



## Financial Results for the Third Quarter of the Fiscal Year Ending August 2025 (IFRS) (Consolidated)

July 15, 2025

Listed Company Name Last One Mile Co., Ltd.

Listed Exchange

Tokyo Stock Exchange

Code Number 9252

URL <http://lomgrp.co.jp/>

Representative	(Title)	Chairman and CEO Executive Officer in
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Makoto Watanabe

Contact	(Title)	Charge of Finance and Accounting	(Name)	Kohei Ichikawa	(TEL)	050-1781-0250
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Scheduled commencement date \_\_\_\_\_  
of dividend payment

Preparation of supplementary materials for : Yes  
financial results

Financial Results Briefing Session : Yes ( For institutional and individual investors )

(Rounded to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending August 2025 (September 1, 2024 to May 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentage changes are year-on-year comparisons)

(2) Consolidated operating results (Continued)												(Percentage changes are year-on-year comparisons)			
	Sales revenue		Operating profit		Profit before tax		Quarterly profit		Quarterly profit attributable to owners of the parent company		Total comprehensive profit for the quarter				
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%			
Third quarter of fiscal year ending August 2025	11,496	34.1	998	41.9	985	42.5	594	32.2	594	32.2	615	36.9			
Third quarter of fiscal year ending August 2024	8,571	19.7	703	291.7	691	297.4	450	100.4	450	101.7	450	100.4			

	Basic quarterly profit per share	Quarterly profit per share after dilution
Third quarter of fiscal year ending August 2025	Yen Sen 185.76	Yen Sen 177.83
Third quarter of fiscal year ending August 2024	162.19	150.11

## (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company
Third quarter of fiscal year ending August 2025	Millions of yen 10,615	Millions of yen 4,292	Millions of yen 4,292	% 40.4
Fiscal year ending August 2024	9,781	3,350	3,350	34.3

## 2. Dividend Status

	Annual Dividends				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
Fiscal year ending August 2024	Yen Sen —	Yen Sen 0	Yen Sen —	Yen Sen 0.00	Yen Sen 0
Fiscal year ending August 2025	—	10.00	—		
Fiscal year ending August 2025 (Estimated)				12.00	22.00

(Note) 1. Revisions to the most recently announced dividend forecast : None

2. Regarding the final dividend per share for the fiscal year ending August 2025 (forecast), as disclosed on June 20, 2025, "Notice of Revision of Dividend Forecast due to Consolidation of Shares", it is written based on the assumption that the proposal for the consolidation of 1.2 shares of the Company's shares into one share, which is scheduled to be submitted to the extraordinary general meeting of shareholders of the Company to be held on July 31,

2025, will be approved as proposed.

### 3. Consolidated Performance Forecast for the Fiscal Year Ending August 2025 (September 1, 2024 to August 31, 2025)

(Percentage figures represent year-on-year changes)

	Sales revenue		Operating profit		Profit before tax		Net profit		Net profit attributable to owners of the parent company		Net profit per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	million yen	%	million yen	%	Yen Sen
	14,000	18.9	1,100	16.9	1,100	21.9	723	△12.4	723	△12.4	294.48

(Note) 1. Revision of the most recently announced earnings forecast : None

2. The basic net profit per share in the consolidated earnings forecast for the fiscal year ending August 2025 is, as stated in the "Notice of Share Consolidation and Partial Amendment to the Articles of Incorporation" announced on June 20, 2025, based on the assumption that the proposal for the consolidation of shares, whereby 1.2 shares of the Company's shares will be consolidated into one share, which is scheduled to be submitted to the extraordinary general meeting of shareholders of the Company to be held on July 31, 2025,, will be approved as proposed.

#### ※ Notes

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

New 1Company (Company Name) SHC Co., Ltd. , Excluded 1Company (company name) Premium Business Support Co., Ltd.

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

① Changes in accounting policies required by IFRS : None

② Changes in accounting policies other than those in ① : None

③ Changes in accounting estimates : None

(3) Number of shares issued (common stock)

① Number of shares issued at the end of the period (including treasury stock)	3Q of Fiscal Year ending August 2025	3,307,470 shares	Fiscal Year ending August 2024	3,175,290 shares
② Number of treasury stock at the end of the period	3Q of Fiscal Year ending August 2025	82,440 shares	Fiscal Year ending August 2024	94,044 shares
③ Average number of shares outstanding during the period (cumulative total for the quarter)	3Q of Fiscal Year ending August 2025	3,200,237 shares	3Q of Fiscal Year ending August 2024	2,771,886 shares

※ Review of quarterly consolidated financial statements by : Yes (mandatory)  
certified public accountants or audit firms

※ Explanation regarding the appropriate use of performance forecasts and other special notes

(Note regarding forward-looking statements)

The statements regarding forecasts of future results contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable. The Company does not guarantee that the results will be as stated in these forecasts. For future forecasts, please refer to the attached document (page 3, "1. Overview of Operating Results (3) Explanation of Future Forecasts, Including Consolidated Forecasts").

(Dividends and earnings forecasts after consolidation of shares)

The Company plans to implement a consolidation of shares on August 11, 2025, subject to approval at an extraordinary general meeting of shareholders scheduled to be held on July 31, 2025. The dividend forecast and consolidated earnings forecast for the fiscal year ending August 2025, taking into account the impact of the consolidation of shares, are as follows.

(1) Dividend Forecast for the Fiscal Year Ending August 2025

Dividend per share: 10.00 yen at the end of the second quarter (Dividends at the end of the second quarter was paid based on the number of shares before the consolidation of shares.)

Year-end 12.00 yen

(2) Consolidated performance forecast for the fiscal year ending August 2025

Basic net profit per share 294.48 yen

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## 1. Overview of Operating Results and Other Matters

### (1) Overview of Operating Performance for the Current Quarter

The forward-looking statements in this document are based on the judgments of the Company as of the end of the third quarter of the fiscal year ending March 31, 2025.

During the first quarter of the current consolidated cumulative period (September 1, 2024 to May 31, 2025), the Japanese economy maintained moderate growth due to the recovery of corporate profits and capital investment, in addition to the solid domestic demand resulting from widespread wage increases and an increase in the number of visitors to Japan. However, real disposable income has decreased due to rising prices and increased social insurance premiums, and concerns about an economic slowdown due to political instability and external pressures have emerged, creating an uncertain situation that requires careful monitoring.

On the other hand, although the population is declining due to factors such as the shift to nuclear families and the influx of young people into urban areas, the number of households nationwide is expected to increase by approximately 450,000 in the five years following the current fiscal year, with an increase of 542,000 households expected in areas including the major cities of Kanto, Kansai, Chubu, and Kyushu. In addition, the Group has been working to strengthen its existing businesses and establish new growth platforms by creating new markets (blue oceans) through sales methods that have not yet been used for any products, regardless of industry or business type, and selling those products exclusively.

Under these circumstances, the results for the third quarter of the current consolidated cumulative period were as follows: Sales revenue was 11,496,292 thousand yen (up 34.1% year-on-year), Operating profit was 998,359 thousand yen (up 41.9% year on year), quarterly profit before income taxes was 984,780 thousand yen (up 42.5% year on year), and quarterly profit attributable to owners of the parent company was 594,484 thousand yen (up 32.2% year on year).

### (2) Overview of the Financial Condition for the Quarter

#### ① Assets, Liabilities, and Equity

##### (Assets)

Total assets at the end of the third quarter of the current consolidated accounting period were 10,614,963 thousand yen, an increase of 834,012 thousand yen from the end of the previous consolidated fiscal year. The main factors were an increase of 443,680 thousand yen in cash and cash equivalents, an increase of 200,089 thousand yen in other financial assets (non-current assets), an increase of 160,865 thousand yen in goodwill, an increase of 122,619 thousand yen in trade receivables and other receivables, and an increase of 112,693 thousand yen in other current assets, offset by a decrease of 149,527 thousand yen in other financial assets (current assets), among other factors.

##### (Liabilities)

Total liabilities at the end of the third quarter of the current consolidated accounting period were 6,322,544 thousand yen, a decrease of 108,270 thousand yen from the end of the previous consolidated fiscal year. The main factors include a decrease of 137,335 thousand yen in lease liabilities (non-current liabilities), a decrease of 123,940 thousand yen in trade payables and other liabilities, and a decrease of 68,031 thousand yen in other current liabilities, offset by an increase of 229,898 thousand yen in unpaid corporate income tax, among other factors.

##### (Equity)

Total equity at the end of the third quarter of the current consolidated accounting period was 4,292,420 thousand yen, an increase of 942,283 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 562,552 thousand yen in retained earnings accompanying the recording of quarterly profit attributable to owners of the parent company, an increase of 247,054 thousand yen in capital surplus, and an increase of 86,518 thousand yen in capital, among other factors.

#### ② Cash Flow Situation

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the third quarter of the current consolidated cumulative period increased by 443,680 thousand yen from the end of the previous consolidated fiscal year to 2,968,014 thousand yen. The

status of each cash flow and the factors affecting them during the third quarter of the current consolidated cumulative period are as follows.

(Cash Flow from Operating Activities)

Net cash provided by operating activities for the third quarter of the current consolidated cumulative period was a net cash inflow of 987,076 thousand yen (compared to a net cash inflow of 657,019 thousand yen in the same period of the previous year), mainly due to quarterly profit before income taxes of 984,780 thousand yen, depreciation and amortization of 275,906 thousand yen, an increase in operating receivables and other receivables of 152,797 thousand yen, and the payment of corporate income taxes of 159,038 thousand yen, among other factors.

(Cash flows from investing activities)

Net cash provided by investing activities for the third quarter of the current consolidated cumulative period was 189,094 thousand yen (compared to net cash used of 328,325 thousand yen in the same period of the previous fiscal year), mainly due to proceeds from the acquisition of shares of subsidiaries of 128,898 thousand yen, expenditures for the acquisition of tangible fixed assets of 44,852 thousand yen, expenditures for long-term loans of 86,000 thousand yen, proceeds from the sale of investment securities of 80,473 thousand yen, and proceeds from the sale of tangible fixed assets of 7,884 thousand yen, and proceeds from the sale of shares of subsidiaries of 14,752 thousand yen, among other factors.

(Cash flows from financing activities)

Net cash provided by financing activities for the third quarter of the current consolidated cumulative period was 732,490 thousand yen (compared to a net cash inflow of 523,194 thousand yen for the same period of the previous year), mainly due to 600,767 thousand yen in expenditures for repayment of long-term loans, 143,380 thousand yen in expenditures for repayment of lease liabilities, 84,172 thousand yen in expenditures for acquisition of treasury stock, and a net increase in short-term borrowings of 65,000 thousand yen, among other factors.

(3) Explanation of Future Forecast Information, including Consolidated Performance Forecasts

There are no changes to the consolidated earnings forecasts announced in the "Financial Results for the Fiscal Year Ending August 2024" released on October 18, 2024.

In addition, the Company plans to implement a consolidation of shares on August 11, 2025, subject to approval at an extraordinary general meeting of shareholders scheduled to be held on July 31, 2025. For details, please refer to "Explanation of Appropriate Use of Forecasts and Other Special Notes."

(4) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year

The Company believes that prioritizing investments to strengthen its financial position and expand its business, and further enhancing its corporate value will lead to the greatest return of profits to shareholders. At the same time, we recognize that returning profits to our shareholders is an important management issue. After careful deliberation within the Company, we have decided to pay dividends as planned on November 28, 2024, and the total annual dividend for the current fiscal year will be 20 yen per share (interim dividend of 10 yen (paid on May 30, 2025) and year-end dividend of 10 yen), as originally planned.

In addition, the Company plans to implement a consolidation of shares on August 11, 2025, subject to the approval of an extraordinary general meeting of shareholders scheduled to be held on July 31, 2025. For details, please refer to "Explanation of Appropriate Use of Financial Forecasts and Other Special Notes."

## 2. Condensed Quarterly Consolidated Financial Statements and Major Notes to the Financial Statements

### (1) Condensed Quarterly Consolidated Statements of Financial Position

(Unit: Thousand yen)

	Previous fiscal year (August 31, 2024)	Third quarter of the current consolidated accounting period (May 31, 2025)
Assets		
Current Assets		
Cash and cash equivalents	2,524,334	2,968,014
Trade receivables and other receivables	1,951,293	2,073,913
Inventories	36,919	42,075
Other financial assets	193,506	43,979
Income taxes receivable	35,026	—
Other current assets	101,540	214,234
Total current assets	4,842,620	5,342,215
Non-current assets		
Tangible fixed assets	198,730	251,584
Right-of-use assets	1,441,603	1,292,493
Goodwill	1,886,544	2,047,409
Intangible assets	739,228	765,334
Investment real estate	63,136	135,210
Other financial assets	453,962	654,051
Deferred tax assets	138,371	116,902
Other non-current assets	16,757	9,765
Total non-current assets	4,938,331	5,272,748
Total assets	9,780,951	10,614,963

(Unit: Thousand yen)

	Previous fiscal year (August 31, 2024)	Third quarter of the current consolidated accounting period (May 31, 2025)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade Payables and Other Liabilities	1,615,334	1,491,394
Bonds and loans payable	994,028	941,516
Lease liabilities	178,470	170,507
Income tax payable	73,165	303,063
Refund liabilities	209,437	268,067
Provision	—	61,915
Other current liabilities	516,660	448,629
Total current liabilities	3,587,094	3,685,091
Non-current liabilities		
Bonds and loans payable	1,409,958	1,301,048
Lease liabilities	1,268,578	1,131,243
Provision	41,622	54,304
Deferred tax liabilities	108,361	136,563
Other non-current liabilities	15,202	14,295
Total non-current liabilities	2,843,720	2,637,453
Total liabilities	6,430,814	6,322,544
Equity		
Capital	415,982	502,500
Capital surplus	1,447,021	1,694,075
Retained earnings	1,673,326	2,235,879
Treasury stock	△248,997	(227,249)
Other components of equity	62,803	87,215
Total equity attributable to owners of the parent company	3,350,136	4,292,419
Noncontrolling interest	1	1
Total equity	3,350,137	4,292,420
Total liabilities and equity	9,780,951	10,614,963

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

Condensed Quarterly Consolidated Statements of Income

Third quarter of the consolidated cumulative period

(Unit: Thousand yen)

	Third quarter of the previous consolidated cumulative period (From September 1, 2023 to May 31, 2024)	Third quarter of the current consolidated cumulative period (From September 1, 2024 to May 31, 2025)
Sales revenue	8,571,246	11,496,292
Cost of sales	2,917,319	3,362,397
Gross profit	5,653,927	8,133,895
Selling, general and administrative expenses	4,984,908	7,221,625
Other income	35,253	91,649
Other expenses	819	5,561
Operating profit	703,452	998,359
Financial income	8,400	23,794
Financial expenses	20,644	37,372
Quarterly profit before income taxes	691,208	984,780
Income tax expense	241,640	390,296
Quarterly profit	449,568	594,484
Attribution of quarterly profit		
Owners of parent company	449,568	594,484
Noncontrolling interest	—	△1
Quarterly profit	449,568	594,484
Quarterly profit per share		
Basic quarterly profit per share (yen)	162.19	185.76
Quarterly profit per share after dilution (yen)	150.11	177.83

Condensed Quarterly Consolidated Statements of Comprehensive Income

Third quarter of the consolidated cumulative period

(Unit: Thousand yen)

	First quarter of the previous consolidated cumulative period (From September 1, 2023 to May 31, 2024)	Third quarter of the current consolidated cumulative period (From September 1, 2024 to May 31, 2025)
Quarterly profit	449,568	594,484
Other comprehensive income		
Items not reclassified to net income or loss		
Remeasurement of defined benefit plans	—	22
Equity financial assets measured at fair value through other comprehensive income	—	20,764
Total other comprehensive income	—	20,989
Quarterly comprehensive profit	449,568	615,473
Attribution of quarterly comprehensive profit		
Owners of parent company	449,568	615,473
Noncontrolling interest	—	△1
Quarterly comprehensive profit	449,568	615,473

### (3) Condensed Quarterly Consolidated Statement of Changes in Equity

Third quarter of the previous consolidated cumulative period (From September 1, 2023 to May 31, 2024)

(Unit: Thousand yen)

	Equity attributable to owners of the parent company						Noncontrolling interest	Total equity
	Capital	Capital surplus	Retained earnings	Treasury stock	Other Components of equity	Total		
Balance as of September 1, 2023	354,016	320,999	848,017	△91,349	18,268	1,449,951	1	1,449,952
Quarterly profit	—	—	449,568	—	—	449,568	—	449,568
Quarterly comprehensive profit	—	—	449,568	—	—	449,568	—	449,568
Issuance of new shares	34,295	34,295	—	—	—	68,590	—	68,590
Acquisition of treasury stock	—	—	—	△505,438	—	△505,438	—	△505,438
Stock compensation transactions	—	—	—	—	4,106	4,106	—	4,106
Change due to share exchange	—	785,836	—	215,534	—	1,001,370	—	1,001,370
Total amount of transactions with owners, etc.	34,295	820,131	—	△289,903	4,106	568,628	—	568,628
Balance as of May 31, 2024	388,311	1,141,130	1,297,585	△381,252	22,374	2,468,146	1	2,468,148

Third quarter of the current consolidated cumulative period (From September 1, 2024 to May 31, 2025)

(Unit: thousand yen)

	Equity attributable to owners of the parent company						Noncontrolling interest	Total capital
	Capital	Capital surplus	Retained earnings	Treasury stock	Other Components of equity	Total		
Balance as of September 1, 2024	415,982	1,447,021	1,673,326	△248,997	62,803	3,350,136	1	3,350,137
Quarterly profit	—	—	594,484	—	—	594,484	△1	594,484
Other comprehensive income	—	—	—	—	20,989	20,989	—	20,989
Quarterly comprehensive profit	—	—	594,484	—	20,989	615,473	△1	615,473
Issuance of new shares	86,518	86,518	—	—	—	173,035	—	173,035
Acquisition of treasury stock	—	—	—	△84,172	—	△84,172	—	△84,172
Dividends	—	—	△32,157	—	—	△32,157	—	△32,157
Stock compensation transactions	—	—	—	—	4,106	4,106	—	4,106
Increase/decrease in stock acquisition rights	—	458	—	—	△458	1	—	1
Transfer to retained earnings	—	—	225	—	△225	—	—	—
Changes due to share exchange	—	160,078	—	105,920	—	265,998	—	265,998
Total amount of transactions with owners, etc.	86,518	247,054	△31,932	21,748	3,423	326,810	—	326,810
Balance as of May 31, 2025	502,500	1,694,075	2,235,879	△227,249	87,215	4,292,419	1	4,292,420

#### (4) Condensed Quarterly Consolidated Statements of Cash Flows

(Unit: Thousand yen)

	First quarter of the previous consolidated cumulative period (From September 1, 2023 to May 31, 2024)	First quarter of the current consolidated cumulative period (From September 1, 2023 to May 31, 2025)
Cash Flows from Operating Activities		
Quarterly profit before income taxes	691,208	984,780
Depreciation and amortization expenses	152,841	275,906
Financial income	△8,400	△23,794
Financial expenses	20,644	37,372
Change in inventory (△ indicates increase)	△13,536	△1,086
Increase/decrease in accounts receivable and other receivables (△ indicates increase)	△173,248	△152,797
Increase/decrease in operating liabilities and other liabilities (△ indicates decrease)	32,131	△113,525
Increase/decrease in provisions (△ indicates decrease)	18,842	61,345
Other increases/decreases	2,541	73,646
Subtotal	723,022	1,141,847
Interest and dividends received	1,227	6,295
Interest paid	△17,056	△37,253
Corporate income tax paid	△59,268	△159,038
Corporate income tax refund	9,095	35,225
Cash flows from operating activities	657,019	987,076
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	3,100	7,884
Payments for acquisition of property, plant and equipment	△58,755	△44,852
Payments for the acquisition of intangible assets	—	△2,450
Net increase/decrease in short-term loans receivable (△ indicates increase)	9,494	44,677
Proceeds from collection of long-term loans	30,404	53,126
Payments from long-term loans	△178,600	△86,000
Proceeds from collection of deposits and guarantees	136	1,902
Payments for security deposits and guarantees	△25,078	△9,155
Proceeds from acquisition of subsidiary shares	290,376	128,898
Payments for the acquisition of subsidiary shares	△417,620	—
Proceeds from sale of subsidiary shares	—	14,752
Proceeds from sales of investment securities	31,416	80,473
Payments for acquisition of investment securities	△20,057	△160
Proceeds from refund of insurance reserves	8,000	—
Payments for insurance reserve contributions	△1,140	—
Cash flows from investing activities	△328,325	189,094
Cash flows from financing activities		
Net increase/decrease in short-term borrowings (△ indicates decrease)	590,000	65,000
Proceeds from long-term borrowings	1,030,000	50
Repayment of long-term borrowings	△499,137	△600,767
Repayment of lease liabilities	△98,829	△143,380
Proceeds from issuance of shares	19,606	26,210
Payments for acquisition of treasury stock	△505,446	△84,172
Repayment of bonds	△13,000	△14,000
Dividend payment amount	—	△31,380
Cash flows from financing activities	523,194	△732,490
Increase/decrease in cash and cash equivalents (△ indicates decrease)	851,888	443,680
Cash and cash equivalents at beginning of period	1,264,656	2,524,334
Cash and cash equivalents at the end of the quarter	2,116,544	2,968,014

## (5) Notes to Condensed Quarterly Consolidated Financial Statements

### (Applicable Financial Reporting Framework)

The condensed quarterly consolidated financial statements (condensed quarterly consolidated statements of financial position, condensed quarterly consolidated statements of income, condensed quarterly consolidated statements of comprehensive income, condensed quarterly consolidated statements of changes in equity, and condensed quarterly consolidated statements of cash flows and notes) of the Company have been prepared in accordance with Article 5, Paragraph 2 of the "Standards for the Preparation of Quarterly Financial Statements, etc." of the Tokyo Stock Exchange, Co. Ltd. (however, the omissions set forth in Article 5, Paragraph 5 of the said standard are applied), and certain disclosure items and notes required by International Accounting Standard No. 34 "Interim Financial Reporting" have been omitted

### (Notes on Going Concern Assumption)

There are no applicable items.

### (Notes on Significant Changes in Shareholders' Equity)

During the third quarter of the current consolidated cumulative period, the Company implemented a share exchange whereby the Company became the wholly owning parent company and SHC Co., Ltd. became a wholly owned subsidiary. As a result, capital surplus increased by 160,078 thousand yen and treasury stock decreased by 105,920 thousand yen.

### (Notes on Segment Information, etc.)

The Company's consolidated financial statements are presented on a single segment basis, as the Company is engaged in the Last One Mile business.

### (Important Subsequent Events)

#### (Making Telvel Co., Ltd. a wholly owned subsidiary through a simplified share exchange)

At a meeting of the Board of Directors held on July 15, 2025, the Company resolved to conduct a simplified share exchange whereby the Company will become the wholly owning parent company and Telvel Co., Ltd. will become a wholly owned subsidiary through a share exchange. The share exchange agreement is scheduled to be concluded on July 16, 2025. The share exchange is subject to approval at an extraordinary general meeting of shareholders of Telvel Co., Ltd. to be held in the future, and the effective date is scheduled to be September 1, 2025. The share exchange is a simplified share exchange that does not require the approval of the Company's general meeting of shareholders pursuant to the provisions of Article 796, Paragraph 2 of the Companies Act.

#### (1) Overview of the Business Combination

##### ① Name and Business of the Acquired Company

Name of the acquired company: Telvel Co., Ltd.

Business Operations: "Apartment/Mansion Wi-Fi StarNet" business, hotel/ryokan/commercial facility Wi-Fi service "Wi-Fi AIR" business, etc.

##### ② Purpose of the Business Combination

Telvel Co., Ltd. operates the "Apartment/Mansion Wi-Fi Star Net" business and the "Wi-Fi AIR" business, which provides Wi-Fi services for hotels, ryokans, and commercial facilities, mainly in Niigata Prefecture and neighboring prefectures. Telvel Co., Ltd., like the Company, operates its business with stock-type revenue from its apartment and condominium Wi-Fi Star Net business and flow-type revenue as its main source of income, and is expected to contribute significantly to accelerating the expansion of the free internet service for apartment complexes, which is one of the main businesses of the Company, and therefore the Company has decided to conduct the share exchange.

##### ③ Date of Business Combination

September 1, 2025 (planned)

##### ④ Legal Form of Business Combination

Simplified share exchange with the Company as the wholly owning parent company and Telvel Co., Ltd. as the wholly owned subsidiary.

⑤ Name of company after combination

No change will be made to each company.

(6) Ratio of voting rights to be acquired

100%

⑦ Main basis for determining the acquiring company

This is due to the fact that this is a share exchange in which the Company will become the wholly owning parent company.

(2) Exchange ratio by share type, cash consideration, calculation method, number of shares to be delivered, and total amount of cash consideration

① Exchange ratio and cash consideration by class of shares

One share of common stock of the Company for 11.37216549 shares of common stock of Telvel Co., Ltd. and cash consideration of ¥213,636.363636 per share

② Method of calculating the share exchange ratio

In order to ensure fairness and appropriateness in calculating the share exchange ratio to be used for this share exchange, the Company and Telvel Co., Ltd. requested Stand by C Co., Ltd. (hereinafter referred to as the "Appraisal Agency"), a third-party appraisal agency independent of the Company and Telvel Co., Ltd., to calculate the share value of the Company and Telvel Co., Ltd. and the share exchange ratio for this share exchange, and the Company and Telvel Co., Ltd. decided the share exchange ratio based on the results of this calculation and after sincere discussions and careful consideration with Telvel Co., Ltd., taking into comprehensive account factors such as the financial condition, assets, future prospects of both companies. The share exchange ratio is based on the assumption that the consolidation of shares of the Company at a ratio of 1.2 shares for 1 share (the "Share Consolidation"), which is scheduled to be proposed at the extraordinary general meeting of shareholders of the Company to be held on July 31, 2025, and the resolution of the proposal for the share exchange will be approved as proposed, and that the Share Consolidation will become effective prior to the effective date of the share exchange. If the consolidation of shares does not take effect by the time the share exchange takes effect, the number of shares of the Company to be allocated for 1 share of Telvel's common stock shall be the number of shares above divided by 1.2.

The Company is listed on the Growth Market of the Tokyo Stock Exchange and has a market price, so the market share price method was used for the calculation. Under the market share price method, the simple average of the closing prices on the Growth Market of the Tokyo Stock Exchange for the three months prior to the base date (April 15, 2025 to July 14, 2025) was used with July 14 as the base date.

The share value of Telvel Co., Ltd. is calculated using the discounted cash flow method because it is an unlisted company and there is no market share price, and in order to reflect the status of future business activities in the calculation. Under the discounted cash flow method, the share value is calculated by discounting the free cash flow expected to be generated by Telvel Co., Ltd. after April 30, 2025, the calculation base date, at a certain discount rate based on the business plan disclosed by Telvel Co., Ltd. to the Appraisal Agency.

③ Number of shares to be delivered and total cash consideration

25,018 shares (planned) (All shares to be delivered will be treasury stock of the Company.)

Total cash consideration: 470,000,000 yen

(3) Breakdown of the acquisition cost and consideration by type for the acquired company

(Unit: Thousand yen)

Cash	470,000
Fair value (planned) of the Company's common shares to be delivered in the share exchange	100,000
Acquisition cost (estimated)	570,000

(4) Amount of assets acquired and liabilities assumed

Not yet determined as of the date hereof.

(5) Transaction-related expenses

Advisory fees, etc. 60,000 thousand yen (estimated)

(6) Overview of accounting treatment

The share exchange will be accounted for using the acquisition method in accordance with IFRS No. 3, "Business Combinations." In connection with the share exchange, the Company expects to recognize goodwill or negative goodwill in its consolidated financial statements, but the amounts and accounting treatment have not been determined at this time.

(Absorption-type merger of CITV Hikari Co., Ltd.)

The Company resolved at a meeting of its Board of Directors held on July 15, 2025, to merge with its consolidated subsidiary CITV Hikari Co., Ltd. and entered into a merger agreement on the same date.

(1) Overview of the Business Combination

① Names of the merging companies and the nature of their businesses

Merging Company (Surviving Company)

Name: Last One Mile Co., Ltd.

Business Operations Alliance business, free internet service for apartment complexes, contact center business, hotel business, listing media business

Acquired Company (Dissolving Company)

Name: CITV Hikari Co., Ltd.

Business Operations: Internet services for apartment complexes (free internet for apartments)

② Purpose of the Business Combination

The purpose of the business combination is to integrate management resources, streamline management structures, and unify business operations to achieve efficient management.

③ Date of Business Combination

September 1, 2025

④ Legal Form of the Business Combination

Absorption-type merger with Last One Mile Co., Ltd. as the surviving company and CITV Hikari Co., Ltd. as the dissolving company.

⑤ Name of company after combination

Last One Mile Co., Ltd.

(2) Impact on the Company Group

This merger is a merger between the Company and a wholly owned subsidiary and will have no impact on the consolidated results of the Company.

(Reduction in Capital and Capital Reserve)

The Company resolved at a meeting of its Board of Directors held on June 20, 2025, to submit a proposal to reduce the amount of capital and capital reserves to an extraordinary general meeting of shareholders scheduled to be held on July 31, 2025.

(1) Purpose of the Reduction in Capital and Capital Reserve

The Company will reduce its capital and capital reserves in order to secure flexibility and mobility in its future equity policy and to promote the growth strategy of the Company and its group companies more strongly through the application of appropriate tax systems.

(2) Details of the reduction in capital and capital reserves

In accordance with the provisions of Article 447, Paragraph 1 of the Companies Act, the Company will reduce its capital and capital reserves and transfer them to other capital surplus. The amount of capital and the amount of capital after the reduction may

change if the stock options (stock acquisition rights) issued by the Company are exercised before the effective date of the reduction in capital.

① Amount of capital to be reduced

Capital 502,499,850 yen, of which 402,499,850 yen

Capital reserve 1,666,107,284 yen, of which 1,566,107,284 yen

② Amount of other capital surplus to be increased

Other capital surplus 1,968,607,134 yen

(3) Schedule

① Date of Board of Directors' Resolution: June 20, 2025

② Date of Extraordinary General Meeting of Shareholders: July 31, 2025 (planned)

③ Deadline for creditors to file objections: August 30, 2025 (planned)

④ Effective Date: August 31, 2025 (planned)

(4) Other important matters, if any

The decrease in capital and capital reserves resulting from this matter is a transfer between accounts in the net assets section of the Company's balance sheet and will not result in any change in the Company's profit or loss or net assets, nor will it have any impact on the Company's business results.

Note that this matter is subject to approval at the extraordinary general meeting of shareholders scheduled to be held on July 31, 2025.

# Independent Auditor's Interim Review Report on the Quarterly Consolidated Financial Statements

July 15, 2025

To: The Board of Directors of Last One Mile Co., Ltd.

Face Audit Firm

Shibuya, Tokyo

Designated Partner  
Executive Partner

Certified Public Accountant Shunsuke Nakagawa

Designated Partner  
Executive Partner

Certified Public Accountant Naota Otsuki

## Auditor's Conclusion

We have conducted an interim review of the accompanying quarterly condensed consolidated financial statements, namely, the condensed quarterly consolidated statement of financial position, condensed quarterly consolidated statement of income, condensed quarterly consolidated statement of comprehensive income, condensed quarterly consolidated statement of changes in equity, condensed quarterly consolidated statement of cash flows, and notes of Last One Mile Co., Ltd. for the third quarter of the consolidated accounting period (From March 1, 2025 to May 31, 2025) and the third quarter of the consolidated cumulative period (From September 1, 2024 to May 31, 2025) of the consolidated fiscal year from September 1, 2024 to August 31, 2025, which are included in the "Attachments" section of the Quarterly Financial Report.

Based on our review, nothing has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements referred to above have not been prepared, in all material respects, in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. (however, the omissions set forth in Article 5, Paragraph 5 of the Standards for the Preparation of Quarterly Financial Statements, etc. have been applied) of the Tokyo Stock Exchange, Inc.

## Basis for the Auditor's Conclusion

We conducted our interim review in accordance with interim review standards generally accepted in Japan. Our responsibility for the interim review is described in "Auditor's Responsibility for the Interim Review of Condensed Quarterly Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Ethics for Auditors in Japan and have fulfilled our other ethical responsibilities as auditors. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Emphasis of Matter

As stated in the notes (Significant Subsequent Events), the Company resolved at a meeting of its Board of Directors held on July 15, 2025, to conduct a simplified share exchange whereby the Company will become the wholly owning parent company and Telvel Co., Ltd. will become a wholly owned subsidiary.

This matter does not affect our conclusion.

## Responsibility of Management and the Audit Committee for the Condensed Quarterly Consolidated Financial Statements

The responsibility of management is to prepare the condensed quarterly consolidated financial statements in accordance with the "Standards for the Preparation of Quarterly Financial Statements" of the Tokyo Stock Exchange, Inc. (with the omission of the statements specified in Article 5, Paragraph 5 of the "Standards for the Preparation of Quarterly Financial Statements"). This includes establishing and operating internal controls that management deems necessary to prepare condensed quarterly consolidated financial statements that are free from material misstatements due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management evaluates whether it is appropriate to prepare the condensed quarterly consolidated financial statements on a going concern basis and, if so, discloses matters concerning the going concern basis in accordance with the "Guidelines for the Preparation of Quarterly Financial Statements" of the Tokyo Stock Exchange, Inc. and disclose such matters if necessary.

The responsibility of the Audit and Supervisory Committee lies in monitoring the execution of the duties of the directors in the establishment and operation of the financial reporting process.

## Auditor's Responsibility for the Interim Review of the Condensed Quarterly Consolidated Financial Statements

The auditor's responsibility is to express an independent conclusion on the condensed quarterly consolidated financial statements in the interim review report based on the interim review conducted by the auditor.

The auditor shall, in accordance with the interim review standards generally accepted in Japan, exercise professional judgment and maintain professional skepticism throughout the interim review process to perform the following:

- The procedures shall consist principally of inquiries of management and other persons responsible for financial and accounting matters, analytical procedures, and other periodic review procedures. Interim review procedures are more limited procedures than an audit of annual financial statements performed in accordance with auditing standards generally accepted in Japan.
- If the auditor judges that there is a material uncertainty regarding events or circumstances that might give rise to significant doubts about the going concern assumption, the auditor concludes, based on the evidence obtained, whether or not there are any matters which lead the auditor to believe its condensed quarterly financial statements is not prepared in accordance with Article 5, Paragraph 2 of the "Standards for the Preparation of Quarterly Financial Statements" (however, the omission of a statement as set forth in Article 5, Paragraph 5 of the Standards for the Preparation of Quarterly Financial Statements, etc. applies) of the Tokyo Stock Exchange, Inc. In addition, if a material uncertainty regarding the going concern assumption is recognized, the auditor is required to draw attention to the notes to the condensed quarterly consolidated financial statements in the periodic review report, or, if the notes to the condensed quarterly consolidated financial statements regarding the material uncertainty are not appropriate, to express a limited conclusion or a negative conclusion on the condensed quarterly consolidated financial statements. The auditor's conclusion is based on evidence obtained up to the date of the periodic review report; however, future events or circumstances could cause the entity to cease to exist as a going concern.
- Evaluate whether there is any matter that would lead to the conclusion that the presentation of the condensed quarterly consolidated financial statements and the notes to the condensed quarterly consolidated financial statements have not been prepared in accordance with the "Standards for the Preparation of Quarterly Financial Statements" of the Tokyo Stock Exchange, Inc. (with the omission of the disclosure required by Article 5, Paragraph 5 of the "Standards for the Preparation of Quarterly Financial Statements").
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for the conclusion on the condensed quarterly consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing the interim review of the condensed quarterly consolidated financial statements. The auditor is solely responsible for the auditor's conclusion.

The auditor shall report to the Audit Committee on the scope and timing of the planned interim review and any significant findings during the interim review.

The auditor shall report to the Audit Committee that the auditor has complied with the rules on professional ethics in Japan regarding independence and matters that may reasonably be considered to affect the auditor's independence, and if any measures have been taken to remove impediments or to reduce impediments to an acceptable level if safeguards have been applied, report on the details of such safeguards.

### Conflicts of Interest

There are no interests between the Company and its consolidated subsidiaries and our Audit Firm or our executive partners that are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End

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(Note) 1. The original copy of the above interim review report is separately retained by the Company (company disclosing quarterly financial results).

2. XBRL data and HTML data are not included in the scope of the interim review.