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March 13, 2026

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(Securities code : 218A;
TSE Growth Market)
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Notice Regarding Business and Capital Alliance Agreement and Issuance of New Shares through Third-Party Allotment

Liberaware Co., Ltd. (hereinafter "the Company") hereby announces that its Board of Directors resolved today to enter into a business and capital alliance agreement (hereinafter "the Business and Capital Alliance Agreement") for the purpose of establishing a business and capital alliance (hereinafter "the Business and Capital Alliance") with NIPPON HUME CORPORATION. (hereinafter "the Allottee" or "NIPPON HUME"), Nihon Suido Consultants Co., Ltd. (hereinafter "the Allottee" or "NSC"), and KANSEI Company (hereinafter "the Allottee" or "KANSEI"), as well as to issue new shares through third-party allotment (hereinafter "the Third-Party Allotment," and the shares to be issued through the Third-Party Allotment shall be referred to as "the New Shares") to NIPPON HUME, NSC, KANSEI, and YAMADA SHOKAI Co.,LTD. (hereinafter "the Allottee" or "YAMADA SHOKAI").

I. Overview of the Business and Capital Alliance

1. Purpose and Reasons for the Business and Capital Alliance

Under the mission of "Create a society where safety is accessible to all," the Company has been addressing challenges in infrastructure and plant inspection areas through its hardware development capabilities centered on "IBIS," the world's smallest class confined space inspection drone, and AI/DX technologies that convert acquired data into value. Additionally, as one of the Company's growth strategies, we have deployed highly practical solutions to society by linking our drone technology and data

utilization capabilities with the advanced field expertise, operational know-how, and customer base of industry leaders. This has enabled us to improve development accuracy, expand application areas, enhance service value, and promote continuous growth.

Under these circumstances, while the market for drone applications and DX solutions in the inspection field is emerging, penetration and standardization in the field are still in progress. It is important to overcome implementation barriers (safety, operational design, compatibility with existing operations, etc.) and widely disseminate reproducible delivery models. In this diffusion phase, we recognize that it is essential to accelerate the process from implementation to establishment through partnerships with partners who possess field knowledge, operational know-how, and customer base, rather than limiting ourselves to providing technology independently.

Therefore, to further accelerate our co-creation strategy with core industry companies, we have been considering relationship building and collaboration methods with a wide range of companies and organizations that have high affinity with our business and potential for mutual complementation in various aspects such as technology, operations, and sales, regardless of existing business relationships. In particular, we have been exploring collaboration schemes including capital participation through third-party allotment, aiming to promote the penetration of solutions in the market through joint service development and delivery system establishment, advancement of field data accumulation and utilization, and expansion of sales and implementation, thereby contributing to the enhancement of corporate value for both our company and our partners.

Based on this, we approached potential candidates deemed suitable for the above purposes regarding share subscription, and from among those who expressed interest, we selected the planned allottees as described below, comprehensively considering factors such as alignment with our business strategy, specificity and feasibility of collaboration, and potential contribution to medium to long-term corporate value enhancement. We recognize that these planned allottees fully understand our business content and its social significance, and intend to hold our shares from a medium to long-term perspective, making them optimal partners for further promoting our co-creation strategy.

Under these premises, the Company is currently focusing on the water and sewerage sector. In particular, while sewerage infrastructure faces structural challenges such as aging facilities and labor shortages, the market for drones and DX solutions in the sewerage industry is emerging, requiring simultaneous progress in field implementation, standardization, and nationwide deployment. In this diffusion phase, it is essential not only to provide standalone technology but also to establish frameworks for operational flows, evaluation criteria, and data utilization at sites through collaboration between upstream (planning/design/systems/guidelines) and downstream (construction/renewal/maintenance/operation) players. The Company has

been considering partnerships including capital participation through third-party allotment to promote the social implementation of sewerage DX by accelerating the process from introduction to establishment through collaboration with core companies in the sewerage field.

(NIPPON HUME)

NIPPON HUME is a company that has accumulated expertise in the development, maintenance, and renewal of pipeline infrastructure, including sewerage systems, with concrete products supporting social infrastructure at its core. Through non-excavation renewal solutions such as pipe rehabilitation, it works to solve challenges of aging pipeline infrastructure.

The Company recognizes that connecting data obtained from inspections (maintenance) to renewal and construction decision-making, leading to sophisticated repair and renewal, is crucial for maximizing the value of sewerage DX. Therefore, we determined that collaboration with NIPPON HUME would accelerate adoption by local governments by establishing models with demonstrable implementation effects through the realization of data linkage and utilization in the series of operations from inspection to renewal. Through this Third-Party Allotment, we have selected them as an allottee, judging that strengthening our relationship for the medium to long term will contribute to the expansion of sewerage DX that addresses social issues and enhance the corporate value of both companies.

(NSC)

NSC is a construction consultant that provides technical consulting services focusing on water supply, sewerage, and river/erosion control projects, with "Water Impact Company" as its raison d'être and "becoming a leader in integrated water infrastructure management" as its mission. It is a company with expertise and comprehensive capabilities in the water infrastructure field.

We recognize that for the widespread adoption of drone inspections, it is important to establish not only field operations but also upstream processes such as evaluation criteria, business design, and data specifications. Therefore, we determined that collaboration with NSC would accelerate social implementation, including alignment with systems and guidelines, while promoting the standardization of operational flows from introduction to establishment and organizing data and evaluation criteria for inspection operations. Through this Third-Party Allotment, we have selected them as an allottee, judging that strengthening our relationship for the medium to long term will contribute to the expansion of sewerage DX that addresses social issues and enhance the corporate value of both companies.

(KANSEI)

KANSEI is a sewerage maintenance company that contributes to the maintenance of lifeline functions through a nationwide system, handling everything from inspection, investigation, cleaning, and diagnosis to repairs, with public sewerage pipeline maintenance at its core.

Given that sewerage pipelines represent a special environment with limitations for general equipment and operations, we recognize the importance of advancing solutions by combining their accumulated field knowledge-based requirements with our confined space inspection drone technology. Additionally, to promote the nationwide adoption of the "No Entry" model (*) while reducing dangerous and person-dependent work, it is essential to accelerate implementation through practical operational design, establishment of evaluation criteria, and joint proposals. Through this Third-Party Allotment, we have selected them as an allottee, judging that strengthening our relationship for the medium to long term will contribute to the expansion of sewerage DX that addresses social issues and enhance the corporate value of both companies.

*Refers to methods or business models where investigators (humans) do not directly enter pipelines for sewerage pipeline maintenance and inspection work, instead utilizing drones and robots for investigation

(YAMADA SHOKAI)

YAMADA SHOKAI is a company with a long-standing track record and customer base primarily in the Tokai area, focusing on living infrastructure construction such as gas and water supply.

The Company has been advancing collaboration with their group through joint demonstration experiments and establishing operational systems for our drone "IBIS2". Recently, we signed the country's first Gold Partner (dealer) contract for "IBIS2", steadily deepening our collaborative relationship. To accelerate the expansion of implementation in inspection operations, standardization of operations, and service development based on field challenges, we recognize the importance of strengthening the partnership between both companies and promoting technology, operations, and sales as an integrated whole. Based on this, through this Third-Party Allotment, we have selected them as an allottee, judging that clarifying our medium to long-term collaborative commitment will contribute to both companies' corporate value enhancement by simultaneously promoting sales expansion, implementation, and value enhancement.

Furthermore, we have signed a memorandum of understanding regarding business alliance with YAMADA SHOKAI Holding (hereinafter "YAMADA SHOKAI HD"), the parent company of YAMADA SHOKAI, on October 24, 2024. As this Third-Party Allotment aims to strengthen this business alliance, and given the similar background to other allottees in the business and capital alliance, we have included this information in "I. Overview of the Business and Capital Alliance."

2. Details of the Business and Capital Alliance

(1) Details of the Business Alliance

The main details are as described below. In addition to these, we will proceed with consideration and discussion of measures that will contribute to further enhancement of corporate value for both the allottees and the Company.

(NIPPON HUME)

Both companies will collaborate on the following matters for the purpose of advancing and improving efficiency in inspection, investigation, and diagnostic technologies in the water and sewerage infrastructure field:

- Joint research and development regarding the acquisition, visualization, and analysis (DX) of field data utilizing drones, various sensors, and image analysis
- Joint development and verification of systems, software, and operational methods that contribute to the advancement and labor-saving of inspection and diagnostic operations
- Cooperation in productization, service development, business expansion, and promotional activities such as sales promotion and publicity of the relevant technologies and solutions
- Mutual complementation of technical and operational know-how through human resource exchange (including secondment, concurrent positions, dispatch, training, mutual acceptance, etc.)

(NSC)

Both companies will promote joint research, development, and business creation for the following matters with the aim of advancing and reducing labor in inspection, maintenance, and operation in the water and sewerage field:

- Promotion of demonstration projects, joint research, and development targeting technologies that lead to advancement and improvement of maintainability in water and sewerage pipeline maintenance (including joint applications for public support systems and demonstration programs)
- Joint consideration and creation of new business opportunities in PPP/PFI, including public-private partnerships in water
- Value chain collaboration for verification, commercialization, and service deployment of technologies related to the joint development and social implementation of labor-saving and advanced solutions utilizing robotics, AI, and other cutting-edge technologies for water and sewerage-related facilities including water treatment plants and terminal treatment plants, as well as agricultural and river infrastructure facilities
- Market research and joint study of management technologies for water infrastructure facilities located outside Japan

(KANSEI)

Both companies will conduct joint research, development, and business expansion for the following matters with the aim of advancing, reducing labor, and improving safety in maintenance operations in the sewerage field:

- Joint research and development for the advancement of sewerage pipeline inspection and investigation methods utilizing drones and the "No Entry" type inspection model

- Joint consideration of equipment, systems, and data acquisition methods suitable for sewerage pipeline inspection, and technology development premised on field application
- Collaboration for the design, standardization, and dissemination of inspection operation flows utilizing KANSEI's nationwide construction and operation system and field knowledge
- Cooperation in joint proposals to local governments, creation of business opportunities including public-private partnerships in water, and social implementation of related technologies and solutions

(YAMADA SHOKAI HD)

Both companies will proceed with the following collaboration to promote further utilization and accelerate social implementation of robotics such as drones, promote digitalization of analog methods using digital twins, and contribute to infrastructure resilience and the development of both companies:

The Company's Role

- Provide sales support, technical know-how, and on-site support related to IBIS and other products and services.
- Support transaction and contract-related procedures. Assist in ensuring smooth transactions with customers through the preparation of contracts, submission of necessary documents, and filing with government offices, etc.
- Provide expertise in hardware and software, including drones, aimed at solving customer challenges related to infrastructure construction and maintenance.

Role of YAMADA SHOKAI Holding

- When providing the Company's products and services to customers, facilitate matching between customers and the Company as needed.
- Provide support to facilitate smooth communication between the Company and customers. Promote smooth communication between both parties by resolving questions and unclear points.
- Form an in-house pilot team for IBIS2 and provide drone inspection services.

(2) Details of Capital Alliance

We have agreed to implement this third-party allotment of new shares to the above companies as planned allottees. The details of this third-party allotment are as described in "II. Issuance of New Shares through Third-Party Allotment" below.

3. Overview of Business and Capital Alliance Partners

① NIPPON HUME CORPORATION.

(1)	Name	NIPPON HUME CORPORATION
(2)	Location	5-33-11 Shimbashi, Minato-ku, Tokyo
(3)	Title and Name of Representative	President and Representative Director: Tomoyuki Masubuchi

(4)	Business Description	<ul style="list-style-type: none"> • Sewerage-related business: Manufacturing and sales of Hume pipes, segments, and sewer pipe rehabilitation work, etc. • Foundation business: Manufacturing and sales of concrete piles, pile driving work, etc. • Solar power generation and real estate business: Real estate leasing, management and development, solar power generation business, sales and maintenance of environmental equipment 	
(5)	Capital	5,251 million yen	
(6)	Date of Establishment	October 20, 1925	
(7)	Major Shareholders and Shareholding Ratio (As of September 30, 2025)	Japan Custody Bank, Ltd. (Trust Account for Mizuho Trust & Banking Co., Ltd.'s Retirement Benefit Trust Account)	9.65%
		THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED-SINGAPORE BRANCH PRIVATE BANKING DIVISION CLIENTS A/C 8221-623793 (Standing Proxy: The Hongkong and Shanghai Banking Corporation)	6.26%
		Japan Trustee Services Bank, Ltd. (Trust Account)	6.18%
		Asahi Concrete Works Co., Ltd.	5.90%
		Mizuho Bank, Ltd.	4.12%
		Taiheiyo Cement Corporation	4.10%
		NJS Co., Ltd.	4.06%
		Japan Custody Bank, Ltd. (Trust Account E)	3.27%
		SMBC Nikko Securities Inc.	3.17%
		Maruzenshowa Unyu Co., Ltd.	2.99%
(8)	Relationship between the Company and the Allottee	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	Not applicable.
		Status as related party status	Not applicable.

(9) Consolidated financial results and financial position for the last three years (Unit: millions of yen)

Fiscal Year	FY2023	FY2024	FY2025
Consolidated net assets	38,201	41,599	43,083
Consolidated total assets	54,979	62,079	57,240

Net assets per share (yen)	1,575.56	1,725.59	1,833.81
Consolidated net sales	31,876	33,732	37,064
Consolidated operating income	1,236	1,381	2,022
Consolidated ordinary income	2,102	2,391	3,049
Profit attributable to owners of parent	1,642	1,912	3,045
Earnings per share (yen)	68.12	79.91	129.93
Dividend per share (yen)	21.00	25.00	38.00

②Nihon Suido Consultants Co., Ltd.

(1)	Name	Nihon Suido Consultants Co., Ltd.
(2)	Location	6-22-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
(3)	Title and name of representative	President and Representative Director: Shinji Nakanishi
(4)	Business description	Planning, research, study, design, construction supervision, facility operation, management, diagnosis, water quality testing, and economic/financial analysis and other consulting services related to water supply, sewerage, industrial water, flood control, water utilization, and environmental management of rivers, lakes, and coastal waters in Japan and overseas
(5)	Capital	100 million yen
(6)	Date establishment of	May 25, 1959

(7)	Major shareholders and shareholding ratio (As of December 31, 2025)	Kubota Corporation		19.97%
		Public Interest Foundation Water and Regional Innovation Foundation		15.34%
		ITOCHU Corporation		8.43%
		Kurimoto, Ltd.		6.48%
		Ishigaki Maintenance Co., Ltd.		2.95%
		Japan Custody Bank, Ltd. (Trust Account)		2.89%
		NOMURA INTERNATIONAL PLC A/C JAPAN FLOW		2.86%
		Izumi Shinohe		2.53%
		THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED-HONGKONG PRIVATE BANKING DIVISION CLIENT A/C 8028-394841		1.85%
		Nomura Trust and Banking Co., Ltd. (Investment Trust Account)		1.35%
(8)	Relationship between the Company and the planned allottee	Capital relationship	Not applicable	
		Personnel Relationship	Not applicable.	
		Business Relationship	Not applicable.	
		Status as Related Party Status	Not applicable.	

(9) Consolidated Financial Results and Financial Position for the Last Three Years
(Unit: Million Yen)

Fiscal Year	December 2023	December 2024	December 2025
Consolidated Net Assets	13,248	14,328	14,963
Consolidated Total Assets	21,496	22,948	24,792
Net Assets per Share (Yen)	1,110.95	1,198.24	1,266.67
Consolidated Net Sales	21,884	23,533	24,413

Consolidated Operating Income	1,867	2,176	2,379
Consolidated Ordinary Income	1,639	2,175	2,506
Profit Attributable to Owners of Parent	1,103	1,491	1,730
Net Income per Share (Yen)	92.98	125.73	147.09
Dividend per Share (Yen)	50.00	68.00	74.00

③ KANSEI Company

(1)	Name	KANSEI Company	
(2)	Location	1-7-3 Kamiyoga, Setagaya-ku, Tokyo	
(3)	Title and Name of Representative	Representative Director Kenji Hasegawa	
(4)	Business Description	<ul style="list-style-type: none"> • Maintenance management and consulting services for water and sewerage facilities in Japan and overseas • Design and construction of water supply, drainage, and air conditioning facilities, etc. 	
(5)	Capital	250 million yen	
(6)	Date of Establishment	October 4, 1962	
(7)	Major Shareholders and Shareholding Ratio	KANSEI Employee Stock Ownership Association: 26.25%, Tokyo Small and Medium Business Investment & Consultation Co., Ltd.: 25.11%, KANSEI Officers Stock Ownership Association: 19.71%	
(8)	Relationship with the Company	Capital Relationship	Not applicable.
		Personnel Relationship	Not applicable.
		Business Relationship	The Company has business transactions related to drone operations, etc. with KANSEI Company, the planned allottee.
		Related Party Status	Not applicable.

(9) Financial Results and Financial Position for the Past Three Years (Unit: million yen)

Fiscal Year	Fiscal Year Ended June 2023	Fiscal Year Ended June 2024	Fiscal Year Ended June 2025
Net Assets	4,568	4,868	5,361
Total Assets	11,133	12,296	13,117

Net Assets per Share (yen)	10,431	11,115	12,240
Net Sales	16,670	16,969	20,709
Operating Income	518	438	630
Ordinary Income	548	520	644
Net Income	332	317	480
Net Income per Share (Yen)	757	724	1,094
Dividend per Share (Yen)	50.00	50.00	50.00

④YAMADA SHOKAI Co.,LTD. (Planned Allottee)

(1)	Name	YAMADA SHOKAI Co.,LTD.	
(2)	Location	19-21 Sakurada-cho, Atsuta-ku, Nagoya-shi, Aichi	
(3)	Title and Name of Representative	President and Representative Director Toyohisa Yamada	
(4)	Business Description	<ul style="list-style-type: none"> • Gas equipment piping construction, plumbing work, and sales of gas and water equipment • Non-life insurance agency business and life insurance solicitation services • Construction contracting business and related design and construction management services • Housing renovation business 	
(5)	Capital	80 million yen	
(6)	Date of Establishment	May 1906	
(7)	Major Shareholders and Shareholding Ratio	YAMADA SHOKAI Holding: 100%	
(8)	Relationship between the Company and the Planned Allottee	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	The Company has business transactions related to drone operations with YAMADA SHOKAI Holding, the parent company of the planned allottee.
		Related party status	Not applicable.

(9) Business Performance and Financial Position for the Past Three Years (Unit: millions of yen)

Fiscal Year	Fiscal Year Ended March 2023	Fiscal Year Ended March 2024	Fiscal Year Ended March 2025
Net Assets	10,487	10,774	10,564

Total Assets	14,773	14,632	14,021
Net Assets per Share (yen)	65,547	67,340	66,030
Net Sales	18,664	18,869	20,314
Operating Income	526	436	353
Ordinary Income	616	650	464
Net Income	397	302	306
Net Income per Share (yen)	2,484	1,892	1,915
Dividend per Share (yen)	100	3,225	1,975

4. Schedule

(1) Board of Directors Resolution Date	March 13, 2026
(2) Capital and Business Alliance Agreement Execution Date	March 13, 2026
(3) Payment Date for Third-Party Allotment	March 31, 2026 (planned)

5. Future Outlook

While the impact of this capital and business alliance on the Company's consolidated financial results for the fiscal year ending July 2026 is expected to be minimal, we believe it will contribute to enhancing the corporate value and shareholder value of the Company Group over the medium to long term. We will promptly disclose any matters that should be announced in the future.

II. Issuance of New Shares through Third-Party Allotment

1. Overview of the Offering

(1) Payment Date	March 31, 2026
(2) Number of New Shares to be Issued	657,800 shares of common stock (3.47% of outstanding common shares)
(3) Issue Price	1,612 yen per share
(4) Amount of Funds to be Procured	1,060,373,600 yen

(5) Offering or Allotment Method (Planned Allottees)	The shares will be allotted to each planned allottee through third-party allotment as follows: NIPPON HUME CORPORATION.: 310,200 shares Nihon Suido Consultants Co., Ltd.: 310,200 shares KANSEI Company: 18,700 shares YAMADA SHOKAI Co., LTD.: 18,700 shares
(6) Other	The above items are subject to the effectiveness of the registration statement under the Financial Instruments and Exchange Act.

2. Purpose and Reasons for the Offering

As described in "1. Purpose and Reasons for the Capital and Business Alliance" under "I. Overview of the Capital and Business Alliance" above, the Company has determined that it can expect positive effects from the alliance through specific discussions regarding the capital and business alliance with each planned allottee. While this offering will result in some dilution for existing shareholders, the Company believes that this offering will contribute to enhancing shareholder value after thoroughly considering the impact of dilution. Furthermore, we have determined that the offering size and scale of share dilution are within reasonable bounds, and we believe that strengthening relationships with the planned allottees through this capital and business alliance will contribute to enhancing corporate value over the medium to long term.

3. Amount, Use, and Scheduled Timing of Expenditure of Funds to be Procured

(1) Amount of Funds to be Procured

1. Total amount to be paid	1,060,373,600 yen
2. Estimated amount of issuance expenses	8,784,000 yen
3. Estimated net proceeds	1,051,589,600 yen

(Note 1) The breakdown of the estimated issuance expenses includes registration-related costs, securities registration statement preparation costs, advisory fees, and legal fees.

(Note 2) The estimated issuance expenses do not include consumption tax, etc.

(2) Specific Use of Funds to be Procured

Specific Use	Amount (million yen)	Scheduled Timing of Expenditure
Research and development costs for next-generation aimed at performance improvement, remote operation, and autonomy (personnel expenses, outsourcing costs, material costs, etc.)	800	April 2026 - July 2027

Promotional expenses for proposal activities (demonstrations, on-site verification, exhibition participation, seminar organization, strengthening of sales system, etc.) to local governments and maintenance service providers to promote drone utilization in water and sewerage areas, as well as development costs for functional improvements, quality verification, and on-site implementation support based on operational requirements (safety standards, data coordination, etc.) in the same field	251	April 2026 to July 2028
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(Note 1) IBIS is a domestically developed industrial small drone specialized for narrow space and indoor facility inspection.

It achieves improved safety and efficiency in inspections of "narrow, dark, and dangerous" environments.

(Note 2) The procured funds will be managed in a bank account until actual expenditure.

4. Rationale for Use of Funds

The Company intends to allocate the funds raised through this third-party allotment to the purposes described in "3. Amount, Use and Scheduled Timing of Expenditure of Funds to be Procured (2) Specific Use of Funds to be Procured" above, and aims to expand its business. As a result, we believe that the realization of our growth strategy will enhance our corporate value and medium- to long-term shareholder value, as well as expand profits for existing shareholders. Therefore, we believe that the use of funds from this third-party allotment is reasonable.

5. Rationality of Issuance Terms

(1) Basis for Calculation of Payment Amount and Specific Details

After consultation with the planned allottees, the payment amount for this third-party allotment was set at 1,612 yen, which was the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the board of directors' resolution date for this third-party allotment (March 12, 2026). The reason for adopting the closing price on the business day immediately preceding the board resolution date as the calculation method for the payment amount of this third-party allotment is that we determined that the recent stock price appropriately reflects the Company's objective corporate value at present, in accordance with the "Guidelines for Third-Party Allotment" of the Japan Securities Dealers Association.

Furthermore, the payment amount represents a premium of 10.65% (rounded to the second decimal place; the same applies to calculations of discount/premium rates to stock prices below) compared to the simple average closing price of 1,457 yen (rounded down to the nearest yen; the same applies to stock price calculations below) for the one month prior to the board resolution date (March 12, 2026), a premium of 15.23%

compared to the simple average closing price of 1,399 yen for the previous three months, and a discount of 0.23% compared to the simple average closing price of 1,616 yen for the previous six months. Additionally, regarding the determination of the payment amount, we have received opinions from our three corporate auditors stating that the method of determining the payment amount complies with the "Guidelines for Third-Party Allotment" of the Japan Securities Dealers Association, and that considering the Company's recent financial position and business performance, the payment amount is not particularly advantageous to the planned allottees and is legal.

(2) Rationale for Determining the Number of Shares to be Issued and Scale of Dilution as Reasonable

The number of new shares to be issued through this third-party allotment is 657,800 shares (6,578 voting rights), representing a dilution rate of 3.47% (3.48% on a voting rights basis) of the Company's total issued common shares of 18,959,900 shares (189,170 voting rights) as of January 31, 2026. Additionally, when combined with the 35,800 shares (358 voting rights) allocated to Kyushu Electric Power Co., Inc. on December 26, 2025, within six months prior to today's issuance resolution, the total number of shares is 693,600 (6,936 voting rights), which represents 3.67% (3.67% on a voting rights basis) of the Company's 18,924,100 shares (188,812 voting rights) as of January 31, 2026, excluding the shares allocated to Kyushu Electric Power Co., Inc.

However, as stated in "I. Overview of Capital and Business Alliance 1. Purpose and Reason for Capital and Business Alliance" above, we believe that strengthening relationships with the planned allottees through this third-party allotment, as part of the capital and business alliance, is important for steadily promoting the business alliance based on the capital and business alliance agreement. Furthermore, since this business alliance will contribute to improving our business growth and profitability, we believe it will lead to enhancement of our medium- to long-term corporate value. Therefore, we have determined that the number of common shares to be issued and the scale of dilution through this third-party allotment are reasonable.

6. Reasons for Selection of Planned Allottees, etc.

(1) Overview of Planned Allottees

Please refer to "I. Overview of Capital and Business Alliance 3. Overview of Capital and Business Alliance Partners" above.

Furthermore, we have determined that none of the planned allottees have any relationship with anti-social forces, as detailed below.

(Nihon Hume)

Nihon Hume is listed on the Prime Market of the Tokyo Stock Exchange. In their Corporate Governance Report (last updated June 27, 2025), submitted to the Tokyo Stock Exchange, we have confirmed their basic policy and systems for eliminating anti-social forces as described in "IV. Matters Related to Internal Control Systems" and "2. Basic Approach and Status of Development for Elimination of Anti-social Forces." Furthermore, based on interviews with Nihon Hume's representatives, we have

determined that neither the company nor its officers belong to or have any relationships with specific organizations.

(Nihon Suido Consultants Co., Ltd.)

Nippon Suiko Consultants is listed on the Standard Market of the Tokyo Stock Exchange, and we have confirmed the content and basic policy regarding their approach to and system for eliminating anti-social forces as described in "IV. Matters Related to Internal Control Systems" "2. Basic Approach and Status of Development for Elimination of Anti-social Forces" in their Corporate Governance Report (last updated December 19, 2025) submitted to the Tokyo Stock Exchange. Furthermore, based on the content of interviews with Nippon Suiko Consultants' representatives, we have determined that neither the company nor its officers belong to or have any relationships with specific organizations.

(KANSEI Company)

Regarding whether Kansei Kogyo, its officers, and major shareholders (hereinafter referred to as "Investigation Subjects" in this section) have any relationships with anti-social forces, we have received representations and warranties from Kansei Kogyo in the capital and business alliance agreement stating that they have no relationships with anti-social forces.

Additionally, based on our manual for dealing with anti-social forces, we conducted investigations using RoboRobo Compliance Check (a cloud service provided by OPEN Inc.) to search for information and keywords suggesting connections with anti-social forces regarding the Investigation Subjects. As a result, no evidence suggesting connections between the Investigation Subjects and anti-social forces was detected. RoboRobo Compliance Check is a cloud-based checking tool that can cross-search multiple information sources including newspapers, internet, SNS, and other public information, as well as credit information, overseas databases (World-Check), official gazette bankruptcy information, and anti-social forces databases for compliance risk information including anti-social force checks. It features AI-based relevance assessment and article summarization/analysis functions to support decision-making by personnel.

As stated above, we have determined that the Investigation Subjects have no relationships whatsoever with anti-social forces, and we have submitted a confirmation letter to that effect to the Tokyo Stock Exchange.

(Yamada Shokai)

Regarding whether Yamada Shokai, its officers, and major shareholders (hereinafter referred to as "Investigation Subjects" in this section) have any relationships with anti-social forces, we have received representations and warranties from Yamada Shokai in the share subscription agreement stating that they have no relationships with anti-social forces.

Additionally, based on our manual for dealing with anti-social forces, we conducted investigations using RoboRobo Compliance Check to search for information and

keywords suggesting connections with anti-social forces regarding the Investigation Subjects. As a result, no evidence suggesting connections between the Investigation Subjects and anti-social forces was detected.

As stated above, we have determined that the Investigation Subjects have no relationships whatsoever with anti-social forces, and we have submitted a confirmation letter to that effect to the Tokyo Stock Exchange.

(2) Reasons for Selection of Planned Allottees

Please refer to "I. Overview of Capital and Business Alliance 1. Purpose and Reason for Capital and Business Alliance" above.

(3) Share Holding Policy of Planned Allottees

We have verbally confirmed with the planned allottees that, in light of the purpose of this capital and business alliance, they intend to hold the Company's common shares acquired through this third-party allotment from a medium- to long-term perspective. Furthermore, we plan to obtain written commitments from the planned allottees agreeing that if they transfer all or part of the Company's common shares acquired through this third-party allotment within two years from the payment date, they will report the details to the Company in writing, and consent to the Company reporting such information to the Tokyo Stock Exchange and making it available for public inspection.

(4) Confirmation of Assets for Payment by Planned Allottees

(Nihon Hume)

We have received a statement from Nihon Hume confirming that they possess the funds required for payment of this third-party allotment. Additionally, we have confirmed through the balance sheet in their "Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 2026 [Japanese GAAP]" published on February 6, 2026, that they hold sufficient cash and deposits (6,629 million yen) required for payment of this third-party allotment, and we have determined that there are no issues regarding their financial status necessary for payment of this third-party allotment.

(Nihon Suido Consultants Co., Ltd.)

We have received a statement from Nippon Suiko Consultants confirming that they possess the funds required for payment of this third-party allotment. Additionally, we have confirmed through the balance sheet in their "Consolidated Financial Results for Fiscal Year Ending December 2025 [Japanese GAAP]" published on February 13, 2026, that they hold sufficient cash and deposits (10,405 million yen) required for payment of this third-party allotment, and we have determined that there are no issues regarding their financial status necessary for payment of this third-party allotment.

(KANSEI Company)

We have confirmed Kansei Kogyo's financial statements for the fiscal year ending June 2025, and based on their balance sheet showing net assets (retained earnings of 4,924 million yen) and current assets (6,207 million yen), we have determined that there are no issues regarding their financial status necessary for payment of this third-party allotment.

(Yamada Shokai)

We have received Yamada Shokai's financial statements for the fiscal year ending March 2025, and based on their net assets (10,564 million yen) and current assets (8,838 million yen), we have determined that there are no issues regarding their financial status necessary for payment of this third-party allotment.

7. Major Shareholders and Shareholding Ratios After the Offering

Before the Third-Party Allotment (as of January 31, 2026)		After the Third-Party Allotment	
Hongkyu Min	18.17%	Hongkyu Min	17.56%
East Japan Railway Company	11.69%	East Japan Railway Company	11.30%
Tetsuya Wada	4.21%	Tetsuya Wada	4.07%
Kosuke Nohira	3.37%	Kosuke Nohira	3.26%
Japan Custody Bank, Ltd. (Trust Account)	1.77%	Japan Custody Bank, Ltd. (Trust Account)	1.71%
Keisuke Ikeda	1.12%	NIPPON HUME CORPORATION.	1.58%
Yuji Ogawa	1.09%	Nihon Suido Consultants Co., Ltd.	1.58%
BANK SINOPAC-YUANTA JAPAN LEADERS EQUITY FUND	1.02%	Keisuke Ikeda	1.09%
SBI Securities Inc.	0.62%	Yuji Ogawa	1.05%
Norifumi Kanda	0.60%	BANK SINOPAC-YUANTA JAPAN LEADERS EQUITY FUND	0.98%

(Note 1) The shareholding ratios of major shareholders before the Third-Party Allotment are based on the number of shares in the shareholder registry as of January 31, 2026.

(Note 2) The shareholding ratios after the Third-Party Allotment are calculated based on 19,617,700 shares, which is the sum of the total number of issued shares (18,959,900) as of January 31, 2026, and the number of newly issued shares (657,800) through this Third-Party Allotment.

(Note 3) Shareholding ratios are truncated to the second decimal place.

8. Future Outlook

Please refer to "5. Future Outlook" in "I. Overview of the Capital and Business Alliance" above.

9. Matters Related to Corporate Behavior Requirements

As this Third-Party Allotment (i) has a dilution rate of less than 25% and (ii) does not involve any change in controlling shareholders, it does not require obtaining an opinion from an independent third party or confirming shareholder intent as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

10. Performance and Equity Finance Status for the Past Three Years

(1) Performance for the Past Three Years (Consolidated) (Unit: million yen)

	Fiscal Year Ended July 2023	Fiscal Year Ending July 2024	Fiscal Year Ending July 2025
Consolidated Net Sales	379	815	1,406
Consolidated Operating Loss (△)	(630)	(440)	(1,588)
Consolidated Ordinary Profit (Loss)	(635)	(434)	46
Profit (Loss) Attributable to Owners of Parent	(641)	(437)	46
Basic Earnings (Loss) per Share (Yen)	(46.74)	(25.53)	2.44
Dividend per Share (Yen)	-	-	-
Net Assets per Share (Yen)	(104.16)	45.66	48.28

Note 1: Figures for fiscal years ending July 2023 and July 2024 are from non-consolidated financial statements.

Note 2: For fiscal year ending July 2023, net assets per share was calculated by subtracting the preferred stock payment amount from the year-end net assets and dividing by the number of outstanding shares at year-end. As the preferred stock payment amount exceeded the year-end net assets, the calculation resulted in a negative value.

(2) Status of Issued Shares and Potential Shares (as of March 13, 2026)

	Number of Shares	Ratio to Total Issued Shares
Total Number of Issued Shares	18,959,900 shares	100.00%
Number of Potential Shares at Current Conversion (Exercise) Price	1,614,300 shares	8.51%

Note: The above number of potential shares represents shares under the Company's stock option program.

(3) Recent Stock Price Performance

① Performance Over the Past Three Years

	Fiscal Year Ending July 2023	Fiscal Year Ending July 2024	Fiscal Year Ending July 2025
Opening Price	-	454 yen	459 yen
High	-	465 yen	2,081 yen
Low	-	352 yen	330 yen
Closing price	-	435 yen	1,677 yen

(Note) As the Company was listed on the Tokyo Stock Exchange Growth Market on July 29, 2024, there is no stock price information for periods prior to that date.

② Stock price for the last 6 months

	October	November	December	January	February	March
Opening price	2,550 yen	1,787 yen	1,435 yen	1,256 yen	1,400 yen	1,470 yen
High	2,555 yen	1,812 yen	1,600 yen	1,808 yen	1,519 yen	1,748 yen
Low	1,637 yen	1,214 yen	1,077 yen	1,225 yen	1,291 yen	1,275 yen
Closing price	1,805 yen	1,398 yen	1,244 yen	1,400 yen	1,519 yen	1,612 yen

(Note) The stock prices for March 2026 are shown as of March 12, 2026.

③ Stock Price on the Business Day Prior to the Issuance Resolution Date

	March 12, 2026
Opening Price	1,693 yen
High	1,715 yen
Low	1,571 yen
Closing Price	1,612 yen

(4) Equity Financing Status for the Past Three Years

① Public Offering (At Initial Public Offering)

Payment Date	July 26, 2024
Amount of Funds Raised	473,840 thousand yen (Net proceeds)
Issue Price	285.20 yen per share
Number of Issued Shares at Time of Offering	17,136,700 shares
Number of Shares Issued through This Offering	1,700,000 shares

Total Number of Issued Shares after the Offering	18,836,700 shares
Initial Purpose of Funds at Time of Issuance	① Purchase costs for server and equipment enhancement, ② Establishment costs for new offices, ③ Research and development expenses, ④ Personnel and advertising expenses, and ⑤ Loan repayment
Planned Expenditure Period at Time of Issuance	① Purchase costs for server and equipment enhancement 44,000 thousand yen (Fiscal year ending July 2025: 12,000 thousand yen, Fiscal year ending July 2026: 32,000 thousand yen) ② Establishment costs for new offices 50,000 thousand yen (Fiscal year ending July 2025: 50,000 thousand yen) ③ Research and development expenses 310,000 thousand yen (Fiscal year ending July 2025: 80,000 thousand yen, Fiscal year ending July 2026: 230,000 thousand yen) ④ Personnel and advertising expenses • Personnel enhancement: 1 new hire planned for fiscal year ending July 2025 (10,000 thousand yen) and 3 new hires planned for fiscal year ending July 2026 (28,000 thousand yen), totaling 38,000 thousand yen • Advertising activities 5,380 thousand yen (Fiscal year ending July 2025: 2,380 thousand yen, Fiscal year ending July 2026: 3,000 thousand yen) ⑤ Loan repayment 26,460 thousand yen allocated for partial principal repayment during fiscal year ending July 2025
Current Status of Fund Allocation	① Purchase costs for server and equipment enhancement 12,000 thousand yen ② Establishment costs for new offices 52,000 thousand yen ③ Research and development expenses 145,000 thousand yen ④ Personnel expenses and advertising expenses • Sales personnel reinforcement: 20,000 thousand yen • Advertising activities: 5,380 thousand yen ⑤ Loan repayment 26,460 thousand yen The remaining amount will be allocated according to the above uses of funds by the planned expenditure dates mentioned above. If there are any changes in the use of funds or planned expenditure dates, we will promptly disclose such changes.

②Third-party allotment of shares

Payment date	December 26, 2025
Amount of funds raised	49,526 thousand yen (net proceeds)
Issue price	1,396 yen per share
Number of issued shares at the time of offering	18,896,600 shares
Number of shares issued through this offering	35,800 shares

Number of issued shares after the offering	18,932,400 shares
Initial use of funds at the time of issuance	①Sales and marketing expenses for establishing an electric power infrastructure inspection model in the Kyushu area, and ②Research and development expenses for drones, robots, and digital twins specifically for the electric power business
Planned expenditure period at the time of issuance	①Sales and marketing expenses for establishing an electric power infrastructure inspection model in the Kyushu area 14,526 thousand yen (January 2026 - July 2027) ②Research and development expenses for drones, robots, and digital twins specifically for the electric power business 35,000 thousand yen (January 2026 - July 2027)
Current status of allocation	①Sales and marketing expenses for establishing an electric power infrastructure inspection model in the Kyushu area 2,000 thousand yen The remaining amount will be allocated according to the above uses of funds by the planned expenditure dates mentioned above. If there are any changes in the use of funds or planned expenditure dates, we will promptly disclose such changes.

11. Terms of Issuance

(1) Class and number of shares to be issued	657,800 shares of common stock
(2) Payment amount	1,612 yen per share
(3) Total payment amount	1,060,373,600 yen
(4) Amount of increase in capital stock	530,186,800 yen
(5) Amount of increase in capital reserve	530,186,800 yen
(6) Application date	March 31, 2026 (planned)
(7) Payment date	March 31, 2026 (planned)
(8) Allocation method (Planned allottees)	The shares will be allocated to the following entities through third-party allotment as follows: NIPPON HUME CORPORATION.: 310,200 shares Nihon Suido Consultants Co., Ltd.: 310,200 shares KANSEI Company: 18,700 shares YAMADA SHOKAI Co.,LTD.: 18,700 shares
(9) Other	(1) The above items are subject to the effectiveness of the notification under the Financial Instruments and Exchange Act. (2) Other necessary matters concerning the issuance of new shares through third-party allotment shall be delegated to the Representative Director of the Company.