

August 14, 2025

Consolidated Financial Results for the Fiscal Year Ended June 30, 2025 [IFRS]

Company name: Scala, Inc.

Listing: Tokyo Stock Exchange

Stock code: 4845

URL: <https://scalagrp.jp/en/>

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Scheduled date of Annual General Meeting of Shareholders: September 25, 2025

Scheduled date of filing of Annual Securities Report: September 25, 2025

Scheduled date of payment of dividend: September 26, 2025

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)
(All amounts are rounded down to the nearest million yen.)**1. Management Performance under IFRS and Non-GAAP Measures**

Consolidated Results of Operations (July 1, 2024–June 30, 2025)

(Percentages represent year-on-year changes.)

	Revenue		Operating income		Net income before tax		Net income		Net income attributable to owners of parent	
(IFRS)	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Jun. 30, 2025	8,179	(0.2)	751	–	724	–	984	–	982	–
Fiscal year ended Jun. 30, 2024	8,193	–	(1,448)	–	(1,466)	–	(2,877)	–	(2,887)	–
(Non-GAAP)	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Jun. 30, 2025	8,179	(0.2)	561	–	534	–	382	–	370	–
Fiscal year ended Jun. 30, 2024	8,193	–	(25)	–	(43)	–	(188)	–	(211)	–

	IFRS		Non-GAAP	
	Basic earnings per share	Diluted earnings per share	Basic earnings per share	Diluted earnings per share
	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2025	56.58	56.58	21.36	21.36
Fiscal year ended Jun. 30, 2024	(166.53)	(166.53)	(12.22)	(12.22)

Reference: Share of profit (loss) of investments accounted for using equity method (million yen)

Fiscal year ended Jun. 30, 2025: – Fiscal year ended Jun. 30, 2024: (14)

Notes: 1. Revenue, operating income, and net income before tax for the fiscal year ended June 30, 2024 were reclassified by deducting the amounts of those from discontinued operations from the amounts of those from continuing operations. Because of this, these year-on-year changes are not presented.

For details of the discontinued operations, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Discontinued Operations” on page 19 of Attachments.

2. Under non-GAAP measures, business restructuring expenses, impairment losses on goodwill and other items, and reversal of deferred tax assets of 1,521 million yen were deducted from operating income and the line items below for the fiscal year ended June 30, 2024.

In addition, revenue from liquidation of business of 189 million yen and deferred income taxes of 350 million yen due to an increase in the recoverable amount of deferred tax assets were deducted from operating income and the line items below for the fiscal year ended June 30, 2025.

3. Under non-GAAP measures, net income from discontinued operations was deducted from net income and the line items below.

4. For details of the non-GAAP measures, please refer to “1. Overview of Results of Operations (1) Results of Operations” on page 2 of Attachments.

2. Consolidated Financial Position under IFRS

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity per share attributable to owners of parent
	Million yen	Million yen	Million yen	%	Yen
As of Jun. 30, 2025	10,222	4,835	4,803	47.0	276.70
As of Jun. 30, 2024	12,699	4,569	4,338	34.2	250.01

3. Consolidated Cash Flows under IFRS

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Jun. 30, 2025	589	778	(3,598)	4,586
Fiscal year ended Jun. 30, 2024	251	161	(1,348)	6,817

4. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total		
	Yen	Yen	Yen	Yen	Yen	Million yen	%
Fiscal year ended Jun. 30, 2024	–	18.75	–	18.75	37.50	650	–
Fiscal year ended Jun. 30, 2025	–	8.00	–	8.50	16.50	286	29.2
Fiscal year ending Jun. 30, 2026 (forecasts)	–	8.50	–	8.50	17.00	295	–

5. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2026 under IFRS (July 1, 2025–June 30, 2026)

(Percentages represent year-on-year changes.)

	Revenue		Operating income		Net income before tax		Net income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	8,800	7.6	630	(16.2)	590	(18.6)	410	(58.3)	410	(58.2)	23.62

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: –

Excluded: 2 (SCSV-1 Investment Limited Partnership, Nihon Pet Small-amount Short-term Insurance Company)

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

(3) Number of shares issued (common shares)

1) Number of shares issued as of the end of the period (including treasury shares)

As of Jun. 30, 2025: 17,761,859 shares As of Jun. 30, 2024: 17,753,459 shares

2) Number of treasury shares as of the end of the period

As of Jun. 30, 2025: 400,014 shares As of Jun. 30, 2024: 400,008 shares

3) Average number of shares outstanding during the period

Fiscal year ended Jun. 30, 2025: 17,358,527 shares Fiscal year ended Jun. 30, 2024: 17,341,863 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2025 (July 1, 2024–June 30, 2025)

(1) Non-consolidated Results of Operations (Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Jun. 30, 2025	1,256	(22.6)	212	275.5	203	145.6	441	–
Fiscal year ended Jun. 30, 2024	1,622	49.6	56	–	83	–	(2,180)	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Jun. 30, 2025	25.44	25.44
Fiscal year ended Jun. 30, 2024	(125.75)	–

Note: Diluted earnings per share for the fiscal year ended June 30, 2024 is not presented despite the existence of potential shares because net loss per share was reported.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2025	6,273	2,935	46.8	169.03
As of Jun. 30, 2024	9,043	2,926	32.3	168.56

Reference: Equity (Shareholders' equity + Valuation and translation adjustments) (million yen)

As of Jun. 30, 2025: 2,934 As of Jun. 30, 2024: 2,925

Reason for difference from previous year's non-consolidated financial results

In the fiscal year ended June 30, 2025, there was a decrease in revenue due to a decrease in collection of corporate expenses associated with sales and liquidation of subsidiaries and associates.

Regarding net income, there was a decrease in extraordinary losses from the previous fiscal year, in addition to a decrease in selling, general and administrative expenses due to business restructuring beginning to take effect. These factors explain the difference between the financial results for the fiscal year ended June 30, 2024 and those for the fiscal year ended June 30, 2025.

- The current consolidated financial results are not subject to the audit by certified public accountants or auditing firms.
- Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to Scala's management at the time these materials were prepared, but are not promises by Scala regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 7 of Attachments for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results

Supplementary materials for the financial results will be disclosed today (August 14, 2025) and available on the Scala's website.

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1. Overview of Business Performance

Scala, Inc. (“Scala” or the “Company”) and its group companies (collectively the “Group”) have adopted International Financial Reporting Standards (IFRS).

In addition to IFRS, the Group has adopted financial measures that can express its operating performance more accurately (the “non-GAAP measures”), and accordingly has disclosed its consolidated results of operations by applying both IFRS and the non-GAAP measures.

The Company classified the following consolidated subsidiaries as discontinued operations: J-Phoenix Research, Inc. in the fiscal year ended June 30, 2023; and FourHands, Inc., readytowork Co., Ltd., Sports Stories, Inc., and Broncos 20 Co., Ltd. in the fiscal year ended June 30, 2024. Subsequently, the Company completed the transfer of all shares of these subsidiaries in the fiscal year ended June 30, 2024.

In addition, the Company completed the transfer of all shares of its consolidated subsidiaries Retool, Inc. and Nihon Pet Small-amount Short-term Insurance Company, and liquidation of Leoconnect, Inc. and SCSV-1 Investment Limited Partnership in the fiscal year ended June 30, 2025.

Accordingly, revenue, operating income, and net income before tax for the previous fiscal year were reclassified by deducting the amounts of those from discontinued operations from the amounts of those from continuing operations.

With respect to segment information, as Nihon Pet Small-amount Short-term Insurance Company was reclassified into discontinued operations, the Financial Business has been excluded from the reportable segments.

(1) Results of Operations

1) Results of operations under IFRS

In the current fiscal year, the Japanese economy has continued on a moderate recovery trend, supported by an increase in inbound demand and improvements in the employment environment. However, the economic outlook remains uncertain due to soaring resource prices and price hikes as well as concerns about the outlook of the Chinese economy and prospective policy trends in the United States.

Under these circumstances, we focus on the growth not only of the Group, but also of our co-creation partners, local communities, and countries by utilizing cutting-edge digital transformation (DX) technologies to streamline operations for new creation. Along with that, we acknowledge that initiatives to promote personal growth of people who are involved in resolving social problems are attracting a lot of attention.

In such a business environment, the Group has been undertaking business restructuring through the selection and concentration of business along with cost reduction in order to significantly improve the Group’s profitability, especially in the DX Business, which is our critical foundation, since the beginning of the fiscal year ended June 30, 2024.

As a result, the Group reported revenue of 8,179 million yen (down 0.2% year on year) for the current fiscal year. This was mainly due to the recording of one-off sales from large projects in the DX Business, despite the impact of a decrease in revenue from new graduate recruiting support service in the HR Business.

On the profitability front, the Group reported operating income of 751 million yen (compared with operating loss of 1,448 million yen for the previous fiscal year). This was mainly due to cost reduction implemented as part of our business restructuring efforts, along with the strong performance of the DX Business.

Net income before tax amounted to 724 million yen (compared with net loss before tax of 1,466 million yen for the previous fiscal year). As a result of recording deferred income taxes of 350 million yen due to an increase in the recoverable amount of deferred tax assets and net income from discontinued operations of 61 million yen, net income amounted to 984 million yen (compared with loss of 2,877 million yen for the previous fiscal year), and net income attributable to owners of parent amounted to 982 million yen (compared with loss attributable to owners of parent of 2,887 million yen for the previous fiscal year).

2) Results of operations under non-GAAP measures

The non-GAAP measures are calculated by deducting non-recurring items and other adjustments, which are prescribed by the Group, from IFRS-based financial figures.

We believe that disclosure of the non-GAAP measures makes it easier for our stakeholders to make both cross-sectional and time-series comparisons and can also provide useful information that helps them to understand the Group's underlying operating performance and its outlook.

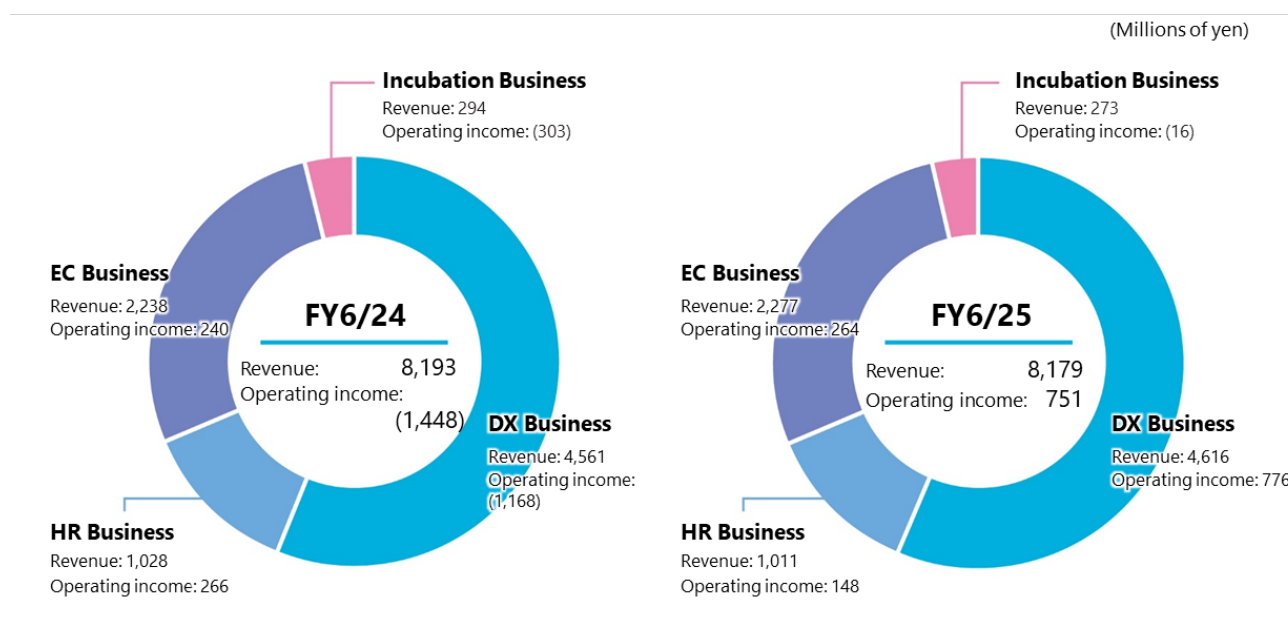
Non-recurring items refer to one-off earnings or losses that we believe should be excluded based on certain criteria for the purpose of preparing the earnings forecast.

While the Group discloses the non-GAAP measures in reference to the rules set out by the U.S. Securities and Exchange Commission, this does not mean the Group fully complies with these rules.

For adjustment, expenses related to business restructuring, impairment losses on goodwill and other items, and reversal of deferred tax assets of 1,521 million yen were deducted from operating income and the line items below for the previous fiscal year. For the current fiscal year, revenue from liquidation of business of 189 million yen and deferred income taxes of 350 million yen due to an increase in the recoverable amount of deferred tax assets were deducted from operating income and the line items below for the current fiscal year. In addition, net income from discontinued operations was deducted from net income and the line items below.

The operating segment performance is as follows.

Segment revenue and income are presented in accordance with IFRS.



(i) DX Business

In the DX Business, existing SaaS/ASP-type services such as “i-ask” and “i-search” continued to be steady at Scala Communications, Inc., and the Group was successful in launching large-scale web services, developing new SaaS offerings, acquiring solution service-type enterprise projects, and advancing joint development initiatives, among other projects. In addition, the engineer human resources business handles both internal resource coordination and external staffing as part of its recruitment function, contributing to revenue and earnings through its high performance. The growth in revenue and earnings is also driven by the effects of ongoing business restructuring, including cost reductions continued from the previous fiscal year, as well as the automation of certain operations within the media service business.

At EGG CO., LTD., the Furusato Nozei taxation system business recorded steady growth in orders for system development projects and BPO projects, supported by an increase in donation amounts. In the national policy projects, the Group steadily progressed as planned in undertaking and providing systems to be utilized in secretariats commissioned by the Cabinet Office, the Ministry of Economy, Trade and Industry, and the Tokyo Metropolitan Board of Education. In the healthcare business, the Group has also been making progress in securing projects for local governments' frailty prevention programs and in expanding the penetration of these services.

As a result, the DX Business as a whole grew steadily, and both revenue and earnings increased year on year.

		(Millions of yen unless otherwise indicated)			
		FY6/24	FY6/25	Year-on-year change	
				Amount	%
Revenue		4,561	4,616	55	Up 1.2%
Segment income (IFRS)	Before allocation of corporate expenses	(525)	969	1,494	—
	After allocation of corporate expenses	(1,168)	776	1,944	—
Segment income (non-GAAP measures)	Before allocation of corporate expenses	535	779	243	Up 45.4%
	After allocation of corporate expenses	(106)	586	693	—

(ii) HR Business

The HR Business saw the continued high need to exhibit at recruitment events for students graduating in 2026 among both existing and new companies in the recruitment support service business, driving solid sales and a slight increase in the unit sales prices. On the other hand, despite strong corporate demand for placement services, a temporary shortage of career advisors led to a decline in new member acquisitions and a lower placement rate during the current fiscal year.

In the new mid-career recruitment support business, while profitability took time to achieve, the establishment of business processes has progressed smoothly since its launch, and the business is expected to turn profitable in the next fiscal year on a full year basis.

Consequently, both revenue and incomes decreased year on year.

(Millions of yen unless otherwise indicated)					
		FY6/24	FY6/25	Year-on-year change	
				Amount	%
Revenue		1,028	1,011	(16)	Down 1.6%
Segment income (IFRS and non- GAAP measures)	Before allocation of corporate expenses	304	228	(75)	Down 24.9%
	After allocation of corporate expenses	266	148	(118)	Down 44.3%

(iii) EC Business

In the EC Business, the Group operates the reuse EC site *Card Shop Yuyu-tei*, which offers purchase and sales of trading card games (TCG) as well as strategy guide content. This site has been steadily growing as a major TCG online retailer. With the expansion of the business, it became necessary to enlarge the logistics base, leading to a relocation. Operations at the new logistics center commenced in April 2025. In addition, as part of further enhancing services to meet strong overseas demand, an overseas direct delivery service was launched in December 2024, and the number of users has been increasing steadily. Furthermore, a system development project for the trading card distribution industry was secured, and development sales were recorded for this new business.

As a result, both revenue and incomes increased year on year.

(Millions of yen unless otherwise indicated)

		FY6/24	FY6/25	Year-on-year change	
				Amount	%
Revenue		2,238	2,277	39	Up 1.8%
Segment income (IFRS and non- GAAP measures)	Before allocation of corporate expenses	303	317	14	Up 4.8%
	After allocation of corporate expenses	240	264	24	Up 10.2%

(iv) Incubation Business

In the Incubation Business, SOCIALX, INC. supports the creation of new businesses for addressing social problems in public-private co-creation through a variety of Gyaku-Propo services. The Japan Network for Public Interest Activities (JANPIA) has selected the Group's joint application with QR Investment Ltd., an investment subsidiary of Hokkoku Financial Holdings, Inc., as a fund distribution organization for an impact investment fund utilizing dormant deposits. Accordingly, the Group has been operating the fund as a "SOCIALX Impact Fund" since the second quarter of the current fiscal year, and is in the process of sourcing and reviewing the startups to launch the first project. This endeavor was highlighted in the Medium-Term Business Strategy of Hokkoku Financial Holdings, Inc., and covered by several media including the Nihon Keizai Shimbun and Nikkin Online.

The Public-Private Co-Creation Acceleration Program (SOCIALX Acceleration) aims to create and support startups that resolve social problems while achieving both financial returns and social impact. This program has been provided to MUFG Bank, Ltd. and Mitsubishi UFJ Trust and Banking Corporation as an OEM program called "Oshigoto Crowdfunding", and the final assessments of the 15 startup companies selected from around 100 applicants took place. In the Gyaku-Propo services, inquiries for the finalists were received from over 100 local governments, and screening is currently underway for 38 local governments that submitted entries. In addition, under "SOCIALX Acceleration for OKINAWA," demonstration experiments with local governments are being conducted by 55 award-winning startups, and under "SOCIALX Acceleration for GUNMA," which focuses on decarbonization, demonstration experiment with local governments are being conducted by 2 award-winning startups.

In SOCIALX Acceleration, a program operated by SOCIALX, INC. as an entity selected to corporate with the Tokyo Metropolitan Government for its Startup Support and Development Project by Diverse Entities (TOKYO SUTEAM), the companies selected for the second stage are conducting demonstration experiments with local governments through Gyaku-Propo services. Furthermore, we have initiated another program for the Okinawa General Bureau, Cabinet Office as we did in the government's fiscal 2024 (April 1, 2024–March 31, 2025).

In the Gyaku-Propo Concierge business, the Group supports platform operations in Shinagawa Ward, and provides public-private co-creation supports for other municipalities. We also started a program to promote open innovation between companies and local governments through public-private co-creation human resources development across all 54 municipalities in Aichi Prefecture. In TOKYO Co-cial IMPACT, a program to create entrepreneurs who address social problems in Tokyo, lectures and training programs promoting open innovation for companies and local governments were conducted. In addition, under NoMaps GOVERNMENT, a new category of NoMaps, workshops for fostering public-private co-creation human resources targeting all municipalities in Hokkaido were implemented. Through these initiatives, various public-private co-creation programs are being carried out in different regions. With regard to the one-year secondment of staff members from Toyota City, Aichi Prefecture, to the Group for the purpose of human resources development, we welcomed another fresh staff member on loan in the current fiscal year. We are implementing the acceptance of staff from major financial institutions beginning with the current fiscal year. The Group also dispatched a director as a corporate collaboration promotion advisor to Minato Ward of Tokyo. Amidst the attention of the government and other organizations, the Group continued to take on new challenges in order to build a collaborative economy.

Scala, Inc. is providing co-creation M&A services mainly for growth-phase listed companies by leveraging its business development and M&A experience, combined with the Group's DX expertise. The Company has begun offering DX support in the value-up phase for companies acquired by its clients, and is actively promoting the provision of services that leverage the comprehensive capabilities of the entire Scala Group.

Additionally, fixed cost reductions under the business restructuring contributed to earnings. As a result, in the Incubation Business as a whole, revenue decreased and income increased year on year.

		(Millions of yen unless otherwise indicated)			
		FY6/24	FY6/25	Year-on-year change	
				Amount	%
Revenue		294	273	(21)	Down 7.2%
Segment income (IFRS)	Before allocation of corporate expenses	(297)	(16)	280	—
	After allocation of corporate expenses	(303)	(16)	286	—
Segment income (non-GAAP measures)	Before allocation of corporate expenses	(188)	(16)	171	—
	After allocation of corporate expenses	(194)	(16)	177	—

(2) Financial Position

Assets

Total assets amounted to 10,222 million yen at the end of the current fiscal year, a decrease of 2,477 million yen over the end of the previous fiscal year. This was mainly attributable to decreases of 2,230 million yen in cash and cash equivalents and 521 million yen in reinsurance assets, which were partially offset by increases of 773 million yen in right-of-use assets and 360 million yen in deferred tax assets.

Liabilities

Liabilities totaled 5,387 million yen, a decrease of 2,743 million yen over the end of the previous fiscal year. This was mainly attributable to decreases of 2,751 million yen in bonds and borrowings and 628 million yen in insurance contract liabilities, which were partially offset by an increase of 770 million yen in lease liabilities.

Equity

Equity totaled 4,835 million yen, an increase of 266 million yen over the end of the previous fiscal year. This was mainly attributable to an increase of 992 million yen in retained earnings, which was partially offset by decreases of 461 million yen in the capital surplus and 199 million yen in non-controlling interests.

(3) Cash Flows

Cash and cash equivalents as of the end of the current fiscal year amounted to 4,586 million yen, a net decrease of 2,230 million yen over the end of the previous fiscal year.

Cash flows and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities totaled 589 million yen (a 338 million yen increase in net cash provided over the previous fiscal year). This was mainly due to the recording of net income before tax of 724 million yen, net income before tax from discontinued operations of 141 million yen (compared with net loss before tax of 1,466 million yen and net loss before tax from discontinued operations of 1,189 million yen in the previous fiscal year), depreciation and amortization of 301 million yen (a 409 million yen decrease in net cash provided over the previous fiscal year), gain on sale of shares of subsidiaries of 397 million yen, and gain on liquidation of business of 189 million yen.

Cash flows from investing activities

Net cash provided by investing activities totaled 778 million yen (a 616 million yen increase in net cash provided over the previous fiscal year). This was mainly due to proceeds from sale of securities related to investment business of 231 million yen (a 23 million yen decrease in net cash provided over the previous fiscal year), proceeds from refund of leasehold and guarantee deposits of 187 million yen (a 139 million yen increase in net cash provided over the previous fiscal year), proceeds from liquidation of business of 190 million yen, and proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of 167 million yen (a 163 million yen increase in net cash provided over the previous fiscal year).

Cash flows from financing activities

Net cash used in financing activities totaled 3,598 million yen (a 2,250 million yen increase in net cash used over the previous fiscal year). This was mainly due to net cash used of 2,431 million yen resulting from repayments of borrowings, etc. (a 2,403 million yen increase in net cash used over the previous fiscal year, which was the sum of net increase (decrease) in short-term borrowings, proceeds from long-term borrowings, and repayments of long term borrowings), repayments of lease liabilities of 295 million yen (a 198 million yen decrease in net cash used over the previous fiscal year), and dividends paid of 465 million yen (a 181 million yen decrease in net cash used over the previous fiscal year).

Reference: Cash flow indicators

	FY6/21	FY6/22	FY6/23	FY6/24	FY6/25
Ratio of equity attributable to owners of parent to total assets (%)	50.0	41.7	42.8	34.2	47.0
Market value ratio of equity attributable to owners of parent to total assets (%)	65.4	60.5	70.8	94.4	68.3
Interest-bearing debt to cash flow ratio (years)	11.9	4.5	13.1	24.6	7.1
Interest coverage ratio (times)	15.2	59.7	16.3	6.8	12.4

Ratio of equity attributable to owners of parent to total assets: $\text{Equity attributable to owners of parent} / \text{Total assets}$

Market value ratio of equity attributable to owners of parent to total assets: $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flow ratio: $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payments}$

Notes: 1. All indices are calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of outstanding shares excluding treasury shares.

3. Cash flows are based on “Net cash provided by (used in) operating activities.”

4. Interest-bearing debt includes all debt on the consolidated statement of financial position that incur interest.

(4) Outlook

The Group has formulated a Mid-Term Management Plan 2026–2028 in light of the recent performance recovery through business restructuring. We will, while thoroughly pursuing a customer-centric approach, promote management on the premise of contributing to the realization of a sustainable society through co-creation, by leveraging our business portfolio centered on IT and human resources, the Group’s mainstay sectors.

For details of the Plan, please refer to the “Notice Regarding Formulation of Mid-Term Management Plan 2026–2028,” which was announced on August 14, 2025.

(5) Basic Policy for Profit Distribution and Dividend Plans for the Current and Next Fiscal Years

Scala regards the distribution of profits to shareholders as an important management policy and makes it a basic policy to pay dividends in a stable manner, while also ensuring that we have sufficient internal reserves to strengthen our financial position and prepare for future business activities.

Scala has consistently paid interim and year-end dividends. The decision-making bodies for distributions of retained earnings are the general meeting of shareholders for year-end dividends and the Board of Directors for interim dividends.

For the current fiscal year, Scala plans to pay an annual dividend of 16.5 yen per share, consisting of a year-end dividend of 8.5 yen per share, which will require approval at the Annual General Meeting of Shareholders scheduled on September 25, 2025, in addition to an interim dividend of 8.0 yen per share, which has already been paid.

For the next fiscal year, in consideration of the appropriate level of internal reserves for sustainable growth, we plan to set the amount of total return to 50% of net income before tax, excluding extraordinary factors such as gains on sales of subsidiaries and other securities, for the interim and year-end dividends for the fiscal year ending June 30, 2026 at 8.5 yen each, or 17 yen per year.

2. Basic Approach to the Selection of Accounting Standards

The Group has adopted IFRS since the fiscal year ended June 30, 2016, for the purpose of enhancing international comparability and the usefulness of financial information in capital markets.

3. Consolidated Financial Statements and Notes

(1) Consolidated Statement of Financial Position

	(Thousands of yen)	
	FY6/24 (As of Jun. 30, 2024)	FY6/25 (As of Jun. 30, 2025)
Assets		
Current assets		
Cash and cash equivalents	6,817,385	4,586,809
Trade and other receivables	1,323,993	734,481
Inventories	366,600	392,981
Reinsurance assets	521,946	–
Income taxes receivable	6,699	5,082
Other current assets	69,477	180,981
Total current assets	9,106,102	5,900,336
Non-current assets		
Property, plant and equipment	301,522	298,045
Right-of-use assets	387,914	1,161,311
Goodwill	978,216	978,216
Intangible assets	115,050	83,803
Other financial assets	1,171,979	1,071,227
Securities related to investment business	269,291	–
Deferred tax assets	365,458	725,551
Other non-current assets	4,429	4,472
Total non-current assets	3,593,863	4,322,628
Total assets	12,699,966	10,222,965
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	784,511	554,139
Bonds and borrowings	3,344,922	2,017,364
Lease liabilities	292,242	270,670
Income taxes payable	98,173	228,894
Insurance contract liabilities	628,803	–
Other current liabilities	363,788	326,312
Total current liabilities	5,512,441	3,397,381
Non-current liabilities		
Bonds and borrowings	2,445,350	1,021,000
Lease liabilities	103,601	895,979
Other non-current liabilities	69,068	72,752
Total non-current liabilities	2,618,021	1,989,732
Total liabilities	8,130,462	5,387,113
Equity		
Equity attributable to owners of parent		
Share capital	1,792,766	1,794,904
Capital surplus	991,270	529,472
Retained earnings	1,628,971	2,621,910
Treasury shares	(299,966)	(299,968)
Other components of equity	225,454	157,643
Total equity attributable to owners of parent	4,338,496	4,803,961
Non-controlling interests	231,007	31,890
Total equity	4,569,504	4,835,851
Total liabilities and equity	12,699,966	10,222,965

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

	(Thousands of yen)	
	FY6/24 (Jul. 1, 2023–Jun. 30, 2024)	FY6/25 (Jul. 1, 2024–Jun. 30, 2025)
Continuing operations:		
Revenue	8,193,338	8,179,945
Cost of sales	(4,122,439)	(4,227,512)
Gross profit	4,070,898	3,952,433
Selling, general and administrative expenses	(4,076,978)	(3,401,343)
Other income	13,092	206,391
Other expenses	(1,455,480)	(5,715)
Operating income (loss)	(1,448,468)	751,766
Finance income	21,742	27,971
Finance costs	(39,317)	(55,102)
Net income (loss) before tax	(1,466,043)	724,634
Income tax expense	(243,628)	198,135
Net income (loss) from continuing operations	(1,709,671)	922,769
Discontinued operations:		
Net income (loss) from discontinued operations	(1,167,443)	61,554
Net income (loss)	(2,877,114)	984,324
Net income (loss) attributable to:		
Owners of parent	(2,887,886)	982,077
Non-controlling interests	10,771	2,246
Net income (loss)	(2,877,114)	984,324
Earnings per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)		
Continuing operations	(98.97)	52.14
Discontinued operations	(67.56)	4.44
Total	(166.53)	56.58
Diluted earnings (loss) per share (Yen)		
Continuing operations	(98.97)	52.14
Discontinued operations	(67.56)	4.44
Total	(166.53)	56.58

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY6/24	FY6/25
	(Jul. 1, 2023–Jun. 30, 2024)	(Jul. 1, 2024–Jun. 30, 2025)
Net income (loss)	(2,877,114)	984,324
Other comprehensive income		
Items that will not be reclassified to net income or loss		
Financial assets measured at fair value through other comprehensive income	21,997	(64,797)
Items that may be reclassified to net income or loss		
Exchange differences on translation of foreign operations	8,356	(3,588)
Total other comprehensive income, net of tax	30,354	(68,386)
Comprehensive income	(2,846,760)	915,938
Comprehensive income attributable to:		
Owners of parent	(2,857,532)	913,691
Non-controlling interests	10,771	2,246
Comprehensive income	(2,846,760)	915,938

(3) Consolidated Statement of Changes in Equity

FY6/24 (Jul. 1, 2023–Jun. 30, 2024)

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent
Balance as of Jul. 1, 2023	1,787,880	986,384	5,162,735	(299,966)	195,234	7,832,267
Net income (loss)	–	–	(2,887,886)	–	–	(2,887,886)
Other comprehensive income	–	–	–	–	30,354	30,354
Total comprehensive income	–	–	(2,887,886)	–	30,354	(2,857,532)
Dividends	–	–	(645,877)	–	–	(645,877)
Exercise of share acquisition rights	4,886	4,886	–	–	(134)	9,638
Establishment of subsidiaries with non-controlling interests	–	–	–	–	–	–
Loss of control of subsidiaries	–	–	–	–	–	–
Balance as of Jun. 30, 2024	1,792,766	991,270	1,628,971	(299,966)	225,454	4,338,496

	Non-controlling interests	Total equity
Balance as of Jul. 1, 2023	257,191	8,089,459
Net income (loss)	10,771	(2,877,114)
Other comprehensive income	–	30,354
Total comprehensive income	10,771	(2,846,760)
Dividends	–	(645,877)
Exercise of share acquisition rights	–	9,638
Establishment of subsidiaries with non-controlling interests	1,500	1,500
Loss of control of subsidiaries	(38,455)	(38,455)
Balance as of Jun. 30, 2024	231,007	4,569,504

FY6/25 (Jul. 1, 2024–Jun. 30, 2025)

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent
Balance as of Jul. 1, 2024	1,792,766	991,270	1,628,971	(299,966)	225,454	4,338,496
Net income (loss)	–	–	982,077	–	–	982,077
Other comprehensive income	–	–	–	–	(68,386)	(68,386)
Total comprehensive income	–	–	982,077	–	(68,386)	913,691
Dividends	–	(325,377)	(138,880)	–	–	(464,257)
Purchase of treasury shares	–	–	–	(2)	–	(2)
Exercise of share acquisition rights	2,137	2,137	–	–	(58)	4,216
Forfeiture of share acquisition rights	–	743	–	–	(743)	–
Share-based payment transactions	–	–	–	–	1,377	1,377
Transfer from capital surplus to retained earnings	–	(149,741)	149,741	–	–	–
Changes in ownership interest in subsidiaries	–	10,438	–	–	–	10,438
Loss of control of subsidiaries	–	–	–	–	–	–
Balance as of Jun. 30, 2025	1,794,904	529,472	2,621,910	(299,968)	157,643	4,803,961

	Non-controlling interests	Total equity
Balance as of Jul. 1, 2024	231,007	4,569,504
Net income (loss)	2,246	984,324
Other comprehensive income	–	(68,386)
Total comprehensive income	2,246	915,938
Dividends	–	(464,257)
Purchase of treasury shares	–	(2)
Exercise of share acquisition rights	–	4,216
Forfeiture of share acquisition rights	–	–
Share-based payment transactions	–	1,377
Transfer from capital surplus to retained earnings	–	–
Changes in ownership interest in subsidiaries	(220,481)	(210,043)
Loss of control of subsidiaries	19,118	19,118
Balance as of Jun. 30, 2025	31,890	4,835,851

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY6/24 (Jul. 1, 2023–Jun. 30, 2024)	FY6/25 (Jul. 1, 2024–Jun. 30, 2025)
Cash flows from operating activities		
Net income (loss) before tax	(1,466,043)	724,634
Net income (loss) before tax from discontinued operations	(1,189,882)	141,775
Depreciation and amortization	711,131	301,875
Impairment losses	1,961,516	–
Loss (gain) on sale and retirement of non-current assets	5,644	3,286
Gain on liquidation of business	–	(189,849)
Gain on sale of shares of subsidiaries	–	(397,137)
Loss (gain) on securities related to investment business	(107,947)	40,681
Loss (gain) on sale of investment securities	–	(3,769)
Loss (gain) on valuation of investment securities	–	3,660
Finance income	(28,300)	(29,976)
Finance costs	41,615	51,185
Decrease (increase) in trade and other receivables	228,623	346,950
Increase (decrease) in trade and other payables	132,245	(168,193)
Decrease (increase) in inventories	(41,062)	61,567
Decrease (increase) in reinsurance assets	6,205	(105,021)
Increase (decrease) in insurance contract liabilities	36,053	55,275
Other	(60,704)	(132,537)
Subtotal	229,094	704,405
Interest and dividends received	27,742	30,269
Interest paid	(36,839)	(47,667)
Income taxes refund (paid)	31,772	(97,205)
Net cash provided by (used in) operating activities	251,769	589,800
Cash flows from investing activities		
Payments into time deposits	–	(643,000)
Proceeds from withdrawal of time deposits	–	643,000
Purchase of property, plant and equipment	(29,373)	(77,882)
Proceeds from sale of property, plant and equipment	–	1,477
Purchase of intangible assets	(70,057)	(16,590)
Purchase of investment securities	(33,321)	–
Proceeds from sale of investment securities	255,085	231,867
Collection of loans receivable	3,600	103,600
Payments of leasehold and guarantee deposits	(13,383)	(15,834)
Proceeds from refund of leasehold and guarantee deposits	48,779	187,875
Proceeds from liquidation of business	–	190,950
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,388	167,186
Other	(2,733)	5,925
Net cash provided by (used in) investing activities	161,983	778,574

	(Thousands of yen)	
	FY6/24	FY6/25
	(Jul. 1, 2023–Jun. 30, 2024)	(Jul. 1, 2024–Jun. 30, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	143,332	(1,410,000)
Proceeds from long-term borrowings	1,645,000	360,000
Repayments of long-term borrowings	(1,816,680)	(1,381,776)
Redemption of bonds	(190,000)	(190,000)
Repayments of lease liabilities	(493,212)	(295,088)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	11,138	4,216
Purchase of treasury shares	–	(2)
Purchase of treasury shares of subsidiaries	–	(40,536)
Dividends paid	(647,638)	(465,899)
Dividends paid to non-controlling interests	–	(179,886)
Other	(114)	–
Net cash provided by (used in) financing activities	(1,348,174)	(3,598,972)
Effect of exchange rate changes on cash and cash equivalents	(3,946)	21
Net increase (decrease) in cash and cash equivalents	(938,367)	(2,230,575)
Cash and cash equivalents at beginning of period	7,740,400	6,817,385
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	15,352	–
Cash and cash equivalents at end of period	6,817,385	4,586,809

Note: Cash flows from continuing operations and cash flows from discontinued operations are included in the above table.
Cash flows from discontinued operations are described in “Notes to Consolidated Financial Statements, Discontinued Operations.”

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Consolidated Financial Statements

1. Reporting Entity

Scala, Inc. is a corporation located in Japan.

The registered address of its head office is disclosed on its corporate website (<https://scalagrp.jp/en/>).

Scala's consolidated financial statements for the twelve months ended June 30, 2025 encompass Scala and the Group's interests in Scala's subsidiaries.

The Group aims to create values and resolve social problems by leveraging our diverse business portfolio centered on DX and human resources, and engages in the operations of DX Business, HR Business, EC Business, and Incubation Business.

For more information, please refer to "Segment Information, (1) Overview of reportable segments."

2. Basis of Preparation

(1) Compliance with IFRS

The Group's consolidated financial statements have been prepared in accordance with IFRS pursuant to the provisions of Article 312 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976) because the Group qualifies as a "specified company complying with designated international accounting standards" as stipulated in Article 1-2 of the said Ordinance.

(2) Basis of measurement

The Group's consolidated financial statements are prepared on a cost basis, except specific financial instruments and other items that are measured at fair value.

(3) Functional currency and presentation currency

The Group's consolidated financial statements are presented in Japanese yen, which is Scala's functional currency, and figures are rounded down to the nearest thousand yen.

3. Material Accounting Policy Information

The material accounting policies applied for the consolidated financial statements for the current fiscal year remain the same as those for the previous fiscal year.

4. Significant Accounting Estimates and Judgments Involving Estimates

The preparation of the consolidated financial statements with IFRS requires the management to make certain judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenues, and expenses. Actual results, however, could differ from these estimates.

These estimates and underlying assumptions are consistently reviewed. The effect of changes in accounting estimates is recognized in the reporting period in which the changes are made and in any future reporting periods affected.

The management has made estimates and judgments concerning the following matters that have a material impact on the amounts reported in the consolidated financial statements:

- Valuation of property, plant and equipment, goodwill, and intangible assets
- Lease term of right-of-use assets, and
- Recoverability of deferred tax assets.

Segment Information

(1) Overview of reportable segments

The Group's reportable segments are components of the Group for which financial information disaggregated by similarity of nature of services is available and are regularly reviewed to make decisions about allocations of corporate resources and assess their performance.

The businesses operated by readytowork Co., Ltd., Retool, Inc. and Leoconnect, Inc. (DX Business); FourHands, Inc., Sports Stories, Inc. and Broncos 20 Co., Ltd. (HR Business); J-Phoenix Research, Inc. and SCSV-1 Investment Limited Partnership (Incubation Business); and Nihon Pet Small-amount Short-term Insurance Company (Financial Business) have been classified as discontinued operations and excluded from the respective businesses' segment information for the fiscal years ended June 30, 2024 and 2025.

- The DX Business promotes digital transformation (DX) through IT, AI, and IoT and proactively facilitates cooperation with different industries and partners who have expertise in relevant technology, with the primary objective of establishing new businesses and services, redefining existing businesses, and speeding up regrowth to promote DX inside and outside Japan. This business also provides SaaS/ASP services using IT (Web, phone, fax, SMS related technologies)/AI/IoT technologies to meet customer needs flexibly and quickly.
- The HR Business offers recruiting support for new graduates and mid-career employees focusing on physical education students and professional athletes.
- The EC Business operates Yuyu-Tei, a reuse EC site for buying and selling trading cards games (TCG) for battle-type games, which also contains game walkthrough pages.
- The Incubation Business engages in M&A and alliance with other companies. It also provides support for new business development working with private companies in coordination with governments and municipalities across the nation, and offers regional revitalization services through projects such as those for promoting relocations to rural areas. In addition, it makes business investments on its own or through investment partnerships, while continuing value increase and engagement activities on such investment.

(2) Changes in reportable segments

As the Company transferred all shares of its consolidated subsidiary Nihon Pet Small-amount Short-term Insurance Company in the fourth quarter of the current fiscal year, the Financial Business has been classified as discontinued operations for the current fiscal year, and excluded from the reportable segments.

Segment information for the previous fiscal year is presented based on the revised segmentation.

(3) Information related to revenue, income or loss, and other items for each reportable segment

FY6/24 (Jul. 1, 2023–Jun. 30, 2024)

(Thousands of yen)

	Reportable segment					Adjustments (Note 1)	Amounts shown on consolidated statement of income (Note 2)
	DX Business	HR Business	EC Business	Incubation Business	Subtotal		
Revenue							
Sales to external customers	4,561,014	1,028,301	2,238,629	294,351	8,122,298	71,040	8,193,338
Inter-segment sales and transfers	25,464	–	–	42,951	68,416	(68,416)	–
Total	4,586,479	1,028,301	2,238,629	337,303	8,190,714	2,623	8,193,338
Segment income (loss)	(1,168,212)	266,812	240,123	(303,718)	(964,995)	(483,472)	(1,448,468)
Finance income	–	–	–	–	–	–	21,742
Finance costs	–	–	–	–	–	–	(39,317)
Net income (loss) before tax	–	–	–	–	–	–	(1,466,043)
Other items							
Impairment losses	911,719	–	–	61,353	973,072	57,180	1,030,253

- Notes: 1. The (483,472) thousand yen adjustment to segment income includes the elimination of inter-segment transactions and the corporate expenses that are not allocated to each reportable segment.
2. Segment income (loss) is adjusted to be consistent with operating income presented in the consolidated statement of income.
3. Corporate expenses are allocated to each reportable segment based on a rational basis.
4. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

FY6/25 (Jul. 1, 2024–Jun. 30, 2025)

(Thousands of yen)

	Reportable segment					Adjustments (Note 1)	Amounts shown on consolidated statement of income (Note 2)
	DX Business	HR Business	EC Business	Incubation Business	Subtotal		
Revenue							
Sales to external customers	4,616,226	1,011,757	2,277,988	273,163	8,179,135	810	8,179,945
Inter-segment sales and transfers	54,780	–	–	23,000	77,780	(77,780)	–
Total	4,671,007	1,011,757	2,277,988	296,163	8,256,916	(76,970)	8,179,945
Segment income (loss)	776,704	148,724	264,608	(16,849)	1,173,188	(421,422)	751,766
Finance income	–	–	–	–	–	–	27,971
Finance costs	–	–	–	–	–	–	(55,102)
Net income (loss) before tax	–	–	–	–	–	–	724,634

- Notes: 1. The (421,422) thousand yen adjustment to segment income includes the elimination of inter-segment transactions and the corporate expenses that are not allocated to each reportable segment.
2. Segment income (loss) is adjusted to be consistent with operating income presented in the consolidated statement of income.
3. Corporate expenses are allocated to each reportable segment based on a rational basis.
4. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Discontinued Operations

(1) Overview of discontinued operations

The Company classified FourHands, Inc., readytowork Co., Ltd., Sports Stories, Inc., and Broncos 20 Co., Ltd. as discontinued operations in the fiscal year ended June 30, 2024, and has completed the transfer of all shares of these subsidiaries in the previous fiscal year.

In addition, the Company transferred all shares of its consolidated subsidiaries Retool, Inc. and Nihon Pet Small-amount Short-term Insurance Company, and liquidated Leoconnect, Inc. and SCSV-1 Investment Limited Partnership in the fiscal year ended June 30, 2025.

Capital gains/losses from the transfer of the shares were recorded in net income (loss) from discontinued operations.

(2) Overview of share transfer

1. Retool, Inc.

Name of the segment in which the above company was included	DX Business
Number of shares held before transfer	3,330,000 shares (Percentage of voting rights held: 66.6%)
Number of shares transferred	3,330,000 shares
Number of shares held after transfer	0 shares (Percentage of voting rights held: 0%)

2. Nihon Pet Small-amount Short-term Insurance Company

Name of the segment in which the above company was included	Financial Business
Number of shares held before transfer	109,444 shares (Percentage of voting rights held: 100.0%)
Number of shares transferred	109,444 shares
Number of shares held after transfer	0 shares (Percentage of voting rights held: 0%)

(3) Operating results of discontinued operations

	(Thousands of yen)	
	FY6/24 (Jul. 1, 2023–Jun. 30, 2024)	FY6/25 (Jul. 1, 2024–Jun. 30, 2025)
Net income or loss from discontinued operations		
Revenue	3,265,472	1,943,830
Expenses	4,455,354	1,802,055
Net income (loss) before tax from discontinued operations	(1,189,882)	141,775
Income tax expense	22,439	(80,220)
Net income (loss) from discontinued operations	(1,167,443)	61,554

Note: Expenses for FY6/24 include an impairment loss on property, plant and equipment, goodwill, and intangible assets of 931,262 thousand yen.

(4) Cash flows from discontinued operations

	(Thousands of yen)	
	FY6/24 (Jul. 1, 2023–Jun. 30, 2024)	FY6/25 (Jul. 1, 2024–Jun. 30, 2025)
Cash flows from discontinued operations		
Cash flows from operating activities	(76,384)	(117,893)
Cash flows from investing activities	212,216	395,292
Cash flows from financing activities	(40,145)	(172,155)
Total	95,687	105,244

Note: Cash flows from investing activities include proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of 3,388 thousand yen for FY6/24 and 167,186 thousand yen for FY6/25.

Per-share Information

Basic earnings per share and diluted earnings per share are as follows.

	FY6/24 (Jul. 1, 2023–Jun. 30, 2024)	FY6/25 (Jul. 1, 2024–Jun. 30, 2025)
Net income (loss) attributable to owners of parent (thousands of yen)		
Continuing operations	(1,716,318)	905,006
Discontinued operations	(1,171,567)	77,070
Net income (loss) used to calculate diluted earnings per share (thousands of yen)		
Continuing operations	(1,716,318)	905,006
Discontinued operations	(1,171,567)	77,070
Average number of common shares outstanding during the period (shares)	17,341,863	17,358,527
Increase in the number of common shares		
Share acquisition rights (shares)	47,831	-
Average number of diluted common shares outstanding during the period (shares)	17,389,694	17,358,527
Basic earnings (loss) per share (yen)		
Continuing operations	(98.97)	52.14
Discontinued operations	(67.56)	4.44
Diluted earnings (loss) per share (yen)		
Continuing operations	(98.97)	52.14
Discontinued operations	(67.56)	4.44

- Notes:
1. In the previous fiscal year, there were no potential shares with dilutive effect because the exercise of share acquisition rights and other events decreased loss per share.
 2. There are 43,500 potential shares for the current fiscal year. However, since these have no dilutive effect, they are excluded from the calculation of diluted earnings per share.

Material Subsequent Events

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with International Financial Reporting Standards (IFRS), for the convenience of readers who prefer an English translation.