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Cookpad Inc.

Consolidated Earnings Results for the Six Months ended 30 June 2025 [IFRS], unaudited

8 August 2025

Stock listed in: Tokyo Stock Exchange
 Securities code: 2193 URL <https://info.cookpad.com/>
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 Scheduled dates
 Filing of the interim securities report: 12 August 2025
 Dividend payout: N/A
 Supplementary materials for earnings results: Prepared
 Earnings results briefing: To be held (for institutional investors and analysts)

(Millions of yen, rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months ended 30 June 2025 (1 Jan. 2025 through 30 Jun. 2025)

(1) Operational Results

(% represents year-on-year changes)

	Sales		Operating income		Profit before tax		Net profit		Profit attributable to shareholders of Cookpad Inc.		Total comprehensive income	
For six months ended	mm yen	%	mm yen	%	mm yen	%	mm yen	%	mm yen	%	mm yen	%
30 Jun. 2025	2,723	(9.8)	161	(63.5)	66	(90.9)	37	(95.0)	37	(95.0)	62	(96.1)
30 Jun. 2024	3,018	(27.9)	442	-	736	-	747	-	747	-	1,572	-

	EPS (Basic)	EPS (Diluted)
For six months ended	yen	yen
30 Jun. 2025	0.46	-
30 Jun. 2024	8.44	-

(2) Financial Position

	Total assets	Total equity	Total equity attributable to shareholders of Cookpad Inc.	Ratio of total equity attributable to shareholders of Cookpad Inc. to total assets
	mm yen	mm yen	mm yen	%
As of 30 Jun. 2025	13,984	12,713	12,713	90.9
As of 31 Dec. 2024	15,017	13,619	13,619	90.7

2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
Fiscal year ended/ending	yen	yen	yen	yen	yen
31 Dec. 2024	-	0.00	-	0.00	0.00
31 Dec. 2025	-	0.00	-	-	-
31 Dec. 2025 (Forecast)	-	-	-	0.00	0.00

(Note) Revisions to most recently announced dividend forecast: None

3. Full Year Forecast of Consolidated Earnings (1 January 2025 through 31 December 2025)

To deliver on its mission to “Make everyday cooking fun!” the Cookpad Group (the “Group”) strives to pursue investment opportunities to provide cooking-related services to people worldwide. As Cookpad Inc. (the “Company”) assumes the need to provide estimates on business results flexibly taking into account the changes in the situation surrounding its businesses, the specific forecast of consolidated earnings for the fiscal year ending 31 December 2025 is omitted for the difficulty of making reasonable estimates.

***Notes**

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

(2) Changes in accounting policies and changes in accounting estimates

1) Changes required for the adoption of IFRS: None

2) Changes other than 1): None

3) Changes in accounting estimates: None

(3) Number of shares issued (ordinary shares)

1) Number of shares issued (including treasury shares)	As of 30 Jun. 2025	107,429,400	As of 31 Dec. 2024	107,429,400
2) Number of treasury shares	As of 30 Jun. 2025	30,242,303	As of 31 Dec. 2024	24,923,249
3) Average number of shares during the period	Jan. to Jun. 2025	80,672,608	Jan. to Jun. 2024	88,525,938

* The Consolidated Earnings Results for the Six Months ended 30 June 2025 is exempt from the review by certified public accountants or auditing firms.

* Appropriate use of earnings forecasts and other special notes

The earnings forecast for the fiscal year ending 31 December 2025 is omitted for the reasons stated in the summary information “3. Full Year Forecast of Consolidated Earnings (1 January 2025 through 31 December 2025).”

Accompanying Materials

1. Analysis of Operating Results and Financial Position	4
(1) Analysis of Operating Results	4
(2) Analysis of Financial Position	5
(3) Consolidated Earnings Forecasts and Other Forward-Looking Information	5
2. Condensed Interim Consolidated Financial Statements and Relevant Notes	6
(1) Condensed Interim Consolidated Statements of Financial Position	6
(2) Condensed Interim Consolidated Income Statements and Statements of Comprehensive Income	7
(3) Condensed Interim Consolidated Statements of Changes in Equity	9
(4) Condensed Interim Consolidated Statements of Cash Flows	10
(5) Notes to Condensed Interim Consolidated Financial Statements	11
(6) Notes on the Going Concern Assumption	17

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

The consolidated results for the six months ended 30 June 2025 (1 January 2025 through 30 June 2025) are as follows:

(Millions of yen)

	Six months ended 30 June 2024 (1 Jan. to 30 Jun. 2024)	Six months ended 30 June 2025 (1 Jan. to 30 Jun. 2025)	YoY change
Sales revenue	3,018	2,723	(9.8 %)
Operating income	442	161	(63.5 %)
Profit before tax	736	66	(90.9 %)
Profit attributable to shareholders of the Company	747	37	(95.0 %)

To deliver on its mission to “Make everyday cooking fun!” the Group has been making proactive investments to solve various problems associated with cooking around the world. The Company’s articles of incorporation state, “Our Company exists to ‘Make everyday cooking fun!’ and this is our mission” and “When everyone on the planet enjoys everyday cooking, our company will dissolve,” to emphasise the Group’s goal and raison d’être.

Currently, we operate “Cookpad,” a platform for finding and sharing recipes, across 67 countries in 26 languages. Additionally, we are advancing the development and enhancement of cooking-related services such as “Cookpad Mart,” an online fresh food market offering enhanced shopping freedom, and “moment,” our AI culinary coaching service.

Sales revenue for the six months ended 30 June 2025 (“1H FY2025”) was 2,723 million yen (down 9.8% year on year). The primary reason of the decrease was a decline of approximately 110,000 in the number of premium membership for the recipe service compared to the same period last year.

SG&A expenses fell to 2,521 million yen (down 1.6% YoY), mainly owing to a drop in personnel expenses resulting from natural employee attrition through voluntary resignations. Another significant factor contributing to the decrease is cost reductions driven by company-wide streamlining.

Consequently, operating income amounted to 161 million yen (down 63.5% YoY). After accounting for interest income on deposits and foreign exchange losses, profit before tax for the period was 66 million yen (down 90.9% YoY), and profit attributable to shareholders of the Company fell to 37 million yen (down 95.0% YoY).

(2) Analysis of Financial Position

a) Assets, liabilities and equity

(Assets)

As of 30 June 2025, total assets were 13,984 million yen, down 1,033 million yen from 31 December 2024; current assets decreased by 880 million yen to 12,455 million yen, and non-current assets declined by 152 million yen to 1,529 million yen.

The main factors behind the decrease in current assets were: a reduction in deposits resulting from the share buyback and acquisition of treasury shares; and the impact of yen appreciation on foreign currency deposits. Meanwhile, the decrease in non-current assets was attributed to the decline in property, plant and equipment by 116 million yen, as a result of depreciation.

(Liabilities)

As of 30 June 2025, total liabilities were 1,270 million yen, down 127 million yen from 31 December 2024; current liabilities decreased by 13 million yen to 632 million yen, and non-current liabilities dropped by 113 million yen to 637 million yen.

The overall decrease largely resulted from a decline in lease obligations by 76 million yen, owing to office lease payments.

(Equity)

As of 30 June 2025, total equity was 12,713 million yen, down 906 million yen from 31 December 2024.

The primary reason for this decrease was the share buyback, which reduced equity by 974 million yen.

b) Cash flows

As of 30 June 2025, the balance of cash and cash equivalents (“Funds”) was 10,238 million yen, down 1,845 million yen from 31 December 2024, primarily due to the factors shown below.

(Cash flows from operating activities)

Funds gained in operating activities totalled 565 million yen, after the Company received interest income totalling 453 million yen.

(Cash flows from investing activities)

Funds used for investing activities amounted to 26 million yen. The main factor was an outflow of 17 million yen for the acquisition of intangible assets such as trademark rights.

(Cash flows from financing activities)

Funds used in financing activities were 2,095 million yen, resulting from an outflow of 2,003 million yen for the share buyback, including 1,024 million yen paid to a securities company for shares not yet acquired.

(3) Consolidated Earnings Forecasts and Other Forward-Looking Information

To deliver on its mission to “Make everyday cooking fun!” the Group strives to pursue investment opportunities to provide cooking-related services to people worldwide. As the Company assumes the need to provide estimates on business results flexibly taking into account the changes in the situation surrounding its businesses, the specific forecast of consolidated earnings for the fiscal year ending 31 December 2025 is not disclosed for the difficulty of making reasonable estimates.

2. Condensed Interim Consolidated Financial Statements and Relevant Notes

(1) Condensed Interim Consolidated Statements of Financial Position

(Thousands of yen)

	As of 31 December 2024	As of 30 June 2025
Assets		
Current assets		
Cash and cash equivalents	12,083,662	10,238,159
Trade and other receivables	959,647	943,969
Other financial assets	2,000	736
Inventories	8,915	8,915
Other current assets	281,875	1,263,449
Total current assets	13,336,099	12,455,227
Non-current assets		
Property, plant and equipment	962,690	846,288
Intangible assets	93,729	105,918
Other financial assets	224,364	212,312
Deferred tax assets	366,610	342,889
Other non-current assets	34,033	21,699
Total non-current assets	1,681,425	1,529,107
Total assets	15,017,524	13,984,334
Liabilities and equity		
Liabilities		
Current liabilities		
Lease obligations	206,402	228,068
Trade and other payables	316,601	307,624
Other financial liabilities	40,991	37,491
Income tax payable	-	1,932
Other current liabilities	82,236	57,798
Total current liabilities	646,230	632,913
Non-current liabilities		
Lease obligations	630,877	516,880
Provisions	113,330	114,191
Other non-current liabilities	7,461	6,862
Total non-current liabilities	751,668	637,933
Total liabilities	1,397,898	1,270,846
Equity		
Capital stock	50,000	50,000
Capital surplus	12,222,716	12,214,104
Retained earnings	4,602,392	4,637,225
Treasury shares	(5,313,358)	(6,278,819)
Other components of equity	2,057,876	2,090,978
Equity attributable to shareholders of the Company	13,619,626	12,713,488
Total equity	13,619,626	12,713,488
Total equity and liabilities	15,017,524	13,984,334

(2) Condensed Interim Consolidated Income Statements and Statements of Comprehensive Income
Condensed Interim Consolidated Income Statements

(Thousands of yen)

	Six months ended 30 June 2024 (1 Jan. to 30 Jun. 2024)	Six months ended 30 June 2025 (1 Jan. to 30 Jun. 2025)
Sales revenue	3,018,544	2,723,498
Cost of sales	(19,966)	(40,977)
Gross profit	2,998,578	2,682,522
Selling, general and administrative expenses	(2,562,197)	(2,521,051)
Other income	8,618	351
Other expense	(2,829)	(383)
Operating income	442,170	161,438
Financial income	297,218	173,572
Financial expense	(2,886)	(268,193)
Profit before tax	736,501	66,817
Income tax expense	11,478	(29,659)
Net profit	747,979	37,159
Profit attributable to:		
Shareholders of the Company	747,979	37,159
Net profit	747,979	37,159
Earnings per share		
Basic earnings per share	8.44	0.46
Diluted earnings per share	-	-

Condensed Interim Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended 30 June 2024 (1 Jan. to 30 Jun. 2024)	Six months ended 30 June 2025 (1 Jan. to 30 Jun. 2025)
Net profit	747,979	37,159
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net change in financial instruments designated as those to be measured at fair value through other comprehensive income and measured as such	(3,686)	(9,886)
Revaluation surplus on intangible assets	-	614
Total of items that will not be reclassified subsequently to profit or loss	(3,686)	(9,272)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	828,539	34,196
Total items that may be reclassified subsequently to profit or loss	828,539	34,196
Other comprehensive income, net of tax	824,854	24,925
Comprehensive income	1,572,833	62,083
Comprehensive income attributable to:		
Shareholders of the Company	1,572,833	62,083
Comprehensive income	1,572,833	62,083

(3) Condensed Interim Consolidated Statements of Changes in Equity

The first six months of FY2024 (1 January 2024 through 30 June 2024)

(Thousands of yen)

	Equity attributable to shareholders of the Company						Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to shareholders of the Company	
Balance as of 1 Jan. 2024	5,286,015	7,014,416	3,268,637	(3,313,350)	1,472,182	13,727,899	13,727,899
Net profit	-	-	747,979	-	-	747,979	747,979
Other comprehensive income	-	-	-	-	824,854	824,854	824,854
Total comprehensive income	-	-	747,979	-	824,854	1,572,833	1,572,833
Share-based payment transaction	-	-	-	-	4,626	4,626	4,626
Reclassification from other components of equity to retained earnings	-	-	-	-	-	-	-
Share buyback	-	(53,032)	-	(1,999,989)	-	(2,053,021)	(2,053,021)
Reclassification from capital stock to capital surplus	(5,236,015)	5,236,015	-	-	-	-	-
Total transactions with shareholders	(5,236,015)	5,182,983	-	(1,999,989)	4,626	(2,048,395)	(2,048,395)
Balance as of 30 Jun. 2024	50,000	12,197,399	4,016,616	(5,313,340)	2,301,661	13,252,336	13,252,336

The first six months of FY2025 (1 January 2025 through 30 June 2025)

(Thousands of yen)

	Equity attributable to shareholders of the Company						Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to shareholders of the Company	
Balance as of 1 Jan. 2025	50,000	12,222,716	4,602,392	(5,313,358)	2,057,876	13,619,626	13,619,626
Net profit	-	-	37,159	-	-	37,159	37,159
Other comprehensive income	-	-	-	-	24,925	24,925	24,925
Total comprehensive income	-	-	37,159	-	24,925	62,083	62,083
Share-based payment transaction	-	-	-	-	5,852	5,852	5,852
Reclassification from other components of equity to retained earnings	-	-	(2,325)	-	2,325	-	-
Share buyback	-	(8,612)	-	(965,461)	-	(974,073)	(974,073)
Reclassification from capital stock to capital surplus	-	-	-	-	-	-	-
Total transactions with shareholders	-	(8,612)	(2,325)	(965,461)	8,177	(968,221)	(968,221)
Balance as of 30 Jun. 2025	50,000	12,214,104	4,637,225	(6,278,819)	2,090,978	12,713,488	12,713,488

(4) Condensed Interim Consolidated Statements of Cash Flows

	(Thousands of yen)	
	Six months ended 30 June 2024 (1 Jan. to 30 Jun. 2024)	Six months ended 30 June 2025 (1 Jan. to 30 Jun. 2025)
Cash flows from operating activities		
Profit before tax	736,501	66,817
Impairment loss	8,666	4,528
Depreciation and amortisation	168,199	132,482
Financial expense (or income)	(306,357)	151,438
Net decrease (or increase) of trade and other receivables	160,848	15,822
Net increase (or decrease) of trade and other payables	(154,721)	(13,295)
Net increase/decrease of consumption taxes payable or consumption taxes refund receivable	100,948	(24,024)
Other	(95,700)	10,499
Subtotal	618,384	344,269
Interest and dividend income received	186,815	216,284
Interest expenses paid	(2,463)	(3,495)
Income taxes paid	21,254	8,822
Cash flows from operating activities	823,990	565,880
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,142)	(9,522)
Purchase of intangible assets	(6,257)	(17,977)
Sale and redemption of investment securities	373,900	1,479
Payment for lease and guarantee deposits	(1,108)	-
Collection of lease and guarantee deposits	4,410	-
Other	6,730	-
Cash flows from investing activities	366,534	(26,020)
Cash flows from financing activities		
Repayments of lease obligations	(137,168)	(92,309)
Purchase of shares of the Company's stock	(2,056,762)	(2,003,615)
Cash flows from financing activities	(2,193,930)	(2,095,925)
Net decrease in cash and cash equivalents	(1,003,407)	(1,556,065)
Cash and cash equivalents at beginning of period	12,023,485	12,083,662
Effect of exchange rate change on cash and cash equivalents	933,365	(289,438)
Cash and cash equivalents at end of period	11,953,444	10,238,159

(5) Notes to Condensed Interim Consolidated Financial Statements

1. Reporting entity

Cookpad Inc. (the “Company”) is a company located in Japan. These condensed interim consolidated financial statements contain business results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 (“1H FY2025”).

The Group is committed to its mission to “Make everyday cooking fun!” and operates “Cookpad,” a platform for finding and posting recipes online and other cooking-related businesses.

2. Basis of preparation

(1) Compliance with IFRS

The Group fulfils the requirements of a “specified company applying designated International Financial Reporting Standards” as provided in Article 1-2 (ii) of the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976). Therefore, the Company’s condensed interim consolidated financial statements are prepared in conformity with IAS 34 “Interim Financial Reporting” in accordance with the provisions of Article 312 of the ordinance.

The condensed interim consolidated financial statements do not include all information required for the consolidated financial statements for the full year, and thus should be used together with the consolidated financial statements for the previous fiscal year.

(2) Basis of measurement

The Group’s condensed interim consolidated financial statements are prepared on historical cost, except for certain financial instruments and other assets to be measured on a fair value basis.

(3) Functional and presentation currency

The Group’s condensed interim consolidated financial statements are presented in Japanese yen and financial figures are rounded to the nearest thousand yen.

3. Significant accounting policies

Significant accounting policies applied to the preparation of these condensed interim consolidated financial statements are the same as the ones applied to the consolidated financial statements for the previous fiscal year, unless otherwise specified.

Income taxes for 1H FY2025 have been calculated using the estimated average annual effective tax rate.

4. Use of significant accounting estimates and judgments

The preparation of condensed interim consolidated financial statements requires the management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions may differ from the actual results.

These estimates and underlying assumptions are reviewed by management on a continuous basis. Changes in these accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The management has applied the same estimates and judgments that materially affect the reported amounts in the condensed interim consolidated financial statements for 1H FY2025 as it did for the consolidated financial statements for FY2024.

5. Segment information

The Group only has a single business segment “Make everyday cooking fun!” and thus the description of business results for each business field is omitted.

6. Subsequent events

(Implementation of the share buyback programme)

On 27 March 2025, the Board approved matters concerning share buyback in accordance with the provisions of the Articles of Incorporation pursuant to Article 459 (1) (i) of Japan's Companies Act as well as Article 156 (1) of the said Act, and resolved to cancel some of its treasury shares in accordance with Article 178 of Japan's Companies Act.

Based on this resolution, the Company successfully completed the acquisition of shares of its own stock during the period up to 7 August 2025, following the end 1H FY2025, as outlined below. As of the date of filing of this interim report, the Company continues to buy back shares of its own stock.

1. Summary of share buyback

- (1) Class of shares acquired: Ordinary shares
- (2) Number of shares acquired: 7,281,400 shares (incl. 1,962,400 shares acquired after the end of 1H FY2025)
- (3) Total amount of consideration: 1,383,628 thousand yen (incl. 418,174 thousand yen for shares acquired after the end of 1H FY2025)
- (4) Buyback period: From 1 April 2025 through 7 August 2025 (trade date basis)
- (5) Buyback method: Open market purchases on the Tokyo Stock Exchange

2. Summary of Board resolution passed on 27 March 2025

(1) Reason for the share buyback

To enhance the capital efficiency and adapt to the changing management environment through a dynamic capital policy

(2) Details of the share buyback

- a) Class of shares to acquire: Ordinary shares
- b) Maximum number of shares to acquire: 20,000,000 shares (24.2% of the total number of shares issued as of 31 December 2024, excluding treasury shares)
- c) Maximum amount of consideration: 2,000,000,000 yen
- d) Buyback period: From 1 April 2025 through 31 March 2026
- e) Buyback method: Open market purchases on the Tokyo Stock Exchange

(3) Details of the share cancellation

- a) Class of shares to cancel: Ordinary shares
- b) Total number of shares to cancel: 18,000,000 shares and all shares acquired under item (2) above
- c) Scheduled cancellation date: To be determined

(Purchase of Marketable Securities)

On 8 August 2025, the Board resolved to purchase marketable securities, as outlined below.

1. Reason for the purchase

In light of ongoing inflationary trends both in Japan and overseas, the Company has identified the potential depreciation of the value of its cash and deposits as a risk. As part of efforts to mitigate this risk, the Company previously implemented measures outlined in the Notice Regarding Foreign Currency Exchange, announced on 28 February 2025. Continuing with this strategy to diversify and reduce the risk of cash value erosion, the Company has decided to purchase several types of marketable securities.

2. Details of the purchase

Assets to purchase	Marketable securities (including, but not limited to, shares, bonds and investment trusts)
Planned purchase amount	2.5 billion yen and 17,000 thousand US dollars Equivalent to 5 billion yen in JPY*
Purchase date	22 August 2025

* Converted using the exchange rate as of 7 August 2025

(Issuance of share options)

The Board of Directors (the “Board”) resolved on 8 August 2025 to issue share subscription rights to its executive officers and employees of the Company (“Share Options”), pursuant to Articles 236, 238 and 240 of Japan’s Companies Act.

Share Options will be issued at fair value and for consideration from the recipients, and therefore does not constitute the granting of favourable terms. Accordingly, shareholder approval has not been sought. The issuance, however, has been approved by the Company’s Compensation Committee.

I. Reason for the Issuance of Share Subscription Rights as Stock Option

In order to promote the long-term enhancement of corporate value, the Company has resolved to issue share subscription rights for consideration to its executive officers and employees.

As noted in “II. Terms of Issuance, 3 (6) Conditions for Exercise,” Share Options may only be exercised if the Company achieves pre-determined performance targets. These performance conditions have been adopted as they are considered the most appropriate means of aligning the scheme with the long-term enhancement of corporate value.

If all Share Options are exercised, the resulting increase in the number of ordinary shares of the Company would represent 1.58% of the total number of shares issued. However, as the exercise of Share Options is subject to the performance-based conditions described above, which are intended to contribute to the enhancement of both corporate and shareholder value, the resulting dilutive impact is considered reasonable.

II. Outline of the issuance

1. Number of Share Options

17,000

The total number of ordinary shares to be issued upon exercise of Share Options shall be 1,700,000 ordinary shares of the Company. Should the number of shares to be granted per Share Option be adjusted pursuant to 3 (1) below, the revised figure shall be calculated by multiplying the adjusted number by the number of Share Options to be exercised.

2. Consideration for the issuance of Share Options

The consideration for each Share Option shall be 400 yen. This amount has been determined with reference to a valuation provided by Plutus Consulting Co., Ltd. (“Plutus”), an independent third-party valuation firm, and has been set at the same value as the amount calculated by Plutus. Plutus calculated this value using the binomial model and Monte Carlo Simulation, which are widely recognised option pricing models, based on the following inputs as of 7 August 2025, the trading day immediately preceding the date of the Board resolution concerning this issuance: closing price of ordinary shares of the Company on the Tokyo Stock Exchange: 215 yen per share; share price volatility: 43.04%; dividend yield: 0%; risk-free interest rate: 1.476%; and the conditions set out in the terms of Share Options (exercise price: 215 yen per share; maturity period: 9.6 years; and performance-based conditions).

3. Details of Share Options

(1) Class and number of shares to be issued in connection with Share Options

The number of shares underlying each Share Option (the “Number of Shares Granted per Share Option”) shall be 100 ordinary shares of the Company.

If the Company carries out a share split (including the allotment of ordinary shares of the Company without consideration; the same applies hereinafter) or a reverse share split after the Share Option allotment date, the Number of Shares Granted per Share Option shall be adjusted using the following formula. Provided, however, this adjustment shall only be applied to those shares underlying Share

Options which have not been exercised at such time and any fractions of less than one share resulting therefrom shall be disregarded.

$$\begin{array}{lcl} \text{Adjusted Number of Shares} & = & \text{Number of Shares Granted per} \\ \text{Granted per Share Option} & & \text{Share Option prior to adjustment} \quad \times \quad \text{Share split or} \\ & & \text{reverse share split ratio} \end{array}$$

Additionally, if after the Share Option allotment date, the Company conducts a merger, a company split or a capital reduction or any other activities similar thereto requiring the Number of Shares Granted per Share Option to be adjusted, the Company shall adjust the Number of Shares Granted per Share Option to a reasonable extent.

- (2) Value of property to be contributed when Share Options are exercised and the method for calculating that value

The value of property to be contributed when Share Options are exercised shall be the amount to be paid in per share (hereinafter "Exercise Price") multiplied by the Number of Shares Granted per Share Option.

The Exercise Price shall be 215 yen, which is the closing price for normal trading of the Company's shares on the Tokyo Stock Exchange on 7 August 2025, the trading day immediately preceding the date of the Board resolution concerning this issuance of Share Options.

Furthermore, if after the Share Option allotment date, the Company carries out a stock split or a reverse stock split, the Exercise Price shall be adjusted using the following formula and any fractions of less than one yen resulting therefrom shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Unadjusted Exercise Price} \times 1 / \text{Share split or reverse share split ratio}$$

Additionally, if after the Share Option allotment date, the Company issues new shares or disposes of its treasury stock (excluding the issue of new shares and disposal of treasury shares through the exercise of share subscription rights) at a price falling below the market price for ordinary shares of the Company, the Exercise Price shall be adjusted using the following formula and any fractions of less than one yen resulting therefrom shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price prior to adjustment} \times (\text{Number of shares already issued} + (\text{Number of new shares issued} \times \text{Exercise Price}) / \text{Market price per share prior to issue of new shares}) / (\text{Number of shares already issued} + \text{Number of new shares issued}).$$

Furthermore, "Number of shares already issued" used in the above formula shall be the total number of ordinary shares already issued by the Company less the number of shares of ordinary shares held as treasury shares by the Company, and if the Company disposes of ordinary shares held as treasury shares, "Number of new shares issued" shall be changed to "Number of treasury shares disposed of."

Moreover, in addition to the above, if after the Share Option allotment date, the Company enters into a merger with another company, carries out a company split, or conducts a capital reduction or any other activities similar thereto requiring the Exercise Price to be adjusted, the Company may adjust the Exercise Price to a reasonable extent as seen fit.

- (3) Period during which Share Options can be exercised

The period of time during which Share Options can be exercised (the "Exercise Window") shall be from 1 April 2029 through 31 March 2035.

- (4) Matters concerning the increase of legal capital and legal capital reserves

- a) The amount of legal capital to be increased as a result of the issuance of shares arising from the exercise of Share Options shall be one half of the upper limit to the amount of capital increase calculated in accordance with Article 17 (1) of the Company's Calculation Rules. For the purpose of this provision, any fractions of less than one yen resulting from the calculation shall be rounded

up to the nearest yen.

- b) The amount of legal capital reserve to be increased as a result of the issuance of shares arising from the exercise of Share Options will be the capital increase limit described in paragraph a) above minus the amount of capital increase set out in paragraph a) above.

(5) Restrictions on the acquisition of Share Options by transfer

The acquisition of Share Options by transfer requires approval by the Board.

(6) Conditions for the exercise of Share Options

- a) The holders of Share Options (“Option Holders”) may exercise the rights only if the consolidated sales revenue exceeds 12 billion yen and the consolidated EBITDA exceeds 3 billion yen in any of the fiscal years from the year ending 31 December 2028 through the year ending 31 December 2030. For the purpose of determining whether the above revenue condition has been met, reference shall be made to the amount stated as “Sales revenue” in the consolidated statement of profit or loss contained in the Company’s Annual Securities Report (or, if a consolidated statement of profit or loss is not prepared, the statement of income; the same applies hereinafter). EBITDA shall be calculated as follows: starting with “Operating income” as stated in the consolidated statement of profit or loss, (a) deduct “Other Income” and (b) add “Other Expense,” and then add both “Depreciation and amortisation” and “Impairment loss” as stated in the consolidated statement of cash flows (or, if a consolidated statement is not prepared, the statement of cash flows; the same applies hereinafter). If an event such as a corporate acquisition materially affecting the Company’s performance occurs, and the Board determines that using the figures reported in the Company’s consolidated statement of profit or loss and consolidated statement of cash flows would be inappropriate for the above determination, the Company may adjust the relevant figures within a reasonable scope to eliminate the impact of such event. Should any material changes arise in the underlying concepts of the reference items due to changes in applicable accounting standards or the Company’s financial year-end, the Board shall determine the alternative indicators to be referred to. Furthermore, in the event that share-based compensation expenses related to Share Options are recorded in the aforementioned consolidated statement of profit or loss, the Company shall make the determination based on EBITDA before deducting such share-based compensation expenses.
- b) Option holders need to be in the position of director, executive officer, auditor or employee of either the Company or its subsidiaries at the time of exercising Share Options. This does not apply, however, to those who have left their position due to retirement at the end of their term, mandatory retirement, death, or other reasons that the Board deems reasonable.
- c) In the event of the death of an Option Holder during the Exercise Window, their heir or statutory agent may exercise the Share Options within the scope of rights granted to the Option Holder by following the procedures set out by the Company within one year after the Option Holder’s death, on the condition that the Option Holder had not been on leave of absence since before the start of the Exercise Window.
- d) In the event that the exercise of Share Options would cause the number of outstanding shares of the Company to exceed the number of shares authorised to be issued by the Company, the Option Holder may not exercise the Share Options.
- e) Option Holders may not exercise any fraction less than one Share Option.

4. Allotment Date of Share Options

1 September 2025

5. Matters concerning the acquisition of Share Options by the Company

- (1) The Company may obtain all Share Options without consideration on the date separately determined by the Board if the General Meeting of Shareholders approves a merger agreement in which the Company

becomes the dissolving company, a split agreement or split plan in which the Company becomes the split company, or a share exchange agreement or share transfer plan in which the Company becomes the wholly owned subsidiary company (where approval of the General Meeting of Shareholders is not required, by approval of the Board or approval of the Management Committee).

- (2) The Company may obtain Share Options no longer exercisable without consideration if prior to an Option Holder exercising their rights, they become no longer eligible to exercise all or a portion of their Share Options due to forfeiting their rights under the provisions in 3. (6) above or under the Share Option allotment agreement executed separately by and between the Company and Option Holder, pursuant to the resolution of the Board.
- (3) The Company may obtain all Share Options without consideration on the date separately determined by the Board if a proposal to amend the Articles of Incorporation to include a provision requiring the Company's approval for the acquisition of all shares issued by the Company through transfer is approved.
- (4) The Company may obtain all Share Options without consideration on the date separately determined by the Board if a proposal to amend the Articles of Incorporation to include a provision either requiring the Company's approval for the acquisition of the shares to be delivered upon exercise of Share Options through transfer or permitting the Company to acquire all such shares by a resolution of the General Meeting of Shareholders is approved.

6. Treatment of Share Options in the event of company reorganization

In the event that the Company enters into a merger in which it is the dissolving company, an absorption-type or incorporation-type split, a share exchange, or a share transfer (collectively "Reorganisation"), the Company shall exchange new share options of the joint-stock company as provided in Article 236 (1) (viii) (a) through (f) of Japan's Companies Act ("Reorganised Company") for Share Options held by those who remained Option Holders immediately prior to the date that the said Reorganisation takes effect under the following conditions, provided the exchange under these conditions has been set out in absorption-type or consolidation-type merger agreement, the absorption-type split agreement, the incorporation-type split plan, the share exchange agreement, or the share transfer plan.

- (1) Number of Share Options of the Reorganised Company to be granted
The same number of share options shall be granted as the number of Share Options held by Option Holders.
- (2) Class of shares to be issued in connection with share options of the Reorganised Company
Ordinary shares of the Reorganized Company
- (3) Number of shares to be issued in connection with share options of the Reorganised Company
To be determined in accordance with 3. (1) above, taking into consideration the terms of the Reorganisation.
- (4) Value of property to be contributed when share options are exercised and the method for calculating that value
The value of property to be contributed when share options granted are exercised shall be the exercise price after the Reorganisation obtained by adjusting the Exercise Price set out in 3. (2) above, multiplied by the number of shares of the Reorganised Company to be issued in connection with share options to be determined in accordance with 6. (3) above.
- (5) Period during which share options can be exercised
The period shall be from the later of the first day of the Exercise Window specified in 3. (3) above or the effective date of the Reorganisation, until the final day of the Exercise Window specified in 3. (3) above.
- (6) Matters concerning the increase of legal capital and legal capital reserves after share issuance upon exercise of share options
To be determined in accordance with 3. (4) above.

(7) Restrictions on the acquisition of share options by transfer

The acquisition of share options by transfer requires approval by the board of directors of the Reorganised Company.

(8) Other conditions of exercise

To be determined in accordance with 3. (6) above.

(9) Acquisition events and conditions

To be determined in accordance with 5. above.

(10) Other terms

To be determined in accordance with the terms of the Reorganised Company.

7. Matters regarding share option certificates for Share Options

The Company will not issue share option certificates for Share Options

8. Payment due date for consideration for Share Options

1 September 2025

9. Allottees and number of Share Options to be allocated

4 Executive Officers of the Company, 13,000 Share Options

4 employees of the Company, 4,000 Share Options

(6) Notes on the Going Concern Assumption

Not applicable.