Royal Minor Hotels Co., Ltd.

Balance Sheet

Unit: thousands of yen

Item	Amounts	Item	Amounts
(Assets)		(Liablities)	
Ⅰ. Current Assets	**76,628**	**Current Liabilities**	**13,588**
Cash and Deposits	12,309	Accounts Payable - Other	2,197
Prepaid Expenses	1	Accued Expenses	9,946
Accounts Receivalble - Other	1,213	Income Taxes Payable	217
Deposits Paid	63,103	Deposits Received	176
Ⅱ. Fixed Assets	**526**	Provision for Executive's Bonuses	1,050
Intangible Assets	**526**	**Total Liabilities**	**13,588**
Software	526	(Net Assets)	
		Shareholders' Equity	**63,566**
		(1) **Capital Stock**	**100,000**
		(2) **Capital Surplus**	**20,000**
		Other Capital Surplus	20,000
		(3) **Retained Earnings**	**△ 56,433**
		Other Retained Earnings	△ 56,433
		Retained Earnings Brought Forward	△ 56,433
		Total Net Assets	**63,566**
Total Assets	**77,154**	**Total Liabilities and Net Assets**	**77,154**

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

Royal Minor Hotels Co., Ltd.

Notes to Financial Statements
(From March 31, 2025 to December 31, 2025)

1. Notes on Matters Concerning Significant Accounting Policies

(1) Method of Depreciation and Amortization of Fixed Assets

1. **Property, Plant and Equipment:** Not applicable.
2. **Intangible Assets:** Amortized using the straight-line method. The useful lives are based on the same standards as prescribed in the Corporation Tax Act. However, software for internal use is amortized using the straight-line method based on its estimated useful life within the company (5 years).

(2) Basis for Recording Provisions

Provision for Directors' Bonuses: To provide for the payment of bonuses to directors, the estimated amount of payment is recorded.

(3) Basis for Recording Revenues and Expenses The Company provides technical services related to the opening of hotels. The Company recognizes revenue over a certain period as it satisfies its performance obligations by providing services in accordance with the terms of the contract.

(4) Other Significant Matters Serving as the Basis for the Preparation of Financial Statements

Standards for Translation of Significant Assets or Liabilities Denominated in Foreign Currencies into Japanese Yen: Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate as of the balance sheet date, and translation differences are treated as profit or loss.

2. Notes to the Statement of Changes in Equity

(1) Matters Concerning the Total Number of Issued Shares

Class of Shares	Number of shares at the beginning of the fiscal year	Increase in shares during the fiscal year	Decrease in shares during the fiscal year	Number of shares at the end of the fiscal year
Common Stock	—	120,000 Shares	—	120,000 Shares

(2) Matters Concerning Dividends of Surplus

1. **Amounts of Dividends Paid:** Not applicable.
2. **Dividends with a record date falling within the current fiscal year but an effective date falling in the following fiscal year:** Not applicable.

3. Notes on Revenue Recognition

Basic information for understanding revenue is as described in "1. Notes on Matters Concerning Significant Accounting Policies, (3) Basis for Recording Revenues and Expenses."

4. Notes on Per Share Information

1. **Net Assets per Share:** 529.72 yen
2. **Net Loss per Share:** 470.28 yen