

[Delayed] Prior Disclosure Agreement Relating to Share Delivery  
(adval Corp.)

(Disclosure items as stipulated in Article 816-2, Paragraph 1 of the Companies Act and Article 213-2 of  
the Regulation for Enforcement of the Companies Act)

October 25, 2021  
Vision Inc.

October 25, 2021

## Information regarding the Share Delivery to be disclosed in Advance

6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo  
Vision Inc.

Representative Director, President, and CEO Kenichi Sano

The share delivery plan (hereinafter referred to as the “share delivery plan”) created by the Company on October 18, 2021 will go into effect on December 1, 2021 (hereinafter referred to as the “effective date”). Therefore, the Company will become the parent company and adval Corp. (hereinafter referred to as “adval”) will become a subsidiary through a share delivery (hereinafter referred to as the “share delivery”).

The matters regarding the share delivery to be disclosed in advance as stipulated in Article 816-2, Paragraph 1 of the Companies Act and Article 213-2 of the Regulation for Enforcement of the Companies Act are as follows.

### Record

1. Contents of the Share Delivery Plan (Article 816-2 Paragraph 1 of the Companies Act)

Refer to Attachment 1.

2. Reasons why the share delivery parent company has determined that provisions for matters listed in Article 774-3, Paragraph 1 Item 2 of the Companies Act meet the requirements stipulated in Paragraph 2 of the same article. (Article 213-2 Paragraph 1 of the Regulation for Enforcement of the Companies Act)

The Company has set 94,809 to be the lower limit of common shares to be transferred during share delivery.

According to the adval registration information dated October 15, 2021, the total number of issued shares of common stock of adval is 192,616 shares. Adval confirmed that it had not issued any class shares with voting rights as of October, and that the only stock acquisition rights that could be exercised by the effective date were the first stock acquisition rights. This accurately reflects the status of issued shares and stock acquisition rights of adval as of the same day, October 15, 2021. We have confirmed with adval that we have no plans to issue or grant convertible rights to corporate bonds or other shares of adval between October 15 and the effective date.

In addition, the Company will make stock acquisitions with all stock acquisition rights holders of the initial stock acquisition rights until the shares of adval are listed on any financial exchange and trading begins. An allotment agreement has been concluded that stock acquisition rights cannot be exercised until adval shares are listed on one of the financial exchanges and it is confirmed that there are no plans to be traded until the effective date.

Because of these, the Company has determined that the lower limit of common shares of adval to be transferred at the time of share delivery is 94,809 shares, which meets the requirements stipulated in Article 774-3, Paragraph 2 of the Companies Act.

3. The appropriateness of provisions regarding the matters listed in Article 774-3, Paragraph 1, Items 3 to 6 of the Companies Act (Article 213-2 Paragraph 2 of the Regulation for Enforcement of the Companies Act)

Refer to Attachment 2.

4. The appropriateness of provisions regarding the matters listed in Article 774-3, Paragraph 1, Items 8 and 9 of the Companies Act (Article 213-2 Paragraph 3 of the Regulation for Enforcement of the Companies Act)

Not applicable.

5. Matters concerning subsidiaries (Article 213-2 Paragraph 4 of the Regulation for Enforcement of the Companies Act)

(1) Contents of financial statements for the final business year

Refer to Attachment 3.

(2) If there are temporary financial statements with the day after the last day of the final business year as the temporary account closing day, the contents of the financial statements.

Not applicable.

(3) Details of major property disposals, significant debt burden, or other events that have a significant impact on the status of company property that occurred after the last day of the final business year.

Not applicable

6. Details of major property disposals, significant debt burdens, and other events that have a significant impact on the status of company property that occurred after the last day of the final business year at the share delivery parent company. (Article 213-2 Paragraph 5 of the Regulation for Enforcement of the Companies Act)

Not applicable.

7. Matters concerning the obligation of fulfillments by the share delivery parent company after the date that the share delivery becomes effective (Article 213-2 Paragraph 6 of the Regulation for Enforcement of the Companies Act)

Article 816-8, Paragraph 1 of the Companies Act does not apply so this is not applicable to the share delivery.

## Attachment 1 Contents of the Share Delivery Plan

### Share Delivery Plan

We have made the following share delivery plan (hereinafter referred to as the “share delivery plan”) for the execution of a share delivery (hereinafter referred to as the “share delivery”) in which Vision Inc. (hereinafter referred to as “Party A”) will become the parent company and adval Corp. (hereinafter referred to as “Party B”) will become a subsidiary.

#### Article 1 (Trade name and address of the share delivery subsidiary)

The trade name and address of Party B is as follows.

Trade name: adval Corp.

Address: 33-7 Udagawacho, Shibuya-ku, Tokyo

#### Article 2 (Minimum number of shares of the share delivery subsidiary to be transferred by the parent company at the time of the share delivery)

The minimum number of shares of Party B that Party A is to transfer is 94,809 shares.

#### Article 3 (Allocation of shares and money to be delivered to the transferor of the subsidiary’s shares at the time of the share delivery)

1. During the share delivery, Party A will deliver to the transferor of Party B's ordinary stock their own common stock in the sum of Party B's total common stock multiplied by 4.7.

2. During the share delivery, Party A will allocate 4.7 shares of Party A's common stock to the transferor of Party B's common stock for each share of transferred Party B common stock.

#### Article 4 (Amount of capital and reserves of the share delivery parent company)

Party A will not increase the amount of stated capital in the share delivery and will separately determine the amount of reserve and other matters in accordance with Article 39-2 of the Regulation on Corporate Accounting.

#### Article 5 (Deadline for applications of the transfer of shares by the subsidiary)

For Party B, November 12, 2021 is the deadline for applications of common stock.

#### Article 6 (Resolution to approve the share delivery plan)

Party A will approve the share delivery plan and make a decision on the matters necessary by the day before the plan is to go into effect.

#### Article 7 (Date that the share delivery plan goes into effect)

The share delivery plan will go into effect (hereinafter referred to as the “effective date”) on December 1, 2021.

However, Party A may change this if necessary due to the necessity of proceeding with the share delivery or for other reasons.

#### Article 8 (Changes to the plan and cancellation of the share delivery)

If it becomes difficult to achieve the purpose of the share delivery due to an event that seriously hinders the execution of the delivery during the time between the creation of the plan and the effective date, then changes to the plan or entire cancellation of the share delivery may be necessary.

#### Article 9 (Effect of share delivery plan)

The share delivery plan shall be invalid if the legal support of Party A as stipulated in Article 6 is not obtained.

#### Article 10 (Non-regulated matters)

In addition to the matters stipulated in the plan, details related to the share delivery will be decided by Party A in accordance with the purpose of the share delivery.

October 18, 2021

6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo  
Vision Inc.  
Representative Director, President, and CEO Kenichi Sano

**Attachment 2 The appropriateness of provisions regarding the matters listed in Article 774-3, Paragraph 1, Items 3 to 6 of the Companies Act**

1. Details of allocation related to the share delivery (share delivery ratio) and basis for calculating the share issuance ratio

(1) Details of allocation related to the share delivery (share delivery ratio)

The Company will allocate and deliver 4.7 shares of the Company's common stock for one share of adval common stock. In addition, we plan to allocate treasury stock 446,500 shares held by the Company to the common stock of the Company to be delivered as an allotment for the shares of adval by the Company, and will not issue new shares.

The lower limit of the common stock of adval that the Company will transfer is 94,809 shares. If a fraction less than one share is generated as a result of the share delivery, the fractions will be totaled in accordance with the provisions of Article 234 of the Companies Act (if the total number has a fraction less than one, it shall be rounded down). The Company's common stock equivalent will be sold and the price will be delivered to the adval shareholders according to the fraction

(2) Basis for calculating the share issuance ratio

a. Basis and reasons for the content of the allotment

In considering the share delivery ratio to be used, the Company selected Tokyo Kyodo Accounting Office, a third party calculation agent independent of the Company and adval, to ensure the fairness and appropriateness of the share delivery ratio, and obtained the share delivery ratio calculation report for the share delivery on October 15, 2021. After comprehensive consideration and deliberation of the results of the calculation of the share delivery ratio for the shares of adval submitted by Tokyo Kyodo Accounting, and factors such as the financial conditions, asset conditions, and prospects for future business activities of both companies, the Company finally decided that the share delivery ratio described in "(1) Details of allocation related to the share delivery (share delivery ratio)" above is within the range of the share delivery ratio calculated by Tokyo Kyodo Accounting Office and is appropriate and not detrimental to the interests of shareholders. This share delivery ratio is subject to change upon consultation between the Company and adval's shareholders in the event of a material change in the various conditions that form the basis of the calculation.

b. Matters relating to calculation

① Relationship with the calculation institution

Tokyo Kyodo Accounting Office is not a related party of the Company or adval and has no significant interests to be stated regarding the share delivery.

② Summary of calculation

The Company has common stock listed on the First Section of the Tokyo Stock Exchange, a stock price, and high liquidity in the trading market. Therefore, when valuing the stock value, the Tokyo Kyodo Accounting Office decided that the market price method would provide a sufficiently appropriate result, so the market-based valuation method was adopted for the calculation.

Valuation method	Calculation result (per share of common stock)
Market-based	1,183 yen - 1,463 yen

Regarding adval, since it is an unlisted company, there is no market stock price, and it is judged that the amount of net assets as of the valuation record date does not indicate the stock value considering future cash flows since the profit level will fluctuate significantly depending on the progress and implementation accuracy of future business measures. Also considering that it is difficult to objectively and rationally determine which fiscal year's profit level and multiplier should be adopted for calculation, which are the calculation elements of the similarly listed companies, the discounted cash flow method (listed below as "DCF") was adopted for the calculation to reflect the status of future business activities in the evaluation.

Valuation method	Calculation result (per share of common stock)
DCF	4,930 yen - 6,931 yen

As a result, the calculation result of share delivery ratio of one adval share to one common stock is as follows, assuming that the value per share of the Company's common stock is one.

	Calculation result of share delivery ratio
Common stock	3.37 - 5.86

When it comes to the market-based valuation method, the Company's stock value is decided by using the Company's closing price on First Section of the Tokyo Stock Exchange on October 15, 2021, the designated calculation base date, to calculate the simple average of the closing price of the stock price for the previous month, three months and six

months.

For the DCF method, the corporate value of adval is discounted to their present value based on the free cash flow that they are expected to generate between May 2022 and May 2026 according to their business plan. For the continuous value after the planning period, the permanent growth rate method is adopted and is calculated as -0.5% - 0.5% based on the level of business growth after the planned period that can be assumed at the time of evaluation. When considering that adval's business stage is in the growth phase, the discounted value is calculated to be 11.60% to 12.82% based on 12.21% for the present value of free cash flow during and after the planning period. Regarding the evaluation of stock acquisition rights, the corporate value is calculated by including the cash inflow amount (strike price) assuming that the first section stock acquisition rights have been exercised in non-business assets. As a result, the share value per share of adval is calculated using 201,616 shares, which is the sum of 192,616 issued shares and 9,000 additional shares when the first section stock acquisition rights are exercised.

Based on the results, the range of the share delivery ratio based on the comparison with the evaluation result using the market price method of the Company is calculated as 3.37 - 5.86 for one share of common stock.

The Tokyo Kyodo Accounting Office certifies that they used information provided by the Company and adval as well as information released to the public when calculating the share ratio, under the assumption that all the materials and information used is accurate. It is assumed that it is complete and that there are no undisclosed facts to the Tokyo Kyodo Accounting Office that may have a significant impact on the calculation of the share delivery ratio. We have not verified the accuracy and completeness. In addition, in regards to the assets and liabilities of the Company and adval (including contingent liabilities), we did not perform our own appraisals, including analysis and appraisals of individual assets and liabilities, and we did not request appraisals from third parties. Lastly, it is assumed that the information regarding adval's business plan referred to in the calculation has been prepared by adval's management based on the best forecasts and judgments currently available. The analysis results of Tokyo Kyodo Accounting Office are the result of the information and economic situation up to October 15, 2021.

Adval's business plan, which is the basis for DCF method of calculation, includes fiscal years in which profits are expected to increase significantly due to future business expansion. Specifically, we plan to increase the number of stores in the space management business and expand business from the fiscal year ending May 2023 to the fiscal year ending May 2026 which leads us to anticipate an increase in operating income. The financial forecasts for adval from the fiscal year ending May 2022 to the fiscal year ending May 2026, which is when profits are expected to significantly increase, are as follows.

	(Thousands of yen)				
	May 2022	May 2023	May 2024	May 2025	May 2026
Operating income or loss	-29,191	101,162	240,623	370,191	505,041
Change rate	-	-	137.8%	53.8%	36.4%

The current business plan does not presuppose the implementation of the share delivery. Additionally, the calculation result of the share delivery ratio by the Tokyo Kyodo Accounting Office does not express an opinion on the fairness of the ratio for the share delivery and the Company has not obtained a statement of opinion (fairness opinion) that the share delivery ratio in the delivery is fair to the common shareholders of the Company from a financial standpoint.

## 2. Matters concerning the amount of stated capital and reserves of the Company that will increase due to the share issuance

The amounts of the Company's capital stock, capital reserve, and legal reserve that will increase as a result of the share delivery are as follows. We believe that such treatment is appropriate in view of the laws and regulations as well as our capital policy.

- ① Amount of capital: 0 yen
- ② Amount of capital reserve: Separately determined by the Company in accordance with Article 39-2 of the Regulation on Corporate Accounting
- ③ Amount of revenue reserve: 0 yen

**Attachment 3 Contents of Financial Statements from the Final Fiscal Year of the Share Delivery Subsidiary**

Refer to the next pages.

Fifth Term  
Business Report and Financial Statements

From June 1, 2020  
until May 31, 2021

adval Corp.

## Business Report

From June 1, 2020  
until May 31, 2021

### 1. Matters Concerning the Company's Current State

#### (1) Business progress and results

In the current fiscal year, the Company was greatly affected by the worldwide spread of COVID-19 as in order to prevent infection, stay at home measures were put into place in regards to all large, medium and small-scale gatherings in Japan. Not only did the use of conference rooms and party spaces decline, but there were no events involving eating and drinking (catering), resulting in a major profit loss in the space management business. Due to these circumstances, the Company started the industry's first monthly flat-rate conference room service "Office Ticket" in October 2020. With the increase of remote work and telework, initiatives such as office space reduction have become widespread, but this is a service that responds to the demand to secure a certain meeting space so it is steady and makes it possible for the Company to earn stock revenue that is not affected by seasonal fluctuations. The Company started sales activities with the target of 100 "Office Ticket" contracts by the end of this fiscal year, and through steady performance have achieved this amount. Also, the Company is developing space for telework booths to meet the demand for private rooms.

In the accommodation business, the Company canceled unprofitable lodging properties due to a decline in inbound travelers.

Also, the catering business "favorite", which was transferred in the previous fiscal year, was transferred to another company in the fourth quarter because it was greatly affected by events no longer occurring due to measures to stay at home. Instead, resources have been focused on rebuilding and growing the space business.

Due to COVID-19, there has been significant impact on the subleased space management business, which is normally relatively unaffected by market conditions, and profits declined due to shortened business hours and closures to prevent the spread of infection in stores. With the cooperation of the leaseholders, we worked to maintain a certain level of profit by keeping costs down. In addition, in regards to Bukenavi, a restaurant space advisory business, there are many restaurants that have been stopped from closing due to subsidies from the national and Tokyo governments, and the number of people who want to open a restaurant is decreasing with uncertainty about the future of the restaurant business except by delivery. In response to this, the Company operated business more carefully than usual and was able to make more contracts and Bukenavi has been profitable.

Because of the circumstances described above, the results for the current fiscal year were sales of 1,186,310 thousand yen (37.0% less compared to the same period of the previous year), operating loss of 354,273 thousand yen (operating profit of 76,580 thousand yen in the same period of the previous year), ordinary loss of 211,931 thousand yen (ordinary profit of 72,224 thousand yen in the same period of the previous year), and net loss of 391,083 thousand yen (22,401 thousand yen in the same period of the previous year).

#### (2) Status of capital investment

The amount of capital investment in the current fiscal year was 13 million yen. This was mainly for equipment and fixtures attached to buildings in operating spaces such as conference rooms for and accommodation facilities.

#### (3) Funding status

Not applicable.

#### (4) Business transfer, absorption-type split, or new establishment split

On March 1, 2021, the Company transferred over catering business "favorite" to MIG Holdings Co., Ltd.

#### (5) The transfer of other companies' businesses

Not applicable.

#### (6) Succession of rights and obligations related to the business of other corporations, due to absorption-type merger or absorption-type company split

Not applicable.

#### (7) Acquisition or disposal of shares or other equity in other companies or stock acquisition rights

Not applicable.

#### (8) Issues to be addressed

With the announcement of the fourth state of emergency and continued spread of the COVID-19 pandemic, the recovery of the Japanese economy has been significantly delayed and the flexible office market is under pressure to majorly change. The Company will continue to grow "Office Ticket," which we launched as a new form of flexible office. In order to rebuild the business model and create a new flexible office market during the pandemic, we will tackle the following issues.

##### ① Implementation of store opening strategy to grow "Office Ticket"

Property coverage is an important factor in expanding the market share of the Company's main service, "Office Ticket". The Company is planning to open stores by bringing in our equipment to real estate owners' properties and increasing the number of "semi-directly managed properties" that owners will open. In each space, we will thoroughly implement infection control measures, provide safe and secure use, acquire customers, and promote use.

② Respond to the demand for remote work spaces with "Office Ticket"

As the demand for remote work and remote conference spaces grows due to the COVID-19 pandemic, we will aggressively open locations of telework booths.

③ Enhancement of financial base

For our main service, "Office Ticket", funds are required to make deposits and procure furniture when developing spaces such as conference spaces and work booth spaces and a stable financial base is indispensable for business expansion. The development of an excellent flagship space and the enhancement of semi-directly managed store facilities will lead to an increase in paying members, secure the next development fund from profit structure, create a virtuous cycle for further development, and stabilize the financial base.

④ Hiring and training employees

The Company believes that securing and continuous development of excellent human resources is an important issue in aiming for future business expansion. We will continue to strive to secure excellent employees and work to establish an evaluation system, personnel training system, and compensation system that matches the growth phase.

⑤ Enhancement of management system

In order to continuously develop the Company, we will strive to improve the efficiency of operations and thoroughly comply with laws and regulations. We will enhance the compliance system and risk management system to further establish an organizational system that balances company growth and business management.

(9) Changes in Property and Profit or Loss Status

Segment	3 <sup>rd</sup> term May 2019	4 <sup>th</sup> term May 2020	5 <sup>th</sup> term May 2021 (Current fiscal year)
Sales (Thousands of yen)	554,596	1,884,101	1,186,310
Operating profit (loss -) (Thousands of yen)	-108,154	76,580	-354,273
Ordinary profit (loss -) (Thousands of yen)	-127,551	72,224	-211,931
Net income (loss -) (Thousands of yen)	-239,562	22,401	-391,083
Earnings per share (loss -) (Yen)	-1,290.17	116.91	-2,030.38
Total assets (Thousands of yen)	1,069,644	1,304,958	953,436
Net assets (Thousands of yen)	26,607	49,009	-342,073
Net asset per share (Yen)	138.14	255.77	-1,775.94

(Note) Net income or loss per share is calculated based on the average number of shares during the period and net assets per share is calculated based on the total number of issued shares.

(10) Status of important parent companies or subsidiaries

① Status of important parent companies

Not applicable.

② Status of important subsidiaries

Not applicable.

③ Matters concerning specified wholly owned subsidiaries

Not applicable.

(11) Business summary

Our main businesses are the development and operation of rental spaces, the sale and brokerage of real estate properties used to operate restaurants, and catering sales.

(12) Offices

Headquarters 33-7 Udagawacho, Shibuya-ku, Tokyo  
EBISU SHOW ROOM 3-1-24 Ebisuminami, Shibuya-ku, Tokyo

(13) Employees

Number of employees	Rate of decrease since end of previous fiscal year	Average age	Average employment length
39 members	-16 people *	34.8 years old	2.46 years

(Note) The average number of temporary employees hired during the period was 31.

\*On February 28, 2021, 13 employees from “favorite” (Plus part-time workers for a total of 22) were transferred.

(14) Important lenders

Lender	Balance borrowed
Japan Finance Corporation	348 million yen
Juroku Bank, Ogaki Branch	178 million yen
Musashino Bank, Musashiurawa Branch	309 million yen
Ogaki Kyoritsu Bank, Tokyo Branch	50 million yen

Balance Sheet

(As of May 31, 2021)

(Unit: Thousands of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>Current Assets</b>	441,622	<b>Current Liabilities</b>	277,965
Cash and Deposits	150,377	Accounts Payable - Other	65,477
Accounts Receivable - Trade	64,104	Short-term Loans	25,000
Accounts Receivable - Other	82,369	Current Portion of Long-term Debt	80,244
Merchandise	38,044	Advance Received	33,802
Prepaid Expenses	61,940	Others	73,440
Others	44,785	<b>Fixed Liabilities</b>	1,017,545
<b>Fixed Assets</b>	511,814	Long-term Debt	792,484
<b>Tangible Fixed Assets</b>	130,479	Guarantee Deposits Received	165,762
Buildings and Accompanying Facilities	117,968	Asset Retirement Obligation	35,936
Tools, Furniture, and Fixtures	12,511	Others	23,363
<b>Intangible Fixed Assets</b>	76,078	<b>Total Liabilities</b>	1,295,510
Goodwill	66,458		
Software	9,620		
<b>Investments and Other Assets</b>	305,255		
Guarantee Deposit	295,478		
Others	33,469		
Allowance for Doubtful Accounts	-23,692		
		<b>Net Assets</b>	
		Shareholders' Equity	49,009
		Capital	10,000
		Capital Surplus	642,160
		Capital Reserve	474,160
		Other Capital Surplus	168,000
		Retained Earnings	-994,233
		Retained Earnings Brought Forward	-994,233
		<b>Total Net Assets</b>	-342,073
<b>Total Assets</b>	953,436	<b>Total Liabilities and Net Assets</b>	953,436

(Note) The figures are rounded down to the nearest thousand yen.

Profit and Loss Statement

(From June 1, 2020 until May 31, 2021)

(Unit: Thousands of yen)

Item	Amount	
Sales		1,186,310
Cost of Sales		1,196,367
Gross Loss		10,057
Selling, General, and Administrative Expenses		344,215
Operating Loss		354,273
Non-operating Income		
Income of Insurance Money	2,535	
Income of Subsidy Money	149,167	
Others	30	151,733
Non-operating Expenses		
Interest Expense	9,391	9,391
Ordinary Loss		211,931
Extraordinary Profit		
Negative Goodwill	3,981	3,981
Extraordinary Loss		
Loss on Fixed Assets	10,765	
Extraordinary Loss due to COVID-19	171,434	
Cancellation Fees	2,200	184,399
Net Loss Before Tax Adjustment		392,350
Corporate, Resident, and Business Taxes	2,936	
Deferred Income Tax	-4,203	-1,267
Net Loss		391,083

(Note) The figures are rounded down to the nearest thousand yen.

Statement of Changes in Shareholders' Equity

(From June 1, 2020 to May 31, 2021)

(Units: Thousands of yen)

	Shareholders' Equity						Total Net Assets
	Capital	Capital Surplus			Retained Earnings	Total Shareholders' Equity	
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Retained Earnings Brought Forward		
Balance at the Beginning of the Period	10,000	474,160	168,000	642,160	-603,150	49,009	49,009
Changes of Items During the Period							
Capital Reduction						-	-
Net Income					-391,083	-391,083	-391,083
Total Changes of Items During the Period		-			-391,083	-391,083	-391,083
Balance at the End of the Period	10,000	474,160	168,000	642,160	-994,233	-342,073	-342,073

(Note) The figures are rounded down to the nearest thousand yen.

## Notes to Financial Statements (Non-Consolidated)

1. Important Accounting Policies

(1) Valuation Criteria and Valuation Methods for Securities

Investment Securities ..... Cost depends on Average Moving Method

(2) Depreciation Method for Fixed Assets

Tangible Fixed Assets ..... Straight-line Method

Intangible Fixed Assets ..... Straight-line Method

(3) Accounting for Consumption Tax, etc.

Accounting for consumption tax and local consumption tax is based on the tax exclusion method.

2. Notes on Changes in Accounting Policy

Not applicable

3. Notes on Changing the Display Method

Not applicable

4. Notes on the Statement of Changes in Shareholders' Equity

Stock type	Number of shares at the beginning of the fiscal year (stock)	Increased number of shares for the fiscal year (stock)	Decreased number of shares for the fiscal year (stock)	Number of shares at the end of the fiscal year (stock)
Ordinary stock	192,616	—	—	192,616

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(Note) The amount stated and the number of shares in this business report are rounded down to the nearest unit. In addition, the rate of increase, etc. are displayed by rounding down fractions to less than the displayed digits.

## Audit Report

After deliberation by the Audit & Supervisory board based on the audit reports prepared by Board Members regarding the execution of duties by directors during the fifth fiscal year from June 1, 2020 to May 31st, 2021, this audit report has been prepared and reported as follows.

### 1. Audit method and description of the Audit & Supervisory Board and its members

After the Audit & Supervisory Board established the audit policies and plan, each Board Member shared the necessary investigations, discussed the results at the Board, and conducted the audit. During the audit, employees from the Corporate Planning department are used to assist with communications with the management department, attend meetings of the Board of Directors and other important meetings, and read important approval documents and reports. The Company received a report on the status of execution of duties from the company, requested explanations from time to time, and investigated the status of operations and property at the head office.

Based on the above method, we examined the business report and annexed detail statements for the relevant business year. In addition, we investigated the accounting books or materials related to them, and examined the financial statements (balance sheet, income statement, statement of changes in shareholders' equity, and individual notes) and their annexed detail statements for the relevant fiscal year.

### 2. Results of the Audit

#### (1) Audit results from business reports and annexed detail statements

- ① We acknowledge that the business report and annexed detail statements correct reflect the status of the company in accordance with the Articles of Incorporation.
- ② The Company does not allow misconduct related to the execution of duties by directors or material facts that violate the Articles of Incorporation.

#### (2) Audit results from financial statements and annexed detail statements

We acknowledge that the financial statements and annexed detail statements properly represent the status of the company's property and profit and loss in all important respects.

August 13, 2021

adval Corp. Audit & Supervisory Board

Auditor (Full-time) Hisetaka Odera

Auditor Yoshiyasu Iwase

Auditor Toru Ueno