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(Securities code: 2389)

Date of issue: March 5, 2025

Date of electronic provision measures commencement: March 4, 2025

**To our shareholders:**

Atsushi Nouchi  
President and Group CEO  
DIGITAL HOLDINGS, INC.  
6, Yonbancho, Chiyoda-ku, Tokyo

**Convocation Notice of the 31<sup>st</sup> Annual General Meeting of Shareholders**

You are cordially invited to attend the 31st Annual General Meeting of Shareholders (the “Meeting”) of DIGITAL HOLDINGS, Inc. (the “Company”), which will be held as described below.

When convening the General Meeting of Shareholders, the Company takes measures to electronically provide the information that is the content of the reference documents for the general meeting of shareholders, etc. (Electronic Provision Measures Matters), and posts this information as the “Convocation Notice of the 31st Annual General Meeting of Shareholders” on the Company’s website. Please access the Company’s website using the Internet address shown below to review the information.

**The Company’s website:**

[https://www.digital-holdings.co.jp/ir/stocks\\_meeting/](https://www.digital-holdings.co.jp/ir/stocks_meeting/)

(in Japanese)

Two-dimensional code



In addition to the Company’s website, the Company also posts this information on the website of the Tokyo Stock Exchange, Inc. (TSE). Please access the TSE website (Listed Company Search) by using the Internet address given below, input “DIGITAL HOLDINGS” in the issue name (company name) field or “2389” in the securities code field, and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information” to check the information under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

**TSE website (Listed Company Search):**

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

(in Japanese)

Two-dimensional code



**If you are unable to attend the Meeting, you can exercise your voting rights in writing or via the Internet. Please refer to the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 6:00 p.m., Thursday, March 27, 2025 (JST). Please note that the Meeting will not be live streamed this year. We highly appreciate your understanding.**

1. **Date and Time:** Friday, March 28, 2025 at 10:00 a.m. (JST)
2. **Place:** Conference room, Head office, DIGITAL HOLDINGS, Inc.  
5th floor, 6 Yonbancho, Chiyoda-ku, Tokyo, Japan

3. **Agenda of the Meeting:**

**Matters to be reported:**

- I. Report on Business Report, Consolidated Financial Statements and audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 31st Fiscal Term (from January 1, 2024 to December 31, 2024).
- II. Report on the Non-Consolidated Financial Statements of the Company for the 31st Fiscal Term (from January 1, 2024 to December 31, 2024).

**Proposals to be resolved:**

- Proposal:** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

4. **Instructions for Exercising Voting Rights**

(1) **Exercising voting rights in writing**

To vote in writing, please indicate your approval or disapproval of the proposal on the Voting Rights Exercise Form sent together with this Convocation Notice, and return the Form by post to reach us by 6:00 p.m. Thursday, March 27, 2025 (JST).

\* If you do not indicate your approval or disapproval of the proposal, it shall be treated as an indication of approval.

(2) **Exercising voting rights via the Internet**

To vote via the Internet, please access to the “Voting Right Exercise Site (<https://www.net-vote.com/>)” (in Japanese), which is provided on the Voting Rights Exercise Form sent together with this Convocation Notice. Follow the instructions and indicate your approval or disapproval by 6:00 p.m. Thursday, March 27, 2025 (JST). If you want to use your smartphone, you can exercise your voting rights by using QR code (Please refer to the page after next for details.)

(3) **Handling of exercising voting rights in duplicate**

- 1) If you vote both in writing and via the Internet, voting rights exercise via the Internet shall be deemed valid.
- 2) If you vote more than once via the Internet, the most recent shall be deemed as valid.

## Notice

- When attending the Meeting in person, you are kindly requested to submit the Voting Rights Exercise Form sent together with this Convocation Notice at the reception desk. Please bring this Convocation Notice of the 31st Annual General Meeting of Shareholders with you to the meeting.
- If a proxy exercises your voting rights, the proxy shall be another shareholder who has voting rights in accordance with the provisions of the Company's Articles of Incorporation. When a proxy attends the Meeting in person, the proxy is required to submit a written proof of the right of proxy (power of attorney) together with the Voting Rights Exercise Form at the reception desk.
- The English version of the Convocation Notice of the Annual General Meeting of Shareholders and the Reference Documents for the General Meeting of Shareholders are available on the Company's website (<https://digital-holdings.co.jp/en/>).
- If amendments to the Electronic Provision Measures Matters are to be taken arise, a notice of the amendments and the details of the matters before and after the amendments will be posted on the Company's aforementioned website and the TSE website.
- For some officers, participation may be via remote communication.
- No souvenir will be handed out to shareholders attending the Meeting in person.

## Shareholders' Comments

To improve communication with shareholders, we are accepting inquiries for the General Meeting of Shareholders (to distinguish from inquiries made by exercising the right to inquire under the Article 314 of the Companies Act, hereinafter the "Comments") through the following methods. Although they will not be regarded as formal statements at the General Meeting of Shareholders, some of the Comments may be featured and answered during the General Meeting of Shareholders. We highly appreciate your understanding on this matter.

Method: Enter your comment at: [https://digital-holdings.co.jp/contact\\_ir](https://digital-holdings.co.jp/contact_ir) (in Japanese) and send it by 6:00 p.m. Friday, March 21, 2025 (JST).

## Instructions for Exercising Voting Rights via the Internet

You can exercise your voting rights via the Internet by accessing the Voting Right Exercise Site as instructed below from your PCs or smartphones.

### 1. Accessing the Voting Right Exercise Site

[Address of Voting Right Exercise Site] <https://www.net-vote.com/> (in Japanese)

Please access the Voting Right Exercise Site at the URL provided above. You can exercise your voting rights until 6:00 p.m. Thursday, March 27, 2025 (JST).

### 2. How to vote via the Internet

[For PC users]

Access the Voting Right Exercise Site at the URL provided above, log in by entering the login ID and password printed on the Voting Rights Exercise Form sent together with this Convocation Notice and follow the instructions on the screen to indicate your approval or disapproval of the proposals.

[For smartphone users]

Simply scan the QR code® located on the Voting Rights Exercise Form sent together with this Convocation Notice. You don't have to enter login ID nor password.

In case you would like to change any of your indication, access the Voting Right Exercise Site at the above URL, log in by entering the login ID and password printed on the Voting Rights Exercise Form and follow the instructions on the screen to indicate approval or disapproval of the proposal. (QR code® is a registered trademark of DENSO WAVE INCORPORATED).

### 3. Notes

- (1) Any costs arising from accessing the Voting Right Exercise Site shall be borne by shareholders.
- (2) Depending on your network environments, you may not be able to access the Voting Right Exercise Site.
- (3) The Voting Right Exercise Site is not accessible via some cellular phones such as feature phones.

Institutional investors can exercise their voting rights through “The Electronic Proxy Voting Platform” operated by ICJ, Inc.

For an inquiry regarding online exercise of the voting rights, please contact the following:

**Custody Service Department, IR Japan, Inc.**

**TEL: 0120-975-960**

**Business Hours: 9:00 a.m. to 5:00 p.m. (JST) (not available on Saturdays, Sundays and holidays)**

## Reference Documents for the General Meeting of Shareholders

### Proposal: Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all the current seven (7) Directors (excluding Directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders.

In that regard, the Company proposes to elect seven (7) Directors.

As for this proposal, the Audit and Supervisory Committee of the Company has agreed that all the candidates are qualified to serve as Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career Summary and Position in the Company (Significant concurrent positions)	Number of the Company's Shares Owned
1	Noboru Hachimine (June 22, 1967)	Apr. 1991    Joined Mori Building Co., Ltd. Mar. 1994    Established Deca Legs Ltd. (currently the Company) and assumed the position as President Mar. 2017    Director, SoldOut, Inc. Mar. 2020    Chairperson, the Company (current position) Dec. 2024    Outside Director, Fixstars Corporation (current position)	4,522,400
[Reasons for nomination as candidate for Director] Mr. Noboru Hachimine has long been demonstrating excellent leadership and driving growth in the Group's corporate value. He has been nominated because he is well-qualified to continue to build an operational foundation for the realization of sustainable Group-wide growth and to improve corporate value over the medium to long term.			
2	Atsushi Nouchi (December 21, 1967)	Apr. 1991    Joined Mori Building Co., Ltd. Oct. 1996    Joined OPT, Inc. (currently the Company) Mar. 1999    Director, OPT, Inc. Feb. 2015    CEO, OPT Ventures, Inc. (currently Bonds Investment Group Inc.) (current position) Mar. 2017    Vice President and Group COO, the Company Mar. 2020    President and Group CEO, the Company (current position)	1,285,800
[Reasons for nomination as candidate for Director] Mr. Atsushi Nouchi is well-versed in all aspects of the Group's operations and has been driving growth in the Group's corporate value through strong leadership, decisiveness and executive capabilities. He has been nominated because he is well-qualified to continue to build an operational foundation for the realization of sustainable Group-wide growth and to improve corporate value over the medium to long term.			
3	Daisuke Kanazawa (September 4, 1980)	Sep. 2005    Joined OPT, Inc. (currently the Company) Jan. 2008    General Manager of Sales Department, OPT, Inc. Apr. 2013    Executive Officer, OPT, Inc. Apr. 2015    President, Representative Director and CEO, OPT, Inc. Apr. 2017    Senior Executive Officer, the Company Apr. 2019    Group Executive Officer, the Company Mar. 2021    Director, the Company (current position) Mar. 2024    President, Representative Director and CEO, OPT, Inc. (current position)	37,400
[Reasons for nomination as candidate for Director] Mr. Daisuke Kanazawa has been engaged in marketing throughout his career since he joined OPT, Inc. in 2005 and has long been leading the execution of operations in the Group's core business domains through strong leadership, decisiveness and executive capabilities by serving in such positions as Representative Director at OPT, Inc. and Group Executive Officer of the Company. He has been nominated because he is well-qualified to continue to drive further Group-wide growth.			

Candidate No.	Name (Date of birth)	Career Summary and Position in the Company (Significant concurrent positions)	Number of the Company's Shares Owned
4	Tomoyuki Mizutani (August 16, 1964)	<p>Apr. 1988 Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>Apr. 1997 Editor-in-Chief, "Tech Being"</p> <p>Apr. 2001 Editor-in-Chief, "Recruit Navi Career" (currently "RikuNavi NEXT")</p> <p>Apr. 2002 Editor-in-Chief, "Being" (Kanto region edition)</p> <p>Apr. 2004 Corporate Executive Officer (responsible for Human Resource (HR) Division), Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>Apr. 2006 Director, Recruit HR Marketing Co., Ltd. (currently Recruit Co., Ltd.)</p> <p>Apr. 2007 Director and Corporate Executive Officer (responsible for HR, administration, corporate communication), Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>Apr. 2011 President, Recruit Agent Co., Ltd. (currently Recruit Co., Ltd.)</p> <p>Oct. 2012 First President, Recruit Career Co., Ltd. (currently Recruit Co., Ltd.)</p> <p>Apr. 2015 Advisor, Recruit Holdings Co., Ltd.</p> <p>Apr. 2016 Advisor, Japan Executive Search and Recruitment Association (current position)</p> <p>Mar. 2017 External Director, the Company (current position)</p> <p>Apr. 2018 Special Management Assistant, Amacho, Oki-gun, Shimane (current position)</p>	10,000
<p>[Reasons for nomination as candidate for Director and outline of expected role]</p> <p>Mr. Tomoyuki Mizutani has spent much of his career at Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.), mainly in the HR business domain. He was active in multiple high-ranking executive positions, including as a Corporate Executive Officer (responsible for HR Division) at Recruit and the first President of Recruit Career Co., Ltd. (currently Recruit Co., Ltd.). Outside of the Recruit Group, he has been active in a wide range of activities with HR and societal-contribution themes, including cultivation of social entrepreneurs. In addition to such extensive experience, he possesses broad insight. He has been nominated because he is expected to offer opinions and advice to ensure appropriate, sound management decision-making from an independent and objective standpoint.</p>			
5	Koji Yanagisawa (May 19, 1971)	<p>Apr. 1995 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>May 1999 Joined NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.</p> <p>May 2005 Joined Mizuho Securities Co., Ltd.</p> <p>Feb. 2006 Full-time Statutory Auditor, START TODAY CO., LTD. (currently ZOZO, Inc.)</p> <p>Jun. 2008 Director and General Manager of Strategic Planning and Business Administration Division, START TODAY CO., LTD.</p> <p>Apr. 2009 Director and CFO, START TODAY CO., LTD.</p> <p>Dec. 2015 External Director, COLOPL, Inc. (current position)</p> <p>Apr. 2017 Director, Executive Vice President &amp; CFO, START TODAY CO., LTD. (current position)</p> <p>Mar. 2020 External Director, the Company (current position)</p>	0
<p>[Reasons for nomination as candidate for Director and outline of expected role]</p> <p>With his experience as CFO and others at a growing company, Mr. Koji Yanagisawa possesses broad insight in overall business administration centered on accounting, finance, IR, legal affairs, and corporate governance. He has been nominated because he is expected to offer opinions and advice to ensure appropriate, sound management decision-making from an independent and objective standpoint.</p>			

Candidate No.	Name (Date of birth)	Career Summary and Position in the Company (Significant concurrent positions)	Number of the Company's Shares Owned	
6	Yasuhiro Ogino (September 29, 1973)	Aug. 2005 Jan. 2008	Joined Macromill, Inc. Executive Officer (in charge of Finance and Accounting Headquarters), Macromill, Inc.	0
		Jun. 2008 Dec. 2008 Dec. 2009 Nov. 2011 Feb. 2012 Jun. 2012 May 2017 Mar. 2020 Apr. 2020	Joined J-Magic K.K. Director, CFO, General Manager of Administration Management Division, J-Magic K.K. Joined mixi, Inc. (currently MIXI, Inc.) Executive General Manager of the Administrative Headquarter, mixi, Inc. Executive Officer, mixi, Inc. Director, mixi, Inc. Representative Director, SMART HEALTH Inc. External Director, the Company (current position) Director and CFO, OCT Inc. (currently ANDPAD Inc.) (current position)	
[Reasons for nomination as candidate for Director and outline of expected role] With his experience as CFO and others at growing companies, Mr. Yasuhiro Ogino possesses abundant insight in overall business administration centered on business development and M&A. He has been nominated because he is expected to offer opinions and advice to ensure appropriate, sound management decision-making from an independent and objective standpoint.				
7	Mariko Tokioka (July 29, 1979)	Oct. 2002 Dec. 2010 Oct. 2013 Jun. 2019 Mar. 2022	Joined Oracle Corporation Japan Co-founder & COO, Quipper Limited Founder & CEO, East Meet East, Inc. (current position) External Director, Asteria Corporation (current position) External Director, the Company (current position)	0
		[Reasons for nomination as candidate for Director and outline of expected role] Ms. Mariko Tokioka is the founder and CEO of an IT company based in the U.S. and has a wealth of experience and a wide range of insight, including entrepreneurial experience in the SaaS field, global business management, and diversity management. She has been nominated because she is expected to offer opinions and advice to ensure appropriate, sound management decision-making from an independent and objective standpoint.		

- (Notes)
- None of the candidates has any special interests in the Company or vice versa.
  - Messrs. Tomoyuki Mizutani, Koji Yanagisawa, and Yasuhiro Ogino, and Ms. Mariko Tokioka are External Director candidates.
  - Messrs. Tomoyuki Mizutani, Koji Yanagisawa, and Yasuhiro Ogino, and Ms. Mariko Tokioka are currently External Directors of the Company; Mr. Tomoyuki Mizutani will have served for eight years as of the conclusion of the 31st Annual General Meeting of Shareholders, Messrs. Koji Yanagisawa and Yasuhiro Ogino for five years, and Ms. Mariko Tokioka for three years.
  - If Messrs. Tomoyuki Mizutani, Koji Yanagisawa, and Yasuhiro Ogino, and Ms. Mariko Tokioka are reappointed, the Company plans to renew each of the existing agreements with them pursuant to the provisions of Article 427, paragraph 1 of the Companies Act and Article 32, paragraph 2 of the Company's Articles of Incorporation. The agreements limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability stipulated in Article 425, paragraph 1 of the same act.
  - The Company has concluded Directors and Officers liability insurance contracts as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The insurance contracts cover losses that may arise from an insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability. However, in order to ensure that the appropriateness of the insured's performance of duties is not compromised, coverage is not provided in cases of a willful breach of trust, criminal or fraudulent acts, or willful violation of laws and regulations by the insured. In the event that each candidate's election as a Director is approved, he or she shall be the insured under the said insurance contract. The insurance contract is scheduled to be renewed with the same terms and conditions at the next renewal.
  - Messrs. Tomoyuki Mizutani, Koji Yanagisawa, and Yasuhiro Ogino, and Ms. Mariko Tokioka meet the independent director requirements of the Tokyo Stock Exchange, Inc. If reappointed, they will continue to serve as independent directors.
  - The number of the Company's shares owned by Mr. Noboru Hachimine includes 4,517,400 shares owned by HIBC Co., Ltd., an asset management company wholly owned by Mr. Hachimine.
  - The number of the Company's shares owned by Mr. Atsushi Nouchi includes 400,800 shares owned by Time and Space, Ltd., an asset management company wholly owned by Mr. Nouchi.

## Business Report (January 1, 2024 to December 31, 2024)

### 1. Overview of the Group

#### (1) Business for the Year Ended December 31, 2024

DIGITAL HOLDINGS, Inc. and its consolidated subsidiaries (hereinafter the “Group”) are surrounded by a business environment where there are concerns regarding the impact on the Japanese economy of the rising price of goods, mainly driven by soaring resource prices in recent years, and the impact on the domestic market of the declining population of Japan, accelerated by its aging society with a falling birth rate in the medium- to long-term. However, dramatic technological innovations such as generative AI have further boosted the trend to realize digital transformation (DX) that transforms conventional products and services as well as business models by leveraging massive amounts of data and digital technologies. In addition, we believe that “Society 5.0,” a human-centered society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace (virtual space) and physical space (real space), as advocated by the Japanese Cabinet Office, will become a reality, and we expect that demand for digital shift-related products and services that the Group will offer will further increase.

In order to achieve its sustainable growth, the Group will focus on the measures described below and strive to enhance its corporate value by increasing sales, improving profitability, and establishing a stronger organizational foundation.

The details of specific measures are as follows.

#### **Key Measures**

- 1) Significant improvement of the revenue growth rate in the Marketing Business  
The Group conducted reorganization of consolidated subsidiaries in April 2024. Going forward, we will create customer contacts and time for meeting customers through business improvements, the use of AI and other measures, and contribute to the resolution of issues and business growth of our existing customers while also focusing more on acquiring new customers to promote the growth of the Group.
- 2) Achievement of an optimal receivables portfolio in the Financial Services Business to realize AX (Advertising Transformation)  
The Group will accelerate customer approach efforts and further increase the number of client companies, centered on AD YELL, an installment and deferred payment service for advertising expenditure provided by Vankable, Inc., and the invoice card payment service. In addition, we will optimize the usage amount per company at the same time and realize the diversification of receivables into smaller lots as soon as possible.

In addition, as disclosed in the “Notice of Issuance of Share Options for Subscription (Stock Options with Charge)” dated October 22, 2024, for the purpose of making a commitment to the future medium-term expansion of the Group’s operating results and enhancement of its corporate value, including the key measures described above, we issue share options with charge to Directors and employees (Senior Executive Officers and Executive Officers) of the Company and its subsidiaries.

As a result of the above, the Group reported operating results for the fiscal year ended December 31, 2024 (hereinafter the “current fiscal year”) with revenue of JPY 16,155 million (down 0.7% YoY), gross profit of JPY 10,015 million (down 8.5% YoY), operating profit of JPY 984 million (up 59.8% YoY), EBIT of JPY 1,609 million (up 300.7% YoY), EBITDA of JPY 2,997 million (up 49.3% YoY), and profit attributable to owners of parent of JPY 1,341 million (up 464.5% YoY).

From the current fiscal year, the Group has changed its reporting segments from the previous Digital Shift Business and the Advertising Business to the Marketing Business and the Financial Services Business, and has also changed the segment name of the Financial Investment Business to the Investment Business. In order to ensure the ability to compare figures against operating results for the current fiscal year, operating results for the previous fiscal year and year-on-year comparisons in the operating results explanations are disclosed based on the reporting segment classifications after the change.

The full-year operating results for each business segment are as follows.



### ***Marketing Business***

Marketing Business consists of digital marketing support and DX development, centered on digital advertising support provided by OPT, Inc.

The Marketing Business segment posted operating results for the current fiscal year with revenue of JPY 11,990 million (down 3.3% YoY), gross profit of JPY 8,311 million (down 2.5% YoY), operating profit of JPY 2,194 million (up 28.0% YoY), EBIT of 2,179 million (up 21.4% YoY), and EBITDA of JPY 2,396 million (up 2.0% YoY).

### ***Financial Services Business***

Financial Services Business consists of the installment and deferred payment service business for advertising expenditures, etc. provided by Vankable, Inc.

The Financial Services Business segment posted operating results for the current fiscal year with revenue of JPY 479 million (up 28.0% YoY), gross profit of JPY 390 million (up 22.9% YoY), operating loss of JPY 356 million (operating loss of JPY 376 million in the previous fiscal year), EBIT of negative JPY 499 million (negative JPY 376 million in the previous fiscal year), and EBITDA of negative JPY 298 million (negative JPY 355 million in the previous fiscal year).

### ***Investment Business***

Investment Business consists of the investment business managed by DIGITAL HOLDINGS, Inc., Bonds Investment Group Inc., BIG No. 1 Limited Partnership for Investment, BIG No. 2 Limited Partnership for Investment, BIG SX No. 1 Limited Partnership for Investment, and OPT America, Inc.

The Investment Business segment posted operating results for the current fiscal year with revenue of JPY 3,725 million (up 5.6% YoY), gross profit of JPY 1,336 million (down 36.6% YoY), operating profit of JPY 1,186 million (down 39.0% YoY), EBIT of JPY 1,962 million (up 17.8% YoY), and EBITDA of JPY 2,858 million (up 9.8% YoY).

The Company discloses IRR (Internal Rate of Return) to enhance the transparency of investment returns.

As of the end of the current fiscal year, the after-tax IRR was 18.8%, unchanged from the end of the previous fiscal year. The calculation of IRR is now applied to stocks invested in by the Investment Business since fiscal 2013, and the details of its calculation method are disclosed below. AUM (Assets Under Management) decreased by 12.5% from the end of the previous fiscal year to JPY 12,572 million.

The definitions of IRR and AUM are as follows:

#### ***Internal Rate of Return (IRR)***

Prerequisites for calculation

- Subject to: Securities invested in by the Investment Business from 2013 through December 31, 2024
- The reference date for calculation: December 31, 2024
- Method:
  1. Impaired investment: Calculated as if they were sold at the net asset value after impairment.
  2. Investment involved in financing in the recent period: Calculated as if they were sold at the value of relevant financing.
  3. IPOed investment: Calculated as if they were sold at the market value as of the reference date.
  4. Fund: Calculated with the amount collected until the end of the reporting period and the book value as of the end of reporting period.
  5. Others: Any other investment with no change in their acquisition cost due to sale, impairment, financing, IPO or the like are calculated as if they were sold on the reference date at the acquisition cost.
- Income taxes are included.

### ***Assets Under Management (AUM)***

AUM is defined as aggregate amount of 1) book value of affiliates' shares and 2) fair value after considering impairment of operational investment securities and investment securities.

- i) Shares of affiliates: Stated at book value
- ii) Operational investment securities and investment securities: Each security's fair market value is calculated depending on the classification shown below:
  - Notes or securities of which investment amount is small: Acquisition cost
  - Listed companies' shares: Closing price at the end of reporting period
  - Securities involved in financing in the recent period: Based on the value of relevant financing
  - Other securities: Calculated by using the comparable multiple method, DCF method, or net asset valuation method depending on each company's performance.

### ***Management costs of DIGITAL HOLDINGS, Inc.***

In the management division of the Company, selling, general and administrative expenses for the current fiscal year amounted to JPY 2,037 million (down 23.4% YoY).

## (2) Issues to be Addressed

The Group's purpose is "to kindle an Industrial Transformation and solve Social Issues through New Value Creation." Under this purpose, the Group aims to realize a sustainable society as it takes on the challenges of creating new value, by actualizing Industrial Transformation (IX) through a digital shift and providing "unique frameworks" that directly link to the development of growth-oriented companies. In this context, the Group changed its trade name in 2020 and titled the period from the fiscal year ended December 31, 2021 to the fiscal year ended December 31, 2023 "DS Innovation 2023," reorganizing its business portfolio and taking on the challenge of business transformation. To realize IX, in addition to sustainable growth in existing businesses, we are promoting revenue increases over the medium- to long-term.

In order to achieve its sustainable growth and IX, the Group will focus on issues to be addressed as described in 1 through 4 below. The Group will also establish a sustainable profit structure by further strengthening its business growth and reinforcing its organizational foundation, and it will strive to continue to increase its corporate value.

### 1. Strengthen growth potential of the Marketing Business

In recent years, the competition in the Group's business has been increasingly fierce. The Group is utilizing its advertising supports, polished over the course of many years; its base of diverse customers and partners, cultivated through its advertising supports; and its marketing know-how to develop and offer DX solutions, thereby engaging in ongoing business with existing customers, including in areas other than advertising supports.

During the current fiscal year, the Group conducted reorganization of consolidated subsidiaries and strengthened sales collaboration. At the same time, it created more contact points and interaction time with customers than ever before to further accelerate its integrated advertising and DX proposals.

Going forward, we will continue to contribute to the resolution of issues and business growth of our existing customers while also focusing more on acquiring new customers to promote the growth of the Group.

### 2. Increase the number of client companies and achieve an appropriate receivables portfolio in the Financial Services Business to realize AX

To achieve the Group's purpose, we have worked to expand into new domains and actively invested in growth to build new revenue models. As a result of these efforts, we are leveraging the strengths of the Marketing Business to launch and rapidly expand the Financial Services Business.

Going forward, we will promote the diversification of receivables into smaller lots as soon as possible and aim to achieve an optimal receivables portfolio.

### 3. Achieve optimal capital allocation

The Group has set the achievement of ROE of 10% on a constant basis as a key objective by making decisions with a focus on investment efficiency in order to improve its profitability and capital efficiency. To this end, the Group intends to give consideration to shareholder return policies such as repurchase of treasury shares in a flexible and agile manner taking into account the level of internal reserves, while improving the profitability of its core businesses.

### 4. Create a human resource foundation

In order to sustainably increase its corporate value, the Group believes that it is vitally significant that it develops human resources who can function autonomously and creates a framework that enables them to work successfully over the long term. To achieve this, we will implement systematic human resource development programs such as training to improve the skills of employees and next-generation management personnel development programs. At the same time, we will strive to design flexible working systems and provide working environments in which each and every employee can fully leverage their abilities, create diverse career paths, and work autonomously. The Group is also working to create and establish working environments and human resource systems in which employees can easily thrive over the medium- to long-term.

## (3) Capital Expenditure

There were no significant capital expenditures.

## (4) Financing

There are no special matters to be noted.

(5) Significant Reorganizations and Other Such Events

The Company's subsidiary, OPT, Inc., conducted an absorption-type merger on April 1, 2024, with OPT, Inc. as the surviving company and the Company's subsidiaries, Digital Shift Inc., Re:teigi, Inc., ConnectOM Inc., and OPT Incubate Inc., as the dissolved companies.

(6) Assets, net sales and income

(Yen in millions, unless otherwise stated)	FY2021	FY2022	FY2023	FY2024
Revenue (Presented as net sales up to FY2021)	98,515	16,924	16,264	16,155
Ordinary profit (loss)	14,662	(439)	378	1,734
Profit attributable to owners of parent	10,231	5,719	237	1,341
Earnings per share- basic (Yen)	473.28	299.29	13.61	76.85
Total assets	69,728	55,963	50,283	48,217
Net assets	40,930	36,245	33,892	33,066

- (Notes) 1. Earnings per share is calculated based on the average number of shares issued (total shares issued excluding treasury shares) during each fiscal year.
2. The Accounting Standard for Revenue Recognition, etc. has been applied from the beginning of the 29th fiscal term, and the key management indicators, etc. for and after the 29th fiscal term are those after the application of this accounting standard, etc.

(7) Status of Parent Company and Principal Subsidiaries (As of December 31, 2024)

1) Status of Parent Company

Not applicable

2) Status of Principal Subsidiaries

Company Name	Capital (Yen in millions)	Voting rights owned by the Company	Major businesses
OPT, Inc.	100	100.0%	Marketing business
OPT America, Inc.	2,405	100.0%	Investment business

- (Notes) 1. The Company has eight consolidated subsidiaries, including those in the table above.
2. The Company does not have any specified wholly owned subsidiaries as defined in the Companies Act.

(8) Major Businesses (As of December 31, 2024)

The Group is comprised of DIGITAL HOLDINGS, Inc. and eight consolidated subsidiaries as of the end of the fiscal year ended December 31, 2024. It operates the Marketing Business segment, the Financial Services Business segment, and the Investment Business segment. The Marketing Business provides digital advertising support, digital marketing support, and DX development and sales. The Financial Services Business is engaged in the installment and deferred payment service for advertising expenditures. The Investment Business invests in venture capital, manages funds, and supports investee companies.

Segment	Major businesses
Marketing Business	<ul style="list-style-type: none"><li>• Digital advertising support</li><li>• Digital marketing support</li><li>• DX development and sales, etc.</li></ul>
Financial Services Business	<ul style="list-style-type: none"><li>• Installment and deferred payment service for advertising expenditures</li></ul>
Investment Business	<ul style="list-style-type: none"><li>• Venture capital investment</li><li>• Fund management</li><li>• Support for investee companies, etc.</li></ul>

(9) Major Offices (As of December 31, 2024)

1) Main Office

Office	Address
Head Office	Chiyoda-ku, Tokyo

2) Subsidiaries

Company Name	Address
OPT, Inc.	Chiyoda-ku, Tokyo
OPT America, Inc.	California, U.S.A.

(10) Workforce (As of December 31, 2024)

Segment	Number of Employees	Change from Dec. 31, 2023
Marketing Business	878	
Financial Services Business	15	–
Investment Business	2	–
Company-wide (common)	75	–
Total	970	-61

- (Notes)
1. Part-time, contractors and temporary workers are not counted as employees.
  2. Personnel seconded to positions outside of the Group are not counted as employees.
  3. The number of employees described as “Company-wide (common)” is the number of employees belonging to administrative divisions that cannot be classified into specific businesses.
  4. Because the “Segment” differs from the end of the previous fiscal year, the “Change from Dec. 31, 2023” is not provided.

(11) Main Lenders (As of December 31, 2024)

Lender	Amount borrowed (Yen in millions)
Sumitomo Mitsui Banking Corporation	3,000
MUFG Bank, Ltd.	1,000

(12) Other Significant Matters Concerning the Group

Not applicable

## 2. Status of the Company

### (1) Matters Concerning Shares (As of December 31, 2024)

- 1) Total Number of Shares Authorized to Be Issued 86,630,400 shares
- 2) Total Number of Shares Issued 17,459,907 shares
- 3) Number of Shareholders 7,428
- 4) Major Shareholders (Top 10)

Shareholder	Number of Shares Held (Shares)	Ownership of Shares (%)
HIBC Co., Ltd.	4,517,400	25.87%
The Master Trust Bank of Japan, Ltd. (Trust account)	1,300,700	7.44%
Tomohito Ebine	911,200	5.21%
Atsushi Nouchi	885,000	5.06%
Mynavi Corporation	755,800	4.32%
UBS AG SINGAPORE	707,000	4.04%
内藤征吾	452,000	2.58%
Time and Space, Ltd.	400,800	2.29%
Custody Bank of Japan, Ltd. (Trust account)	314,200	1.79%
平野秀和	277,400	1.58%

- (Notes) 1. The Company does not hold treasury shares.  
2. The figures are rounded off to two decimal places.  
3. HIBC Co., Ltd., is an asset management company wholly owned by the Chairperson of the Company, Noboru Hachimine.  
4. The Chairperson of the Company, Noboru Hachimine, holds 5,000 shares of the Company.  
5. Time and Space, Ltd. is an asset management company wholly owned by the President and Group CEO of the Company, Atsushi Nouchi.

- 5) Other Significant Matters Concerning Shares  
Not applicable

(2) Matters Concerning Share Options (As of December 31, 2024)

1) Share Options Held by Officers of the Company at Fiscal Year-End That Have Been Delivered as Remuneration

Not applicable

2) Share Options Delivered During the Current Fiscal Year to Employees, etc. as Remuneration

Not applicable

3) Other Share Options, etc.

A. Share options with charge for officers based on a resolution of the Board of Directors meeting on February 13, 2023

Number of share options			2,200 units
Class and number of shares underlying share options			Common shares: 220,000 shares (100 shares per unit)
Amount to be paid in for share options			JPY 100 per unit
Value of property to be contributed upon exercise of share options			JPY 117,900 per unit (JPY 1,179 per share)
Exercise period			From March 1, 2023 to March 31, 2027
Conditions for exercise			See (Note).
Status of holdings of share options by officers	Directors (excluding Directors who are Audit and Supervisory Committee members)	Directors (excluding External Directors)	Number of share options: 2,200 units Number of underlying shares: 220,000 shares Number of holders: 2 persons
		External Directors	Number of share options: – units Number of underlying shares: – shares Number of holders: – persons
			Number of share options: – units Number of underlying shares: – shares Number of holders: – persons
	Directors who are Audit and Supervisory Committee members		Number of share options: – units Number of underlying shares: – shares Number of holders: – persons

(Note) The conditions for exercise is as follows.

- (1) During the period from the allotment date of the share options until the end of the exercise period, if the average closing price of the Company's common shares in regular trading over one month (21 trading days including the subject date) on the Financial Instruments Exchange is less than 50% of the exercise price at any time, the holders of the share options must exercise all of the remaining share options at the exercise price by the end of the exercise period. However, this does not apply in the following cases.
  - 1) It is found that the information disclosed by the Company includes material false statements.
  - 2) It is found that the Company did not appropriately disclose material facts that are required to be disclosed in accordance with laws and regulations and the rules of the Financial Instruments Exchange.
  - 3) There has been a material change in the circumstances assumed on the issuance date of the share options, such as delisting of the Company's shares or bankruptcy.
  - 4) The Company has committed an act that is objectively recognized as seriously damaging the trust of holders of the share options.
- (2) Heirs of holders of share options are not permitted to exercise the share options.
- (3) The share options may not be exercised if, in so doing, the total number of shares issued by the Company at that time would exceed the total number of authorized shares.
- (4) The share options may not be exercised in fractions of less than one unit.
- (5) Other conditions shall be stipulated in the "share option allocation agreement" to be concluded between the Company and the holders of share options.

B. Share options with charge for employees based on a resolution of the Board of Directors meeting on February 13, 2023

Number of share options		1,260 units	
Class and number of shares underlying share options		Common shares:	126,000 shares (100 shares per unit)
Amount to be paid in for share options		JPY 100 per unit	
Value of property to be contributed upon exercise of share options		JPY 117,900 per unit (JPY 1,179 per share)	
Exercise period		From March 1, 2023 to March 31, 2027	
Conditions for exercise		See (Note).	
Status of delivery to employees, etc.	Employees of the Company	Number of share options:	1,000 units
		Number of underlying shares:	100,000 shares
		Number of eligible holders:	3 persons
	Officers and employees of subsidiaries	Number of share options:	260 units
		Number of underlying shares:	26,000 shares
		Number of eligible holders:	3 persons

(Note) The conditions for exercise is as follows.

- (1) During the period from the allotment date of the share options until the end of the exercise period, if the average closing price of the Company's common shares in regular trading over one month (21 trading days including the subject date) on the Financial Instruments Exchange is less than 50% of the exercise price at any time, the holders of the share options must exercise all of the remaining share options at the exercise price by the end of the exercise period. However, this does not apply in the following cases.
  - 1) It is found that the information disclosed by the Company includes material false statements.
  - 2) It is found that the Company did not appropriately disclose material facts that are required to be disclosed in accordance with laws and regulations and the rules of the Financial Instruments Exchange.
  - 3) There has been a material change in the circumstances assumed on the issuance date of the share options, such as delisting of the Company's shares or bankruptcy.
  - 4) The Company has committed an act that is objectively recognized as seriously damaging the trust of holders of the share options.
- (2) Heirs of holders of share options are not permitted to exercise the share options.
- (3) The share options may not be exercised if, in so doing, the total number of shares issued by the Company at that time would exceed the total number of authorized shares.
- (4) The share options may not be exercised in fractions of less than one unit.
- (5) Other conditions shall be stipulated in the "share option allocation agreement" to be concluded between the Company and the holders of share options.

C. Share options with charge for officers based on a resolution of the Board of Directors meeting on October 22, 2024

Number of share options		3,500 units	
Class and number of shares underlying share options		Common shares:	350,000 shares (100 shares per unit)
Amount to be paid in for share options		JPY 100 per unit	
Value of property to be contributed upon exercise of share options		JPY 101,600 per unit (JPY 1,016 per share)	
Exercise period		From January 1, 2025 to March 31, 2028	
Conditions for exercise		See (Note).	
Status of holdings of share options by officers	Directors (excluding Directors who are Audit and Supervisory Committee members)	Directors (excluding External Directors)	Number of share options: 3,500 units
			Number of underlying shares: 350,000 shares
			Number of holders: 2 persons
	Directors who are Audit and Supervisory Committee members	External Directors	Number of share options: – units
			Number of underlying shares: – shares
			Number of holders: – persons

(Note) The conditions for exercise is as follows.

- (1) During the period from the allotment date of the share options until the end of the exercise period, if the average closing price of the Company's common shares in regular trading over one month (21 trading days including the subject date) on the Financial Instruments Exchange is less than 50% of the exercise price at any time, the holders of the share options must exercise all of the remaining share options at the exercise price by the end of the exercise period. However, this does not apply in the following cases.
  - 1) It is found that the information disclosed by the Company includes material false statements.
  - 2) It is found that the Company did not appropriately disclose material facts that are required to be disclosed in accordance



- with laws and regulations and the rules of the Financial Instruments Exchange.
- 3) There has been a material change in the circumstances assumed on the issuance date of the share options, such as delisting of the Company's shares or bankruptcy.
  - 4) The Company has committed an act that is objectively recognized as seriously damaging the trust of holders of the share options.
- (2) Heirs of holders of share options are not permitted to exercise the share options.
  - (3) The share options may not be exercised if, in so doing, the total number of shares issued by the Company at that time would exceed the total number of authorized shares.
  - (4) The share options may not be exercised in fractions of less than one unit.
  - (5) Other conditions shall be stipulated in the "share option allocation agreement" to be concluded between the Company and the holders of share options.

D. Share options with charge for employees based on a resolution of the Board of Directors meeting on October 22, 2024

Number of share options		5,200 units	
Class and number of shares underlying share options		Common shares:	520,000 shares
		(100 shares per unit)	
Amount to be paid in for share options		JPY 100 per unit	
Value of property to be contributed upon exercise of share options		JPY 101,600 per unit (JPY 1,016 per share)	
Exercise period		From January 1, 2025 to March 31, 2028	
Conditions for exercise		See (Note).	
Status of delivery to employees, etc.	Employees of the Company	Number of share options:	2,600 units
		Number of underlying shares:	260,000 shares
		Number of eligible holders:	3 persons
	Officers and employees of subsidiaries	Number of share options:	2,600 units
		Number of underlying shares:	260,000 shares
		Number of eligible holders:	10 persons

(Note) The conditions for exercise is as follows.

- (1) During the period from the allotment date of the share options until the end of the exercise period, if the average closing price of the Company's common shares in regular trading over one month (21 trading days including the subject date) on the Financial Instruments Exchange is less than 50% of the exercise price at any time, the holders of the share options must exercise all of the remaining share options at the exercise price by the end of the exercise period. However, this does not apply in the following cases.
  - 1) It is found that the information disclosed by the Company includes material false statements.
  - 2) It is found that the Company did not appropriately disclose material facts that are required to be disclosed in accordance with laws and regulations and the rules of the Financial Instruments Exchange.
  - 3) There has been a material change in the circumstances assumed on the issuance date of the share options, such as delisting of the Company's shares or bankruptcy.
  - 4) The Company has committed an act that is objectively recognized as seriously damaging the trust of holders of the share options.
- (2) Heirs of holders of share options are not permitted to exercise the share options.
- (3) The share options may not be exercised if, in so doing, the total number of shares issued by the Company at that time would exceed the total number of authorized shares.
- (4) The share options may not be exercised in fractions of less than one unit.
- (5) Other conditions shall be stipulated in the "share option allocation agreement" to be concluded between the Company and the holders of share options.

### (3) Matters Concerning Corporate Officers

#### 1) Matters Concerning Directors (As of December 31, 2024)

Position in Company	Name	Area of Responsibility and Significant Other Positions
Chairperson	Noboru Hachimine	Outside Director at Fixstars Corporation
President and Group CEO	Atsushi Nouchi	Representative Director at Bonds Investment Group Inc.
Director	Daisuke Kanazawa	President, Representative Director and CEO at OPT, Inc.
Director	Tomoyuki Mizutani	Special Management Assistant at Amacho, Okigun, Shimane
Director	Koji Yanagisawa	Director, Executive Vice President & CFO at ZOZO, Inc. External Director at COLOPL, Inc.
Director	Yasuhiro Ogino	Director and CFO at ANDPAD Inc.
Director	Mariko Tokioka	Founder & CEO of East Meet East, Inc. External Director at Asteria Corporation
Director (Chairperson of Audit and Supervisory Committee, full-time)	Yuki Okabe	Certified Public Accountant Auditor at OPT, Inc. Auditor at Vankable, Inc. External Director (Audit & Supervisory Committee Member) at PRESS KOGYO CO., LTD.
Director (Audit and Supervisory Committee member)	Ryoichi Kagizaki	Lawyer
Director (Audit and Supervisory Committee member)	Kazuhide Yamauchi	Outside Audit & Supervisory Board Member at Financial Partners Group Co., Ltd. Auditor at Vankable, Inc.

- (Notes) 1. Directors Tomoyuki Mizutani, Koji Yanagisawa, Yasuhiro Ogino, and Mariko Tokioka, Director and Chairperson of the Audit and Supervisory Committee (full-time) Yuki Okabe, and Directors and Audit and Supervisory Committee members Ryoichi Kagizaki and Kazuhide Yamauchi are External Directors.
2. Director and Chairperson of the Audit and Supervisory Committee (full-time) Yuki Okabe has experience as an auditor at multiple listed companies and possesses considerable expertise in finance and accounting as a Certified Public Accountant (CPA).
3. Director and Audit and Supervisory Committee member Ryoichi Kagizaki possesses considerable expertise in corporate legal affairs as a lawyer.
4. Director and Audit and Supervisory Committee member Kazuhide Yamauchi had a long career at a financial institution and possesses considerable expertise in finance and accounting.
5. The Company established a full-time Audit and Supervisory Committee position to strengthen audit and oversight functions, improve information gathering and increase audit effectiveness.
6. The Company has designated Directors Tomoyuki Mizutani, Koji Yanagisawa, Yasuhiro Ogino, and Mariko Tokioka, Director and Chairperson of the Audit and Supervisory Committee (full-time) Yuki Okabe, and Directors and Audit and Supervisory Committee members Ryoichi Kagizaki and Kazuhide Yamauchi as independent directors in accordance with the Tokyo Stock Exchange's independence standards and filed a notification to that effect with the Tokyo Stock Exchange.

#### 2) Outline of liability limitation agreement

Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act and Article 32, paragraph 2 of the Company's Articles of Incorporation, the Company and Directors (excluding Executive Directors, etc.) have entered into agreements limiting their liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under the said agreement is the statutory prescribed minimum amount.

#### 3) Outline of Directors and Officers liability insurance contract, etc.

The Company has concluded Directors and Officers liability insurance contracts as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The insured under such insurance contracts are Directors and managerial employees of the Company, and Directors, Auditors, and managerial employees of the Company's subsidiaries. The premiums of the insurance contracts are borne entirely by the Company and the insured do not bear any of the premiums. The insurance contracts cover losses that may arise from an insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability. However, in order to ensure that the appropriateness of the insured's performance of duties is not compromised, coverage is not provided in cases of a willful breach of trust, criminal or fraudulent acts, or willful violation of laws and regulations by the insured.

#### 4) Remuneration, etc. for Directors

##### A. Policy for determining the details of remuneration, etc. for officers

At the Board of Directors meeting held on February 22, 2024, the Company passed a resolution on the policy for determining the details of individual remuneration, etc. for Directors. When passing the said resolution by the Board of Directors, the Board of Directors consulted the Nomination and Remuneration Committee regarding the details of the resolution in advance and received its report.

As for individual remuneration, etc. for Directors for the current fiscal year, the Board of Directors has confirmed that the method of determining the details of remuneration, etc. and the details of remuneration, etc. determined are consistent with the decision policy resolved by the Board of Directors and that the report from the Nomination and Remuneration Committee is respected, and has determined that the details of remuneration, etc. are in line with the relevant decision policy.

The details of the policy for determining the details of individual remuneration, etc. for Directors are as follows:

##### a. Basic policy

The Company's remuneration consists of basic remuneration and performance-linked remuneration. However, only basic remuneration is paid to Non-Executive Directors (excluding External Directors and Directors who are Audit and Supervisory Committee members), External Directors (excluding Directors who are Audit and Supervisory Committee members), and Directors who are Audit and Supervisory Committee members, who are all responsible for governance functions. The Company's basic policy is that such remuneration should contribute to securing an excellent management team for the realization of the management plan and that such remuneration should raise awareness of their contribution to medium- to long-term improvement of business performance and corporate value.

##### b. Policy for determining the amount of individual basic remuneration (monetary remuneration) (including policy for determining the timing or conditions for granting remuneration, etc.)

The basic remuneration of Directors shall be fixed monthly remuneration consisting of compensation for representation, compensation for resolution and supervision, and compensation for business execution, and shall be determined by comprehensively taking into consideration the required responsibilities and external compensation database services.

##### c. Policy for determining the details of performance-linked remuneration, etc. and the method for calculating the amount or number of such remuneration (including policy for determining the timing or conditions for granting remuneration, etc.)

For performance-linked remuneration, the Company has introduced short-term performance-linked remuneration (bonuses). This remuneration is a remuneration system intended to encourage the achievement of performance targets for each fiscal year and is paid only if the KPIs, which have been set for the operating profit of the Group and the subsidiaries under its control, have been achieved. The amount paid to each individual is determined using the amount calculated in accordance with the rate of achievement of the KPIs as the source of the funds and in consideration of the individual evaluations and other factors. Indicators in the performance-linked remuneration will be reviewed and revised periodically in response to changes in the business environment and based on the report of the Nomination and Remuneration Committee.

In addition, the Company will consider the introduction of medium- to long-term performance-linked remuneration (share-based remuneration, etc.) in fiscal 2025 and thereafter in order to achieve increased corporate value of the Company.

##### d. Policy for determining the ratio of the amount of monetary remuneration, the amount of performance-linked remuneration, etc., or the amount of non-monetary remuneration, etc., to the amount of individual remuneration, etc. of Directors

The Nomination and Remuneration Committee shall make a report on the ratio of remuneration for Executive Directors by type of remuneration based on external remuneration database services and other information. Thereafter, the Board of Directors shall determine the details of remuneration, etc. for each Director within the scope of the ratio of remuneration by type indicated in the report, while respecting the content of the report of the Nomination and Remuneration Committee.

- e. Matters related to decisions on the details of individual remuneration, etc. for Directors  
Individual remuneration, etc. of Directors is deliberated by the Nomination and Remuneration Committee, a voluntary body chaired by an External Director, and is resolved by the Board of Directors. Remuneration for Directors who are Audit and Supervisory Committee members is determined through consultation of Directors who are Audit and Supervisory Committee members with the consent of all members.

B. Total amount of remuneration, etc. for the current fiscal year

Category	Total amount of remuneration, etc. (Yen in millions)	Total amount of remuneration, etc. by type (Yen in millions)			Number of eligible officers (Persons)
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (excluding those who are Audit and Supervisory Committee members) (External Directors' share thereof)	148 (40)	148 (40)	– (–)	– (–)	7 (4)
Directors who are Audit and Supervisory Committee members (External Directors' share thereof)	27 (27)	27 (27)	– (–)	– (–)	5 (5)

- (Notes) 1. The above includes two (2) Directors and Audit and Supervisory Committee members (including two (2) External Directors) who terminated their office upon its expiration at the conclusion of the 30th Annual General Meeting of Shareholders held on March 28, 2024.
2. At the Annual General Meeting of Shareholders held on March 25, 2016, shareholders passed a resolution to set the remuneration for Directors (excluding those who are Audit and Supervisory Committee members) at up to JPY 200 million per year. The number of Directors (excluding those who are Audit and Supervisory Committee members) as of the conclusion of the said General Meeting of Shareholders is five.
3. At the Annual General Meeting of Shareholders held on March 27, 2020, shareholders passed a resolution to set the remuneration for Directors who are Audit and Supervisory Committee members at up to JPY 50 million per year. The number of Directors who are Audit and Supervisory Committee members as of the conclusion of the said General Meeting of Shareholders is four.
4. In the current fiscal year, there was no remuneration, etc. received by External Directors from the Company's subsidiaries.

## 5) Matters Concerning External Directors

Position in the Company	Name	Significant Concurrent Positions at Other Entities	Main Activities at the Company
Director	Tomoyuki Mizutani	Special Management Assistant at Amacho, Oki-gun, Shimane	Mr. Mizutani attended 95% of Board meetings held in 2024. He appropriately spoke up at meetings to ensure the validity and appropriateness of the Board's decision-making from an objective and neutral standpoint independent from management and fulfilled his role appropriately, capitalizing on his wealth of experience and long achievement in corporate management.
Director	Koji Yanagisawa	Director, Executive Vice President & CFO at ZOZO, Inc. External Director at COLOPL, Inc.	Mr. Yanagisawa attended 95% of Board meetings held in 2024. He appropriately spoke up at meetings to ensure the validity and appropriateness of the Board's decision-making from an objective and neutral standpoint independent from management and fulfilled his role appropriately, capitalizing on his experience as CFO and others at a growing company as well as broad insight in overall business administration centered on accounting, finance, IR, legal affairs and corporate governance.
Director	Yasuhiro Ogino	Director and CFO at ANDPAD Inc.	Mr. Ogino attended 100% of Board meetings held in 2024. He appropriately spoke up at meetings to ensure the validity and appropriateness of the Board's decision-making from an objective and neutral standpoint independent from management and fulfilled his role appropriately, capitalizing on his experience as CFO and others at growing companies as well as broad insight in overall business administration centered on business development and M&A.
Director	Mariko Tokioka	Founder & CEO of East Meet East, Inc. External Director at Asteria Corporation	Ms. Tokioka attended 100% of Board meetings held in 2024. She appropriately spoke up at meetings to ensure the validity and appropriateness of the Board's decision-making from an objective and neutral standpoint independent from management and fulfilled her role appropriately, capitalizing on her abundant experience and broad knowledge, including her entrepreneurial experience in the SaaS field, global business management, and diversity management, as the founder and CEO of an IT company based in the U.S.
Director (Chairperson of the Audit and Supervisory Committee (full-time))	Yuki Okabe	CPA Auditor at OPT, Inc. Auditor at Vankable, Inc. External Director (Audit & Supervisory Committee Member) at PRESS KOGYO CO., LTD.	Ms. Okabe attended 100% of Board meetings and 100% of Audit and Supervisory Committee meetings held in 2024. She appropriately provided valuable perspectives on agenda items and other discussions and fulfilled her role appropriately, capitalizing on her career as a CPA as well as experience in serving as an auditor at multiple listed companies.
Director (Audit and Supervisory Committee member)	Ryoichi Kagizaki	Lawyer	Mr. Kagizaki attended 95% of Board meetings and 100% of Audit and Supervisory Committee meetings held in 2024. He appropriately provided valuable perspectives on agenda items and other discussions and fulfilled his role appropriately from lawyer's perspectives.
Director (Audit and Supervisory Committee member)	Kazuhide Yamauchi	Outside Audit & Supervisory Board Member at Financial Partners Group Co., Ltd. Auditor at Vankable, Inc.	Mr. Yamauchi attended 100% of Board meetings and 100% of Audit and Supervisory Committee meetings held in 2024 after assuming office on March 28, 2024. He appropriately provided valuable perspectives on agenda items and other discussions and fulfilled his role appropriately, capitalizing on his insight and wealth of domestic and international experience, mainly in the financial sector.

- (Notes) 1. The Company's relationship with Amacho, Oki-gun, Shimane, at which Mr. Mizutani holds a position, does not warrant disclosure.
2. The Company's relationships with ZOZO, Inc. and COLOPL, Inc., two companies at which Director Mr. Yanagisawa holds positions, do not warrant disclosure.
3. The Company's relationship with ANDPAD Inc., at which Director Mr. Ogino holds a position, does not warrant disclosure.
4. The Company's relationships with East Meet East, Inc. and Asteria Corporation, two companies at which Director Ms. Tokioka holds positions, do not warrant disclosure.
5. OPT, Inc. and Vankable, Inc., at which Director and Chairperson of the Audit and Supervisory Committee (full-time) Ms. Okabe holds positions, are subsidiaries of the Company. The Company's relationship with PRESS KOGYO CO., LTD., at which Ms. Okabe holds a position, does not warrant disclosure.

6. Vankable, Inc., at which Director and Audit and Supervisory Committee member Mr. Yamauchi holds a position, is the subsidiary of the Company. The Company's relationship with Financial Partners Group Co., Ltd., at which Mr. Yamauchi holds a position, does not warrant disclosure.

(4) Accounting Auditor

1) Name KPMG AZSA LLC

2) Amount of Compensation

(Yen in millions)

Accounting auditor's compensation for fiscal year ended December 31, 2024	52
Total monetary amount payable to the Accounting Auditor by the Company and its subsidiaries	63

(Notes) 1. The audit agreement between the Company and its Accounting Auditor does not explicitly distinguish the compensation for audit services performed pursuant to the Companies Act from the compensation for audit services performed pursuant to the Financial Instruments and Exchange Act. Given disaggregating compensation between the two types of audit services is not feasible, the Company is disclosing the above total amount as its Accounting Auditor's compensation for the fiscal year ended December 31, 2024.

2. The Audit and Supervisory Committee approved the Accounting Auditor's compensation after performing required verification of the appropriateness of the Accounting Auditor's audit plan, audit performance and basis for calculating estimates of its compensation.

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

If the Audit and Supervisory Committee decides that the Accounting Auditor needs to be replaced for failure to perform its duties or for other reasons, it shall draft a proposal regarding dismissal or non-reappointment of the Accounting Auditor to be submitted to a general meeting of shareholders. Additionally, if any of the causes for dismissal fall into the provisions of Article 340, paragraph 1 of the Companies Act, the Audit and Supervisory Committee may dismiss the Accounting Auditor with the unanimous consent of all of its members.

If the Accounting Auditor is dismissed, an Audit and Supervisory Committee member selected by the Audit and Supervisory Committee shall report on the dismissal, including the reason(s) for it, at the earliest general meeting of shareholders convened after the dismissal.

### 3. The Systems and Policies of the Group

#### (1) Systems for Ensuring the Appropriateness of Business Operation

##### 1) Controls to Ensure the Company and Its Subsidiaries' Directors and Employees Comply with Laws and Regulations, and Articles of Incorporation in Executing Their Duties

Under the directions and orders of those responsible for Group compliance, the division responsible for the Company's compliance conducts training sessions and prepares and distributes manuals in accordance with the "Group Compliance Rules," working to improve the compliance knowledge of the Directors and employees of the Company and its subsidiaries, and to cultivate a mindset of respect for compliance. Based on the "Group Internal Audit Rules," the division responsible for the Company's internal audit conducts regular audits of the execution of duties and confirms that the execution of duties complies with laws and regulations, and the Articles of Incorporation.

##### 2) Systems Related to Storage and Management of Information Concerning Execution of Duties by the Company and Its Subsidiaries' Directors

Regarding information on important decision-making and reports, the Company and its subsidiaries' Directors prepare, store and manage documents and electronic records in accordance with the "Group Authority Rules," "Group Confidentiality Protection Rules" and "Group Document Management Rules." The Company's subsidiaries keep such information readily accessible if requested to do so by the Company's Audit and Supervisory Committee members or their own Auditors.

##### 3) Rules and Other Systems Related to Management of the Company and Its Subsidiaries' Risk of Losses

Based on the "Group Risk Management Basic Guidelines" and "Group Risk Management Rules" established by the Board of Directors, the Company operates the Group Risk Management Committee composed of the Company's officers, mainly those responsible for Group risk. The Group Risk Management Committee selects important risks, prepares annual response plans and conducts monitoring, and reports the status of Group risk management, including the results of such monitoring, to the Board of Directors on an as-needed basis. The Company's subsidiaries have implemented their own controls for managing risks, including the risk of losses, to the extent needed by their scale and attributes in accordance with the "Group Risk Management Rules."

##### 4) Systems to Ensure the Company and Its Subsidiaries' Directors Execute Their Duties Effectively

The Company and its subsidiaries prepare business plans in accordance with the "Group Finance and Accounting Rules," explicitly set operating performance targets on a company-wide basis and clarify how they evaluate performance. They pursue improvement in operating efficiency by clearly defining every organizational division's responsibilities with respect to operating performance. The Company and its subsidiaries also analyze and make decisions on significant management matters in accordance with the "Group Authority Rules," working to ensure operating efficiency.

##### 5) Systems to Ensure the Appropriateness of Business Operation of the Group Consisting of the Company and Its Subsidiaries

To ensure the Group's appropriateness of business operation, the Company supervises its subsidiaries as required based on their respective circumstances in accordance with the "Group Authority Rules." Additionally, Representative Directors of each subsidiary attend meetings of the Company's Board of Directors to report important matters affecting the Group as a whole, in order to promote information-sharing and effective communication among the Group and alignment of the "Group Management Policies."

##### 6) Matters Related to Employees Requested by Audit and Supervisory Committee of the Company to Assist with Its Duties

When the Audit and Supervisory Committee requests employees to assist executing its duties, the Company assigns the needed employees to the Audit and Supervisory Committee.

##### 7) Matters Related to the Independence from the Directors and Ensuring the Effectiveness of Instructions by the Directors of the Employees Assigned to Audit and Supervisory Committee

The Company respects the Audit and Supervisory Committee's request on assignment of employees to assist the Audit and Supervisory Committee. The employees that have been ordered to perform auditing tasks by the Audit and Supervisory Committee will not obey to orders or directions from the Company's



Directors (excluding Directors who are Audit and Supervisory Committee members) against the orders from the Audit and Supervisory Committee.

- 8) Systems for the Company and Its Subsidiaries' Directors (Excluding Company Directors Who Are Audit and Supervisory Committee Members) and Employees to Report to Chairperson of the Audit and Supervisory Committee

The Company's Directors (excluding Directors who are Audit and Supervisory Committee members) and employees are required to immediately report to the Chairperson of the Audit and Supervisory Committee if they become aware of an illegal act or misconduct by a Director (other than a Director who is an Audit and Supervisory Committee member) or if any matter that would cause a material loss on the Company arises or is at risk of arising.

Additionally, the Company has established an internal reporting channel within the Group in accordance with the "Group Internal Reporting Rules." It has created an environment in which misconduct and illegal acts can be reported either directly or indirectly to the Company's full-time Audit and Supervisory Committee member, working to enhance compliance to prevent misconduct and illegal acts throughout the entire Group.

- 9) Systems to Prevent Retaliation Against Whistleblowers

The Company prohibits retaliatory treatment for individuals who have reported to the full-time Audit and Supervisory Committee member, directly or through the internal reporting channel, and fully publicizes this prohibition among the Company's Directors (excluding Directors who are Audit and Supervisory Committee members), employees, its subsidiaries' Directors and employees.

- 10) Matters Concerning Policy Pertaining to Advance Payment or Reimbursement of Expenses Related to Execution of Duties by Audit and Supervisory Committee Members of the Company or Processing of Other Expenses or Obligations Related to Said Duties' Execution

When billed in advance for necessary expenses related to execution of Audit and Supervisory Committee members' duties, the Company promptly pays the billed charges.

- 11) Other Systems to Ensure Effectiveness of the Audit by the Audit and Supervisory Committee

The Company's Directors (excluding Directors who are Audit and Supervisory Committee members) endeavor to make the audit system function more efficiently by promoting deeper understanding about the audit system and creating an audit-friendly environment within the Company. Furthermore, the Representative Director notifies Audit and Supervisory Committee members of Board of Directors meeting dates, details, etc. in advance and promotes appropriate communication and effective performance of audit work to ensure that the Audit and Supervisory Committee's audits are conducted effectively.

- 12) Systems to Ensure Reliability of Financial Reporting

To ensure the reliability of its financial reporting, and effective and appropriate reporting on internal controls in accordance with the Financial Instruments and Exchange Act, the Company has established the "Basic Policy for Building Internal Controls Systems," and implements and operates internal controls over financial reporting accordingly. It also continually evaluates whether its internal controls are functioning properly and modifies them as needed.

- 13) Systems to Eradicate Antisocial Forces

The Company has established the "Group Rules on Response to Anti-Social Forces" containing required provisions on severing relations with anti-social forces (as defined in the "Guideline for How Companies Prevent Damage from Anti-Social Forces" issued by the Ministerial Meeting Concerning Measures Against Crime) pursuant to the "Group Compliance Basic Policy." Such rules mandate that the Company sever all relations with anti-social forces and respond organizationally to any illicit demands by anti-social forces. Moreover, the Company has established more specific guidelines for dealing with anti-social forces in the "Group Anti-Social Forces Response Manual," and ensures that the Directors and employees of the Company and its subsidiaries are well informed so that they will not have any relationship with anti-social forces. Additionally, the Company is a long-standing member of the Special Anti-Violence Countermeasures Federation of the Metropolitan Police Department. It also builds cooperative relationships with lawyers and other external related organizations, and incorporates an anti-social forces clause into its contracts with new suppliers and customers.

(2) Overview of Execution Status of Systems to Ensure Appropriateness of Business Operation

1) Execution of Directors' Duties

In the fiscal year ended December 31, 2024, the Company held Board of Directors meetings twenty-one (21) times and made management decisions. The Board of Directors instituted Board of Directors Rules and other internal rules to ensure that Directors act in accordance with laws and regulations, the Company's Articles of Incorporation.

2) Execution of Duties by Audit and Supervisory Committee Members

In addition to conducting audits pursuant to audit plans formulated at Audit and Supervisory Committee meetings, Audit and Supervisory Committee members oversee the execution of duties by Directors (excluding Directors who are Audit and Supervisory Committee members) through such means as attending important meetings, including Board of Directors meetings, and regularly exchanging information with the Accounting Auditor and the division responsible for the Company's internal audit.

3) Risk Management and Compliance

The Company works to strengthen the risk management system to reduce risk, facilitate risk prevention, and take prompt action should a risk materialize, and in addition to establishing the "Group Risk Management Basic Guidelines" and the "Group Risk Management Rules," it has established the Group Risk Management Committee. Furthermore, the Company works to heighten awareness among the Directors and employees of the Company and its subsidiaries by creating the "Group Compliance Basic Policy" and the "Group Compliance Rules," establishing the Group Compliance Committee, and getting division responsible for the Company's compliance to prepare manuals and guidelines, and plan, conduct and administrate trainings.

(3) Policy for Determination of Dividends from Retained Earnings

The Company seeks to internally retain earnings to fund investments, including business and human-resource investments needed to strengthen its management team and improve profitability in pursuit of sustainably growing its corporate value. As its dividend policy for the four-year period from the fiscal year ended December 31, 2023 to the fiscal year ending December 31, 2026, the final year of the next medium-term business plan, which covers the period from January 2024 to December 2026, the Company, in principle, aims to adopt dividends equivalent to 20% of profit attributable to owners of parent before amortization of goodwill or equivalent to 3% of DOE (dividend on equity: total annual dividends/shareholders' equity $\times$ 100), whichever is greater.

For the fiscal year ended December 31, 2024, the Company's Board of Directors passed a resolution authorizing a dividend of JPY 45.00 per share on February 13, 2025, adopting "3% of DOE," based on operating results for the fiscal year ended December 31, 2024. Furthermore, as announced in the "Notice Regarding Revision of Dividend Forecast" dated November 6, 2024, the Company celebrated the 20th anniversary of its listing during the current fiscal year. The Company would like to express its sincere gratitude to its shareholders and all of its stakeholders, without whose support this would not have been possible. As an expression of its gratitude for the support of its shareholders, to commemorate the Company's 20th anniversary of its listing, the Company will pay a commemorative dividend of JPY 20.00 per share, in addition to its ordinary dividends. The total dividends per share for the fiscal year ended December 31, 2024 will be JPY 65.00.

Monetary values presented in this Business Report are rounded down to the nearest whole unit in which they are presented; percentages and other numbers are rounded off to one decimal place.

## Consolidated balance sheet

(As of December 31, 2024)

(Yen in millions)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	37,016	Current liabilities	10,322
Cash and deposits	21,741	Accounts payable-trade	7,822
Accounts receivable-trade	7,271	Short-term loans payable	84
Contract assets	607	Income taxes payable	280
Operational investment securities	3,570	Contract liabilities	164
Inventories	12	Provision for bonuses	249
Accounts receivable - other	3,056	Other	1,721
Other	1,149	Noncurrent liabilities	4,828
Allowance for doubtful accounts	(392)	Long-term borrowings	4,000
Noncurrent assets	11,201	Deferred tax liabilities	651
Property, plant and equipment	166	Asset retirement obligations	176
Buildings and structures	106	Total liabilities	15,150
Other	59	Net assets	
Intangible assets	675	Shareholders' equity	26,130
Goodwill	364	Share capital	8,212
Other	310	Capital surplus	3,843
Investments and other assets	10,358	Retained earnings	14,075
Shares of affiliates	706	Accumulated other comprehensive income	4,555
Investment securities	8,543	Valuation difference on available-for-sale securities	1,855
Leasehold and guarantee deposits	299	Foreign currency translation adjustment	2,699
Deferred tax assets	807	Share options	1
Other	0	Non-controlling interests	2,379
Total assets	48,217	Total net assets	33,066
		Total liabilities and net assets	48,217

(Note) The amounts presented above are rounded down to the nearest whole million yen.

## Consolidated statement of income

(From January 1, 2024 to December 31, 2024)

(Yen in millions)

Account	Amount	
Revenue		16,155
Cost of sales		6,140
Gross profit		10,015
Selling, general and administrative expenses		9,030
Operating profit		984
Non-operating income		
Investment gain on equity method	554	
Gain on investments in investment partnerships	194	
Other	20	770
Non-operating expenses		
Interest expenses	14	
Foreign exchange losses	5	
Other	0	20
Ordinary profit		1,734
Extraordinary income		
Gain on sales of investment securities	25	
Gain on sale of businesses	2	
Other	1	30
Extraordinary losses		
Loss on retirement of noncurrent assets	8	
Impairment loss	142	
Loss on liquidation of subsidiaries	16	
Other	0	167
Profit before income taxes		1,597
Income taxes-current	314	
Income taxes-deferred	(328)	(14)
Profit		1,611
Profit attributable to non-controlling interests		269
Profit attributable to owners of parent		1,341

(Note) The amounts presented above are rounded down to the nearest whole million yen.

## Consolidated statement of changes in net assets

(From January 1, 2024 to December 31, 2024)

(Yen in millions)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of year	8,212	3,843	14,043	26,098
Changes of items during the period				
Dividends of surplus			(1,309)	(1,309)
Profit attributable to owners of parent			1,341	1,341
Net changes of items other than shareholders' equity				
Total changes of items during the period	—	—	32	32
Balance at end of year	8,212	3,843	14,075	26,130

	Accumulated other comprehensive income			Share options	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of year	1,356	1,872	3,229	0	4,563	33,892
Changes of items during the period						
Dividends from surplus						(1,309)
Profit attributable to owners of parent						1,341
Net changes of items other than shareholders' equity	499	827	1,326	0	(2,184)	(857)
Total changes of items during the period	499	827	1,326	0	(2,184)	(825)
Balance at end of year	1,855	2,699	4,555	1	2,379	33,066

(Note) The amounts presented above are rounded down to the nearest whole million yen.

## Notes to Consolidated Financial Statements

### 1. Significant matters that form the basis of preparing consolidated financial statements:

#### (1) Scope of consolidation

##### 1) Status of consolidated subsidiaries

- Number of consolidated subsidiaries: 8 consolidated subsidiaries
- Names of consolidated subsidiaries

OPT, Inc.

Bonds Investment Group Inc.

BIG No. 1 Limited Partnership for Investment

BIG No. 2 Limited Partnership for Investment

OPT China Limited

OPT America, Inc.

Vankable, Inc.

BIG SX No. 1 Limited Partnership for Investment

RePharmacy, Inc. and JOMYAKU, Inc. were excluded from the scope of consolidation because they were merged into Re:teigi, Inc. and dissolved. In addition, Digital Shift, Inc., Re:teigi, Inc., ConnectOM, Inc., and OPT Incubate Inc., were excluded from the scope of consolidation because they were merged into OPT, Inc. and dissolved.

OPT Shenzhen (China) was excluded from the scope of consolidation because its liquidation was completed in the fiscal year ended December 31, 2024.

##### 2) Status of major non-consolidated subsidiaries

Not applicable

#### (2) Application of equity method accounting

##### 1) Status of equity-method affiliates

- Number of equity-method affiliates: 1 affiliate
- Names of equity-method affiliates  
SIGNATE Inc.

##### 2) Status of major non-consolidated subsidiaries and affiliates not subject to the equity method

- Name of non-consolidated subsidiaries and affiliates in this category  
Non-consolidated subsidiary: Not applicable  
Affiliates: Not applicable

#### (3) Fiscal years of consolidated subsidiaries

Consolidated subsidiaries have the same fiscal year-end as the consolidated closing date.

(4) Matters on accounting policies

1) Valuation standards and methods for significant assets

A. Securities

Shares of affiliates

Stated at cost using the moving-average method.

Available-for-sale securities (including operational investment securities)

- Securities other than shares, etc. that do not have a market price:

Stated at fair value (The related valuation differences are directly debited or credited to the net assets and the cost of securities sold is calculated using the moving average method).

- Shares, etc. that do not have a market price:

Stated at cost using the moving-average method.

- Investment in limited partnership for investment:

Stated at an amount calculated using the method where the amount equivalent to the Company's equity interests in the partnership is added to or subtracted from the partnership's gains or losses based on the most recent financial statements available.

B. Inventories

- Work in process:

Mainly stated at cost using the FIFO method. (The balance sheet value is calculated by writing down the book value based on decreased profitability.)

- Supplies:

Mainly stated at cost using the specific cost method. (The balance sheet value is calculated by writing down the book value based on decreased profitability.)

2) Depreciation/amortization method for significant depreciable/amortizable assets

A. Property, plant and equipment

Mainly subject to the declining-balance method.

However, buildings (excluding equipment attached to buildings) acquired on or after April 1, 1998 and equipment attached to buildings and structures acquired on or after April 1, 2016 are subject to the straight-line method.

The straight-line method is adopted by overseas consolidated subsidiaries. Primary useful lives are as indicated below:

Buildings and structures: 3 to 18 years.

Other: 4 to 15 years.

B. Intangible assets

Subject to the straight-line method.

Software for internal use is subject to the straight-line method based on the period available for internal use (mainly, 5 years).

3) Standards for recognition of significant allowances

A. Allowance for doubtful accounts

To prepare for losses from receivables, uncollectible amounts are estimated and recognized, for ordinary receivables, by the actual bad debt ratio based on losses in the past, or for doubtful receivables and other certain receivables, by taking into consideration the collectability of individual receivable accounts.

B. Provision for bonuses

In terms of provision for bonuses, the amount accrued in the fiscal year for the estimated payout to employees is recognized to prepare for payments of bonuses to employees.

- 4) Standards for recognition of significant revenue and expenses  
Revenue recognition for each of the major categories of revenue is as follows:
- A. Contracted development services  
The Company provides contracted development services for the purpose of supporting customers' DX, etc., and is obligated to produce and deliver deliverables such as software based on customer specifications.  
Performance obligation is satisfied as the development work progresses, and revenue is recognized over a certain period if the degree of progress in the satisfaction of such performance obligation can be reasonably measured.  
However, when the term from the transaction commencement date to the point when the performance obligation is expected to be fully satisfied is very short, revenue is recognized when the deliverables are accepted by a customer.
- B. Advertisement-related services  
In the programmatic advertising and affiliate services, the Company has performance obligations to act as an intermediary for placing advertisements and to optimize the placement and distribution of advertisements to achieve the advertising results expected by customers.  
Performance obligation is satisfied when the results from distribution of advertisements are achieved in accordance with the arrangement with the customer, and revenue is recognized on a volume basis based on the number of results achieved.  
The Company does not control the goods or services transferred to the advertisers in the case of intermediation of advertising space and management agency services in the case of programmatic advertising, which the Company determines to fall under agent transaction. For such transactions, revenue is recognized at the net amount of the amount received in exchange for services provided by the other party less the amount paid to the other party concerned.  
The Company also enters into certain transactions in which it has an obligation to produce and deliver advertising productions. For these transactions, revenue is recognized at the time the performance obligation is satisfied upon fulfillment of delivery to a customer.
- C. Financial investment services  
The Group performs operational investment for the purpose of earning capital gains of venture companies.  
In funds in which the Group participates as a limited liability partner, the Group contributes the amount promised to be invested based on the partnership agreement, and for funds managed by the Group, the amount promised to be invested for which contributions have been received is managed and operated in accordance with the partnership agreement.  
Revenue is recognized at the time when operational investment securities held directly by the Company and investment targets held through funds are sold.
- As consideration for the revenue recognized by the Group is received generally within one year from the satisfaction of performance obligation, it does not include a significant financing component.
- 5) Standard for translating significant assets or liabilities denominated in foreign currencies into Japanese yen  
Assets and liabilities of overseas subsidiaries are translated into the Japanese yen based on the spot exchange rate as of the closing date while their earnings and expenses are translated into the Japanese yen based on the average rate. The translation differences are included in and recognized as foreign currency translation adjustment under net assets.
- 6) Amortization method and period for goodwill  
Goodwill is regularly amortized over a reasonable period, which we estimate case-by-case based on the duration of its effect.
- 7) Other significant matters that form the basis of preparing consolidated financial statements
- A. Accounting procedures for consumption taxes  
Non-deductible consumption taxes are expensed for the current fiscal year.
- B. Application of the group tax sharing system  
The group tax sharing system is adopted.



## 2. Notes on accounting estimates

Valuation of shares, etc. that do not have a market price and equity interests in investment limited partnerships and similar partnerships

### (1) Amounts recorded in the consolidated financial statements for the current fiscal year

Operational investment securities of JPY 3,570 million and investment securities of JPY 8,543 million were recorded in the consolidated balance sheet for the current fiscal year. These include JPY 2,192 million of shares, etc. that do not have a market price and JPY 8,570 million in equity interests in investment limited partnerships and similar partnerships.

### (2) Information on significant accounting estimates for identified items

For shares, etc. that do not have a market price, the acquisition cost is used as the value on the consolidated balance sheet. However, if the actual value of the securities declines significantly due to a deterioration in the financial position of the issuer of the securities, a substantial reduction is made to the value, and the valuation difference is treated as a loss for the current period.

However, for securities acquired at a price substantially higher than the amount based on net assets per share reflecting the excess earning capacity, etc. of the investee at the time of acquisition, if it is judged that the excess earning capacity, etc. initially expected has not decreased, the actual value is deemed not to have decreased significantly, and no loss on valuation of securities is recognized. Judgments as to whether the excess earning capacity, etc. of investees has decreased are made based on the achievement of business plans, etc., but said judgments are carefully made, as they involve significant judgments by management since the development of venture businesses is subject to uncertainty.

In the event that the actual value, including excess earning capacity, of the investees declines significantly, such as when the business results of the investees fall far short of the business plans, there is a possibility that loss on valuation of securities may be recorded in the following fiscal year.

## 3. Notes to consolidated balance sheet

### (1) Breakdown of inventories

Work in process	(Yen in millions)
	12

### (2) Accumulated depreciation of property, plant and equipment

Accumulated depreciation	(Yen in millions)
	405

## 4. Notes to consolidated statement of income

Revenue from contracts with customers

The Company does not separate and state revenue from contracts with customers and other sources of revenue. The amount of revenue from contracts with customers is presented in “7. Notes on revenue recognition, (1) Disaggregation of revenue from contracts with customers for the current fiscal year” in the Notes to Consolidated Financial Statements.

5. Notes to consolidated statement of changes in net assets

(1) Matters concerning class and total number of shares issued and class and number of treasury shares

Class of stock	As of Jan. 1, 2024	Additions	Subtractions	As of Dec. 31, 2024
Shares issued				
Common shares	17,459,907 shares	—	—	17,459,907 shares

(2) Matters concerning share options

Type	Breakdown of share options	Class of underlying stock	Number of underlying stock (Shares)				Balance as of Dec. 31, 2024 (Yen in millions)
			As of Jan. 1, 2024	Additions	Subtractions	As of Dec. 31, 2024	
The Company	Share acquisition rights as share options	Common shares	346,000	870,000	—	1,216,000	1
Total		—	346,000	870,000	—	1,216,000	1

(3) Matters concerning dividend

1) Amount of dividend distribution

Resolution date	Class of stock	Total dividend distribution (Yen in millions)	Dividend per share (Yen)	Record date	Effective date
February 13, 2024 Board of Directors Meeting	Common shares	1,309	75.0	December 31, 2023	March 6, 2024

(Note) The dividend per share resolved by the Board of Directors meeting on February 13, 2024 includes a commemorative dividend of JPY 30.0 per share.

2) Dividends with a record date in the fiscal year ended December 31, 2024, but with an effective date in the following fiscal year

Scheduled resolution date	Class of stock	Dividend funding source	Total dividend distribution (Yen in millions)	Dividend per share (Yen)	Record date	Effective date
February 13, 2025 Board of Directors Meeting	Common shares	Retained earnings	1,134	65.0	December 31, 2024	March 6, 2025

(Note) The dividend per share resolved by the Board of Directors meeting on February 13, 2025 includes a commemorative dividend of JPY 20.0 per share.

## 6. Notes on financial instruments

### (1) Matters concerning financial instruments

#### 1) Policy for financial instruments

The Group invests into financial assets focusing on safety and liquidity given own cash flows and financial market conditions. When borrowing funds or otherwise raising capital, the Group takes stability, cost-efficiency and flexibility into consideration in selecting funding instruments.

The Group manages investment businesses that invest in securities for investment purposes through dedicated business units.

#### 2) Nature of financial instruments and associated risks

Notes and accounts receivable-trade, which are trade receivables, are exposed to customer credit risk. With respect to this risk, the Group has staff that manage receivable collection schedules and receivable balances on a customer-by-customer basis and periodically assess major customers' credit status in accord with regulations regarding the Group's credit management. Trade receivables denominated in foreign currencies are exposed to currency risk. Investment securities are mainly stocks of companies with which the Company has business relationships. They are exposed to the risk of market price fluctuations. Operational investment securities and investment securities other than the aforementioned investment securities held by the Group are mainly stocks and equity interests in partnerships and other such entities. The Group holds these securities for purely investment purposes or to advance its businesses. Listed stocks among these securities are exposed to the risk of market price fluctuations. Unlisted stocks among these securities are exposed to the following two risks because unlisted companies tend to be more sensitive than listed companies to changes in the economic environment and other such developments as a result of having less stable financial and earnings foundations and being more constrained in terms of management resources.

a. The Group has no assurance of earning any capital gains from its investments.

b. The Group may incur capital losses on its investments.

Accounts payable-trade, which are trade payables, are payable within one year. In addition, trade payables denominated in foreign currencies are exposed to currency risk.

Short-term loans payable and long-term borrowings are mostly funding needed for working capital, among other purposes.

#### 3) Risk-management regime for financial instruments

- Management of credit risk (risk associated with counterparties' contractual nonperformance, etc.)

For trade receivables, the Group conducts credit screenings when it starts doing business with a new customer, continually monitors the collection status of receivables and reviews credit limits when necessary in accordance with its regulations regarding credit management.

- Management of market risks (foreign currency risk, interest rate fluctuation risk, etc.)

For operational investment securities and other investment securities, the Group periodically checks market values and assesses the issuer's (or counterparties') financial condition and continually reviews and, as necessary, adjusts its holdings in light of market conditions and/or its relationship with the counterparty.

- Management of liquidity risk in connection with financing (risk of inability to repay borrowings on the due date)

The Group manages liquidity risk through such means as having its finance staff prepare and update cash flow schedules on a timely basis.

#### 4) Supplemental information on the fair value of financial instruments

In calculation of the fair value of financial instruments, as fluctuation factors are incorporated, the value may fluctuate by adopting different preconditions.

(2) Matters concerning financial instruments' fair value

The book value and fair value of financial instruments in the consolidated balance sheet as of December 31, 2024 (the consolidated balance sheet date for the current fiscal year) and their differences are as follows. "Cash and deposits," "accounts receivable-trade," "accounts receivable-other," "accounts payable-trade" and "short-term loans payable" are omitted because they consist of cash and have short-term maturities, and their fair value approximates their book value.

(Yen in millions)

	Carrying amount in the consolidated balance sheet	Fair value	Difference
Operational investment securities and investment securities	1,351	1,351	—
Total assets	1,351	1,351	—
Long-term borrowings	4,000	3,960	(39)
Total liabilities	4,000	3,960	(39)

(Note 1) Shares, etc. that do not have a market price and equity interests in investment limited partnerships and similar partnerships are not included in the above. The carrying amount of such financial instruments on the consolidated balance sheet are as follows:

(Yen in millions)

Type	Carrying amount on consolidated balance sheet
Operational investment securities and investment securities	
Unlisted stocks	2,192
Equity interests in investment limited partnerships and similar partnerships*	8,570
Shares of affiliates	706
Total	11,469

(\*) Equity interests in investment limited partnerships and similar partnerships are not subject to fair value disclosure in accordance with paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

(Note 2) Post-reporting-date maturity schedule for monetary receivables

(Yen in millions)

Type	Within 1 year	1-5 years	5-10 years	Over 10 years
(1) Cash and deposits	21,741	—	—	—
(2) Accounts receivable-trade	7,271	—	—	—
(3) Accounts receivable-other	3,056	—	—	—
Total	32,069	—	—	—

(Note 3) Post-reporting-date repayment schedule for loans payable

(Yen in millions)

Type	Within 1 year	1-5 years	5-10 years	Over 10 years
Short-term loans payable	84	—	—	—
Long-term borrowings	—	4,000	—	—
Total	84	4,000	—	—

(3) Breakdown, etc. of financial instruments by level of fair value

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of such fair value measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs that have significant impact on fair value measurement are used, the fair value is categorized in the level of the lowest priority for fair value measurement among the level of each input.

1) Financial instruments measured at fair value in the consolidated balance sheet

Type	Fair value (Yen in millions)			
	Level 1	Level 2	Level 3	Total
Operational investment securities and investment securities				
Shares	1,029	—	—	1,029
Other	—	—	321	321
Total assets	1,029	—	321	1,351

2) Financial instruments other than those measured at fair value in the consolidated balance sheet

	Fair value (Yen in millions)			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	—	3,960	—	3,960
Total liabilities	—	3,960	—	3,960

(Note) A description of the valuation technique(s) and inputs used in the fair value measurements

• Operational investment securities and investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1. Other is share options of unlisted shares. Their fair value is measured based on the best available information from the issuer, taking into account the credit status, business conditions, etc. of the issuer, and is classified as Level 3.

• Long-term borrowings

The fair value is measured by discounting the total amount of principal and interest at an interest rate that incorporates a benchmark rate (e.g., government bond yield) plus a credit spread, and is classified as Level 2.

7. Notes on revenue recognition

(1) Disaggregation of revenue from contracts with customers for the current fiscal year

(Yen in millions)

	Business segment			Total
	Marketing Business	Financial Services Business	Investment Business	
Goods or services transferred at a point in time	1,263	—	—	1,263
Goods or services transferred over a certain period	10,686	479	—	11,165
Revenue from contracts with customers	11,950	479	—	12,429
Other revenue	—	—	3,725	3,725
Revenue from external customers	11,950	479	3,725	16,155

(2) Basic information in understanding revenue

Basic information in understanding revenue is as presented in “1. Significant matters that form the basis of preparing consolidated financial statements, (4) Matters on accounting policies, 4) Standards for recognition of significant revenue and expenses” in the Notes to Consolidated Financial Statements.

(3) Information in understanding the amounts of revenue for the current fiscal year and following fiscal years

1) Contract asset and contract liability balances, etc.

(Yen in millions)

Contract assets (balance at beginning of year)	195
Contract assets (balance at end of year)	607
Contract liabilities (balance at beginning of year)	38
Contract liabilities (balance at end of year)	164

Contract assets consist of unbilled accounts receivables-trade for which revenue is recognized over a certain period based on the estimated degree of progress in satisfying performance obligations. Contract assets are reclassified to receivables from contracts with customers when they are accepted by a customer. Contract liabilities primarily relate to advances received from customers for the period based on the payment terms on the contracts for which revenue is recognized at time of satisfaction of performance obligations. Contract liabilities are reversed as revenue is recognized.

2) Transaction price allocated to the remaining performance obligations

Since the Group does not have significant transactions with an initial expected contract term of more than one year, the Group has applied the practical expedient and figures are omitted. Further, there is no significant amount of consideration arising from contracts with customers that are not included in the transaction price.

8. Notes to per-share information

Net assets per share

¥1,757.53

Earnings per share

¥76.85

9. Notes to significant subsequent events

Not applicable

## Balance sheet

(As of December 31, 2024)

(Yen in millions)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	21,748	Current liabilities	5,099
Cash and deposits	18,185	Accounts payable	144
Accounts receivable-trade	194	Deposits received from subsidiaries and associates	4,514
Operational investment securities	698	Accrued expenses	96
Advances paid	70	Income taxes payable	263
Short-term loans receivable from subsidiaries and associates	2,340	Deposits received	35
Accounts receivable - other	8	Provision for bonuses	32
Other	257	Other	13
Allowance for doubtful accounts	(6)	Noncurrent liabilities	4,160
Noncurrent assets	12,209	Long-term borrowings	4,000
Property, plant and equipment	157	Asset retirement obligations	160
Buildings and structures	100	Total liabilities	9,260
Tools, furniture and fixtures	57	Net assets	
Intangible assets	52	Shareholders' equity	24,471
Trademark right	3	Share capital	8,212
Software	48	Capital surplus	3,423
Other	0	Legal capital surplus	3,423
Investments and other assets	11,999	Retained earnings	12,835
Investment securities	1,712	Other retained earnings	12,835
Shares of subsidiaries and associates	8,740	Retained earnings brought forward	12,835
Investments in other securities of subsidiaries and associates	1,108	Valuation and translation adjustments	224
Deferred tax assets	167	Valuation difference on available-for-sale securities	224
Leasehold and guarantee deposits	270	Share options	1
Other	0	Total net assets	24,698
Total assets	33,958	Total liabilities and net assets	33,958

(Note) The amounts presented above are rounded down to the nearest whole million yen.

## Statement of income

(From January 1, 2024 to December 31, 2024)

(Yen in millions)

Account	Amount	
Revenue		4,169
Cost of sales		2,649
Gross profit		1,520
Selling, general and administrative expenses		153
Operating profit		1,366
Non-operating income		
Interest income	16	
Gain on reversal of allowance for doubtful accounts	1,699	
Other	12	1,728
Non-operating expenses		
Interest expenses	13	
Loss on investments in investment partnerships	42	
Other	1	58
Ordinary profit		3,036
Extraordinary income		
Gain on sales of investment securities	25	
Other	1	27
Extraordinary loss		
Loss on retirement of noncurrent assets	4	4
Profit before income taxes		3,059
Income taxes-current	322	
Income taxes-deferred	(49)	272
Profit		2,786

(Note) The amounts presented above are rounded down to the nearest whole million yen.



## Statement of changes in net assets

(From January 1, 2024 to December 31, 2024)

(Yen in millions)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at beginning of year	8,212	3,423	3,423	11,358	11,358	22,994
Changes of items during period						
Dividends of surplus				(1,309)	(1,309)	(1,309)
Profit				2,786	2,786	2,786
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	—	1,477	1,477	1,477
Balance at end of year	8,212	3,423	3,423	12,835	12,835	24,471

	Valuation and translation adjustments		Share options	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of year	219	219	0	23,214
Changes of items during period				
Dividends from surplus				(1,309)
Profit				2,786
Net changes of items other than shareholders' equity	5	5	0	6
Total changes of items during the period	5	5	0	1,483
Balance at end of year	224	224	1	24,698

(Note) The amounts presented above are rounded down to the nearest whole million yen.

## Notes to Non-Consolidated Financial Statements

### 1. Notes to significant accounting policies

#### (1) Valuation standards and methods for significant assets

##### 1) Valuation standards and methods for securities

###### A. Shares of subsidiaries and affiliates

Stated at cost using the moving-average method.

###### B. Available-for-sale securities (including operational investment securities)

- Securities other than shares, etc. that do not have a market price:

Stated at fair value (The related valuation differences are directly debited or credited to the net assets and the cost of securities sold is calculated using the moving average method).

- Shares, etc. that do not have a market price:

Stated at cost using the moving-average method.

- Investment in limited partnership for investment:

Stated at an amount calculated using the method where the amount equivalent to the Company's equity interests in the partnership is added to or subtracted from the partnership's gains or losses based on the most recent financial statements available.

#### (2) Depreciation/amortization methods for noncurrent assets

##### 1) Property, plant and equipment

Mainly subject to the declining-balance method.

However, buildings (excluding equipment attached to buildings) acquired on or after April 1, 1998 and equipment attached to buildings and structures acquired on or after April 1, 2016 are subject to the straight-line method.

Primary useful lives are as indicated below:

Buildings and structures:	3 to 18 years
Tools, furniture and fixtures:	4 to 10 years

##### 2) Intangible assets

Subject to the straight-line method.

Software for internal use is subject to the straight-line method based on the period available for internal use (mainly, 5 years).

#### (3) Standards for recognition of significant allowances

##### 1) Allowance for doubtful accounts

To prepare for losses from receivables, uncollectible amounts are estimated and recognized, for ordinary receivables, by the actual bad debt ratio based on losses in the past, or for doubtful receivables and other certain receivables, by taking into consideration the collectability of individual receivable accounts.

##### 2) Provision for bonuses

In terms of provision for bonuses, the amount accrued in the fiscal year for the estimated payout to employees is recognized to prepare for payments of bonuses to employees.

#### (4) Standards for recognition of revenue and expenses

##### 1) Services related to contracts with subsidiaries

The Company has performance obligations to provide back-office services and management consulting under contracts with its subsidiaries. As it is considered that the subsidiaries receive benefits as the Company performs its obligations under the contracts, revenue is recognized over the period in which the services are provided at the contract amounts agreed to with each subsidiary at the beginning of the fiscal year.

Management consulting fees are recognized as revenue at the amounts calculated based on the amount of revenue recognized by each subsidiary, and dividends from subsidiaries are also recognized as revenue on the effective date of the dividends.

2) Financial investment services

The Company performs operational investment for the purpose of earning capital gains of venture companies. In funds in which the Company participates as a limited liability partner, the Company contributes the amount promised to be invested based on the partnership agreement. Revenue is recognized as gains or losses at the time when operational investment securities held directly by the Company and investments held through funds are sold.

(5) Other significant matters that form the basis of preparing financial statements

1) Accounting procedures for consumption taxes

Non-deductible consumption taxes are expensed for the current fiscal year.

2) Application of the group tax sharing system

The group tax sharing system is adopted.

2. Notes on accounting estimates

Valuation of shares, etc. that do not have a market price and equity interests in investment limited partnerships and similar partnerships

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

Operational investment securities of JPY 698 million and investment securities of JPY 1,712 million were recorded in the balance sheet for the current fiscal year. These include JPY 624 million of shares, etc. that do not have a market price and JPY 1,580 million in equity interests in investment limited partnerships and similar partnerships.

(2) Information on accounting estimates for identified items

Notes are omitted because the same information is provided in “2. Notes on accounting estimates” in the Notes to Consolidated Financial Statements.

3. Notes to balance sheet

(1) Monetary receivables from and monetary payables to subsidiaries and associates (excluding those presented as separate line items)

	(Yen in millions)
Short-term monetary receivables	2,616
Short-term monetary payables	80

(2) Accumulated depreciation of property, plant and equipment

	(Yen in millions)
Accumulated depreciation	359

(3) Contingent liabilities

The Company guarantees the obligations of JPY 416 million in payables and JPY 84 million in borrowings for customers of subsidiaries.

4. Notes to statement of income

Transactions with subsidiaries and associates

	(Yen in millions)
Operating transactions	
Revenue	2,641
Non-operating transactions	16

5. Notes to statement of changes in net assets

Matters concerning class and number of treasury shares

Not applicable

6. Notes to deferred tax accounting matters

Breakdown of deferred tax assets and deferred tax liabilities by main cause

	(Yen in millions)
Deferred tax assets	
Allowance for doubtful accounts	1
Provision for bonuses	9
Intangible assets	16
Asset retirement obligations	40
Loss on valuation of investment securities	923
Enterprise taxes payable	15
Other	14
Subtotal deferred tax assets	<u>1,022</u>
Valuation allowance	<u>(755)</u>
Total deferred tax assets	266
Deferred tax liabilities	
Valuation difference on available-for-sale securities	<u>(99)</u>
Total deferred tax liabilities	<u>(99)</u>
Net deferred tax assets	167

## 7. Notes to transactions with related party

### (1) Subsidiaries, etc.

Type	Name of company	Address	Share capital or equity stake (Yen in millions)	Business	Percentage of voting rights holding (held)
Subsidiary	OPT, Inc.	Chiyoda-ku, Tokyo	100	Marketing Business	100.00% (—)
Subsidiary	Vankable, Inc.	Chiyoda-ku, Tokyo	100	Financial Services Business	100.00% (—)
Subsidiary	BIG No. 1 Limited Partnership for Investment	Shibuya-ku, Tokyo	4,150	Investment Business	100.00% (—)
Subsidiary	BIG SX No. 1 Limited Partnership for Investment	Shibuya-ku, Tokyo	808	Investment Business	100.00% (—)

Type	Name of company	Relationship with related party	Nature of transaction	Transaction amount (Yen in millions)	Account	Fiscal year-end balance (Yen in millions)
Subsidiary	OPT, Inc.	Director interlock Management involvement CMS transactions	Management consulting fee	1,954	Accounts receivable-trade	189
			Borrowing of funds via CMS (Note 1)	—	Deposits received from subsidiaries and associates	2,169
			Payment of interest (Note 2)	0	—	—
Subsidiary	Vankable, Inc.	Director interlock Guarantee of obligation Loans of funds CMS transactions	Guarantee of obligation (Note 3)	501	—	—
			Loans of funds	2,340	Short-term loans receivable from subsidiaries and associates	2,340
			Collection of loans receivable	1,900	—	—
			Receipt of interest (Note 2)	15	—	—
			Borrowing of funds via CMS (Note 1)	—	Deposits received from subsidiaries and associates	2,139
			Payment of interest (Note 2)	0	—	—
Subsidiary	BIG No. 1 Limited Partnership for Investment	Director interlock	Receipt of distributions	256	—	—
Subsidiary	BIG SX No. 1 Limited Partnership for Investment	Director interlock	Capital investment	400	—	—

(Notes) 1. For borrowing transactions through the CMS (cash management system), only fiscal year-end balances are presented because balances frequently change.

2. For transaction amount, interest rates are rationally determined based on market interest rates and other relevant factors.

3. The Company guarantees obligations owed to customers. No guarantee fee is received for this guarantee of obligation.

### (2) Corporate officers and individual shareholders

Not applicable

## 8. Notes on revenue recognition

Basic information in understanding revenue

Basic information in understanding revenue from contracts with customers is as presented in “1. Notes to significant accounting policies, (4) Standards for recognition of revenue and expenses” in the Notes to Non-

Consolidated Financial Statements.

9. Notes to per-share information	
Net assets per share	¥1,414.49
Earnings per share	¥159.61
10. Notes to significant subsequent events	
Not applicable	

## AUDIT REPORT

We, the Audit and Supervisory Committee of DIGITAL HOLDINGS, Inc. (“the Company”), have audited the performance of duties by Directors and Executive Officers during the 31st fiscal year from January 1, 2024 to December 31, 2024. We report the method and results as follows.

### 1. Method and details of audit

We, the Audit and Supervisory Committee, have received reports from Directors, employees and others on a regularly basis on the details of the board resolutions with respect to items prescribed in Article 399-13, paragraph 1, item i (b) and (c) of the Companies Act, and the status of the establishment and operation of the system established based on such board resolutions (internal control system), sought explanations, whenever the necessity arose, and expressed our opinions. Additionally, we conducted audits as follows.

- (1) In coordination with the Company’s internal audit staff, we attended important meetings, received reports from Directors, employees and others regarding the execution of their job duties, requested explanations as needed, inspected documents, including documentation of significant decisions, and investigated the status of operations and property at the Company’s Head Office and other major places of business, all in compliance with auditing standards prescribed by the Audit and Supervisory Committee and in accordance with audit policies, audit plans and an agreed-upon division of duties. We also communicated and exchanged information with subsidiaries’ Directors, Auditors and other personnel and, as needed, received reports from subsidiaries on their operations.
- (2) In addition to monitoring and examining whether the Accounting Auditor maintained an independent position and performed auditing appropriately, we received reports from the Accounting Auditor on the performance of its duties and requested explanations when necessary. In addition, we received notice from the Accounting Auditor that “The systems for ensuring the proper performance of duties” (set forth in each item of Article 131 of the Regulations of Corporate Financial Calculation) are organized in accordance with the “Standards for Quality Control of Audit” (Business Accounting Council) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined the business report, financial statements (balance sheet, statement of income, statement of changes in net assets, notes to financial statements), supporting schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements) for the fiscal year under review.

### 2. Results of audit

#### (1) Results of audit of business report, etc.

- i) In our opinion, the business report and accompanying schedules fairly represent the condition of the Company in accordance with the laws, regulations and Articles of Incorporation of the Company.
- ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws, regulations or the Company’s Articles of Incorporation by any Directors or Executive Officers in carrying out their duties.
- iii) We believe the details of resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters of note with respect to the description on the business report as well as the execution of duties of Directors and Executive Officers regarding the internal control system.

#### (2) Results of audit of financial statements and accompanying schedules

In our opinion, the audit method and audit results received from the Accounting Auditor KPMG AZSA LLC are appropriate.

#### (3) Results of audit of consolidated financial statements

In our opinion, the audit method and audit results received from the Accounting Auditor KPMG AZSA LLC are appropriate.

February 20, 2025

Audit and Supervisory Committee of DIGITAL HOLDINGS, Inc.

Chairperson of the Audit and Supervisory Committee Yuki Okabe (Seal)  
(Full-time)

Audit and Supervisory Committee member Kazuhide Yamauchi (Seal)

Audit and Supervisory Committee member Ryoichi Kagizaki (Seal)

**Notes to the Reader of Audit Report:**

1. The Audit Report herein is the English translation of the Audit Report as required by the Companies Act.
2. Audit and Supervisory Committee members Ms. Yuki Okabe, Mr. Kazuhide Yamauchi, and Mr. Ryoichi Kagizaki are External Directors as provided for in Article 2, item 15 and Article 331, paragraph 6 of the Companies Act.