

STATEMENT OF CHANGES IN NET WORTH BALANCE

(For the Year Ended December 31, 2024)

(Unit: Yen)

Items	2024	2023	Increase (Decrease)
I Changes in General Net Worth			
1. Ordinary Income and Expenses			
(1) Ordinary Income			
(i) Admission and annual membership fees			
Admission fees	12,000,000	10,000,000	2,000,000
Annual membership fees	6,062,000	6,149,000	(87,000)
Total admission and annual membership fees	18,062,000	16,149,000	1,913,000
(ii) Operating income			
Bar and dining sales			
Dining sales	56,732,242	49,597,712	7,134,530
Bar sales	21,301,377	17,154,127	4,147,250
Club event sales	10,831,839	10,169,466	662,373
Service and room charges	6,459,176	5,627,525	831,651
Total bar and dining sales	95,324,634	82,548,830	12,775,804
Real estate rental income			
Ground rent	1,062,238,947	959,683,341	102,555,606
Building rent	719,447,400	675,109,580	44,337,820
Other real estate income	17,100,431	15,500,175	1,600,256
Total real estate rental income	1,798,786,778	1,650,293,096	148,493,682
Total operating income	1,894,111,412	1,732,841,926	161,269,486
(iii) Other income			
Interest income	8,245,657	5,060,230	3,185,427
Miscellaneous income	138,818	335,719	(196,901)
Total other income	8,384,475	5,395,949	2,988,526
Total Ordinary Income	1,920,557,887	1,754,386,875	166,171,012
(2) Ordinary Expenses			
(i) Operating expenses			
Personnel expenses			
Salaries	179,837,826	171,721,866	8,115,960
Commuting	7,454,612	6,596,330	858,282
Legal welfare	29,744,740	27,824,272	1,920,468
Welfare	5,594,025	5,753,536	(159,511)
Retirement benefits	10,509,736	7,595,505	2,914,231
Total personnel expenses	233,140,939	219,491,509	13,649,430
Facility expenses			
Depreciation and amortization	134,478,975	134,336,122	142,853
Building management fees	217,431,897	136,620,076	80,811,821
Office cleaning	50,147,006	36,888,191	13,258,815
Insurance	1,930,758	1,813,468	117,290
Utilities	76,582,864	77,823,650	(1,240,786)
Total facility expenses	480,571,500	387,481,507	93,089,993
Club activity expenses			
Contributions	127,700,800	1,003,562,765	(875,861,965)
Dining costs and expenses	113,080,127	101,095,513	11,984,614
Kitchen management fees	13,200,000	13,200,000	-
Bar costs and expenses	26,664,180	21,046,342	5,617,838
Professional fees	10,111,320	71,853,804	(61,742,484)
Library expenses	2,175,631	2,120,808	54,823
Lecturers' honoraria	1,049,743	924,018	125,725
Coaching fees	4,766,549	4,303,643	462,906
Communication expenses	2,789,648	3,036,516	(246,868)
Publicity expenses	5,344,332	4,133,990	1,210,342
Office supply expenses	11,392,317	10,359,252	1,033,065
Equipment and supply expenses	8,682,824	4,799,177	3,883,647
Laundry and decoration expenses	7,185,624	6,351,439	834,185
Miscellaneous expenses	30,192,620	28,995,374	1,197,246
Total club activity expenses	364,335,715	1,275,782,641	(911,446,926)
Taxes and dues	613,067,726	609,235,904	3,831,822
Total operating expenses	1,691,115,880	2,491,991,561	(800,875,681)

(continued)

STATEMENT OF CHANGES IN NET WORTH BALANCE

(For the Year Ended December 31, 2024)

(Unit: Yen)

Items	2024	2023	Increase (Decrease)
(ii) Administrative expenses			
Personnel expenses			
Salaries	24,832,317	22,548,013	2,284,304
Commuting	513,098	450,876	62,222
Legal welfare	4,575,372	3,859,904	715,468
Welfare	834,315	862,762	(28,447)
Retirement benefits	451,793	266,707	185,086
Total personnel expenses	31,206,895	27,988,262	3,218,633
Facility expenses			
Depreciation and amortization	8,442,335	7,851,845	590,490
Building management fees	2,676,923	2,481,435	195,488
Office cleaning	2,087,467	2,012,696	74,771
Insurance	152,866	152,866	-
Utility expenses	3,885,392	4,035,332	(149,940)
Total facility expenses	17,244,983	16,534,174	710,809
Club activity expenses			
Library expenses	2,419	10,548	(8,129)
Communication expenses	559,666	571,039	(11,373)
Publicity expenses	6,048	-	6,048
Office supply expenses	2,704,335	823,236	1,881,099
Equipment and supply expenses	431,622	420,072	11,550
Laundry and decoration expenses	10,000	14,580	(4,580)
Consultant fees	7,720,000	6,320,000	1,400,000
Miscellaneous expenses	1,161,900	1,340,002	(178,102)
Total club activity expenses	12,595,990	9,499,477	3,096,513
Taxes and dues	11,363,186	13,930,583	(2,567,397)
Total administrative expenses	72,411,054	67,952,496	4,458,558
Total Ordinary Expenses	1,763,526,934	2,559,944,057	(796,417,123)
Changes in ordinary earnings for the year before valuation adjustment	157,030,953	(805,557,182)	962,588,135
Gain (Loss) on valuation of securities	(39,789,085)	15,875,332	(55,664,417)
Changes in ordinary earnings for the year	117,241,868	(789,681,850)	906,923,718
2. Nonordinary Income and Expenses			
(1) Nonordinary Income			
Miscellaneous income	1,065	1,500,517,261	(1,500,516,196)
Total Nonordinary Income	1,065	1,500,517,261	(1,500,516,196)
(2) Nonordinary Expenses			
Loss on disposals of noncurrent assets	12,333,831	-	12,333,831
Total Nonordinary Expenses	12,333,831	-	12,333,831
Changes in Nonordinary Earnings for the Year	(12,332,766)	1,500,517,261	(1,512,850,027)
Surplus of General Net Worth before Income Taxes for the Year	104,909,102	710,835,411	(605,926,309)
Income taxes—current	53,786,553	249,469,098	(195,682,545)
Income taxes—deferred	11,003,782	(6,805,712)	17,809,494
Changes in General Net Worth—for the Year	40,118,767	468,172,025	(428,053,258)
General Net worth—at the beginning of the year	7,785,156,437	7,316,984,412	468,172,025
General Net worth—at the end of the year	7,825,275,204	7,785,156,437	40,118,767
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	7,825,275,204	7,785,156,437	40,118,767