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Årsredovisning för

Seibu Giken DST AB

556255-1837

Räkenskapsåret

2024-01-01 - 2024-12-31

Innehållsförteckning: **Sida**

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Fastställelseintyg

Undertecknad styrelseledamot i Seibu Giken DST AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen samt fastställts på ordinarie årsstämma 2025-06-30
Stämman beslöt också att godkänna styrelsens förslag till resultatdisposition i moderföretaget

Stockholm den 30 juni 2025

Anders Kristoferson
Verkställande direktör

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Förvaltningsberättelse

Styrelsen och verkställande direktören för Seibu Giken DST AB, 556255-1837, med säte i Stockholm, får härmed avge årsredovisning för räkenskapsåret 2024-01-01 - 2024-12-31.

Allmänt om verksamheten

Bolaget tillverkar och säljer luftavfuktare genom representanter och dotterbolag i drygt fyrtio länder spridda över alla värdsdelar.
Bolaget har även helägda dotterbolag baserade i Kina, Kenya, Polen och USA.

Utveckling av företagets verksamhet, resultat och ställning

Belopp i Tkr

	2024-12-31	*2023-12-31*	*2022-12-31*	*2021-12-31*	*2020-12-31*
Nettoomsättning	270 619	371 538	290 706	212 874	162 437
Rörelsemarginal %	10,5	8,9	11,5	13,5	11,6
Balansomslutning	394 592	382 537	295 190	177 767	147 425
Avkastning på eget kapital %	22	17,3	44,5	20,2	13,2
Soliditet %	85,7	88,3	86,1	83,9	84,9
Medelantal anställda	30	29	29	27	29

Definitioner: se not

Väsentliga händelser under räkenskapsåret

Omsättningen har minskat jämfört med föregående år pga färre leveranser till litiumbatteritillverkare som är underleverantörer inom fordonsindustrin.
Seibu Giken DST AB har erhållit 43,7 Mkr i utdelning från dotterbolaget i Kina.

Förväntad framtida utveckling

Vi har sett en något svagare efterfrågan och bedömer att 2025 försäljningsmässigt kan bli något lägre än 2024.

Väsentliga risker och osäkerhetsfaktorer

Det finns en osäkerhet i hur kriget i Ukraina kommer att utvecklas och om det kommer påverka bolagets verksamhet.
Bolaget har dock en god finansiell ställning och ingen direkt exponering mot Ukraina.
Vi bedriver vår verksamhet i flera olika länder och är därmed utsatta för en viss valutarisk.

Forskning och utveckling

Inom Seibu Giken DST gruppen bedriver vi ständig utveckling av våra produkter. Vi har ett nära samarbete mellan gruppens bolag och moderbolaget i Japan.

Användning av finansiella instrument

Vi använder oss av terminer för att minska valutarisken i samband med vissa affärer i utländsk valuta.

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Eget kapital

	Aktiekapital	*Reservfond*	*Balanserad vinst*	*Årets vinst*
Vid årets början	2 000	400	252 311	45 462
Utdelning			-65 000	
Omföring av föreg års vinst			45 462	-45 462
Årets resultat				61 294
Vid årets slut	**2 000**	**400**	**232 773**	**61 294**

Förslag till disposition av företagets vinst eller förlust

Styrelsen föreslår att fritt eget kapital, kronor 294 067 426, disponeras enligt följande:

	Belopp i kr
Utdelning, [20 000 aktier * 1 135 kr]	22 700 000
Balanseras i ny räkning	271 367 426
Summa	**294 067 426**

Vad beträffar resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande noter

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Resultaträkning

Belopp i Tkr	*Not*	*2024-01-01-2024-12-31*	*2023-01-01-2023-12-31*
Nettoomsättning	*3*	270 619	371 538
Övriga rörelseintäkter	*4*	3 568	453
		274 187	371 991
Rörelsens kostnader			
Handelsvaror		-192 632	-279 913
Övriga externa kostnader	*5,8*	-19 837	-24 173
Personalkostnader	*6*	-32 530	-33 957
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar	*7*	-860	-835
Rörelseresultat		28 328	33 113
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	*9*	43 682	30 024
Ränteintäkter och liknande resultatposter	*10*	2 528	1 384
Räntekostnader och liknande resultatposter	*11*	-51	-3 003
Resultat efter finansiella poster		74 487	61 518
Bokslutsdispositioner	*12*	-4 963	-5 793
Resultat före skatt		69 524	55 725
Skatt på årets resultat	*13*	-3 862	-7 261
Övriga skatter	*9*	-4 368	-3 002
Årets resultat		**61 294**	**45 462**

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Balansräkning

Belopp i Tkr	*Not*	*2024-12-31*	*2023-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arbeten	*14*	-	56
		-	56
Materiella anläggningstillgångar			
Byggnader och mark	*15*	6 514	6 677
Maskiner och andra tekniska anläggningar	*16*	1 995	1 488
		8 509	8 165
Finansiella anläggningstillgångar			
Andelar i koncernföretag	*17*	146 791	146 791
Uppskjuten skattefordran	*19*	2 054	-
Andra långfristiga fordringar	*20*	12 636	2 967
		161 481	149 758
Summa anläggningstillgångar		169 990	157 979
Omsättningstillgångar			
Varulager mm			
Färdiga varor och handelsvaror		20 616	21 179
		20 616	21 179
Kortfristiga fordringar			
Kundfordringar		52 770	51 806
Fordringar hos koncernföretag		22 806	31 122
Aktuell skattefordran		1 022	-
Övriga fordringar		9 549	7 424
Förutbetalda kostnader och upplupna intäkter	*21*	7 984	10 142
		94 131	100 494
Kassa och bank	*22*	109 855	102 885
Summa omsättningstillgångar		224 602	224 558
SUMMA TILLGÅNGAR		394 592	382 537

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Balansräkning

Belopp i Tkr	*Not*	*2024-12-31*	*2023-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		2 000	2 000
Reservfond		400	400
		2 400	2 400
Fritt eget kapital			
Balanserad vinst eller förlust		232 773	252 311
Årets resultat	*23*	*61 294*	*45 462*
		294 067	297 773
Summa eget kapital		296 467	300 173
Obeskattade reserver			
Ackumulerade överavskrivningar	*25*	878	690
Periodiseringsfonder	*26*	51 505	46 730
		52 383	47 420
Kortfristiga skulder			
Förskott från kunder		10 341	8 596
Leverantörsskulder		5 980	4 023
Skulder till koncernföretag		14 558	5 959
Aktuell skatteskuld		-	1 731
Övriga kortfristiga skulder		677	287
Upplupna kostnader och förutbetalda intäkter	*27*	14 186	14 348
		45 742	34 944
SUMMA EGET KAPITAL OCH SKULDER		394 592	382 537

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Kassaflödesanalys

Belopp i Tkr	*Not*	*2024-01-01-2024-12-31*	*2023-01-01-2023-12-31*
Den löpande verksamheten			
Resultat efter finansiella poster		74 487	61 518
Justeringar för poster som inte ingår i kassaflödet, m m		861	837
		75 348	62 355
Betald inkomstskatt		-8 940	-12 157
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**66 408**	**50 198**
Kassaflöde från förändringar i rörelsekapital			
Ökning(-)/Minskning (+) av varulager		563	-657
Ökning(-)/Minskning (+) av rörelsefordringar		-3 306	-10 815
Ökning(+)/Minskning (-) av rörelseskulder		9 453	4 510
Kassaflöde från den löpande verksamheten		**73 118**	**43 236**
Investeringsverksamheten			
Förvärv av materiella anläggningstillgångar	16	-1 148	
Förvärv av finansiella tillgångar			-48 697
Kassaflöde från investeringsverksamheten		**-1 148**	**-48 697**
Finansieringsverksamheten			
Erhållna aktieägartillskott		-	33 476
Utbetald utdelning till moderföretagets aktieägare		-65 000	
Kassaflöde från finansieringsverksamheten		**-65 000**	**33 476**
Årets kassaflöde		**6 970**	**28 015**
Likvida medel vid årets början		**102 885**	**74 870**
Likvida medel vid årets slut	**22**	**109 855**	**102 885**

Noter till kassaflödesanalysen

	2024-12-31	*2023-12-31*
Justering för poster som inte ingår i kassaflödet m m		
Avskrivningar	860	835
Övriga ej kassaflödespåverkande poster	1	2
	861	**837**

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Noter

Not 1 Redovisningsprinciper

Belopp i Tkr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och enligt Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3)

Företaget upprättar för första gången ingen koncernredovisning, med hänvisning till att företaget och samtliga dotterföretag omfattas av en koncernredovisning som upprättas av ett överordnat moderföretag(ÅRL 7:2).
Uppgifter om detta företag finns i not 30.

Redovisningsprinciperna är oförändrade jämfört med tidigare år.

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Immateriella anläggningstillgångar

Övriga immateriella anläggningstillgångar

Balanserade utgifter för utvecklingsarbeten avser konsultarvode för utveckling av ett dataprogram på uppdrag av Seibu Giken DST AB, kostnaderna för utvecklingen skrivs av under 5 år.

Avskrivningar

Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod. Avskrivningen redovisas som kostnad i resultaträkningen.

Följande avskrivningstider tillämpas: .

Immateriella anläggningstillgångar	*År*
Internt upparbetade immateriella tillgångar	
Dataprogram	5

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.

I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Tillkommande utgifter

Tillkommande utgifter som uppfyller tillgångskriteriet räknas in i tillgångens redovisade värde. Utgifter för löpande underhåll och reparationer redovisas som kostnader när de uppkommer.

Avskrivningar

Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod eftersom det återspeglar den förväntade förbrukningen av tillgångens framtida ekonomiska fördelar. Avskrivningen redovisas som kostnad i resultaträkningen.

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Följande avskrivningstider tillämpas:

Materiella anläggningstillgångar	*År*
Byggnader	50
Maskiner och andra tekniska anläggningar	5
Inventarier, verktyg och installationer	5

Skillnaden mellan ovan nämnda avskrivningar och skattemässigt gjorda avskrivningar redovisas som ackumulerade överavskrivningar, vilka ingår i obeskattade reserver.

Byggnaderna består av ett antal komponenter med olika nyttjandeperioder. Huvudindelningen är byggnader och mark. Ingen avskrivning sker på komponenten mark vars nyttjandeperiod bedöms som obegränsad. Byggnaderna består av flera komponenter vars nyttjandeperiod varierar.

Följande huvudgrupper av komponenter har identifierats och ligger till grund för avskrivningen på byggnader:

- Stomme	90 år
- Installationer; värme, el, VVS, ventilation mm	40 - 50 år
- Yttre ytskikt; fasader, yttertak mm	50 år
- Övrigt	10-15 år

Leasing

Alla leasingavtal har klassificerats som finansiella eller operationella leasingavtal. Ett finansiellt leasingavtal är ett leasingavtal enligt vilka de risker och fördelar som är förknippade med att äga en tillgång i allt väsentligt överförs från leasegivaren till leasetagaren. Ett operationellt leasingavtal är ett leasingavtal som inte är ett finansiellt leasingavtal.ll, redovisas som intäkt linjärt över leasingperioden.

Operationella leasingavtal

Leasingavgifterna enligt operationella leasingavtal, inklusive förhöjd förstagångshyra men exklusive utgifter för tjänster som försäkring och underhåll, redovisas som kostnad linjärt över leasingperioden.

Utländsk valuta

Poster i utländsk valuta
Monetära poster i utländsk valuta räknas om till balansdagens kurs. Icke-monetära poster räknas inte om utan redovisas till kursen vid anskaffningstillfället.

Varulager

Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt först in- först ut- principen. I anskaffningsvärdet ingår förutom utgifter för inköp även utgifter för att bringa varorna till deras aktuella plats och skick.

Finansiella tillgångar och skulder

Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 i BFNAR 2012:1.

Finansiella tillgångar och skulder som redovisas i balansräkningen inkluderar värdepapper, kundfordringaroch övriga fordringar, leverantörsskulder, och låneskulder.
Instrumenten redovisas i balansräkningen när Seibu Giken DST AB blir part i instrumentets avtalsmässiga villkor.
Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

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Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader.

Derivatinstrument
Seibu Giken DST AB utnyttjar derivatinstrument för att hantera valutarisker i samband med vissa varuinköp. För dessa derivat tillämpas säkringsredovisning.

Skatt
Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock inte för temporära skillnader som härrör från första redovisningen av goodwill. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdesberäknats.

Uppskjutna skattefordringar har värderats till högst det belopp som sannolikt kommer att återvinnas baserat på innevarande och framtida skattepliktiga resultat. Värderingen omprövas varje balansdag.

Intäkter
Intäkter redovisas till det verkliga värdet av den ersättning som erhållits eller kommer att erhållas, med avdrag för mervärdesskatt, rabatter, returer och liknande avdrag.

Företagets intäkter består i huvudsak av:
Varuförsäljning:
Intäkterna från försäljning av varor redovisas när varorna levererats och äganderätten överförts till kunden enligt leveransvillkor och kontrakt.

Försäljning av tjänster:
Intäkter från försäljning av tjänster på löpande räkning redovisas som intäkt i den period arbetet utförts och material levereras eller förbrukas.

Utdelning och ränteintäkter:
Utdelningsintäkter redovisas när ägarens rätt att erhålla betalning har fastställts.
Ränteintäkter redovisas fördelat över löptiden.

Kassaflödesanalys
Kassaflödesanalysen visar förändringen avseende företagets likvida medel under räkenskapsåret. Kassaflödesanalysen har upprättats enligt den indirekta metoden. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- och utbetalningar.

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Not 2 Uppskattningar och bedömningar

Viktiga källor till osäkerhet i uppskattningar
Nedan redogörs för de viktigaste antagandena om framtiden, och andra viktiga källor till osäkerhet i uppskattningar per balansdagen, som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästa räkenskapsår.

Kundfordringar bedöms som osäkra om sannolikheten är över 50% att fordringen ej kommer att erhållas. Bedömningen sker med tanke på kontraketet, kundens betalningsförmåga samt råd av juridisk expertis.

Viktiga bedömningar vid tillämpning av koncernens redovisningsprinciper
I följande avsnitt beskrivs de viktigaste bedömningar, förutom de som innefattar uppskattningar (se ovan), som företagsledningen har gjort vid tillämpningen av redovisningsprinciper och som har den mest betydande effekten på de redovisade beloppen i de finansiella rapporterna.

Några sådana bedömningar som åsyftas ovan har ej skett.

Not 3 Nettoomsättning per rörelsegren och geografisk marknad

Nettoomsättning per rörelsegren

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Luftavfuktare	221 800	313 513
VOC	48 819	58 025
Summa	**270 619**	**371 538**

Nettoomsättning per geografisk marknad

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Sverige	15 348	8 096
Europa	199 970	163 565
Asien	15 545	28 433
Afrika	3 111	2 296
Nordamerika	17 697	124 477
Oceanien	14 009	8 274
Övrigt	4 939	36 397
Summa	**270 619**	**371 538**

Not 4 Övriga rörelseintäkter

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Kursvinster på fordringar/skulder av rörelsekaraktär	20 492	23 022
Kursförluster på fordringar/skulder av rörelsekaraktär	-17 279	-22 856
Vinst vid avyttring av anläggningstillgång	350	
Övrigt	5	287
Summa	**3 568**	**453**

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Not 5 Arvode och kostnadsersättning till revisorer

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Deloitte AB, Camilla Backlund		
Revisionsuppdrag	667	995

Not 6 Anställda och personalkostnader

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Styrelse och VD	5 312	5 523
(varav tantiem)	2 091	2 597
Övriga anställda	16 947	17 835
Summa	**22 259**	**23 358**
Sociala kostnader	9 665	10 042
(varav pensionskostnader) 1)	2 074	2 077

1) Av företagets pensionskostnader avser 365 tkr (fg år 492 tkr) företagets ledning avseende 1 (1) personer.

Företagets ledning och styrelse består av 2 män (fg år 2 män).

Medelantalet anställda

	2024-01-01-2024-12-31	*Varav män*	*2023-01-01-2023-12-31*	*Varav män*
Sverige	30	22	29	22
Totalt	**30**	**22**	**29**	**22**

Not 7 Av- och nedskrivningar av materiella och immateriella anläggningstillgångar

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Avskrivningar enligt plan fördelade per tillgång		
Balanserade utgifter för utvecklingsarbeten och likn	56	60
Byggnader och mark	164	164
Maskiner och andra tekniska anläggningar	640	612
Totalt	**860**	**836**

Not 8 Operationell leasing - leasetagare

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal:		
Räkenskapsårets kostnadsförda leasingavgifter	109	147

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Not 9 Resultat från andelar i koncernföretag

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Utdelning	43 682	30 024
Summa	**43 682**	**30 024**

Utdelning från dotterbolag Seibu Giken DST (Changshu) Co Ltd.

Utdelning från Kina beläggs med 10% källskatt. Tidigare år har utdelningen nettoredovisats, från och med räkenskapsåret 2024 så bruttoredovisas utdelningen. Jämförelsetalet har räknats om enligt den nya redovisningsprincipen.

Not 10 Ränteintäkter och liknande resultatposter

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Ränteintäkter, övriga	2 528	1 384
Summa	**2 528**	**1 384**

Not 11 Räntekostnader och liknande resultatposter

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Räntekostnader, övriga	-5	-1
Valutakursvinster	4 188	6 466
Valutakursförlust	-4 234	-9 468
Summa	**-51**	**-3 003**

Not 12 Bokslutsdispositioner

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Skillnad mellan skattemässig och redovisad avskrivning:		
Periodiseringsfond, årets avsättning	-9 300	-11 700
Periodiseringsfond, årets återföring	4 525	5 637
Avskrivningar utöver plan	-188	270
Summa	**-4 963**	**-5 793**

Not 13 Skatt på årets resultat

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Aktuell skattekostnad	-5 822	-7 261
Uppskjuten skatt	2 054	-
Skatt på grund av ändrad beskattning	-94	
	-3 862	**-7 261**

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Avstämning av effektiv skatt

		2024-01-01-2024-12-31		*2023-01-01-2023-12-31*
	Procent	**Belopp**	**Procent**	**Belopp**
Resultat före skatt		69 525		55 725
Skatt enligt gällande skattesats	20,6%	-14 322	20,6%	-11 479
Andra icke-avdragsgilla kostnader		-244		-1 770
Ej skattepliktiga intäkter				1
Skatt hänförlig till tidigare år		-94		
Schablonränta på periodiseringsfond		-308		-163
Ej skattepliktig utdelning		8 998		6 185
Förändring av uppskjuten skatt		2 054		-
Övrigt		54		-35
Summa		**-3 862**		**-7 261**

Not 14 Balanserade utgifter för utvecklingsarbeten och liknande arbeten

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	298	298
Vid årets slut	298	298
Ackumulerade avskrivningar		
-Vid årets början	-242	-182
-Årets avskrivning	-56	-60
Vid årets slut	-298	-242
Redovisat värde vid årets slut	**-**	**56**

Not 15 Byggnader och mark

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	10 696	10 696
Vid årets slut	10 696	10 696
Ackumulerade avskrivningar		
-Vid årets början	-4 019	-3 855
-Årets avskrivning	-163	-164
Vid årets slut	-4 182	-4 019
Redovisat värde vid årets slut	**6 514**	**6 677**
Taxeringsvärde byggnader:	6 258	6 258
Taxeringsvärde mark:	4 832	4 832
Vid årets slut	11 090	11 090
Varav mark		
Ackumulerade anskaffningsvärden	2 508	2 508
Redovisat värde vid årets slut	2 508	2 508

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Not 16 Maskiner och andra tekniska anläggningar

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	5 622	5 622
-Nyanskaffningar	1 147	
-Avyttringar och utrangeringar	-687	
Vid årets slut	6 082	5 622
Ackumulerade avskrivningar		
-Vid årets början	-4 134	-3 522
-Återförda avskrivningar på avyttringar och utrangeringar	687	
-Årets avskrivning	-640	-612
Vid årets slut	-4 087	-4 134
Redovisat värde vid årets slut	**1 995**	**1 488**

Not 17 Andelar i koncernföretag

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	146 791	98 095
-Förvärv		48 696
Redovisat värde vid årets slut	**146 791**	**146 791**

Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag
Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Dotterföretag / Org nr /	*Säte*	*i %*	*Redovisat värde*
Seibu Giken DST (Changshu) Co Ltd. Org. nr: (320581400009560) Eget kapital per 2024-12-31: 318 742 Tkr Resultat efter skatt: 22 000 Tkr	Changshu, Kina	100%	57 821
Seibu Giken DST Poland SP. Z.O.O. Org nr: (KRS0000469014) Eget kapital per 2024-12-31: 142 864 Tkr Resultat efter skatt: 2 725 Tkr	Chwaszczyno, Polen	100%	87 292
DST America Inc. Org nr: (320376323) Eget kapital per 2024-12-31: 16 240 Tkr Resultat efter skatt: - 4 750 Tkr	Delaware, USA	100%	1 546
DST East Africa Ltd. Org nr: (PVT-JZUY5GL) Eget kapital per 2024-12-31: -2 757 Tkr Resultat efter skatt: 394 Tkr	Nairobi, Kenya	100%	132

Not 18 Finansiella instrument och riskhantering

Derivat och finansiell riskhantering
Bolaget innehar derivatkontrakt i form av valutaterminer.

Det verkliga värdet för dessa derivat uppgår till ett totalt belopp om -118 (+67) Tkr.

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Not 19 Uppskjuten skatt

Uppskjuten skatt på skattemässiga underskottsavdrag uppgår till 0 Tkr (Fg år 0 Tkr).

Övriga temporära skillnader uppgår till 2 054 Tkr och består av skattemässiga skillnader gällande befarade kundförluster.

Not 20 Andra långfristiga fordringar

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	2 967	2 967
-Tillkommande fordringar	9 669	
Redovisat värde vid årets slut	**12 636**	**2 967**

Not 21 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	*2023-12-31*
Förutbetalda kostnader	1 744	1 194
Upplupna intäkter	6 240	8 948
	7 984	**10 142**

Not 22 Likvida medel

	2024-12-31	*2023-12-31*
Följande delkomponenter ingår i likvida medel:		
Kassa och bank	109 855	102 885
	109 855	**102 885**

Not 23 Disposition av vinst eller förlust

Styrelsen föreslår att fritt eget kapital, kronor 294 067 426 disponeras enligt följande:

	2024-12-31
Utdelning [20 000 aktier * 1 135 kr]	22 700
Balanseras i ny räkning	271 367
	294 067

Not 24 Antal aktier och kvotvärde

	2024-12-31	*2023-12-31*
antal aktier	20 000 st	20 000 st
kvotvärde	100 kr	100 kr

Not 25 Ackumulerade överavskrivningar

	2024-12-31	*2023-12-31*
Maskiner och andra tekniska anläggningar	878	690
	878	**690**

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Not 26 Periodiseringsfonder

	2024-12-31	*2023-12-31*
Periodiseringsfond, avsatt vid beskattningsår 2018	-	4 525
Periodiseringsfond, avsatt vid beskattningsår 2019	5 275	5 275
Periodiseringsfond, avsatt vid beskattningsår 2020	5 090	5 090
Periodiseringsfond, avsatt vid beskattningsår 2021	8 990	8 990
Periodiseringsfond, avsatt vid beskattningsår 2022	11 150	11 150
Periodiseringsfond, avsatt vid beskattningsår 2023	11 700	11 700
Periodiseringsfond, avsatt vid beskattningsår 2024	9 300	-
	51 505	**46 730**

Not 27 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	*2023-12-31*
Upplupna semesterlöner	3 788	3 515
Upplupna sociala kostnader	2 485	2 597
Övriga förutbetalda intäkter	-	969
Upplupna lönekostnader	2 825	4 281
Övriga upplupna kostnader	5 088	2 986
	14 186	**14 348**

Not 28 Ställda säkerheter och eventualförpliktelser

Ställda säkerheter

	2024-12-31	*2023-12-31*
Övriga ställda panter och säkerheter		
Fastighetsinteckningar	16 000	16 000
Företagsinteckningar	11 800	11 800
Spärrmedel	15 677	2 205
Summa ställda säkerheter	**43 477**	**30 005**

Not 29 Väsentliga händelser efter räkenskapsårets slut

På grund av osäkerheten kring kriget i Ukraina och framtida politiska beslut är det svårt att bedöma framtida påverkan på verksamheten. Hittills har kriget haft en begränsad påverkan på företagets verksamhet och har inte orsakat några större störningar av verksamheten. Det är inte möjligt att förutse den möjliga påverkan på bolagets verksamhet då situationen kan förändras snabbt.

Not 30 Koncernuppgifter

Seibu Giken DST AB är ett helägt dotterföretag till Seibu Giken Co Ltd med säte i Fukuoka, Japan.

Seibu Giken Co Ltd upprättar koncernredovisning för samtliga bolag inom koncernen, se bilaga och https://seibu-giken.com/ir/en/

Inköp och försäljning inom koncernen:

Av bolagets totala inköp och försäljning mätt i kronor avser 85,01% (87,18%) av inköpen och 7,82% (35,11%) av försäljningen andra företag inom hela den företagsgrupp som företaget tillhör.

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Not 31 Nyckeltalsdefinitioner

Rörelsemarginal:
Rörelseresultat / Nettoomsättning.

Balansomslutning:
Totala tillgångar.

Avkastning på eget kapital:
Resultat efter finansiella poster / Justerat eget kapital.

Soliditet:
(Totalt eget kapital + (100 % - aktuell bolagsskattesats av obeskattade reserver)) / Totala tillgångar.

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Seibu Giken DST AB
556255-1837

Underskrifter

Stockholm den 16 maj 2025

Fumio Kuma
Styrelseordförande

Anders Kristoferson
Verkställande direktör

Vår revisionsberättelse har lämnats den 18/6 2025
Deloitte AB

Camilla Backlund
Auktoriserad revisor

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Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Seibu Giken DST AB
organisationsnummer 556255-1837

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Seibu Giken DST AB för räkenskapsåret 2024-01-01 - 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Seibu Giken DST ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Seibu Giken DST AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Deloitte.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Seibu Giken DST AB för räkenskapsåret 2024-01-01 - 2024-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Seibu Giken DST AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av *förvaltningen och förslaget till dispositioner av bolagets vinst eller* förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Umeå, 2025-06-28

Deloitte AB

Camilla Backlund
Auktoriserad revisor

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Business Report

(January 1, 2024 - December 31, 2024)

1. Overview of the Corporate Group

(1) Business Progress and Results
Highlights of consolidated operating results

Net sales:	EBITDA margin:
¥32,069 million (up 11.6% year on year) ↗	**15.6%** (down 2.5% year on year) ↘
Ordinary profit:	**Profit attributable to owners of parent:**
¥4,190 million (down 3.9% year on year) ↘	**¥3,336 million** (down 2.8% year on year) ↘

During the consolidated fiscal year ended December 31, 2024, the outlook for the global economy remained uncertain due to factors such as geopolitical risks in Ukraine and Middle East, persistently high energy and raw material prices, expectations for economic slowdowns in various countries, and unstable foreign exchange rates. There has also been concern that the global shift toward decarbonization will stagnate in certain countries and markets due to political instability in Europe and developments associated with the new U.S. administration.

Under these circumstances and against the backdrop of growing demand for capital investment in the lithium-ion battery industry accompanying the spread of EVs, Seibu Giken Go., Ltd and subsidiaries (the "Group", "we", "our") continued to ramp up activities to land new orders, as in the previous consolidated fiscal year, with the aim of increasing its market share in core markets by focusing on sales of desiccant dehumidifiers, particularly in Japan, Europe, and North America, as part of the Group's business strategy.

As a result, in the consolidated fiscal year under review, net sales amounted to ¥32,069 million (up 11.6% year on year) due to increased sales of desiccant dehumidifiers mainly in Japan, as well as in Europe, the rest of Asia, and North America, despite the sharp decrease in sales of desiccant dehumidifiers for the Chinese market owing to continued impact from the stagnation of the Chinese economy. On the profit front, Japan, Europe and the rest of Asia saw profits increase due to higher sales of desiccant dehumidifiers. However, gross profit decreased due partly to the drop in sales of desiccant dehumidifiers for the Chinese market, resulting in operating profit of ¥4,030 million (down 6.2% year on year). Ordinary profit amounted to ¥4,190 million (down 3.9% year on year) and profit before income taxes to ¥4,221 million (down 2.2% year on year), mainly due to the recording of ¥120 million in interest and dividend income. As a result of recording a total of ¥887 million in income taxes and a loss attributable to non-controlling interests of ¥2 million, profit attributable to owners of the parent amounted to ¥3,336 million (down 2.8% year on year).

The Group regards the EBITDA margin, which is the ratio of net sales to EBITDA, as an important management indicator. The EBITDA margin for the fiscal year under review was 15.6% (18.1% for the previous fiscal year).

(2) Net Sales Trends by Product

Net sales of desiccant dehumidifiers totaled ¥19,661 million (up 6.0% year on year). As in the previous year, sales grew due to impact from increased investments owing to acceleration of the global shift to EVs. Net sales for the Chinese market declined sharply due to continued impact from the stagnation of the Chinese economy, but sales grew sharply, mainly in Japan, as well as in Europe, the rest of Asia, and North America.

Net sales of VOC concentrators totaled ¥9,572 million (up 31.0% year on year). Sales were particularly robust in Europe. Net sales of solvent recovery equipment used mainly in the battery manufacturing process increased significantly from the previous fiscal year.

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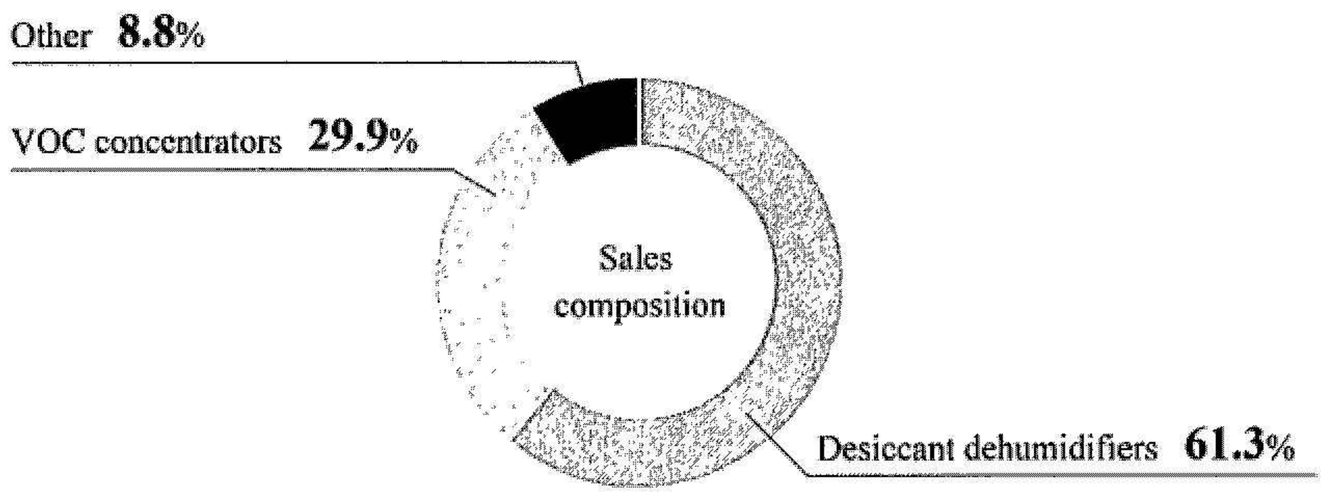
Net sales by product (Millions of yen)

Product	Net sales for the 59th term	Net sales for the 60th term	Year on year (consolidated fiscal year)	Composition
Desiccant dehumidifiers	18,551	19,661	106.0%	61.3%
VOC concentrators	7,305	9,572	131.0%	29.9%
Other	2,868	2,835	98.8%	8.8%
Total	28,725	32,069	111.6%	100.0%



(3) Capital Expenditures
For the fiscal year ended December 31, 2024, capital expenditures totaled ¥1,736 million, and were mainly related to the construction of a new factory building.

(4) Financing
Not applicable.

(5) Issues to be Addressed
The outlook is extremely murky amid a number of uncertainties, including surging oil and other energy prices due to the Ukraine crisis and other factors, as well as the impact of the U.S. restricting investments in China. Competition among companies is also expected to intensify, particularly in the Chinese market, which is facing an economic downturn. Under these circumstances, the situation surrounding the Group remains unpredictable. Even so, we will continue to focus on improving production and operational efficiency in order to cope with rising raw material prices and logistic costs, and will continue to ensure a stable supply of products. We will also strive to secure earnings by expanding our service business overseas, thereby enabling us to secure continuous profits.

1) Human resource development
The Group considers the development of human resources that listen to the needs of our customers and implement customer-oriented product development to be a key priority. As such, we are taking steps to improve the motivation and skills of our employees. Additionally, since we are expanding our business in various countries around the world, we are also working to develop human resources who can play an active role on the global stage. We will also implement company-wide labor management, as well as endeavor to promote a variety of work styles with the goal of providing and operating a better working environment.

2) Stable supply of high-quality, safe and reliable products
The Group is proactively taking measures to comply with laws and regulations surrounding society and our industry, and has formulated a business continuity plan ("BCP") in preparation for the occurrence of large-scale accidents and disasters. We aim to thoroughly increase awareness of the BCP and improve its effectiveness through employee training, disaster drills, and other means. On the other hand, we also see logistic costs, raw material prices, and stable procurement, which have a significant impact on our operating environment, as major issues that need to be addressed.

3) Product development in line with customer needs and development of new markets
The Group's mainstay products are desiccant dehumidifiers and VOC concentrators.

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With regard to our desiccant dehumidifiers, sales have been strong due to increased investments in lithium-ion battery manufacturing in line with the spread of EVs seen in recent years. Sales are growing in Japan and the U.S. as investments in the manufacturing of lithium-ion batteries for EVs remain solid. Meanwhile, in China, which had been driving the Group's performance in terms of sales and profits up to the first half of fiscal 2023, sales started to fall from the second half of fiscal 2023 due to the country's economic downturn and sharp decline in investments in lithium-ion battery manufacturing stemming from excessive production capacity.

As for VOC concentrators, as a pioneer in the field, we are well known in the global market, and are chosen by customers in over 30 countries around the world. In China, where exhaust gas regulations are strict and demand is high, competition is increasing due to the many cheap products being launched by Chinese manufacturers. Under these circumstances, our Group is highly regarded for its quality and performance, and has carved out a position in the market as a company that offers higher added value than cheaper local products. We are also continuing to develop our products in order to find new applications.

In addition to continuing to provide products that meet customer needs, the Group is working to build good relationships with our customers and increase our presence by establishing a 24-hour service system at our major overseas bases that enables us to respond in a flexible manner.

We are also working to develop new applications and next-generation products in preparation for the possibility that the growth of the lithium-ion battery industry slows in the future, or that alternative paints that do not contain VOCs become more widespread.

4) Increasing productivity

In order to respond to the increasing demand for desiccant dehumidifiers accompanying the acceleration of the global shift to EVs, we will make optimal use of our management resources and strive to improve the efficiency of our organization, operations, and production activities. In anticipation of future growth in demand in Europe and the U.S., we expanded our existing plant at Seibu Giken DST Poland Sp. z o.o. (Gdynia) and built a new plant at Seibu Giken America, Inc. We are also planning to build a new plant in Munakata City, Fukuoka Prefecture to produce dehumidifier rotors. We will enhance our profitability by increasing our production capacity in this way.

5) The Group's social responsibility in Group management

With regard to the management of the Group, we are actively working to conserve the environment in order to fulfill our social responsibility. The use of our products helps prevent air pollution, reduces the loss/waste generated during our customers' manufacturing processes, and also leads to the reduction of CO_2 emissions at customers. We thus believe that our Group's business itself contributes to the achievement of the Sustainable Development Goals (SDGs) adopted at the United Nations Sustainable Development Summit held in September 2015, including Goal 12, "Responsible consumption and production" and Goal 13, "Climate action."

Furthermore, Seibu Giken Go., Ltd (the "Company") has operated "Honeycomb Nursey School" as a company-led childcare facility since 2018. We aim not only to provide employee benefits, but also to support local people in balancing work with childcare, and to help develop a bright future for the children in our local community.

Moreover, we support the activities of the Kuma Science Engineering and Culture Promotional Foundation, a public interest incorporated foundation that provides support to graduate students majoring in science and technology fields and organizations engaged in activities related to Japanese literature and art. We believe that supporting the creative, pioneering research and development of aspiring young researchers, supporting their practical applications, nurturing entrepreneurs, and contributing to the development and passing on of Japanese culture, will lead to the development of a sustainable society.

We will continue our efforts to help solve social issues, including the SDGs, through our business activities. We will also make every effort to strengthen our corporate governance system and enhance internal controls to further implement appropriate disclosure of corporate information and compliance.

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6) Increasing profitability
All Group companies will work together to secure profits by increasing orders for high value-added products, continuing to shorten manufacturing times and further reduce manufacturing costs. We will also aim to increase profitability by promoting the overseas expansion of our highly profitable service business.

Furthermore, we will endeavor to return Seibu Giken DST East Africa to profitability as soon as possible and eradicate its negative net worth.

7) Global Group management
We aim to promote the independence and cooperation between our domestic and overseas bases, increase the production and technological capabilities of each manufacturing site, and reinforce and enhance our production competitiveness, including quality, price, delivery times, and product development that satisfies our customers.

We will also strive to establish a robust group structure with an eye to enhancing Group governance. With regard to overseas Group subsidiaries, the upper management of these companies and the management team of the Company frequently exchange information on a daily basis via telephone, web conferences, and other means to discuss and resolve any issues or problems that arise. From 2023, we have decided to hold a Global Management Council, comprised of the management teams of Group companies, to formulate policies and strategies for the Group, manage their progress, manage budgets, and identify and resolve common issues.

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(6) Trends in Assets and Income

(Millions of yen, unless otherwise specified)

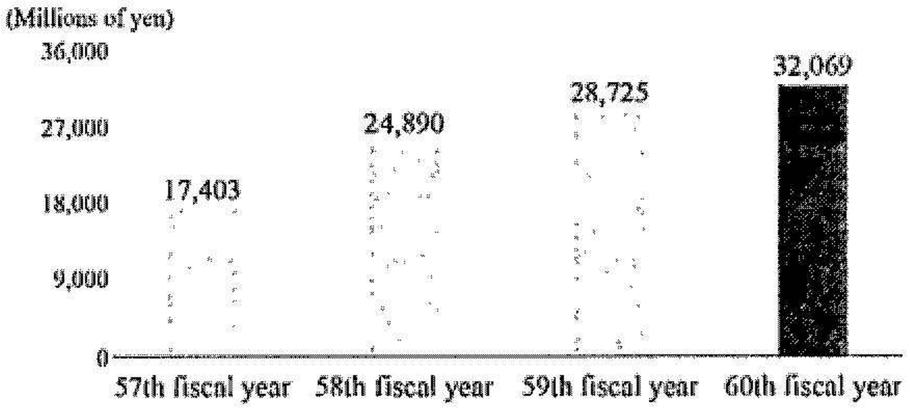
Item	The 57th fiscal year ended December 31, 2021	The 58th fiscal year ended December 31, 2022	The 59th fiscal year ended December 31, 2023	The 60th fiscal year ended December 31, 2024 (Fiscal year under review)
Net sales	17,403	24,890	28,725	32,069
Ordinary profit	2,063	4,783	4,361	4,190
Profit attributable to owners of parent	1,695	3,908	3,431	3,336
Basic earnings per share (yen)	84.78	195.56	180.14	162.76
Total assets	25,642	31,105	39,334	42,795
Net assets	14,097	17,748	26,795	29,957
Net assets per share (yen)	704.89	955.79	1,307.08	1,459.16

Notes: 1. The Company has prepared consolidated financial statements since the 59th fiscal year. For the 57th and 58th fiscal years, consolidated financial statements were prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28, 1976).

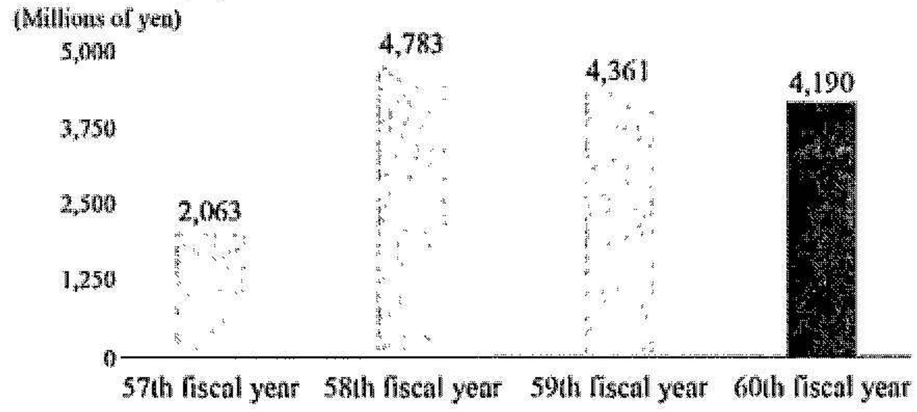
2. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 58th fiscal year. The key financial date, etc., for the 58th fiscal year onward is after the application of these accounting standards.

3. The Company conducted a 100-for-1 split of its common stock on May 29, 2023 based on the resolution of the Board of Directors meeting held on May 10, 2023. Basic earnings per share has been calculated on the assumption that the stock split was conducted at the beginning of the 57th fiscal year.

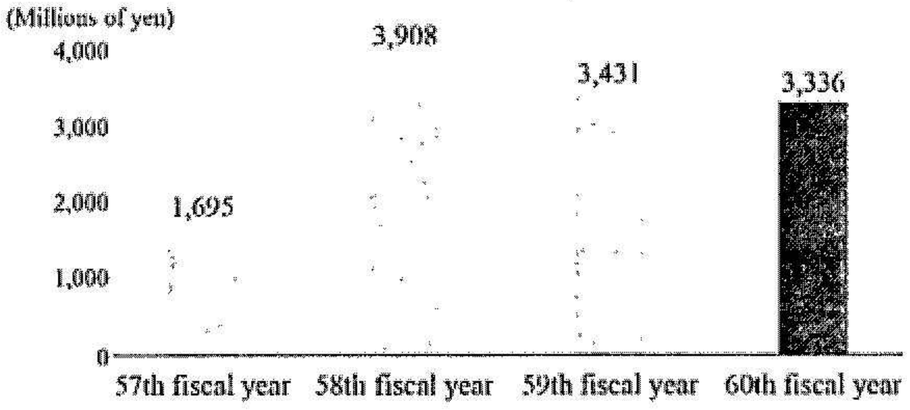
■ Net sales



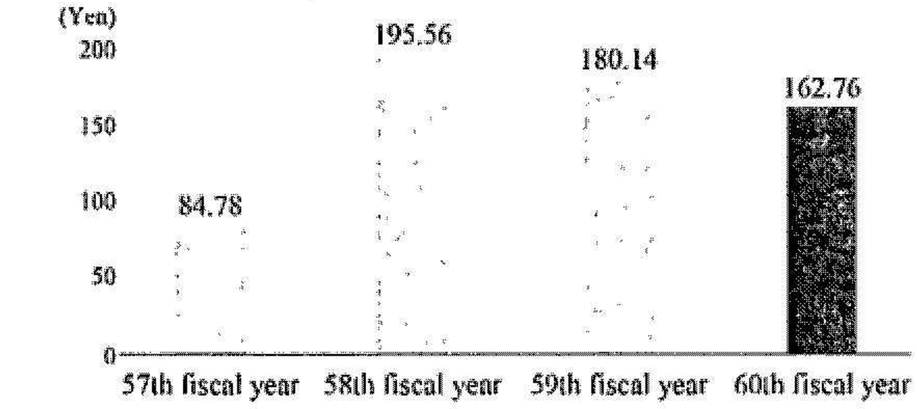
■ Ordinary profit



■ Profit attributable to owners of parent



■ Basic earnings per share



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(7) Principal Parent Company and Subsidiaries

1) Relationship with the principal parent company

Not applicable.

2) Principal subsidiaries

Company name	Share capital	Percentage of voting rights held (%)	Main business lines
Seibu Giken DST AB	SEK 2,000,000	100.0	Manufacturing and sales of desiccant dehumidifiers, mainly in Europe
Seibu Giken America, Inc.	USD 100,000	100.0	Manufacturing and sales of total heat exchangers in the Americas
Seibu Giken (Changshu) Co., Ltd.	CNY 139,176,640	100.0	Manufacturing and sales of VOC concentrators in China
Seibu Giken DST China (Changshu) Co., Ltd.	CNY 39,916,237	100.0 (100.0)	Manufacturing and sales of desiccant dehumidifiers in China
SDR Engineering Co., Ltd.	JPY 31,000,000	100.0	Distributor business for air treatment equipment (mainly dry rooms)
Seibu Giken DST Poland Sp. z o.o.	PLN 2,000,000	100.0 (100.0)	Manufacturing of desiccant dehumidifiers and sales of desiccant dehumidifiers in Poland
Seibu Giken DST America, Inc.	USD 200,000	100.0 (100.0)	Sales of desiccant dehumidifiers in the Americas
Seibu Giken DST East Africa Limited	KES 1,500,000	100.0 (100.0)	Sales of desiccant dehumidifiers throughout Africa
Seibu Giken Korea Co., Ltd.	KRW 100,000,000	100.0	Sales of VOC concentrators and desiccant dehumidifiers in South Korea
Seibu Giken & Kumyoung Environment, Inc.	USD 1,500,000	80.0	Installation of air treatment equipment (mainly dry rooms) in the Americas

Notes: 1. Numbers shown in parentheses in the "Percentage of voting rights held" column represent indirect ownership through Seibu Giken DST AB.

2. Seibu Giken & Kumyoung Environment, Inc. was established on October 8, 2024.

3) Specified wholly-owned subsidiaries as of the end of the fiscal year under review

Not applicable.

(8) Principal Business (as of December 31, 2024)

The Seibu Giken Group (Seibu Giken and its affiliates) is engaged in business activities mainly in the manufacture, sale, installation and maintenance of desiccant dehumidifiers and VOC concentrators.

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(9) Principal Business Locations (as of December 31, 2024)

1) Seibu Giken Co., Ltd.

Headquarters:	3108-3 Aoyagi, Koga-shi, Fukuoka, Japan
Factories:	Factory No. 1, Factory No. 2, Factory No. 3, Munakata Factory (Fukuoka Prefecture), Shonan Office (Kanagawa Prefecture)
Research facilities:	Seibu Giken Innovation Center (Fukuoka Prefecture)
Sales offices:	Tokyo Branch (Tokyo), Osaka Branch (Osaka)
Services:	Kanto Technical Service Office (Saitama Prefecture), Yokohama Service Office (Kanagawa Prefecture), Nagoya Service Office (Aichi Prefecture), Tohoku Service Office (Miyagi Prefecture)

2) Subsidiaries

Name	Location
Seibu Giken DST AB	Spånga, Sweden
Seibu Giken America, Inc.	Pennsylvania, U.S.
Seibu Giken (Changshu) Co., Ltd.	Jiangsu Province, People's Republic of China
SDR Engineering Co., Ltd.	Koga City, Fukuoka Prefecture
Seibu Giken Korea Co., Ltd.	Gyeonggi-do, Republic of Korea
Seibu Giken & Kumyoung Environment, Inc.	Georgia, U.S.

(10) Employees (as of December 31, 2024)

1) Employees of the Group

Number of employees	Year-on-year change
779	+21

Note: The number of employees does not include temporary employees (31 persons).

2) Employees of the Company

Number of employees	Year-on-year change	Average age	Average year of service
392	+44	40.5 years old	11.3 years

Note: The number of employees does not include temporary employees (25 persons).

(11) Principal Lenders (as of December 31, 2024)

Lender	Borrowings outstanding (millions of yen)
The Bank of Fukuoka, Ltd.	834
Nippon Life Insurance Company	210
The Shoko Chukin Bank, Ltd.	126
MUFG Bank, Ltd.	105
Mizuho Bank, Ltd.	66

(12) Other Material Matters Concerning the Current Status of the Corporate Group

Not applicable.

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2. Status of Shares

(1) Total number of shares authorized to be issued: 80,000,000 shares

(2) Total number of issued shares: 20,500,000 shares

(3) Number of shareholders at the end of the fiscal year: 8,821 persons

(4) Major shareholders (top ten)

Shareholder name	No. of shares held (thousand shares)	Shareholding ratio (%)
Green Future Co., Ltd.	6,834	33.34
Kuma Science Engineering and Culture Promotional Foundation	3,000	14.63
Seibu Giken Employee Stock Ownership Association	1,358	6.62
Custody Bank of Japan, Ltd. (trust account)	453	2.20
Makoto Shimozono	375	1.82
Fumio Kuma	374	1.82
Trustee for Specified Securities, SMBC Trust Bank Ltd.	350	1.70
HSBC BANK PLC A/C M AND G (ACS) VALUE PARTNERS CHINA EQUITY FUND	319	1.55
The Nomura Trust and Banking Co., Ltd. (trust account)	219	1.06
STATE STREET BANK AND TRUST COMPANY 505025	214	1.04

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3. Company Officers

(1) Directors

Position	Name	Status of responsibilities and important concurrent positions
Representative Director Executive President	Fumio Kuma	Chairman of the Board, Seibu Giken DST AB Director, Seibu Giken America, Inc. Chairman, Seibu Giken (Changshu) Co., Ltd. Director, SDR Engineering Co., Ltd. Representative Director, Seibu Giken Korea Co., Ltd.
Director Managing Executive Officer	Makoto Shimozono	General Manager, Product Sales Division Director, Seibu Giken America, Inc. Director, Seibu Giken (Changshu) Co., Ltd. Director, SDR Engineering Co., Ltd.
Director Senior Executive Officer	Miwa Hirakawa	General Manager, Business Administration Division and Corporate Strategy Section Auditor, Seibu Giken (Changshu) Co., Ltd.
Director (Full-time Audit Committee Member)	Takashi Tanabe	
Director (Audit Committee Member)	Kenji Uchida	Representative, Uchida Certified Public Accountant Office Partner, Josui Audit Corporation Representative Partner, Josui Tax Accountant Corporation Director, Social Welfare Corporation Chikushikai Outside Auditor, TAKAHASHI Co., Ltd. Director, Social Welfare Corporation Mizuhokai Part-time Director, FRONTIER CO., LTD
Director (Audit Committee Member)	Nobutoshi Ichimaru	Representative, Fuji Law Office Chairman, Public Interest Incorporated Association Matsumoto Culture-Art-Promotion Foundation Director, Fukuoka branch of Social Welfare Organization Saiseikai Imperial Gift Foundation, Inc.

Notes:
1. Directors Kenji Uchida and Nobutoshi Ichimaru are Outside Directors.
2. Audit Committee Member Kenji Uchida is a certified public accountant and has considerable knowledge of finance and accounting.
3. The Company has designated Directors Kenji Uchida and Nobutoshi Ichimaru as outside officers pursuant to the regulations of the Tokyo Stock Exchange and notified the exchange to that effect.
4. Mr. Hiroshi Okano resigned from his position of Director (Audit Committee Member) at the conclusion of the 59th Ordinary General Meeting of Shareholders held on March 28, 2024.
5. A full-time Audit Committee Member has been appointed in order to increase the effectiveness of audits and strengthen audit and supervisory functions.

(2) Summary of Agreement on Limitation of Liability

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into liability limitation agreements as stipulated in Article 423, Paragraph 1 of the Companies Act with Directors who are not Executive Directors, etc. The maximum amount of liability for damages under the said agreement is the amount stipulated in Article 425, Paragraph 1 of the Companies Act; provided, however, that the said Directors acted in good faith and without gross negligence.

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(3) Summary of Directors and Officers Liability Insurance Contract
The Company has entered into a directors and officers liability insurance contract as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance contract covers officers and employees in managerial and supervisory positions of the Company and its subsidiaries as stipulated in the Companies Act, and all insurance premiums are borne by the Company. The said contract covers damages and litigation costs that the insured will bear if a third party such as a shareholder, company, employee, or business partner files a claim for damages against the insured arising from the execution of the insured's duties. However, in order not to impair the appropriateness of duty execution by the insured, there are certain exemptions. The policy does not cover damages arising from intentional criminal or fraudulent acts by the insured, etc.

(4) Remuneration of Directors

1) Policy for determining the remuneration of each Director
The Company has established the "Policy for determining the remuneration of Directors" at a meeting of the Board of Directors based on the deliberations by the Nomination and Remuneration Committee. The outline of the policy is as follows.

a. Basic policy
The Company's executive remuneration structure is designed to realize its corporate philosophy and is integrated with that of executive officers. The remuneration consists of fixed basic remuneration and performance-linked variable remuneration (pre-determined salaries for executives), and the amount for individual officers shall be determined by the Board of Directors following a resolution by the Nomination and Remuneration Committee (remuneration for Directors who are Audit Committee Members shall be determined through discussions among Audit Committee Members).
Since performance-linked variable remuneration is not appropriate for Directors who are Audit Committee Members, who are independent from business execution, only basic remuneration is paid.
There is no non-monetary remuneration or retirement benefit plan.

- Directors (excluding Directors who are Audit Committee Members)
  - Basic remuneration (fixed monetary remuneration)
  - Variable remuneration (performance-linked monetary remuneration)
- Directors who are Audit Committee Members
  - Basic remuneration (fixed monetary remuneration)

b. Policy for determining basic remuneration (fixed monetary remuneration)
Basic remuneration, which is monthly fixed monetary remuneration, is paid within the Director remuneration limit set by the resolution of the General Meeting of Shareholders. The amount of remuneration is set according to the position and title of the Director (and executive officer) and is determined by comprehensively taking into consideration the external environment, such as the levels of other companies in the same industry or of similar size, as well as the financial situation of the Company.

c. Variable remuneration (performance-linked monetary remuneration)
The variable remuneration for all Directors is calculated based on the Group's consolidated operating profit, a financial indicator, with the set rate of source of variable remuneration to consolidated operation profit and the apportion rate for each position used as multipliers. The policy is to pay the amounts calculated in this way as pre-determined salaries for executives in April each year.

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2) Resolutions by the General Meeting of Shareholders on Remuneration of Directors

Category	Type of remuneration	Maximum amount of remuneration	Date of resolution at General Meeting of Shareholders	No. of Directors at time of resolution
Directors, excluding those who are Audit Committee Members	Monetary (fixed and variable)	Up to ¥150 million	58th Ordinary General Meeting of Shareholders March 30, 2023	3 (0 Outside Directors)
Directors who are Audit Committee Members	Monetary (fixed)	Up to ¥50 million	58th Ordinary General Meeting of Shareholders March 30, 2023	3 (2 Outside Directors)

3) Delegation of Authority to Determine Remuneration for Individual Directors

Representative Director and Executive President Fumio Kuma determines the specific amount of remuneration for each Director (excluding Directors who are Audit Committee Members) based on a resolution of the Board of Directors.

This authority was delegated because it was determined that it would be appropriate for the Representative Director and Executive President to flexibly determine the amount of remuneration while taking into account the Company's overall business performance and evaluating each Director according to their roles and contributions.

The Board of Directors has established a Nomination and Remuneration Committee to ensure that the Representative Director and Executive President exercises his authority appropriately, and since he is to determine individual remuneration based on the committee's recommendations, it has been determined that the remuneration amount is in line with the policy for determining remuneration.

4) Total Amount of Remuneration for Directors

Category	Total amount of remuneration (thousands of yen)	Amount by type of remuneration (thousands of yen)			No. of persons eligible for remuneration
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors, excluding those who are Audit Committee Members	64,174	64,174	-	-	3
(Of which, Outside Directors)	(-)	(-)	(-)	(-)	(-)
Directors who are Audit Committee Members	17,940	17,940	-	-	4
(Of which, Outside Directors)	(8,100)	(8,100)	(-)	(-)	(2)

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(5) Outside Directors and Officers

1) Important concurrent positions and relationship with the Company

Kenji Uchida, an Outside Director who is an Audit Committee Member, serves as Representative of Uchida Certified Public Accountant Office, Partner of Josui Audit Corporation, Representative Partner of Josui Tax Accountant Corporation, Director of Social Welfare Corporation Chikushikai, Outside Auditor of TAKAHASHI Co., Ltd., Director of Social Welfare Corporation Mizuhokai, and Part-time Director of FRONTIER CO., LTD. There is no special relationship between the Company and Uchida Certified Public Accountant Office, Josui Audit Corporation, Josui Tax Accountant Corporation, Social Welfare Corporation Chikushikai, TAKAHASHI Co., Ltd., Social Welfare Corporation Mizuhokai, or FRONTIER CO., LTD.

Nobutoshi Ichimaru, an Outside Director who is an Audit Committee Member, serves as Representative of Fuji Law Office, Chairman of Public Interest Incorporated Association Matsumoto Culture-Art-Promotion Foundation, and Director of Fukuoka branch of Social Welfare Organization Saiseikai Imperial Gift Foundation, Inc. There is no special relationship between the Company and Fuji Law Office, Public Interest Incorporated Association Matsumoto Culture-Art-Promotion Foundation, or Social Welfare Organization Saiseikai Imperial Gift Foundation, Inc.

There are no other matters to be noted.

2) Relationship with specified associated service provider such as major business partners

None of the outside officers has been a spouse or a relative within the third degree of kinship of an executive officer or officer (excluding those who are executive officers) of the Company or specified associated service provider.

3) Main activities during the fiscal year under review

Position	Name	Attendance at meetings	Status of main activities
Outside Director (Audit Committee Member)	Kenji Uchida	Board of Directors meetings: 19/19 Audit Committee meetings: 13/13	He attended all meetings of the Board of Directors and the Audit Committee during the fiscal year under review, and made comments as appropriate on the Company's management from a specialist viewpoint based on his knowledge of finance and accounting as a certified public accountant.
Outside Director (Audit Committee Member)	Nobutoshi Ichimaru	Board of Directors meetings: 19/19 Audit Committee meetings: 13/13	He attended all meetings of the Board of Directors and the Audit Committee during the fiscal year under review, and made comments as appropriate based on his advanced knowledge of corporate legal affairs as an attorney-at-law, high ethical standards, and fair and impartial judgment.

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4. Accounting Auditor

(1) Accounting Auditor's Name
Deloitte Touche Tohmatsu LLC

(2) Remuneration of the Accounting Auditor, etc.

	Amount paid
Accounting Auditor's remuneration, etc., for the fiscal year ended December 31, 2024	40 million yen
Total amount of cash and other profits payable by the Company or its subsidiaries to Accounting Auditor	40 million yen

Notes: 1. In the audit contract between the Company and the Accounting Auditor, audit fees, etc., for audits conducted under the Companies Act and those conducted under the Financial Instruments and Exchange Act are not clearly distinguished, nor can they be substantially separated, and as a result, the total amount of audit fees, etc., for the current fiscal year is presented as a combined figure.
2. The reason the Audit Committee consented to the Accounting Auditor's remuneration, etc., is that, after reviewing the appropriateness of the audit performance for the previous fiscal year, the details of the audit plan for the current fiscal year, and the reasonableness of the remuneration amount, it was determined that the proposed level of remuneration was appropriate from the perspective of receiving an effective audit of adequate quality.
3. In addition to the above, an additional audit fee of ¥3 million was paid in connection with the accounting audit for the previous fiscal year.

(3) Description of Non-Audit Services
The Company does not entrust Deloitte Touche Tohmatsu LLC with any services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(4) Policy on Determination of Dismissal or Non-reappointment of Accounting Auditor
When the Accounting Auditor falls under the grounds for dismissal set forth in Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor is dismissed with the unanimous consent of the Audit Committee Members, or the Audit Committee decides on the content of a proposal to be submitted to the General Meeting of Shareholders regarding the dismissal of the Accounting Auditor by resolution. In addition, the Audit Committee takes into consideration the evaluation of the Accounting Auditor's independence, expertise, and the appropriateness and validity of its audit activities, and decides on the content of a proposal to be submitted to the General Meeting of Shareholders regarding not reappointing the Accounting Auditor.

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5. Company Structure and Policies

(1) Development of Systems to Ensure the Appropriateness of Operations

1) System to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

i. The Company shall establish risk and compliance regulations with the aim of formulating compliance control policies, systems, and codes of conduct, and will execute business operations in accordance with laws, regulations, the Articles of Incorporation, and internal rules, etc.

ii. Internal audits and audits by the Audit Committee shall be conducted to confirm that the execution of duties complies with laws and regulations and the Articles of Incorporation.

iii. The Company shall establish internal reporting regulations and a consultation hotline to receive reports and consultations regarding compliance violations related to business execution and the risk of such violations.

iv. The Company shall establish a collection of company regulations (including the Articles of Incorporation) and keep this available for Directors and employees to review at all times.

v. When making decisions on personnel matters, such as the appointment and dismissal of Directors, and on remuneration, the Company shall respect the results of deliberations by the Nomination and Remuneration Committee, a voluntary advisory body to the Board of Directors composed of a majority of Independent Outside Directors, and will enhance the fairness, transparency, and objectivity of such decisions.

2) Systems related to the preservation and management of information related to the execution of duties by Directors

Documents and other information related to the execution of duties shall be appropriately stored and managed in accordance with the document management regulations and related manuals. The storage and management system shall be reviewed, as necessary.

3) Regulations and other systems related to the management of the risk of loss

i. In order to prevent the risk of loss (hereinafter referred to as "risk") and to deal with any risks that occur, the Company shall establish and implement risk compliance regulations and related manuals, and will also educate employees about them.

ii. If the Internal Audit Department conducts internal audits and any issues are raised, the Company shall address them appropriately and promptly.

4) Systems to ensure Directors perform their duties efficiently

i. Authority shall be delegated in accordance with the job authority regulations, organizational regulations, etc., and the persons in charge at each level divide up the work in accordance with the rules.

ii. The Board of Directors shall meet and make resolutions in accordance with the Board of Directors regulations.

iii. Management Meetings comprising the President, Executive Directors, executive officers, etc. shall be held to share the current business situation, ascertain the activity status of each organization, and work to improve the efficiency of Directors' own business execution.

5) Employees who assist the duties of the Audit Committee

At the request of the Audit Committee, the Board of Directors shall, in consultation with the Audit Committee, appoint an assistant(s) to the Audit Committee to assist the audit work of the committee.

6) Independence of Audit Committee assistants from Directors (excluding Directors who are Audit Committee Members)

i. Assistants of the Audit Committee shall assist the audit work in accordance with the instructions and orders of the Audit Committee.

ii. The appointment, dismissal, transfer, personnel evaluation and disciplinary action of assistants to the Audit Committee shall be carried out with the consent of the full-time Audit Committee Member, and their independence from Directors (excluding Directors who are Audit Committee Members) shall be ensured.

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7) Ensuring the effectiveness of instructions given to assistants of the Audit Committee
The Company shall ensure that Directors (excluding Directors who are Audit Committee Members) and employees are fully aware that assistants to the Audit Committee are to follow the directions and orders of the Audit Committee.

8) Systems for Directors (excluding Directors who are Audit Committee Members) and employees, as well as officers and employees of subsidiaries, to report to the Audit Committee, and systems to ensure that they are not treated disadvantageously as a result of having made such a report
   i. Directors (excluding Directors who are Audit Committee members) and employees, as well as officers and employees of subsidiaries, shall report to the Audit Committee upon request. They shall also report to the Audit Committee or its members directly or through relevant departments in a timely and appropriate manner regarding important matters, such as the status of the execution of duties and facts that may have a significant impact on management, and share information with the committee.
   ii. Full-time Audit Committee Member shall attend important meetings such as the Board of Directors and share information on matters to be discussed.
   iii. Important approval documents shall be circulated to the full-time Audit Committee Member after approval by the person in charge, and the status of business execution shall be reported on a regular basis.
   iv. In accordance with internal reporting regulations, disadvantageous treatment of persons who have made a report as in 1) above shall be prohibited.

9) Policy regarding procedures for advance payment or repayment of expenses incurred in the execution of duties by Audit Committee Members (limited to those related to the execution of duties by the Audit Committee) and the processing of other expenses or liabilities incurred in the execution of the said duties
When an Audit Committee Member makes a request for reimbursement of expenses, etc. arising from the execution of his/her duties, such expenses shall be promptly settled, except in cases where such request is deemed not necessary for the execution of his/her duties.

10) Other systems to ensure that audits by the Audit Committee are conduced effectively
   i. Audit Committee Members shall attend meetings of the Board of Directors and be able to constantly monitor the progress of operations.
   ii. Regular liaison meetings with internal auditors and the Accounting Auditor shall be held to deepen cooperation between them and enable effective audits.

11) Systems to ensure the reliability of financial reporting
   i. The Company shall position the development of an internal control system to ensure the reliability of financial reporting as one of its most important management priorities, and shall maintain reliability in financial reporting.
   ii. The Company shall endeavor to establish a system in which internal controls function effectively, and shall manage the system to reduce the risk of false statements in financial reporting and prevent such risks in advance.
   iii. In order to ensure the reliability of financial reporting, the internal auditor shall continuously evaluate the risk of business processes and report the results of the assessment to the President.
   iv. The Company shall, as necessary, develop and implement various regulations, taking into consideration compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations.

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12) Systems to ensure the appropriateness of operations of the Group

i. In accordance with the rules for the management of affiliated companies, the Business Administration Division shall play a central role in conducting preliminary discussions on important matters concerning the management of subsidiaries, while respecting their autonomy. In addition, the Company shall request regular reports from subsidiaries on their business performance, progress of management plans, and the status of business operations, and shall request reports as appropriate when material events occur at such subsidiaries.

ii. The Business Administration Division and internal auditors shall monitor the compliance and risk management systems of subsidiaries, audit the status of the internal control systems of subsidiaries, and provide guidance on the development and operation of the systems.

iii. The Company shall report to the Board of Directors, Audit Committee, etc. regarding the execution of duties by directors of subsidiaries, the status of compliance and risk management systems, and other important matters recognized in (i) and (ii) above.

13) Basic policy and status of measures to eliminate antisocial forces

The Company's basic policy is to eradicate all ties with antisocial forces, and our regulations for dealing with antisocial forces stipulate that under no circumstances the Company provides monetary or other economic benefits to antisocial forces.

In addition, the Company is taking steps to prevent damage from antisocial forces by holding seminars for our employees to eradicate any possibility of ties with antisocial forces and coordinating with external specialist organizations such as local police stations and lawyers. Furthermore, the Company is a member of the Center for Removal of Criminal Organizations, and is working to establish appropriate methods for responding to unreasonable demands and to collect information on antisocial forces, in order to prepare for any eventuality.

(2) Operational Status of Systems to Ensure the Appropriateness of Operations

The Company maintains and operates an internal control system in accordance with the Basic Policy for Establishment of an Internal Control System approved by the Board of Directors.

The Company's Board of Directors consists of six Directors, including three Audit Committee Members (including two Outside Audit Committee Members). During the fiscal year under review, the Board of Directors held 19 meetings to discuss monthly and quarterly financial results and matters stipulated in the Board of Directors regulations. In addition, Management Meetings attended by Directors and executive officers were held once a month to confirm the progress of business plans and the appropriateness and rationality of business execution.

In addition, the Risk and Compliance Committee convened in accordance with the risk and compliance regulations to assess the risks of the Group, including its subsidiaries, and to manage and reduce those risks.

With respect to subsidiaries, the officers in charge received monthly reports on the progress of annual plans and confirmed important management matters and related issues in order to ensure the proper operation of the subsidiaries and the effective management of the Company.

The Internal Audit Office conducted audits on the status of compliance with laws, regulations, and internal rules, and reported the results and the status of improvements to the Representative Director and Audit Committee Members.

The Audit Committee Members formulated an audit plan including the audit policy, held regular Audit Committee meetings to share information, ascertained the status of the Company as needed, and compiled recommendations, etc. The Audit Committee also conducted dialogue with Directors and other employees, and in cooperation with the Internal Audit Office, audited the status of the execution of duties by Directors and employees.

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(3) Policy Regarding the Determination of Dividends from Surplus

The Company recognizes the dividend policy as one of the most important management issues. With regard to the distribution of profits, the Company intends to reward shareholders by implementing and sustaining stable dividends while balancing this with maintaining a sound financial position and retaining earnings for the future.

In the case of dividends from surplus, the Company's basic policy is to pay a year-end dividend once a year with the record date of the end of each fiscal year. With regard to the decision-making body for dividends, the Articles of Incorporation stipulate that dividends may be distributed by resolution of the Board of Directors pursuant to Article 459, Paragraph 1 of the Companies Act, in order to enable the flexible return of profits.

With regard to the distribution of dividends, the Company uses the consolidated dividend payout ratio as an important indicator. The target was previously set at 40%, but has been changed to 40% or more.

In accordance with the above-mentioned dividend policy, the Company has decided to pay a dividend of ¥70 per share in consideration of its business performance trends, financial condition, and other factors for the current fiscal year.

The Company plans to pay a dividend of ¥70 per share for the next fiscal year in accordance with the aforementioned basic policy on profit distribution.

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Consolidated Balance Sheet

(As of December 31, 2024)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	30,710	Current liabilities	11,667
Cash and deposits	14,442	Notes and accounts payable-trade	2,234
Notes and accounts receivable - trade, and contract assets	6,883	Electronically recorded obligations-operating	2,867
Electronically recorded monetary claims-operating	1,669	Current portion of long-term borrowings	525
Merchandise and finished goods	2,509	Lease liabilities	107
Work in process	1,575	Income taxes payable	608
Raw materials and supplies	2,569	Contract liabilities	3,392
Other	1,450	Provision for product warranties	180
Allowance for doubtful accounts	(390)	Provision for bonuses	444
		Other	1,305
Non-current assets	12,085	Non-current liabilities	1,170
Property, plant and equipment	10,937	Long-term borrowings	817
Buildings and structures	7,883	Lease liabilities	75
Accumulated depreciation	(2,592)	Deferred tax liabilities	177
Buildings and structures, net	5,291	Retirement benefit liability	40
Machinery, equipment and vehicles	4,109	Other	59
Accumulated depreciation	(3,054)	Total liabilities	12,837
Machinery, equipment and vehicles, net	1,055	(Net assets)	
Land	2,908	Shareholders' equity	26,808
Leased assets	485	Share capital	711
Accumulated depreciation	(307)	Capital surplus	3,536
Leased assets, net	178	Retained earnings	22,560
Construction in progress	1,245	Accumulated other comprehensive income	3,104
Other	1,205	Valuation difference on available-for-sale securities	(36)
Accumulated depreciation	(947)	Foreign currency translation adjustment	3,141
Other, net	258	Non-controlling interests	45
Intangible assets	176		
Investments and other assets	970		
Investment securities	501		
Deferred tax assets	258		
Other	210		
		Total net assets	29,957
Total assets	42,795	Total liabilities and net assets	42,795

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Consolidated Statement of Income

(January 1, 2024 - December 31, 2024)

(Millions of yen)

Account	Amount	
Net sales		32,069
Cost of sales		21,165
Gross profit		10,904
Selling, general and administrative expenses		6,873
Operating profit		4,030
Non-operating income		
Interest and dividend income	120	
Refund of Chinese value-added-tax	53	
Nursery school-related revenue	17	
Subsidy income	8	
Other	46	248
Non-operating expenses		
Interest expenses	26	
Nursery school-related expenses	22	
Foreign exchange losses	20	
Other	18	88
Ordinary profit		4,190
Extraordinary income		
Gain on change in lease terms	45	45
Extraordinary losses		
Loss on retirement of non-current assets	14	14
Profit before income taxes		4,221
Income taxes-current	920	
Income taxes-deferred	(33)	887
Profit		3,334
Loss attributable to non-controlling interests		(2)
Profit attributable to owners of parent		3,336

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Consolidated Statement of Changes in Equity

(January 1, 2024 - December 31, 2024)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	711	3,536	20,454	24,702
Changes during the consolidated fiscal year				
Dividends of surplus			(1,230)	(1,230)
Profit attributable to owners of parent			3,336	3,336
Net changes in items other than shareholders' equity during the consolidated fiscal year				—
Total changes during the consolidated fiscal year	—	—	2,106	2,106
Balance at end of period	711	3,536	22,560	26,808

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	—	2,092	2,092	—	26,795
Changes during the consolidated fiscal year					
Dividends of surplus					(1,230)
Profit attributable to owners of parent					3,336
Net changes in items other than shareholders' equity during the consolidated fiscal year	(36)	1,048	1,011	45	1,056
Total changes during the consolidated fiscal year	(36)	1,048	1,011	45	3,162
Balance at end of period	(36)	3,141	3,104	45	29,957

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Non-consolidated Balance Sheet

(As of December 31, 2024)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	10,337	Current liabilities	6,081
Cash and deposits	2,852	Notes payable -trade	1
Notes receivable - trade	51	Electronically recorded obligations - operating	2,867
Electronically recorded monetary claims-operating	1,156	Accounts payable - trade	1,185
Accounts receivable - trade	3,667	Current portion of long-term borrowings	525
Contract assets	61	Accounts payable - other	393
Finished goods	418	Income taxes payable	411
Work in process	972	Contract liabilities	51
Raw materials and supplies	910	Provision for product warranties	70
Prepaid expenses	62	Provision for bonuses	341
Other	192	Other	232
Allowance for doubtful accounts	(9)	Non-current liabilities	911
Non-current assets	11,653	Long-term borrowings	817
Property, plant and equipment	7,429	Provision for retirement benefits	40
Buildings	2,469	Other	54
Structures	58		
Machinery and equipment	871		
Vehicles	1	Total liabilities	6,993
Tool, furniture and fixtures	156	(Net assets)	
Land	2,572	Shareholders' equity	15,033
Construction in progress	1,243	Share capital	711
Other	56	Capital surplus	3,757
Intangible assets	155	Legal capital surplus	611
Patent right	34	Other capital surplus	3,146
Software	102	Retained earnings	10,564
Other	18	Legal retained earnings	25
Investments and other assets	4,068	Other retained earnings	10,539
Investment securities	501	Reserve for special depreciation	153
Shares of subsidiaries and associates	2,845	Reserve for tax purpose reduction entry	114
Investments in capital of subsidiaries and associates	553	General reserve	5,950
Deferred tax assets	68	Retained earnings brought forward	4,322
Other	99	Valuation and translation adjustments	(36)
		Valuation difference on available-for-sale securities	(36)
		Total net assets	14,996
Total assets	21,990	Total liabilities and net assets	21,990

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Non-consolidated Statement of Income

(January 1, 2024 - December 31, 2024)

(Millions of yen)

Account	Amount	
Net sales		18,374
Cost of sales		13,300
Gross profit		5,073
Selling, general and administrative expenses		3,422
Operating profit		1,651
Non-operating income		
Interest and dividend income	1,290	
Nursery school-related revenue	17	
Other	41	1,349
Non-operating expenses		
Interest expenses	7	
Foreign exchange losses	16	
Nursery school-related expenses	22	
Other	3	51
Ordinary profit		2,950
Extraordinary losses		
Loss on retirement of non-current assets	12	12
Profit before income taxes		2,937
Income taxes-current	542	
Income taxes-deferred	(101)	440
Profit		2,496

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Non-consolidated Statement of Changes in Equity

(January 1, 2024 - December 31, 2024)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	711	611	3,146	3,757
Changes during the fiscal year				
Dividends of surplus				
Profit				
Reversal of reserve for special depreciation				
Reversal of reserve for tax purpose reduction entry				
Net changes in items other than shareholders' equity				
Total changes during the fiscal year	—	—	—	—
Balance at end of period	711	611	3,146	3,757

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(Millions of yen)

	Shareholders' equity					
	Retained earnings					
	Legal retained earnings	Other retained earnings				Total retained earnings
		Reserve for special depreciation	Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	25	225	122	5,950	2,975	9,297
Changes during the fiscal year						
Dividends of surplus					(1,230)	(1,230)
Profit					2,496	2,496
Reversal of reserve for special depreciation		(72)			72	—
Reversal of reserve for tax purpose reduction entry			(7)		7	—
Net changes in items other than shareholders' equity						
Total changes during the fiscal year	—	(72)	(7)	—	1,346	1,266
Balance at end of period	25	153	114	5,950	4,322	10,564

	Total shareholders' equity	Valuation and translation adjustments		Total net assets
		Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	13,766	—	—	13,766
Changes during the fiscal year				
Dividends of surplus	(1,230)			(1,230)
Profit	2,496			2,496
Reversal of reserve for special depreciation	—			—
Reversal of reserve for tax purpose reduction entry	—			—
Net changes in items other than shareholders' equity		(36)	(36)	(36)
Total changes during the fiscal year	1,266	(36)	(36)	1,229
Balance at end of period	15,033	(36)	(36)	14,996

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(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 18, 2025

To the Board of Directors of
Seibu Giken Co., Ltd.:

Deloitte Touche Tohmatsu LLC
Fukuoka office

Designated Engagement Partner,
Certified Public Accountant:
Yoichi Tadakuma

Designated Engagement Partner,
Certified Public Accountant:
Takashi Kai

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Seibu Giken Co., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of December 31, 2024, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from January 1, 2024 to December 31, 2024, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

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We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The related notes" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

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(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February18, 2025

To the Board of Directors of
Seibu Giken Co., Ltd.:

Deloitte Touche Tohmatsu LLC
Fukuoka office

Designated Engagement Partner,
Certified Public Accountant:
Yoichi Tadakuma

Designated Engagement Partner,
Certified Public Accountant:
Takashi Kai

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Seibu Giken Co., Ltd. (the "Company"), namely, the nonconsolidated balance sheet as of December 31, 2024, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 60th fiscal year from January 1, 2024 to December 31, 2024, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise

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appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. “The related notes” and "the accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

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Audit Committee's Audit Report (duplicated copy)

Audit Report
(English Translation)

The Audit Committee audited the performance of duties by the Directors for the 60th fiscal year from January 1, 2024 to December 31, 2024, and hereby reports the method and results of the audit.

1. Summary of Auditing Methods
   The Audit Committee periodically received reports from Directors and employees, etc. regarding the details of the resolution of the Board of Directors concerning the matters set forth in Article 399-13, Paragraph 1, Item (i), Parts (b) and (c) of the Companies Act, and the status of the establishment and operation of the system (internal control system) established based on such resolution, requested explanations as necessary, expressed opinions, and conducted audits in the following manner.
   a. In accordance with the audit policy, assignment of duties, etc., and in cooperation with the Internal Audit Office and other departments in charge of internal control of the Company, we investigated the process and content of decision-making at important meetings, etc., the content of major approval documents and other important documents related to business execution, the status of the execution of duties by directors, key employees, etc., and the status of the business and property of the Company. With respect to subsidiaries, the Audit Committee Members communicated and exchanged information with the officers in charge of subsidiaries, the executive officers in charge of subsidiaries, and the directors and employees of subsidiaries, and received business reports from subsidiaries as necessary.
   b. Audit Committee Members monitored and verified whether the Accounting Auditor maintained its independence and appropriately performed audits, as well as received reports from the Accounting Auditor on the status of execution of its duties and asked for explanations as necessary. In addition, Audit Committee Members received a notice from the Accounting Auditor that the "system for ensuring that the performance of the duties is being carried out correctly" (matters stipulated in the items of Article 131 of the Regulation on Corporate Accounting) is being prepared in accordance with the "Quality Control Standard for Audit" (Business Accounting Council) and requested explanations as necessary.

Based on the methods above, we have reviewed the business report and the accompanying supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements) and the accompanying supplementary schedules, and the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements) for this fiscal year.

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2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

a. We acknowledge that the business reports and the accompanying supplementary schedules fairly present the status of the Company in conformity with the laws and regulations and the Articles of Incorporation.

b. We acknowledge that no misconduct or material fact in violation of any law or regulation or the Articles of Incorporation was found with respect to the execution of duties by the Directors.

c. We acknowledge that the Board of Directors' resolutions pertaining to the internal control system are appropriate. In addition, we did not find any matter to be pointed out concerning the content described in the business report and execution of duties by the Directors concerning the internal control system, including the internal control system related to financial reporting.

(2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

February 19, 2025

Audit Committee, Seibu Giken Co., Ltd.
Full-Time Audit Committee Member Takashi Tanabe
Audit Committee Member Kenji Uchida
Audit Committee Member Nobutoshi Ichimaru

Note: Audit Committee Members Kenji Uchida and Nobutoshi Ichimaru are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.