                   |
| Director (Audit and Supervisory Committee Member)           | Mimako Yabe         | Tax Accountant, Yabe Shuji Tax Accountant Office        |

- (Note)
1. Mr. Hidekazu Kanbayashi and Ms. Mimako Yabe are Outside Directors as defined in Article 2, Item 15 of the Companies Act.
  2. In order to strengthen the auditing and supervisory functions of the Audit and Supervisory Committee, we have appointed Masamichi Hanaoka as a full-time Audit and Supervisory Committee member to enhance the effectiveness of audits through information gathering from directors (excluding Audit and Supervisory Committee members), information sharing at important internal meetings, and sufficient cooperation with the Internal Audit Department, etc.
  3. The Company has notified the Tokyo Stock Exchange, Inc. of Directors Hidekazu Kanbayashi and Ms. Misako Yabe as independent officers.
  4. There is no special relationship between Koyo Co., Ltd. and our company.

### (2) Names of directors and officers who retired during the fiscal year

Names of Directors, etc.

| Position at the time of retirement                          | Name               | Date of retirement |
|-------------------------------------------------------------|--------------------|--------------------|
| Managing Director                                           | Kunihiko Kosa      | June 27, 2024      |
| Director                                                    | Shoji Tanaka       | ditto              |
| Director (Full-time Audit and Supervisory Committee Member) | Yoshikazu Shiozawa | ditto              |
| Director (Audit and Supervisory Committee Member)           | Naoki Ueda         | ditto              |
| Director (Audit and Supervisory Committee Member)           | Kazumasa Nomura    | ditto              |
| Representative Director & President                         | Yasuhiro Fukumura  | August 14, 2024    |
| Director                                                    | Hideo Yamada       | November 30, 2024  |

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(3) Summary of the limitation of liability agreement

The Company has entered into an agreement with Director (Audit and Supervisory Committee Member) Mr. Masamichi Hanaoka and Outside Directors (Audit and Supervisory Committee Members) Mr. Hidekazu Kanbayashi and Ms. Mimako Yabe. The amount of compensation that can be claimed under this agreement is limited to the amount prescribed by law.

(4) Matters concerning directors' and officers' liability insurance contracts

The Company has concluded an insurance contract for directors and officers liability insurance pursuant to Article 430-3 of the Companies Act with an insurance company, covering all directors and officers and equivalent persons of the Company and all of its subsidiaries.

当 The details of the agreement are outlined below:

- Only legal damages and litigation costs are covered.
- As a measure to ensure that the proper performance of the insured's duties is not compromised, damages resulting from criminal acts, etc., by the insured are not covered by compensation.
- The insurance premiums for this contract are paid entirely by the Company.

(5) Director remuneration, etc.

Our executive compensation system, within the scope of compensation approved at the General Meeting of Shareholders and taking into consideration our approach to corporate governance, aims to sustainably enhance corporate value and secure, retain, and motivate human resources.

1. Basic policy on Executive Compensation

- Compensation should be designed to promote short-term, medium- to long-term business performance and the improvement of corporate value.
- Compensation will be determined to ensure that we can secure the talent essential to sustainable growth.

2. Compensation level

Compensation will be determined taking into consideration our business activities and the business environment.

3. Amount of director remuneration

The amount of monetary compensation for our directors (excluding Audit and Supervisory Committee members) was resolved at our 103rd Ordinary General Meeting of Shareholders held on June 29, 2022 to be no more than JPY 20 million per month (of which, the portion for outside directors is no more than JPY 2 million per month) (not including the employee salaries of directors who also serve as employees). As of the conclusion of this Ordinary General Meeting of Shareholders, the number of directors is four (of which one is an outside director).

The remuneration for Directors who are Audit and Supervisory Committee members of the Company was resolved to be no more than JPY 3 million per month at the 103rd Ordinary General Meeting of Shareholders held on June 29, 2022. As of the conclusion of the Ordinary General Meeting of Shareholders, there are three Directors who are Audit and Supervisory Committee members.

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#### 4. Compensation determination method and delegation of individual director compensation

The Company resolved the policy for determining the details of individual remuneration for Directors (excluding Audit and Supervisory Committee Members) (hereinafter referred to as the "Decision Policy") at the Board of Directors meeting held on June 27, 2024.

The remuneration of our directors consists solely of fixed compensation, and is determined taking into consideration factors such as the degree of contribution to profits, the importance of job performance, the size of the role played, and the scope and degree of responsibility. In addition, when determining the content of individual directors' remuneration, we conduct a multifaceted review of the actual earnings of the Company and group companies and the individual duties of each director, and the Board of Directors has determined that the remuneration is in line with the decision-making policy. The remuneration for directors who are Audit and Supervisory Committee members consists of fixed remuneration only, and is determined through discussions among Audit and Supervisory Committee members, taking into consideration whether the position is full-time or part-time.

The calculation of individual remuneration amounts is determined internally based on a delegated resolution of the Board of Directors, and the final decision is made by Moritoshi Shinada, Chairman of the Board of Directors.

The reason for delegating authority is so that the Chairman of the Board of Directors can evaluate the performance and responsibilities of each executive officer while overseeing the company's overall performance, and the delegated authority covers the amount of remuneration for individual directors.

#### (6) Amount of directors' remuneration, etc.

| Category of executives                                        | Total amount of remuneration, etc. (JPY million) | Total amount of compensation by type (JPY million) |                                 |                     | Number of eligible executives |
|---------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|---------------------------------|---------------------|-------------------------------|
|                                                               |                                                  | Fixed remuneration                                 | Performance-linked remuneration | Retirement benefits |                               |
| Directors (excluding Audit and Supervisory Committee members) | 72                                               | 67                                                 | —                               | 4                   | 6                             |
| (Of which, Outside Directors)                                 | (0)                                              | (0)                                                | (—)                             | (—)                 | (1)                           |
| Directors who are Audit and Supervisory Committee members     | 14                                               | 14                                                 | —                               | 0                   | 6                             |
| (Of which, Outside Directors)                                 | (6)                                              | (6)                                                | (—)                             | (—)                 | (4)                           |

(Note) The amount of remuneration for directors (excluding directors who are Audit and Supervisory Committee members) is determined by the Board of Directors, taking into consideration their position, job responsibilities, etc., and the opinions of independent outside directors.

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## (7) Matters concerning Outside Directors

| Category                                          | Name                    | Relationship between important concurrent positions and the Company | Major activities during the current fiscal year                                                                                                                                                                                                                                                               |
|---------------------------------------------------|-------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director (Audit and Supervisory Committee Member) | Mr. Hidekazu Kanbayashi | —                                                                   | He attended 16 of the 16 Board of Directors meetings and 6 of the 6 Audit and Supervisory Committee meetings, and has experience in expanding business operations, which allows him to provide appropriate and necessary input on management from an objective and neutral standpoint with his broad insight. |
| Director (Audit and Supervisory Committee Member) | Ms. Mimako Yabe         | —                                                                   | He attended 16 of the 16 meetings of the Board of Directors and 6 of the 6 meetings of the Audit and Supervisory Committee, and made appropriate and necessary remarks based on his extensive experience and deep insight cultivated as a tax accountant.                                                     |

## 5. Accounting Auditor Status

### (1) Name of Accounting Auditor

KDA Audit Corporation

### (2) Summary of the liability limitation agreement

Our Articles of Incorporation stipulate that, with regard to the liability of the accounting auditor under Article 423, Paragraph 1 of the Companies Act, if the accounting auditor acts in good faith and without gross negligence, an agreement setting a certain limit may be concluded, and our company and the accounting auditor have entered into an agreement limiting liability for damages.

The outline of the contract is as follows:

- ① The auditing firm's liability for damages to the Company arising from the performance of this contract will be limited to the minimum liability amount set out in Article 425, Paragraph 1 of the same Act, except in cases where the auditing firm has acted with malice or gross negligence.

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- ② The Company will determine whether the audit firm's actions satisfy requirement ① and will promptly notify the audit firm of the result.

(3) Amount of remuneration, etc., of the accounting auditor for the current fiscal year

- ① Amount of remuneration, etc., for audit services under Article 2, Paragraph 1 of the Certified Public Accountants Act  
JPY 17,500,000

- ② Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor  
JPY 17,500,000

(Note) The audit contract between the Company and the accounting auditor does not clearly distinguish between the amount of audit fees based on the Companies Act and the amount of audit fees based on the Financial Instruments and Exchange Act, and since it is not possible to practically distinguish between them, the amount of fees is stated as the total amount of these.

(4) Consent to the amount of the accounting auditor's compensation, etc.

Based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Association of Corporate Auditors, a public interest incorporated association, the Audit and Supervisory Committee has analyzed and evaluated the audit results for the previous fiscal year, reviewed the audit time and staffing plan in the audit contract, the status of the accounting auditor's performance of duties, and the appropriateness of the estimated remuneration, and has given its consent to the amount of remuneration for the accounting auditor for the current fiscal year in accordance with Article 399, Paragraph 1 of the Companies Act.

(5) Policy for dismissal or non-reappointment of the accounting auditor

If the Audit and Supervisory Committee determines that it is necessary, such as when there is an impediment to the performance of the Accounting Auditor's duties, it will resolve a proposal regarding the dismissal or non-reappointment of the Accounting Auditor, and the Board of Directors will submit the proposal to the General Meeting of Shareholders based on that decision.

Furthermore, if the Audit and Supervisory Committee determines that the Accounting Auditor falls under any of the items set forth in Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will dismiss the Accounting Auditor with the consent of all Audit and Supervisory Committee members. In this case, an audit committee member selected by the Audit Committee will report the dismissal of the accounting auditor and the reasons for the dismissal at the first general meeting of shareholders convened after the dismissal.

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## 6. Overview of the system for ensuring the proper conduct of business operations and the status of operation of the system

The Company has outlined its decisions regarding the system for ensuring the appropriateness of its business operations (hereinafter referred to as the "Basic Policy for Establishing an Internal Control System"), as well as an overview of the operational status of said system during the fiscal year under review, as follows:

### 1. System to ensure directors' duties comply with laws, regulations, and the Articles of Incorporation

- (1) Based on corporate ethics, the Representative Director will repeatedly convey this spirit to officers and employees, ensuring that corporate activities are premised on compliance with laws and regulations, the Articles of Incorporation, and social ethics, honest responses to stakeholders and transparent management, and contributions to society through value creation through business activities.
- (2) To put this into practice, the Company's executives shall abide by the Company Philosophy, Code of Conduct, and Standards of Corporate Behavior, and shall take the lead in adhering to and promoting corporate ethics throughout the Group.
- (3) The Representative Director shall appoint an Internal Control Manager who shall endeavor to establish a company-wide compliance system, identify problems, and manage risks. The Internal Control Manager shall deliberate on important compliance issues and report the results to the Board of Directors. The Board of Directors shall analyze compliance risks specific to each business division and implement specific countermeasures.
- (4) The Board of Directors will decide on specific disciplinary action in the event of any violation of laws, regulations or the Articles of Incorporation by any executive or employee.

### 2. System to ensure that our employees comply with laws, regulations, and the Articles of Incorporation

- (1) In order to ensure that employees perform their duties in accordance with laws and regulations and the Articles of Incorporation, the Company will establish a system for practical application and thorough implementation of the Company Philosophy, Code of Conduct, Standards of Conduct, and Group Corporate Ethics, etc. In addition, the Representative Director, Directors, and Executive Officers will provide compliance education and awareness-raising to the Group's employees.
- (2) If an officer or employee of the Group discovers a serious violation of laws and regulations or other important facts related to compliance at a Group company, they shall report it to the Representative Director and the Internal Control Manager. The Internal Control Manager will direct and supervise an investigation into the reported facts and, if deemed necessary after

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consultation with the Representative Director, will decide on appropriate measures.

- (3) The Company will ensure that employees have a means to directly report any conduct within the Group that is questionable in terms of compliance with laws and regulations, and will establish a compliance hotline as one such means. In such cases, the whistleblower will be guaranteed anonymity at their request and will be assured that no disadvantage will be inflicted on them. The Internal Control Manager who receives the report will investigate the details, decide on measures to prevent recurrence in consultation with the relevant department, and implement these measures company-wide.

### 3. System for storing and managing information related to the execution of duties by the Company's directors

- (1) Directors shall appropriately store and manage documents (including electronic records; the same applies hereinafter) relating to the performance of their duties, such as minutes of general shareholders' meetings and related materials, minutes of board of directors meetings and related materials, decision documents in which directors make decisions, and other important supporting documents relating to the performance of directors' duties, as well as other important information, in accordance with the Company's internal regulations and in accordance with their respective responsibilities.
- (2) The Chairman of the Board of Directors shall be responsible for monitoring and supervising the storage and management of the information referred to in (1) above, and shall be assisted by the Director in charge of General Affairs. The duties of this person shall include the preparation of minutes as required by the Companies Act.
- (3) The documents set out in (1) above shall be kept for at least 10 years and may be inspected by the Directors as necessary.

### 4. Regulations and other systems for managing the risk of loss at our company

- (1) Based on the Risk Management Regulations, the Board of Directors will take practical measures to address all risks that threaten to enhance corporate value and achieve the sustainable development of corporate activities.
- (2) We will determine the responsible department for each risk category in our group, appoint the Internal Control Manager as the person responsible for all risks in the company, and

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comprehensively and exhaustively manage risks across the entire group. We will plan and develop our group's cross-sectional risk management system, identify problems, and respond when a crisis occurs, and provide this as important information for management decisions at the Board of Directors meeting, etc.

- (3) In addition to the above, we will establish a system to ensure business continuity in the event of the following risks:

- ① Risk of suffering significant losses due to disasters such as earthquakes, floods, accidents, and fires.
- ② The risk of serious disruptions to production, sales, etc. due to improper business conduct by officers or employees.
- ③ The risk of incurring losses due to a deterioration in the financial condition of business partners, etc.
- ④ The risk of incurring losses due to fluctuations in the purchase and sales prices of assets and products held due to fluctuations in various market risk factors, such as interest rates, securities and product prices, and foreign exchange rates.
- ⑤ Risk of losses due to cash flow problems caused by an inability to secure necessary funds due to a deterioration in financial condition or a decline in creditworthiness, etc.
- ⑥ Risk of significant losses due to malfunctioning of core IT systems
- ⑦ Other risks deemed extremely serious by the Board of Directors

#### 5. System to ensure efficient execution of duties by the Company's Directors

- (1) The Board of Directors shall have the Representative Director and other Directors and Executive Officers in charge of business operations execute their business operations based on the division of duties among the Representative Director and other Directors and Executive Officers in charge of business operations. The Representative Director will build the organization of the entire Group, ensure its efficient operation, and establish a system for monitoring and supervising it.
- (2) We will use the following management control systems to improve the efficiency of the execution of directors' duties.
  - ① Establishment of administrative authority and decision-making rules
  - ② Establishment of a Board of Directors composed of directors and executive officers
  - ③ The Board of Directors will formulate an interim management plan, set performance targets and budgets for each business division based on the mid-term management plan, and utilize IT to review monthly and quarterly performance and implement improvement measures.

#### 6. System for ensuring the proper conduct of business within the corporate group consisting of the company and its subsidiaries

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- (1) Aiming to establish internal controls within the Company and each Group company, the Company will establish a system that will enable efficient discussions, information sharing, and communication of instructions and requests regarding internal controls across the entire Group.
  - (2) Transactions between companies within the Group must be appropriate in light of laws, accounting principles, tax laws, and other social norms.
  - (3) The Representative Director and the Directors and Executive Officers in charge of business operations shall, in accordance with their respective duties, instruct Group companies to establish appropriate internal control systems. This includes the Representative Director instructing the Directors of each Group company on the establishment of systems for the storage and management of information related to the execution of Directors' duties.
  - (4) The Internal Audit Department shall conduct or supervise internal audits within the Group and ensure the effectiveness and appropriateness of internal controls across the Group's overall business. The annual plan, implementation status, and results of operational audits shall be reported to the Board of Directors, etc. according to their importance.
  - (5) Directors who are Audit and Supervisory Committee members (hereinafter referred to as "Audit and Supervisory Committee members") will establish an appropriate system, such as close cooperation with the accounting auditor and the business audit department, to enable them, either themselves or through the Company's Audit and Supervisory Committee, to effectively and appropriately monitor and audit the entire Group in accordance with the management of the Group.
7. Matters concerning the system for employees to assist the audit and supervisory committee in their duties and the independence of such employees from directors in the event that the audit and supervisory committee requests the assignment of employees to assist the committee in their duties
- (1) If an audit and supervisory committee member requests the appointment of an employee to assist the audit and supervisory committee member in his or her duties, a full-time employee with sufficient quantitative knowledge shall be appointed to assist the audit and supervisory committee member.
  - (2) Assistants to the Audit and Supervisory Committee will perform their duties in accordance with the instructions of the Audit and Supervisory Committee members and may concurrently serve as auditors of our group companies, but will not hold positions related to the execution of business of group companies.
  - (3) In order to ensure the independence of the Audit and Supervisory Committee Members, the prior consent of the full-time Audit and Supervisory Committee Members shall be obtained for decisions regarding personnel matters such as the appointment and transfer of such employees.
  - (4) Personnel evaluations of Audit and Supervisory Committee members shall be conducted by full-time Audit and Supervisory Committee members.
8. Systems for the company's directors and employees to report to the Audit and Supervisory Committee and other systems for reporting to the Audit and Supervisory Committee

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- (1) The Representative Director and Directors and Executive Officers in charge of business execution shall report on the status of execution of the business for which they are responsible at important meetings such as the Board of Directors meetings from time to time.
- (2) The Representative Director and directors in charge of business operations shall promptly report the following matters to the Audit and Supervisory Committee upon discovery:
  - ① Anything that has significantly damaged the company's credibility, or is likely to do so.
  - ② Anything that has had a significant negative impact on the company's performance, or that is likely to have such an impact.
  - ③ Anything that has caused or is likely to cause serious damage to the environment, safety, health, or product liability both inside and outside the company.
  - ④ Any serious violation of the Corporate Code of Conduct, Corporate Standards of Conduct, or Group Corporate Ethics.
  - ⑤ Any other matter equivalent to ① through ④ above.
- (3) The Company prohibits any Director (excluding Directors who are Audit and Supervisory Committee Members) or employees of the Company who have made a report to the Audit and Supervisory Committee, as well as Audit and Supervisory Committee Members and employees, from being treated unfavorably because they have made such a report, and the Company will make this known to all.

9. Other systems to ensure effective audits by the Audit and Supervisory Committee

- (1) The majority of the Audit and Supervisory Committee members shall be independent external Audit and Supervisory Committee members to ensure external transparency. The external Audit and Supervisory Committee members shall satisfy the independence requirements set forth by the Company, which shall be determined by the Audit and Supervisory Committee regulations and the Audit and Supervisory Committee audit standards approved by the Audit and Supervisory Committee.
- (2) In order to form its own opinions, the Audit and Supervisory Committee of the Company will hold regular meetings to exchange opinions with the Representative Director. The Audit and Supervisory Committee will be guaranteed the opportunity to receive advice on audit work from specialized lawyers, certified public accountants, etc. as necessary, especially for legal and accounting matters that require special expertise.

10. System for ensuring the reliability and appropriateness of financial reporting

In order to ensure the appropriateness and reliability of internal controls related to the Group's financial reporting, the Company will establish related regulations based on the standards for evaluation and audit of internal controls related to financial reporting, and will establish a system for

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ensuring the effective functioning of internal controls and a reporting system under the leadership of the Representative Director, who will evaluate these systems regularly and take necessary corrective measures if any deficiencies are found.

#### 11. Overview of the operational status of our internal control system

The operational status of the internal control system established by the Company to ensure the appropriateness of business operations during the current fiscal year (April 1, 2024 to March 31, 2025) is as follows:

- (1) System to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation (compliance system)

We have established the "Corporate Code of Conduct," "Corporate Code of Conduct," and "Basic Policies for Each Principle of the Corporate Governance Code," and we ensure that all officers and employees are aware of the importance of acting in accordance with laws and regulations and the Articles of Incorporation. Furthermore, through monitoring by internal control audits, we conduct strict investigations into whether there are any violations of laws and regulations, the Articles of Incorporation, or internal rules, and strive to objectively determine the facts, select appropriate handling methods, and prevent violations before they occur.

The Company has appointed two outside directors, and by receiving opinions and suggestions based on their insight at meetings of the Board of Directors and business division meetings, etc., the Company aims to improve the appropriateness of management decisions at meetings of the Board of Directors and other meetings and strengthen the supervisory function.

- (2) System for retaining and managing Information related to the execution of duties by directors (Information Retention and Management System)

The General Affairs Department appropriately stores and manages information (documents or electronic records) related to the performance of duties by directors, such as minutes of general shareholders' meetings, minutes of board of directors' meetings, related materials, and approval documents related to important matters, in accordance with internal company rules such as the "Document Management Regulations."

- (3) Regulations and other systems for managing the risk of loss (Risk Management System)

Based on the basic risk management policy, we review strategic risks, business process risks, fraud risks, etc. reported by each department in charge and strive to share information throughout the company. We also consider the management status of such risks at meetings of the Board of Directors, etc.

- (4) System for ensuring effective audits by the Audit and Supervisory Committee

The Audit and Supervisory Committee, the Accounting Auditor, and the General Affairs Department exchange information as appropriate. Additionally, Audit and Supervisory Committee

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members attend meetings of the Board of Directors and business divisions to receive reports on important matters.

(5) Other systems for ensuring the proper conduct of business

Other major initiatives undertaken by the Company during the fiscal year under review include conducting internal audits based on an internal audit plan to ensure the appropriateness of business operations.

## 7. Policy regarding decisions on dividends, etc.

Our basic policy is to return profits to shareholders by maintaining and increasing stable dividends and by acquiring and canceling treasury stock.

We also believe that one of our most important management priorities is to provide appropriate returns to shareholders while also taking into consideration the need to maintain sound management.

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Balance Sheet

(As of March 31, 2025)

(Unit: JPY thousand)

Category Item	Amount	Category Item	Amount
(Assets)		(Liabilities)	
Current assets	2,912,570	Current liabilities	33,277
Cash and deposits	1,761,709	Accounts payable	8,868
Deposits	418,794	Other accounts payable	9,367
Notes receivable	21,047	Accrued expenses	3,252
Accounts receivable	92,815	Accrued income taxes	5,055
Electronically recorded monetary claims	48,395	Unearned revenue	387
Real estate for sale	351,071	Deposits	2,256
Merchandise	210,231	Bonus reserve	4,090
Prepaid expenses	3,361	Non-current liabilities	102,327
Accounts receivable	500	Reserve for retirement benefits	13,885
Unrefunded corporate taxes, etc.	8	Reserve for directors' retirement benefits	86,310
Unrefunded consumption taxes, etc.	83	Security deposits received	1,800
Other	4,590	Deferred tax liabilities	332
Allowance for doubtful accounts	△38	Total liabilities	135,605
Non-current assets	94,041	(Net assets)	
Investments and other assets	94,041	Shareholders' equity	2,870,400
Investment securities	1,377	Capital	100,000
Capital investments	900	Capital surplus	2,597,570
Security deposits and guarantees	62,785	Other capital surplus	2,597,570
Long-term loans	2,400	Retained earnings	172,924
Membership rights	19,308	Other retained earnings	172,924
Long-term accounts receivable	31,812	Retained earnings carried forward	172,924
Other	12,870	Treasury stock	△94
Allowance for doubtful accounts	△37,412	Valuation and translation adjustments, etc.	606
		Unrealized gains on other securities	606
		Total net assets	2,871,007
Total assets	3,006,612	Total liabilities and net assets	3,006,612

(Note) The amounts shown are rounded down to the nearest unit.

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Income Statement

(From March 1, 2024
to March 31, 2025)

(Unit: JPY thousand)

Category Item	Amount	
Sales		634,428
Cost of sales		561,202
Gross profit		73,226
Selling, general and administrative expenses		365,301
Operating loss (△)		292,075
Non-operating income		
Interest income	2	
Dividend income	97	
Real estate rental income	40	
Other	1,300	1,440
Non-operating expenses		
Other	5,319	5,319
Ordinary loss (△)		295,954
Extraordinary income		
Gain on sale of subsidiary shares	206,000	206,000
Extraordinary loss		
Business closure loss	1,104	
Impairment loss	620	1,725
Net loss before taxes		91,679
Corporate tax, local resident tax, and business tax		5,055
Net loss		96,734

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Statement of Changes in Shareholders' Equity

(From March 1, 2024
to March 31, 2025)

(Unit: JPY thousand)

	Shareholders' equity				
	Capital	Capital surplus			Retained earnings
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings carried forward
Balance at the beginning of the period	100,000	—	2,597,570	2,597,570	269,659
Changes during the period					
Net loss (△)					△96,734
Net changes of items other than shareholders' equity during the period					
Total changes during the period	—	—	—	—	△96,734
Balance at the end of the period	100,000	—	2,597,570	2,597,570	172,924

(Unit: JPY thousand)

	Shareholders' equity		Valuation and conversion differences, etc.		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on other securities	Total difference due to valuation and conversion	
Balance at the beginning of the period	△94	2,967,135	481	481	2,967,616
Changes during the period					
Net loss (△)		△96,734			△96,734
Net changes in items other than shareholders' equity		—	125	125	125
Total changes during the period	—	△96,734	125	125	△96,609
Balance at the end of the period	△94	2,870,400	606	606	2,871,007

(Note) The amounts shown are rounded down to the nearest unit.

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Individual Notes Table

(Notes regarding significant accounting policies)

1. Asset valuation standards and methods

(1) Valuation standards and methods for securities

Other securities

Anything other thanMarket value method based on market price as of the end of the fiscal
stocks that has noyear.
market price (All valuation differences are directly included in net assets, and the
cost of sales is calculated using the moving average method.)
Stocks with no market.....Moving average cost method
price

(2) Valuation standards and methods for inventory

The valuation method is the cost method (a method of writing down book value due to a decline in profitability).

- ① Goods, raw materials and work in progress
(Nickel Business)
First-in First-out Method
(Other Business)
First-in First-out Method
- ② Storage goods
First-in First-out Method
- ③ Real estate for sale
Specific Identification Method

2. Depreciation method for non-current assets

- (1) Tangible non-The declining balance method is used.
current assets (However, the straight-line method is used for buildings (excluding fixtures
(excluding attached to buildings) acquired after April 1, 1998, and fixtures attached to
leased assets) buildings and structures acquired after April 1, 2016.)
Please note that the main useful lives are as follows:
Buildings and structures: 10 to 50 years
Machinery, equipment, and transport equipment: 2 to 10 years
In addition, tangible non-current assets acquired before March 31, 2007 are
depreciated over five years from the year following the date when they are
fully depreciated to their depreciable limits.
- (2) Intangible non-.....The straight-line method is used.
current assets For software used in-house, the period of use is based on the internal use
period (5 years).
- (3) Leased assetsLeased assets related to finance leases that do not transfer ownership

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Depreciation is calculated using the straight-line method, with the lease period being the useful life and the residual value set at zero.

- (4) Long-termThe straight-line method is used.
prepaid expenses

3. Criteria for recording reserves

(1) Allowance for doubtful accounts

In order to provide for possible credit losses on trade receivables, loans, etc., we provide an allowance for doubtful accounts based on the actual credit loss rate for general receivables, and an allowance for doubtful accounts, etc., based on an individual assessment of the collectibility of specific receivables.

(2) Bonus Provision

To provide for the payment of employee bonuses, we record the current fiscal year's portion of the estimated future payment amount.

(3) Reserve for retirement benefits

To provide for the payment of retirement benefits to employees, the Company records an allowance based on the estimated amount of retirement benefit obligations as of the end of the fiscal year.

The simplified method is used to calculate the retirement benefit reserve and retirement benefit expenses, in which the amount required to be paid at the end of the fiscal year for voluntary retirement is treated as the retirement benefit obligation.

(4) Reserve for directors' retirement benefits

In order to provide for the payment of retirement benefits to directors, the amount to be paid at the end of the fiscal year in accordance with the internal regulations of the Board of Directors is recorded.

4. Standards for recognizing significant revenues and expenses

We apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021), and recognize revenue at the time control of promised goods or services is transferred to customers, in the amount expected to be received in exchange for those goods or services. The details of the major performance obligations in the main business and the usual timing for recognizing revenue are as described in the notes on revenue recognition.

5. Other important matters for the preparation of financial statements

Regarding real estate for sale

We have adopted a method of including interest on loans related to specific real estate for sale that exceeds certain thresholds in the acquisition cost of the relevant inventory.

(Notes regarding changes in accounting policies)

Not applicable.

(Notes regarding changes in presentation methods)

Not applicable.

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(Notes regarding accounting estimates)

Not applicable.

(Notes to the balance sheet)

Not applicable.

(Notes to the income statement)

Impairment losses

During the fiscal year under review, impairment losses were recorded for the following asset groups:

(1) Assets and amounts for which impairment losses were recognized

Use	Type	Location	Amount (JPY thousand)
Tokyo head office	Vehicles and transportation equipment	Chuo-ku, Tokyo	0
Tokyo head office	Tools, equipment, and fixtures	Chuo-ku, Tokyo	412
West Japan sales office	Tools, equipment, and fixtures	Osaka City, Osaka Prefecture	207
Total			620

(2) Background to the recognition of impairment losses

Operating profit remains negative, and we have determined that a short-term recovery in business performance is not expected. Taking into account future earnings forecasts and recoverability, we have determined the recoverable amount to be zero and recorded an impairment loss.

(3) Asset grouping method

The Company groups assets based on business segments.

(Notes regarding the statement of changes in shareholders' equity)

1. Number of shares issued as of the end of the current fiscal year

common share 141,593,749 shares

2. Number of treasury shares as of the end of the current fiscal year

common share 2,167 shares

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(Notes on tax-effect accounting)

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

Deferred tax assets	Unit: JPY thousand)
Tax loss carryforwards	1,864,827
Losses on valuation of investment securities	31,667
Excess depreciation	642
Allowance for doubtful accounts	12,570
Other	121,013
Subtotal deferred tax assets	2,030,722
Valuation allowance for tax loss carryforwards	△1,864,827
Valuation allowance for total deductible temporary differences, etc.	△165,675
Valuation allowance subtotal	△2,030,722
Total deferred tax assets	—
Deferred tax liabilities	
Unrealized gains on other securities	△332
Total deferred tax liabilities	△332
Net deferred tax liabilities	△332

(Notes regarding financial instruments)

Not applicable.

(Notes regarding rental real estate)

Not applicable.

(Notes regarding related party Transactions)

Related party transactions

Subsidiaries and affiliates, etc.

Current fiscal year (from April 1, 2024 to March 31, 2025)

Type	Name of the company, etc. or name	Address	Capital or investment (JPY Thousand)	Business Description or Occupation	Voting rights ownership (owned) percentage (%)	Relationship with related parties	Transaction details	Transaction amount (JPY thousand)	Account item	Ending balance (JPY thousand)
Subsidiary	Nagomi Co., Ltd.	Yokohama City, Kanagawa Prefecture	30,000	Construction and Interior Construction Works	100.0	Subsidiary	Transfer of all shares	256,000	—	—

- (Note) 1. Nagomi Design Co., Ltd., a consolidated subsidiary, completed the transfer on July 31, 2024, with the deemed sale date set as September 30.
2. The transaction amount is calculated based on the most recent profit amount and appraisal figures provided by an independent third-party organization.
3. With the transfer of all shares of the consolidated subsidiary, a gain on the sale of the subsidiary of JPY 206,000,000 was recorded.

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(Notes on revenue recognition)

1. Information disaggregating revenues from contracts with customers

Current fiscal year (from March 31, 2024 to March 31, 2025)

(Unit: JPY thousand)

	Reportable segment				Other	Total
	Nickel Business	Real Estate Business	Education Business	Smart DX Solution Business		
Revenues from contracts with customers	625,899	—	—	—	—	625,899
Other revenues	—	8,529	—	—	—	8,529
Sales to external customers	625,899	8,529	—	—	—	634,428

(Note) Other revenues include revenues recognized in accordance with accounting standards for leasing transactions and accounting standards for financial instruments.

2. Information that forms the basis for understanding revenues arising from contracts with customers

The Company recognizes revenue by applying the following five-step approach:

Step 1: Identify customer contracts

Step 2: Identify the performance obligations in the contract

Step 3: Calculate the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when or as performance obligations are satisfied

The details of the major performance obligations in our major businesses and the typical timing at which we recognize revenue are as follows:

(1) Revenue from product sales

Sales of products are primarily wholesale, and revenue is recognized at the time of shipment of the products, as the period from shipment to delivery is considered to be a normal period.

In addition, for wholesale transactions, the promised payment is usually received within one month after delivery of the goods, and in the case of payment by bill, payment is generally received within six months, and no significant financial component is involved.

(2) Other sales revenues

These transactions primarily include fees for the sale of real estate and management of real estate. Performance obligations for these transactions are deemed to be satisfied when the terms of the contract are fulfilled, and revenue is

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recognized at that time.

The promised consideration for real estate is paid at the time of delivery of the real estate, and does not include any significant financing element.

(Notes regarding per share information)

1. Net assets per share:

JPY 20.28

2. Net loss per share:

JPY 0.68

(Notes regarding significant subsequent events)

Not applicable.

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Audit report of the accounting auditor

Independent Auditor's Report

May 30, 2025

To: S Science Co., Ltd.
Attn.: Board of Directors

KDA Audit Corporation
Chuo-ku, Tokyo

Designated Partner	Certified Public	Norihisa Hamamura
Engagement Partner	Accountant	
Designated Partner	Certified Public	Masaru Mori
Engagement Partner	Accountant	

Audit Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements of S-Science Co., Ltd. (the "Company") for its 106th fiscal year from April 1, 2024 to March 31, 2025, namely, the balance sheet, income statement, statement of changes in shareholders' equity, non-consolidated notes, and accompanying supplementary schedules (hereinafter referred to as the "Financial Statements, etc.>").

We are of the opinion that the above financial statements, etc. present fairly, in all material respects, the assets and profit and loss position for the period to which said financial statements, etc. relate, in accordance with accounting standards generally accepted in Japan.

Basis for Audit Opinion

Our audit was conducted in accordance with auditing standards generally accepted in Japan. Our responsibilities under these standards are set forth in "Auditor's Responsibilities in the Audit of Financial Statements, etc." Our audit firm is independent from the company in accordance with Japanese professional ethics regulations and fulfills other ethical responsibilities as an auditor. We believe that we have obtained sufficient appropriate audit evidence on which to express our opinion.

Other information

Other information includes the business report and its supporting schedules. Management is responsible for preparing and disclosing these other information. The Audit and Supervisory Committee is responsible for developing and implementing the reporting process for these other information, and for monitoring the directors' performance of their duties.

Our audit opinion on the financial statements, etc. does not include any other information, and we do not express an opinion on any other information.

Our responsibility in auditing financial statements, etc. is to read through the other contents and, in the process of doing so, to consider whether there are any material differences between the other contents and the financial statements, etc. or the knowledge we have gained in the course of the audit, and to pay attention to whether there are any signs of material error in the other contents other than such material differences.

If, based on the work we have performed, we determine that there are material errors in the other statements, we are required to report that fact.

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There are no other matters for our audit firm to report regarding the other contents.

Responsibilities of management and the Audit and Supervisory Committee regarding financial statements, etc.

The responsibility of management is to prepare and fairly present financial statements in accordance with generally accepted accounting standards in Japan. This includes establishing and implementing internal controls that management deems necessary to prepare and fairly present financial statements that are free from material misstatements due to fraud or error.

When preparing financial statements, etc., management is responsible for assessing whether it is appropriate to prepare financial statements, etc. based on the going concern assumption, and for disclosing matters related to the going concern if it is necessary to do so in accordance with corporate accounting standards generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the performance of the Directors' duties in the development and operation of the financial reporting process.

Responsibilities of auditors in auditing financial statements, etc.

The auditor's responsibility is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements due to fraud or error, based on the audit conducted by the auditor, and to express an opinion on the financial statements as a whole from an independent standpoint in the audit report. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of financial statements, etc.

Auditors shall, throughout the audit process, exercise their professional judgment and maintain professional skepticism in accordance with auditing standards generally accepted in Japan and shall:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Also, design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures is at the discretion of the auditor. Furthermore, obtain sufficient appropriate audit evidence to form a basis for the audit opinion.
- The objective of an audit of financial statements, etc. is not to express an opinion on the effectiveness of internal control. However, when conducting risk assessments, auditors will consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies adopted by management and their application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related disclosures.
- We conclude whether it is appropriate for management to prepare financial statements, etc. based on the going concern assumption, and based on the audit evidence obtained, whether there are any material uncertainties regarding events or circumstances that cast significant doubt on the going concern assumption. If significant uncertainties regarding the going concern assumption are recognized, the auditor is required to draw attention to the notes to the financial statements, etc. in the audit report, or if the notes to the financial statements, etc. regarding significant uncertainties are inappropriate, to express a modified opinion on the financial statements, etc. The auditor's conclusion is based on the audit evidence obtained up to the audit report date, but future events or circumstances may mean that the company will no longer be able to continue as a going concern.
- We evaluate whether the presentation and notes of financial statements, etc. comply with corporate accounting standards generally accepted in Japan, as well as the presentation, structure, and content of financial statements, etc., including related notes, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

The auditor shall report to the Audit and Supervisory Committee on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control identified during the audit, and other matters required by the audit standards.

The auditor shall report to the Audit and Supervisory Committee on compliance with Japan's professional ethics regulations regarding independence, as well as on any matters that are reasonably considered to affect the auditor's independence, and on any measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level.

Conflict of interest

There are no conflicts of interest between the Company and our audit firm or its executive officers that must be disclosed pursuant to the provisions of the Certified Public Accountants Act.

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Audit and Supervisory Committee Audit Report

Audit Report

The Audit and Supervisory Committee conducted an audit of the performance of duties by the Directors for the 106th fiscal year from April 1, 2024 to March 31, 2025. We report the method and results of the audit as follows.

1. Audit method and content

The Audit and Supervisory Committee received regular reports from directors and employees on the content of the resolutions of the Board of Directors regarding the matters set out in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act and the status of the establishment and operation of the system (internal control system) established based on said resolutions, requested explanations as necessary, expressed its opinions, and conducted audits using the methods below.

- ① In accordance with the audit policy and division of duties established by the Audit and Supervisory Committee, and in cooperation with the company's internal control department, we attended important meetings, received reports from directors and employees on matters related to the performance of their duties, requested explanations as necessary, inspected important approval documents, and investigated the status of operations and assets at the head office and major business locations. In addition, with regard to subsidiaries, we communicated and exchanged information with the directors and auditors of the subsidiaries, and received business reports from the subsidiaries as necessary.
- ② We monitored and verified whether the accounting auditor maintained its independence and conducted proper audits, and received reports from the accounting auditor on the status of the accounting auditor's performance of its duties and requested explanations as necessary. We also received notification from the accounting auditor that the "system to ensure that duties are carried out appropriately" (matters set out in each item of Article 131 of the Corporate Accounting Regulations) has been established in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and we requested explanations as necessary.

Based on the above method, we have reviewed the business report and its supplementary schedules for the fiscal year in question, as well as the financial statements (balance sheet, income statement, statement of changes in shareholders' equity, and individual notes) and their supplementary schedules.

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2. Audit Results

(1) Audit results of business reports, etc.

① We acknowledge that the business report and its accompanying detailed statements are in accordance with the laws and regulations and the Articles of Incorporation and accurately reflect the status of the company.

② No misconduct or significant violations of laws, regulations or the Articles of Incorporation were found in the performance of duties by the directors.

③ We recognize that the content of the Board of Directors' resolution regarding the internal control system is appropriate.

Furthermore, we have found no issues worthy of mention regarding the contents of the business report and the performance of duties by the Directors regarding the internal control system.

(2) Audit results of financial statements and their supplementary schedules

We recognize that the audit methods and results of the accounting auditor, KDA Audit Corporation, are appropriate.

May 30, 2025

S Science Co., Ltd. Audit and Supervisory Committee

Audit and Supervisory Committee Member	Masamichi Hanaoka	印
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Audit and Supervisory Committee Member	Hidekazu Kanbayashi	印
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Audit and Supervisory Committee Member	Mimako Yabe	印
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(Note) Audit and Supervisory Committee members Hidekazu Kanbayashi and Mimako Yabe are Outside Directors as defined in Article 2, Paragraph 15 and Article 331, Paragraph 6 of the Companies Act.

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Shareholders' Meeting Venue Guide

Venue: TKP Shinbashi Conference Center

Address: 1-3-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
(Sachi Building, 14th Floor) Hall 14E

Telephone: 03(3573)3721 (S Science Co., Ltd.)

(Note) Due to venue restrictions, you will not be able to enter if you arrive before 9:30am, so please arrive after that time.
Please note that the venue will be different from last year, so please keep this in mind when attending.



Access Information"

<JR East>

(Yamanote Line) Shimbashi Station, Hibiya Exit, 7-minute walk

<Subway>

(Hibiya Line) Kasumigaseki Station, Exit C4, 8-minute walk

(Marunouchi Line) Kasumigaseki Station, Exit C4, 8-minute walk

(Chiyoda Line) Kasumigaseki Station, Exit C4, 8-minute walk

(Ginza Line)

Shimbashi Station, Exit 7, 7-minute walk

(Toei Mita Line)

Uchisaiwaicho Station, 1-minute walk

(Toei Asakusa Line)

Shimbashi Station, Exit 7, 7-minute walk

●Please note that no thank-you gifts (souvenirs) will be distributed to shareholders attending the General Meeting of Shareholders. We appreciate your understanding.



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