

STATEMENT OF CHANGES IN NET WORTH BALANCE

(For the Year Ended December 31, 2023)

(Unit: Yen)

Items	2023	2022	Increase (Decrease)
I Changes in General Net Worth			
1. Ordinary Income and Expenses			
(1) Ordinary Income			
(i) Admission and annual membership fees			
Admission fees	10,000,000	10,800,000	(800,000)
Annual membership fees	6,149,000	6,379,000	(230,000)
Total admission and annual membership fees	16,149,000	17,179,000	(1,030,000)
(ii) Operating income			
Bar and dining sales			
Dining sales	49,597,712	32,964,698	16,633,014
Bar sales	17,154,127	11,306,199	5,847,928
Club event sales	10,169,466	4,334,656	5,834,810
Service and room charges	5,627,525	2,787,545	2,839,980
Total bar and dining sales	82,548,830	51,393,098	31,155,732
Real estate rental income			
Ground rent	959,683,341	887,687,912	71,995,429
Building rent	675,109,580	652,749,396	22,360,184
Other real estate income	15,500,175	16,196,358	(696,183)
Total real estate rental income	1,650,293,096	1,556,633,666	93,659,430
Total operating income	1,732,841,926	1,608,026,764	124,815,162
(iii) Other income			
Interest income	5,060,230	3,206,152	1,854,078
Miscellaneous income	335,719	124,031	211,688
Total other income	5,395,949	3,330,183	2,065,766
Total Ordinary Income	1,754,386,875	1,628,535,947	125,850,928
(2) Ordinary Expenses			
(i) Operating expenses			
Personnel expenses			
Salaries	171,721,866	151,707,861	20,014,005
Commuting	6,596,330	5,619,467	976,863
Legal welfare	27,824,272	25,100,250	2,724,022
Welfare	5,753,536	4,936,294	817,242
Retirement benefits	7,595,505	6,727,609	867,896
Total personnel expenses	219,491,509	194,091,481	25,400,028
Facility expenses			
Depreciation and amortization	134,336,122	135,228,167	(892,045)
Building management fees	136,620,076	115,458,800	21,161,276
Office cleaning	36,888,191	33,857,903	3,030,288
Insurance	1,813,468	1,714,664	98,804
Utilities	77,823,650	73,270,573	4,553,077
Total facility expenses	387,481,507	359,530,107	27,951,400
Club activity expenses			
Contributions	1,003,562,765	83,213,750	920,349,015
Dining costs and expenses	101,095,513	77,385,248	23,710,265
Kitchen management fees	13,200,000	13,200,000	-
Bar costs and expenses	21,046,342	14,091,226	6,955,116
Professional fees	71,853,804	9,380,969	62,472,835
Library expenses	2,120,808	1,880,041	240,767
Lecturers' honoraria	924,018	603,290	320,728
Coaching fees	4,303,643	4,202,097	101,546
Communication expenses	3,036,516	3,192,509	(155,993)
Publicity expenses	4,133,990	3,826,340	307,650
Office supply expenses	10,359,252	8,446,956	1,912,296
Equipment and supply expenses	4,799,177	2,698,034	2,101,143
Laundry and decoration expenses	6,351,439	5,552,671	798,768
Miscellaneous expenses	28,995,374	12,314,041	16,681,333
Total club activity expenses	1,275,782,641	239,987,172	1,035,795,469
Taxes and dues	609,235,904	561,338,303	47,897,601
Total operating expenses	2,491,991,561	1,354,947,063	1,137,044,498

(continued)

STATEMENT OF CHANGES IN NET WORTH BALANCE

(For the Year Ended December 31, 2023)

(Unit: Yen)

Items	2023	2022	Increase (Decrease)
(ii) Administrative expenses			
Personnel expenses			
Salaries	22,548,013	14,985,091	7,562,922
Commuting	450,876	299,209	151,667
Legal welfare	3,859,904	2,604,010	1,255,894
Welfare	862,762	288,599	574,163
Retirement benefits	266,707	205,850	60,857
Total personnel expenses	27,988,262	18,382,759	9,605,503
Facility expenses			
Depreciation and amortization	7,851,845	7,901,531	(49,686)
Building management fees	2,481,435	2,355,696	125,739
Office cleaning	2,012,696	1,964,934	47,762
Insurance	152,866	142,770	10,096
Utility expenses	4,035,332	3,332,969	702,363
Total facility expenses	16,534,174	15,697,900	836,274
Club activity expenses			
Library expenses	10,548	696	9,852
Communication expenses	571,039	262,059	308,980
Publicity expenses	-	-	0
Office supply expenses	823,236	393,110	430,126
Equipment and supply expenses	420,072	187,776	232,296
Laundry and decoration expenses	14,580	6,000	8,580
Consultant fees	6,320,000	6,320,000	0
Miscellaneous expenses	1,340,002	506,067	833,935
Total club activity expenses	9,499,477	7,675,708	1,823,769
Taxes and dues	13,930,583	9,387,085	4,543,498
Total administrative expenses	67,952,496	51,143,452	16,809,044
Total Ordinary Expenses	2,559,944,057	1,406,090,515	1,153,853,542
Changes in ordinary earnings for the year before valuation adjustment	(805,557,182)	222,445,432	(1,028,002,614)
Gain (Loss) on valuation of securities	15,875,332	(33,632,082)	49,507,414
Changes in ordinary earnings for the year	(789,681,850)	188,813,350	(978,495,200)
2. Nonordinary Income and Expenses			
(1) Nonordinary Income			
Miscellaneous income	1,500,517,261	9,371,442	1,491,145,819
Total Nonordinary Income	1,500,517,261	9,371,442	1,491,145,819
(2) Nonordinary Expenses			
Loss on disposals of noncurrent assets	-	389,660	(389,660)
Miscellaneous loss	-	1,890,000	(1,890,000)
Total Nonordinary Expenses	-	2,279,660	(2,279,660)
Changes in Nonordinary Earnings for the Year	1,500,517,261	7,091,782	1,493,425,479
Surplus of General Net Worth before Income Taxes for the Year	710,835,411	195,905,132	514,930,279
Income taxes — current	249,469,098	98,870,651	150,598,447
Income taxes — deferred	(6,805,712)	(11,187,701)	4,381,989
Changes in General Net Worth — for the Year	468,172,025	108,222,182	359,949,843
General Net worth — at the beginning of the year	7,316,984,412	7,208,762,230	108,222,182
General Net worth — at the end of the year	7,785,156,437	7,316,984,412	468,172,025
II Changes in Restricted Net Worth			
Changes in restricted net worth — for the year	-	-	-
Restricted net worth — at the beginning of the year	-	-	-
Restricted net worth — at the end of the year	-	-	-
III Year-end Balance of Net Worth	7,785,156,437	7,316,984,412	468,172,025