



First Half of the Fiscal Year Ending June 30, 2026 (FY6/26)

Results of Operations

Smartvalue Co., Ltd.

February 17, 2026

TSE Standard 9417

Agenda

- ▶ **01. Company Profile**
- ▶ **02. 1H FY6/26 Results**
- ▶ **03. FY6/26 Forecast**
- ▶ **04. Business Activities, Topics and KPI by Segment**
- ▶ **05. Appendix**

01

Company Profile

Company Profile

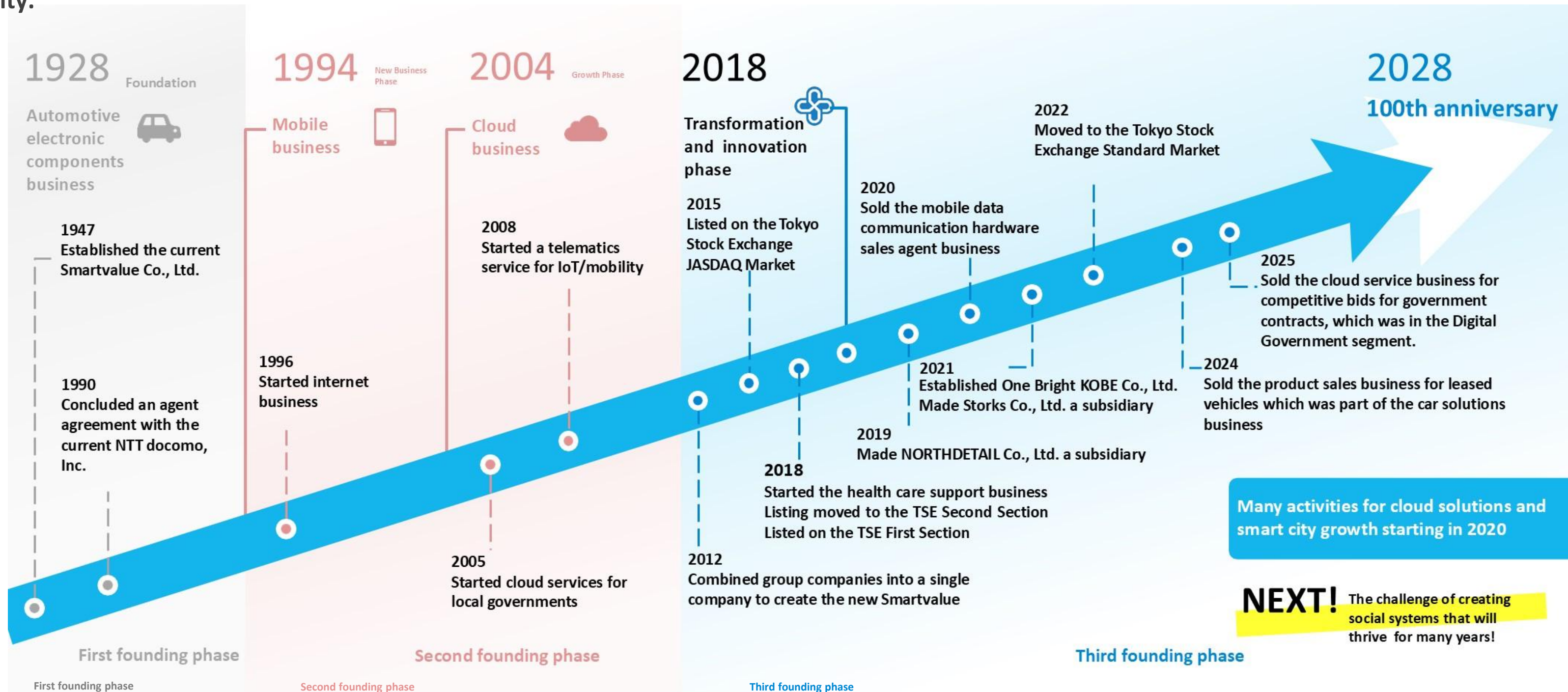
Now in the 98th year since its founding, Smartvalue is looking ahead to its 100th anniversary while retaining the spirit of an entrepreneurial company that matches today's business climate.

Beginning in the fiscal year ending in June 2026, our 79th year since incorporation, operations consist of two business segments: Mobility Services and Smart Venues.

| | |
|----------------------------------|--|
| Name | Smartvalue Co., Ltd. |
| Listing | Tokyo Stock Exchange, Standard Market (Securities code: 9417) |
| Founded | October 1928 |
| Established | June 1947 |
| Capital | ¥1,044,944,000 |
| Representative | Jun Shibuya, President and CEO |
| Employees | 192 (As of December 31, 2025) including group employees |
| Headquarters | Keihanshin Midosuji Bldg. 7F, 3-6-1, Doshomachi, Chuo-ku, Osaka |
| Offices | Tokyo office (Chuo-ku, Tokyo) |
| Consolidated Subsidiaries | NORTHDETAIL Co., Ltd. (Sapporo, Hokkaido) / One Bright KOBE Co., Ltd. (Kobe, Hyogo) / Storks. Co., Ltd. (Kobe, Hyogo) |
| Business | Mobility Services/ Smart Venues |

History

Smartvalue sold the carrier shop agency business in 2020 and the local government SaaS business in 2025. Activities are continuing for changing the business portfolio that underpinned operations for many years. The Smart Venues business is involved with physical community creation, ICT and providing special experiences and memories. The Mobility Services business, which has existed since Smartvalue’s inception, provides physical IoT services for efficient and safe mobility.



Automotive electronic repair shop

Carrier shop agency

Cloud service business

Smartest Arena Smart City business

Segment Information and Business Activities

Mobility Services, the first business of Smartvalue, is involved with the safety, efficiency, automation and other aspects of transportation. The goal of this business is consistent and stable profitability by steadily increasing monthly recurring revenue (MRR).

Smart Venues uses physical elements of a community to make next-generation social systems an integral part of our lives.

By combining smart city models, community marketing, and an arena business that is a source of excitement and memories, Smartvalue has the goal of creating economic and social value while operating businesses that are an important component of the social infrastructure of 21st century.

Mobility Services

A new Mobility Services framework for the CASE era

Management of company cars

Rental vehicles
(linkage with construction machinery, tourism and manufacturer vehicle API)

Vehicles of local governments

Logistics and commercial vehicles
(linkage with product sales, solutions and data)

SaaS/IoT cloud service

Smart Venues

Unified management of facilities (arenas and other properties) and sports/entertainment (Kobe Storks and live entertainment)

GLION ARENA KOBE

One Bright KOBE Co. Ltd.

A business partnership agreement for revitalizing the city-center waterfront district of Kobe

Smartest ARENA
Commons Tech KOBE
(creates a business model for the use of data involving Smartvalue)

Kobe Storks

Storks Co., Ltd.

Management of a professional basketball club in the B.LEAGUE

Solving social problems with IT, development and operation of smart city models, client-specific development teams, outsourced development projects

NORTHDETAIL Co., Ltd.

02

1H FY6/26 Results

1H FY6/26 Executive Summary

Big increases in sales and earnings as Smart Venues starts operating – Sales up 56.7% YoY

- Mobility Services: net sales ¥627 million (up 7.0% YoY), segment profit ¥131 million (up 28.8% YoY)
- Smart Venues: net sales ¥2,203 million (up 436.6% YoY), segment loss ¥12 million (segment loss of ¥107 million in 1H FY6/25)
- Consolidated: net sales ¥2,830 million (up 56.7% YoY), segment loss ¥49 million (segment loss of ¥152 million in 1H FY6/25)

Net profit down but a big EBITDA improvement

- Earnings held down by interest expense recognized due to a new lease accounting standard (¥374 million), head office relocation asset impairment (¥68 million), and a partial reversal of deferred tax assets (¥157 million)
- EBITDA is ¥420 million compared with an ¥82 million loss in 1H FY6/25, also a big increase in cash from core businesses

Revision to FY6/26 Consolidated Forecast

- Significant increase in sales and earnings: net sales ¥5,936 million (up 36.1% YoY), operating profit ¥261 million (operating loss of ¥440 million in FY6/25)
- However, the forecast was revised because sales and earnings were below the initial forecast

Expect a profit in 4Q FY6/26 for a strong start to FY6/27

- Although the start of Smart Venues operations was later than planned, this business is expected to become profitable in 4Q FY6/26

1H FY6/26 Performance Highlights

Although sales and operating profit increased, there was a bottom-line loss because of substantial non-operating expenses.

(Millions of yen)

| | | 1H FY6/25 Results | 1H FY6/26 Results | YoY |
|---|--|----------------------|----------------------|--------|
| Digital Government (Sold on June 30, 2025) | Net sales | 809 | - | - |
| | Operating profit | 76 | - | - |
| Mobility Services | Net sales | 586 | 627 | 107.0% |
| | Operating profit | 102 | 131 | 128.8% |
| Smart Venues | Net sales | 410 | 2,203 | 536.6% |
| | Operating profit | (107) | (12) | - |
| Administration | Operating profit | (223) | (167) | - |
| Consolidated | Net sales | 1,806 | 2,830 | 156.7% |
| | Operating profit | (152) | (49) | - |
| | Ordinary profit | (157) | (498) | - |
| | Profit attributable to owners of parent | (187) | (627) | - |

1H FY6/26 Performance Highlights

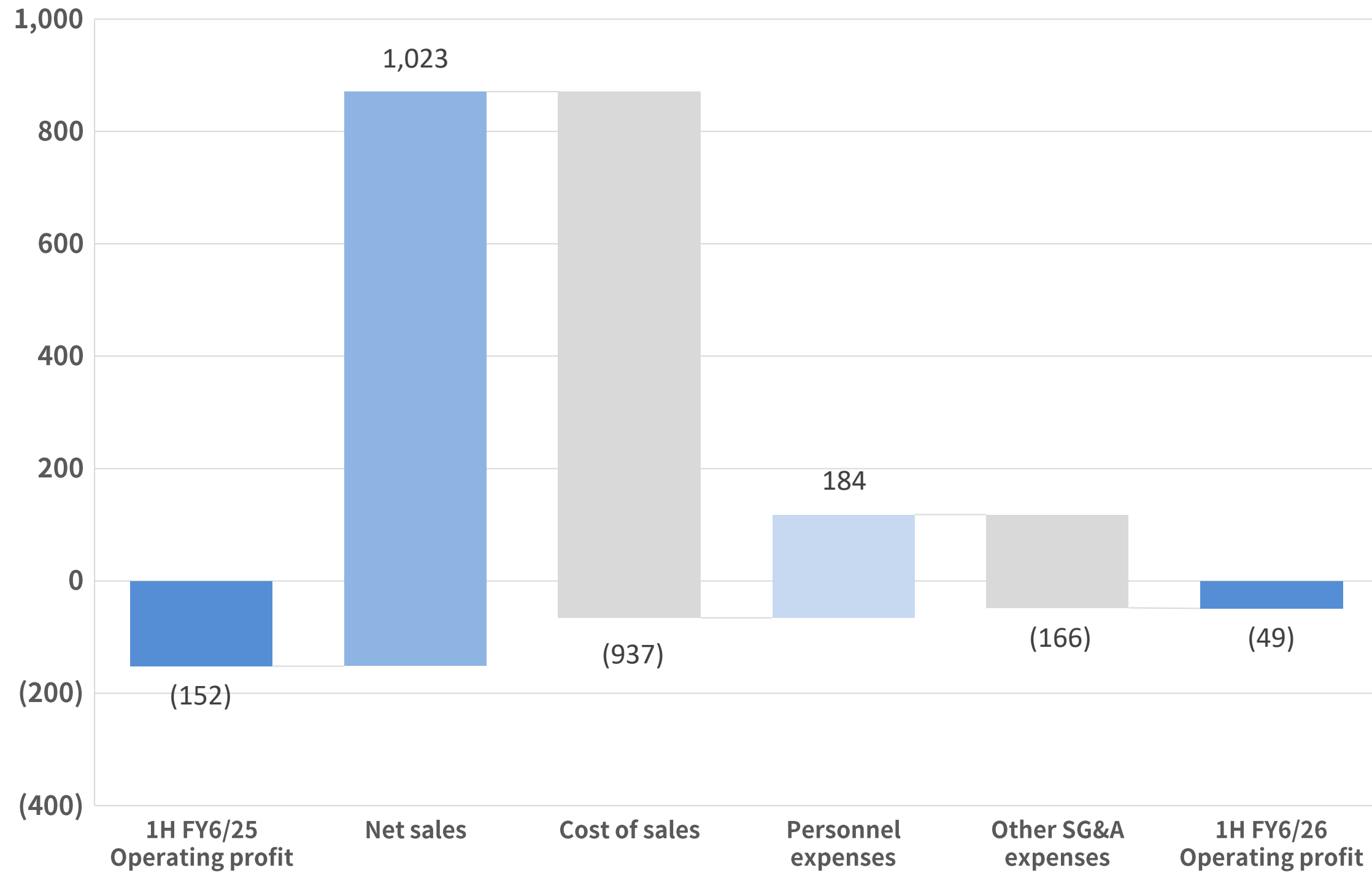
Non-operating items that reduced earnings are all non-cash expenses.

(Millions of yen)

| | | 1H FY6/25 | 1H FY6/26 | |
|--------------|---|-----------|-----------|--|
| | | Results | Results | Major items |
| Consolidated | Net sales | 1,806 | 2,830 | |
| | Operating profit | (152) | (49) | |
| | Ordinary profit | (157) | (498) | <u>Interest expenses</u> 374 Interest expenses associated with the new lease accounting standard |
| | Profit attributable to owners of parent | (187) | (627) | <u>Impairment losses</u> 68 Impairment losses on non-current assets due to relocation of the Osaka Head Office <u>Income taxes-deferred</u> 157 Partial reversal of deferred tax assets |

Changes in Operating Profit

Sold Digital Government, where performance was declining, and placing priority on the start of operations in the Smart Venues business.



(Millions of yen)

| Increase in net sales | |
|-----------------------|-------|
| Digital Government | (809) |
| Mobility Services | 41 |
| Smart Venues | 1,792 |

| Increase in cost of sales | |
|---------------------------|-------|
| Digital Government | (244) |
| Mobility Services | (1) |
| Smart Venues | 1,183 |

| Decrease in personnel expenses | |
|--------------------------------|-------|
| Digital Government | (434) |
| Mobility Services | 10 |
| Smart Venues | 260 |
| Administration | (21) |

| Increase in other SG&A expenses | |
|---------------------------------|------|
| Digital Government | (54) |
| Mobility Services | 2 |
| Smart Venues | 254 |
| Administration | (35) |

Financial Results Overview

Consolidated

Mobility Services MRR is contributing to sales and there was a big increase in arena operation and professional sports club management sales.

(Millions of yen)

| | 1H FY6/25 Results | 1H FY6/26 Results | YoY | Comp. |
|--|----------------------|----------------------|---------------|---------------|
| Net sales | 1,806 | 2,830 | 156.7% | 100.0% |
| Cloud services | 1,059 | 512 | 48.4% | 18.1% |
| MRR (Monthly recurring revenue) | 770 | 336 | 43.7% | 11.9% |
| Service start-up and construction | 288 | 175 | 60.9% | 6.2% |
| Outsourced development | 65 | 73 | 113.5% | 2.6% |
| Sales of products | 96 | 41 | 43.1% | 1.5% |
| Arena operation/ Professional sports club management | 410 | 1,918 | 476.2% | 67.8% |
| Client-specific development team service/ Outsourced development/ Smart city models | 176 | 284 | 161.8% | 10.1% |
| Operating profit | (152) | (49) | - | - |
| Operating margin | - | - | - | - |

Net Sales and Operating Profit by Segment

Mobility Services

Negative effect of the end of 3G services, but profitability improved because of a shift from sales of products to cloud IoT services.

(Millions of yen)

| | 1H FY6/25 Results | 1H FY6/26 Results | YoY | Comp. |
|--|----------------------|----------------------|---------------|---------------|
| Net sales | 586 | 627 | 107.0% | 100.0% |
| Cloud services | 441 | 512 | 115.9% | 81.6% |
| MRR (Monthly recurring revenue) | 311 | 336 | 108.1% | 53.7% |
| Service start-up and construction | 130 | 175 | 134.6% | 28.0% |
| Outsourced development | 48 | 73 | 152.7% | 11.8% |
| Sales of products | 96 | 41 | 43.1% | 6.6% |
| Operating profit | 102 | 131 | 128.8% | - |
| Operating margin | 17.4% | 21.0% | 120.6% | - |

Net Sales and Operating Profit by Segment

Smart Venues

Full first half contribution of arena operations, which started in April 2025. The goal now is more growth by using the benefit of the opening of the Kobe arena (named GLION ARENA KOBE) for adding other arena operations, the nationwide promotion of the smart city model, and other activities.

(Millions of yen)

| | 1H FY6/25 Results | 1H FY6/26 Results | YoY | Comp. |
|--|----------------------|----------------------|---------------|---------------|
| Net sales | 410 | 2,203 | 536.6% | 100.0% |
| Arena operation/ Professional sports club management | 410 | 1,918 | 467.2% | 87.1% |
| Client-specific development team service/ Outsourced development/ Smart city models | - | 284 | - | 12.9% |
| Operating profit | (107) | (12) | - | - |
| Operating margin | - | - | - | - |

1H FY6/26 Selected Financial Indicators

The big improvement in EBITDA also improved cash flows.

New investments in the Smart Venues business completed by the end of FY6/25.

| | | 1H FY6/25 Results | 1H FY6/26 Results | YoY |
|----------------------|-------------------|----------------------|----------------------|--------|
| EBITDA | (Millions of yen) | (82) | 420 | 502 |
| Cash position | (Millions of yen) | 1,643 | 3,474 | 1,831 |
| Capital expenditures | (Millions of yen) | 518 | 97 | (421) |
| Shareholders' equity | (Millions of yen) | 1,440 | 1,674 | 234 |
| Total assets | (Millions of yen) | 4,556 | 23,324 | 18,768 |
| Equity ratio | (%) | 31.6 | 7.2 | (24.4) |

2Q FY6/26 Consolidated Balance Sheet

Cash decreased because of debt and income tax payments and the repurchase of stock.

Property, plant and equipment decrease is due to depreciation.

(Millions of yen)

| As of June 30, 2025 | | As of December 31, 2025 | |
|--|---------------------------------|--|---------------------------------|
| Total assets: 24,903 | | Total assets: 23,324 | |
| Assets | Liabilities | Assets | Liabilities |
| Cash and deposits 4,126 | Interest-bearing debt 18,667 | Cash and deposits 3,475 | Interest-bearing debt 18,427 |
| Notes and accounts receivable-trade, and contract assets 497 | | Notes and accounts receivable-trade, and contract assets 561 | |
| Property, plant and equipment 18,696 | Various liabilities 3,237 | Property, plant and equipment 18,147 | Various liabilities 2,857 |
| Various assets 1,582 | | Various assets 1,141 | |
| | Net assets | | Net assets |
| | Shareholders' equity 2,543 | | Shareholders' equity 1,674 |
| | Non-controlling interests 455 | | Non-controlling interests 366 |

03

FY6/26 Forecast

FY6/26 Forecast Highlights

The FY6/26 forecast was revised to reflect the below-forecast first half earnings. However, still forecast higher sales and earnings because of the steady performance of the Mobility Services business and, although later than planned, the start of operations in the Smart Venues business.

(Millions of yen)

| | | FY6/25 Results | FY6/26 Forecast | YoY |
|---|---|-------------------|--------------------|--------|
| Digital Government (Sold on June 30, 2025) | Net sales | 1,743 | - | - |
| | Operating profit | 169 | - | - |
| Mobility Services | Net sales | 1,103 | 1,078 | 97.8% |
| | Operating profit | 176 | 190 | 107.7% |
| Smart Venues | Net sales | 1,515 | 4,857 | 320.5% |
| | Operating profit | (320) | 380 | - |
| Administration | Operating profit | (466) | (309) | - |
| Consolidated | Net sales | 4,361 | 5,936 | 136.1% |
| | Operating profit | (440) | 261 | - |
| | Ordinary profit | (733) | (634) | - |
| | Profit attributable to owners of parent | 916 | (789) | - |

FY6/26 Forecast Highlights (Quarterly)

Consolidated

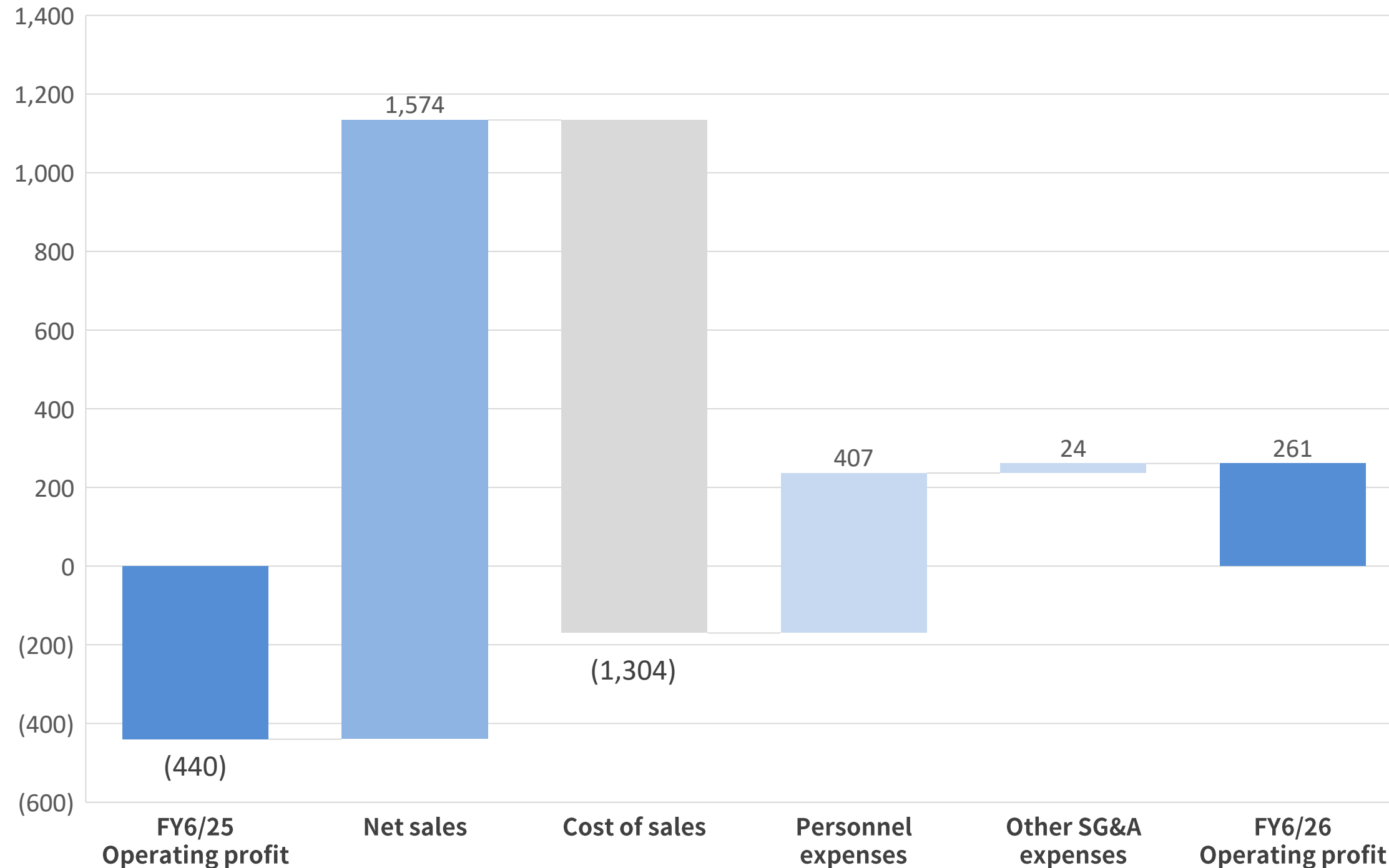
Forecast a profit in the fourth quarter, which is one quarter later than initially planned.

(Millions of yen)

| | 1Q | 2Q | 3Q | 4Q | Full year |
|---|-------|-------|-------|-------|-----------|
| Net sales | 1,239 | 1,591 | 1,425 | 1,680 | 5,936 |
| Operating profit | (68) | 18 | 17 | 292 | 261 |
| Ordinary profit | (293) | (205) | (206) | 71 | (634) |
| Profit attributable to owners of parent | (242) | (384) | (197) | 35 | (789) |

Change in Operating Profit

The Digital Government business, where performance was declining, was sold for a shift of emphasis to Smart Venues as a core business.



(Millions of yen)

| Increase in net sales | |
|-----------------------|---------|
| Digital Government | (1,743) |
| Mobility Services | (24) |
| Smart Venues | 3,341 |

| Increase in cost of sales | |
|---------------------------|-------|
| Digital Government | (570) |
| Mobility Services | (42) |
| Smart Venues | 1,917 |

| Decrease in personnel expenses | |
|--------------------------------|-------|
| Digital Government | (879) |
| Mobility Services | 5 |
| Smart Venues | 484 |
| Administration | (17) |

| Decrease in other SG&A expenses | |
|---------------------------------|-------|
| Digital Government | (123) |
| Mobility Services | 0 |
| Smart Venues | 238 |
| Administration | (139) |

Financial Results Overview

Consolidated

Cloud services sales are down because only the IoT category remains after the sale of the SaaS business as AI creates increasing challenges in the entire software industry. Big increases in sales in the smart city model sector, which is a physical community OS, and arena operation and professional sports club management.

(Millions of yen)

| | FY6/25 Results | FY6/26 Forecast | YoY | Comp. |
|--|-------------------|--------------------|--------|--------|
| Net sales | 4,361 | 5,936 | 136.1% | 100.0% |
| Cloud services | 2,204 | 894 | 40.6% | 15.1% |
| MRR (Monthly recurring revenue) | 1,562 | 655 | 41.9% | 11.0% |
| Service start-up and construction | 641 | 239 | 37.3% | 4.0% |
| Outsourced development | 153 | 138 | 90.4% | 2.3% |
| Sales of products | 128 | 45 | 35.4% | 0.8% |
| Arena operation/ Professional sports club management | 1,515 | 4,274 | 282.0% | 9.8% |
| Client-specific development team service/ Outsourced development/ Smart city models | 359 | 583 | 162.1% | 72.0% |
| Operating profit | (440) | 261 | - | - |
| Operating margin | - | 4.4% | - | - |

Net Sales and Operating Profit by Segment

Mobility Services

Negative effect of the end of 3G services, but improvement in profitability because of a shift from sales of products to cloud IoT services.

(Millions of yen)

| | FY6/25 Results | FY6/26 Forecast | YoY | Comp. |
|--|-------------------|--------------------|---------------|---------------|
| Net sales | 1,103 | 1,078 | 97.8% | 100.0% |
| Cloud services | 865 | 894 | 103.4% | 83.0% |
| MRR (Monthly recurring revenue) | 633 | 655 | 103.5% | 60.8% |
| Service start-up and construction | 232 | 239 | 102.9% | 22.2% |
| Outsourced development | 108 | 138 | 127.2% | 12.8% |
| Sales of products | 128 | 45 | 35.4% | 4.2% |
| Operating profit | 176 | 190 | 107.7% | - |
| Operating margin | 16.0% | 17.7% | 110.2% | - |

Net Sales and Operating Profit by Segment

Smart Venues

Much higher sales and an operating profit due to the start of arena operations.

(Millions of yen)

| | FY6/25 Results | FY6/26 Forecast | YoY | Comp. |
|--|-------------------|--------------------|---------------|---------------|
| Net sales | 1,515 | 4,857 | 320.5% | 100.0% |
| Arena operation/ Professional sports club management | 1,515 | 4,274 | 282.0% | 89.7% |
| Client-specific development team service/ Outsourced development/ Smart city models | - | 583 | - | 10.3% |
| Operating profit | (320) | 380 | - | - |
| Operating margin | - | 7.8% | - | - |

FY6/26 Selected Financial Indicators

Improvement in cash flows because of the end of Smart Venues investments.
The goal is a higher equity ratio by repaying loans and generating earnings.

| | | FY6/25 Results | FY6/26 Forecast | YoY |
|----------------------|-------------------|-------------------|--------------------|----------|
| EBITDA | (Millions of yen) | 1,993 | 1,314 | (679) |
| Cash position | (Millions of yen) | 4,126 | 3,022 | (1,104) |
| Capital expenditures | (Millions of yen) | 18,454 | 250 | (18,204) |
| Shareholders' equity | (Millions of yen) | 2,543 | 1,490 | (1,053) |
| Total assets | (Millions of yen) | 24,903 | 22,289 | (2,614) |
| Equity ratio | (%) | 10.2 | 6.7 | (3.5) |

04

**Business Activities, Topics and
KPI by Segment**

Mobility Services: Business Overview

Connected

CiEMS Series

導入から運用まで、ストレスフリーなテレマティクスを実現

社有車の管理をもっと手軽に

社有車管理には日報記録やアルコールチェックの法令対応に加え、安全対策など多くの業務負担が伴います。

CiEMSシリーズではそれらの課題解決をサポートします。



Shared

Kuruma Base

モビリティのシェアリングプラットフォーム

クルマの活用をもっと自由に

10年以上に渡って、法人向けテレマティクスサービスを開発・提供してきた技術を駆使し、カーシェアリングなど、モビリティのシェアリングサービスに必要な車載デバイス、管理コンソール、スマートフォンアプリのホワイトラベル提供、更にはコールセンターや定期メンテナンスの受託など、運用のサポートを行うことで、モビリティ社会における新たなサービスモデルの創造を実現します。



Next Stage

- ✓ Public access to accumulated vehicle use data
- ✓ Utilization of commercial vehicle data

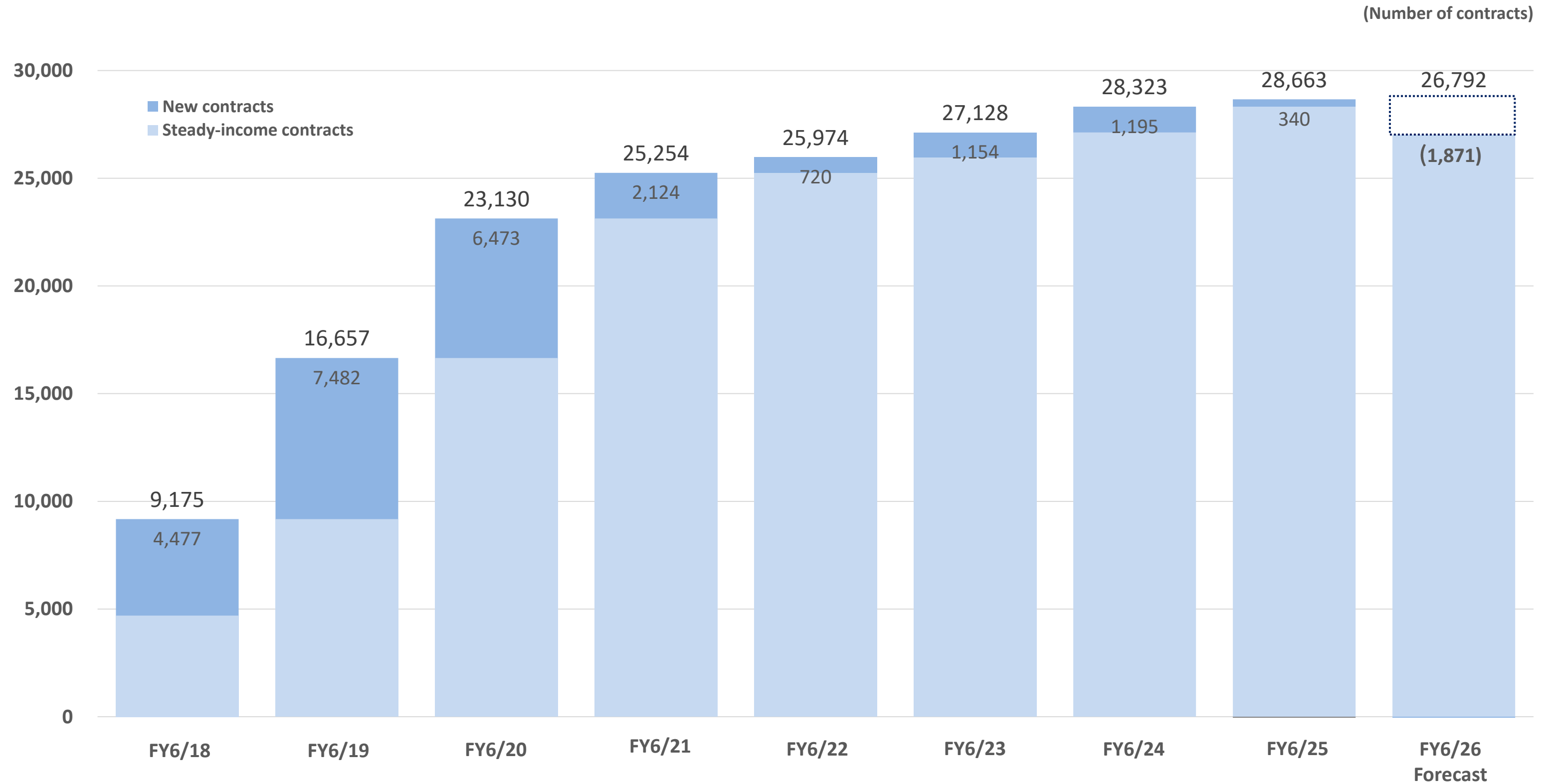
Visualization Services

Accumulation/analysis of vehicle use data

Vehicle data sensing

Mobility Services: KPI

Mobility IoT: Number of CiEMS Hardware Contracts



Mobility Services: CiEMS

- Progress with use of CiEMS by construction machinery rental companies and financial institutions; number of new hardware contracts is increasing
- However, there will be negative effects of the March 2026 end of 3G and cancelation of 3G service contracts

Topic 1

AKTIO Corporation uses telematics for the DX of company vehicle management

- **Higher efficiency**
Constant centralized management of current vehicle data and full automation of daily vehicle use reports
- **Fewer accidents and violations**
Dangerous driving alerts and an automatic driving score system promote safe driving and prevent accidents
- **Stronger commitment to compliance**
Reinforces the commitment to complying with vehicle management rules with functions including a strict system to prevent drinking and driving
- **Reduction of CO2 emissions**
Visualization of CO2 emission data and measures to promote environmentally responsible driving lower these emissions
- **Proper fleet size/Cost reductions**
Visualization of fleet utilization makes possible the proper number of vehicles at every location and reduces expenses by lowering the number of vehicles needed

✓ Using telematics for specific themes

Topic 2

Negative effect of service contract cancelations as 3G ends Selling new contracts for a shift to the LTE model

Background

The current CiEMS 3G units can no longer be used due to the end of 3G by NTT Docomo.



End of service: March 2026

Proposal

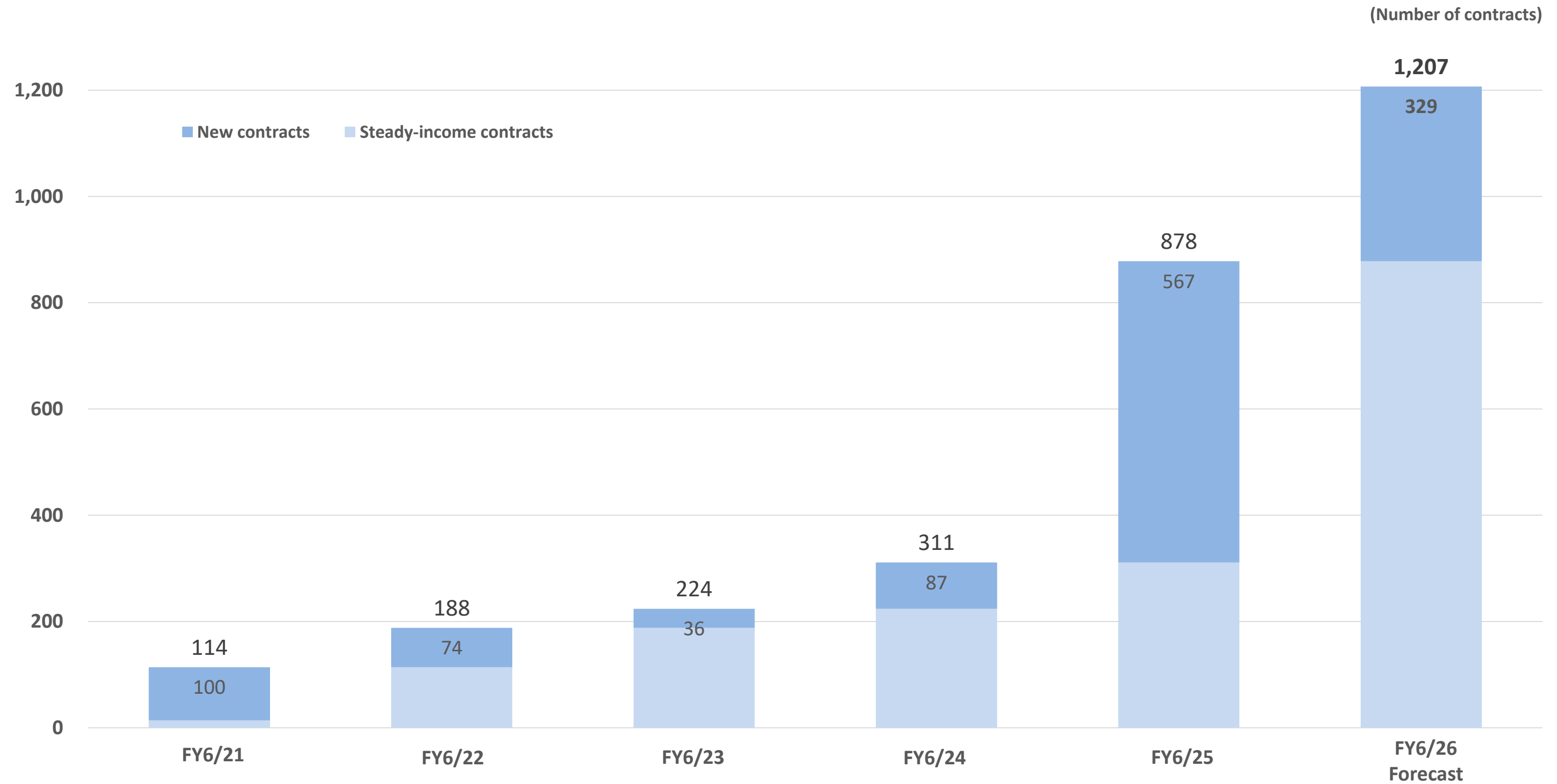
Switching to CiEMS Plus (LTE model) and starting to use the CiEMS Report alcohol monitoring app



- ✓ **Smaller number of hardware contracts, one-time increase in demand caused by the switch to the LTE model**

Mobility Services: KPI

Mobility IoT: Number of Kuruma Base Contracts



Mobility Services: Kuruma Base

- Increasing use of the fully automated construction machinery rental service with more than **50** locations now using this service
- Cumulative contracts have surpassed **1,000**

Topic 1

Wakita & Co., Ltd. uses Kuruma Base for automated construction machinery rentals

WAKITA Self Rental

- ✓ A 24-hour/365-day automated rental and return system including provision of keys to operate machinery
- ✓ Immediate rentals with no waiting time; no procedure involving direct contact with an employee

Topic 2

Start of commercialization and operation of vehicle sharing for the fleet of the City of Tokushima



- ✓ City vehicles are used for official activities on weekdays and can be shared with residents and tourists on weekends
- ✓ The system also allows using vehicles to respond to an emergency

Topic 3

More than 1,000 Kuruma Base contracts using Kuruma Base



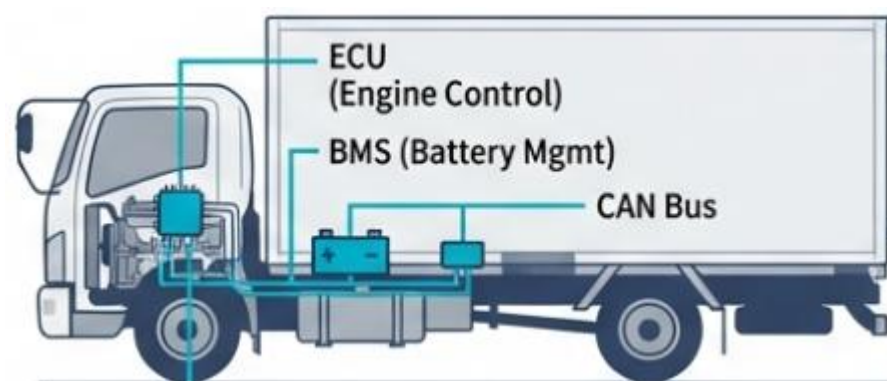
- ✓ Automation of rental car and rental construction machinery locations and vehicle sharing for government and company fleets
- ✓ More than 50 locations are now fully automated due to Kuruma Base

Mobility Services: Activities for More Growth

- Use commercial vehicle data in the connected technology domain created by the CiEMS service
- Collect and analyze deep data (CAN, etc.) on vehicles to solve problems at delivery and other logistics companies

Collect/disclose commercial vehicle data

General vehicle location management (GPS)



Collect deep vehicle data (CAN)

- Read accident code
- DPD and other ICE vehicle data
- Battery and other BEV vehicle data

Examples of commercial vehicle data use

Early signs of a malfunction and maximum vehicle use



Remote automatic collection of accident codes and vehicle use data for the remote visualization of the condition of vehicles. Easier to maintain vehicles based on a plan.

Support for shift to EV and detection of battery problems



Visualization of battery level and battery condition. Utilization of EV data helps to increase the use of these vehicles.

More efficient operations



More efficient vehicle inspections and more advanced vehicle maintenance records to establish an environment that allows companies to concentrate on using vehicles to transport cargo and packages for customers.

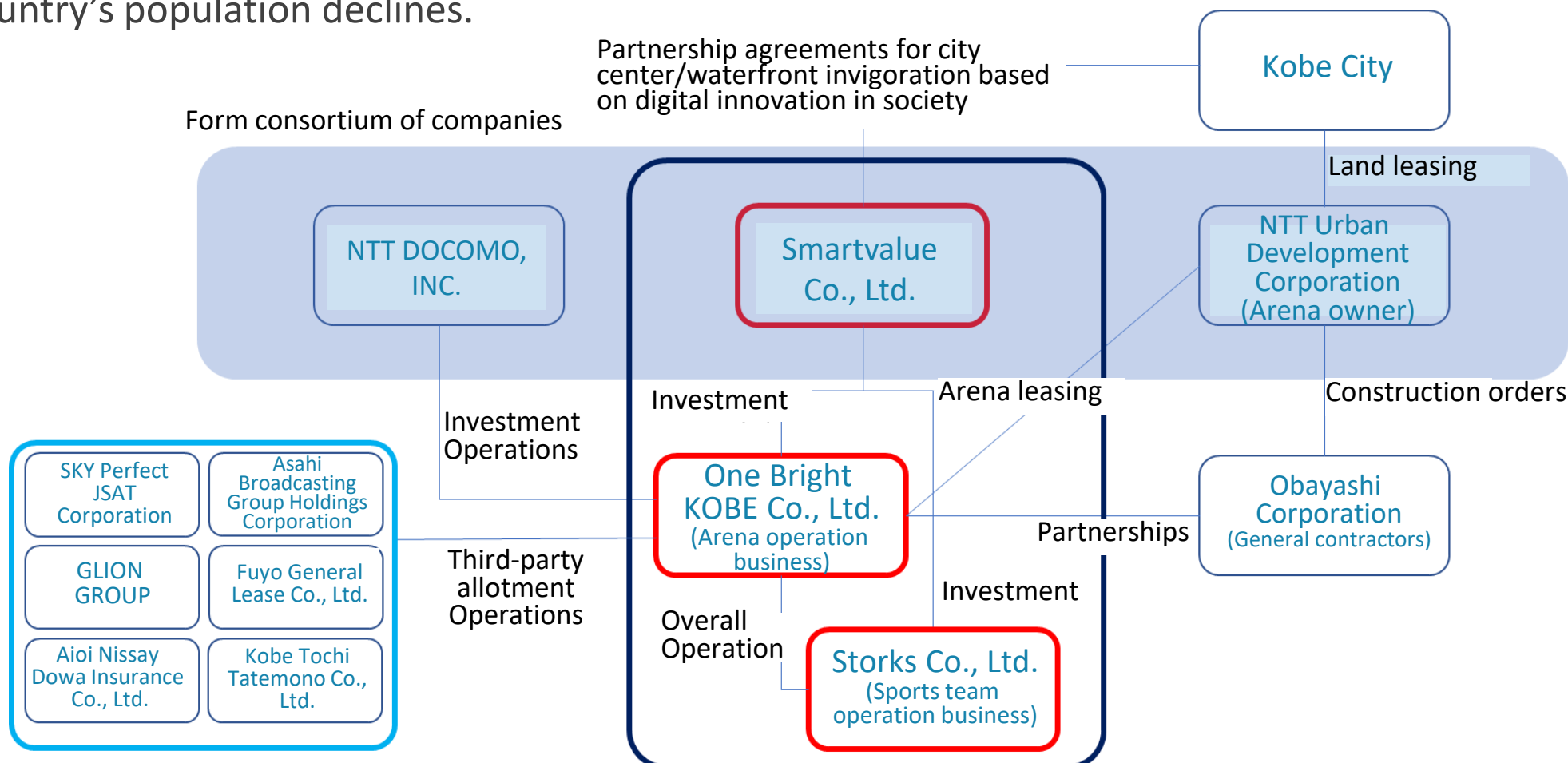
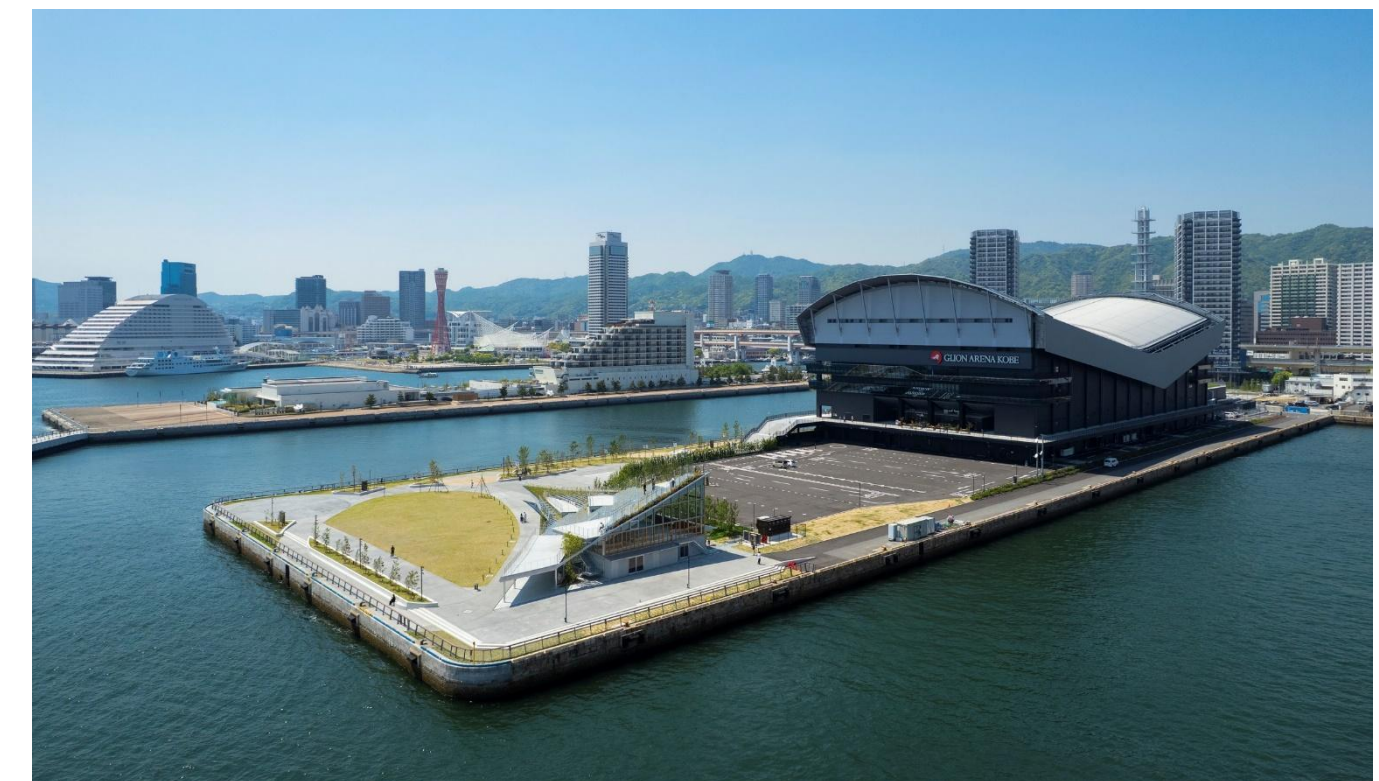
Smart Venues: Business Overview

This business operates an 11,000 seat multi-purpose arena on the Kobe waterfront. Completed in the spring of 2025, the arena is the nucleus of business activities with the goal of creating a social system in which a smart city model is used as part of a physical community.

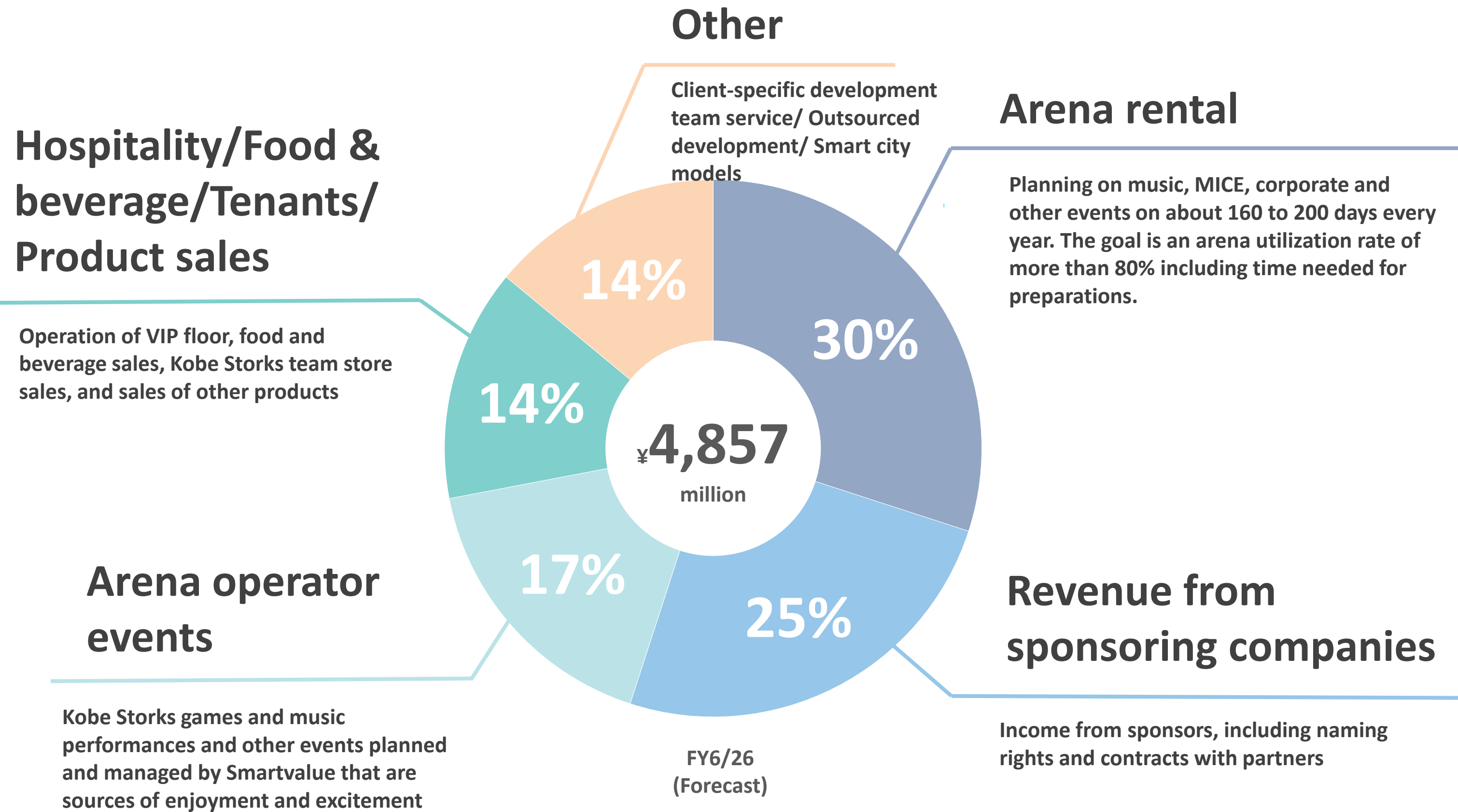
The arena has already hosted many events. During the first 10 months of operation, attendance at all events at the arena is more than one million.

The arena is operated by a consortium of Smartvalue, NTT Docomo and NTT Urban Development. Smartvalue has acquired considerable expertise since the arena opened and is now recording depreciation expenses for the arena. Based on current reservations, arena utilization is expected to remain high.

In addition, this new landmark in Kobe is attracting many visitors to the area around the arena and has increased civic pride, resulting in economic and social value. Smartvalue is seeking opportunities for using know-how acquired at this project for more community creation projects in Japan as the country's population declines.



Smart Venues: Sales Composition



Smart Venues: A Spectacular Private-sector Arena

Creation of a model for a smart city

One of the few 10,000 spectator arenas in the Kansai area

A rare waterfront site with a hinterland of over 3 million people, located within walking distance of a major railway station

More than only an arena business; Smartvalue involvement with content, digital technologies and community creation

Japan's first ZEB Ready certification (Arena uses 100% energy from renewable sources)

Arena is operated while working closely with the Kobe Storks basketball team

This private-sector arena attracts people and adds vitality to this waterfront area of Kobe, bringing in visitors and customers for many businesses and other places in this district. The Smart Venues business energizes the local economy, generates earnings and contributes to community creation that produces significant social value.

Smart Venues: Topic 1

Demonstration trial using IOWN to link the arena with Expo 2025

The world's first "futuristic live viewing" uses a real-time connection provided by IOWN^{*1} and FEEL TECH^{®*2}. People at Expo 2025 in Osaka enjoyed games of the Kobe Storks held at the arena (GLION ARENA KOBE) almost as if they were in the arena themselves. This was made possible by the support of Smartvalue consolidated subsidiary One Bright KOBE, the Hyogo prefectural government, the NTT Group (NTT, NTT Docomo, NTT East, NTT West, NTT Data, NTT Urban Solutions), and Storks.

With the cooperation of SoftBank and B.LEAGUE (Basket LIVE), basketball games at the arena can be viewed at the expo in a format that gives expo visitors a realistic experience remarkably close to watching the game at the arena. IOWN is a distributor of video and audio content, providing high speed and capacity with minimal delays and no instability. FEEL TECH[®] is a technology that enables the exchange of physical sensations and movements mainly for individuals on the receiving side.

IOWN next-generation communication installed for the first time in a western Japan arena

Kobe Storks games on October 4 and 5, 2025 (Saturday and Sunday)



Expo 2025 in Osaka



GLION ARENA KOBE

Real-time viewing using IOWN at Expo 2025

*1 Using an alliance with the NTT Group, One Bright KOBE, operator of GLION ARENA KOBE, has installed the IOWN communication technology in the arena. IOWN is a next-generation communication and data processing platform concept backed by NTT, which aims to begin the practical use of this technology in 2030. This is the first commercial service provided as a demonstration of IOWN, using an all-photonics network. GLION ARENA KOBE is the first arena in western Japan to use this technology, which utilizes the advanced capabilities of IOWN to create an entirely new live entertainment environment.

*2 For more information about FEEL TECH[®]: <https://www.docomo.ne.jp/corporate/technology/rd/ft/001.html>

Smart Venues: Topic 2

Volleyball SV.League All Star Games



In October 2025, GLION ARENA KOBÉ hosted a volleyball game between the Osaka Bluteon and Sunbirds Osaka. This was followed by two SV.League all-star games, one each for men and women, that took place in 2026 at the arena on January 31 and February 1.

Total attendance of the two games was about 18,000.

Attendance

| | |
|-----------------------|-------|
| Saturday, January 31: | 8,389 |
| Sunday, February 1: | 9,342 |



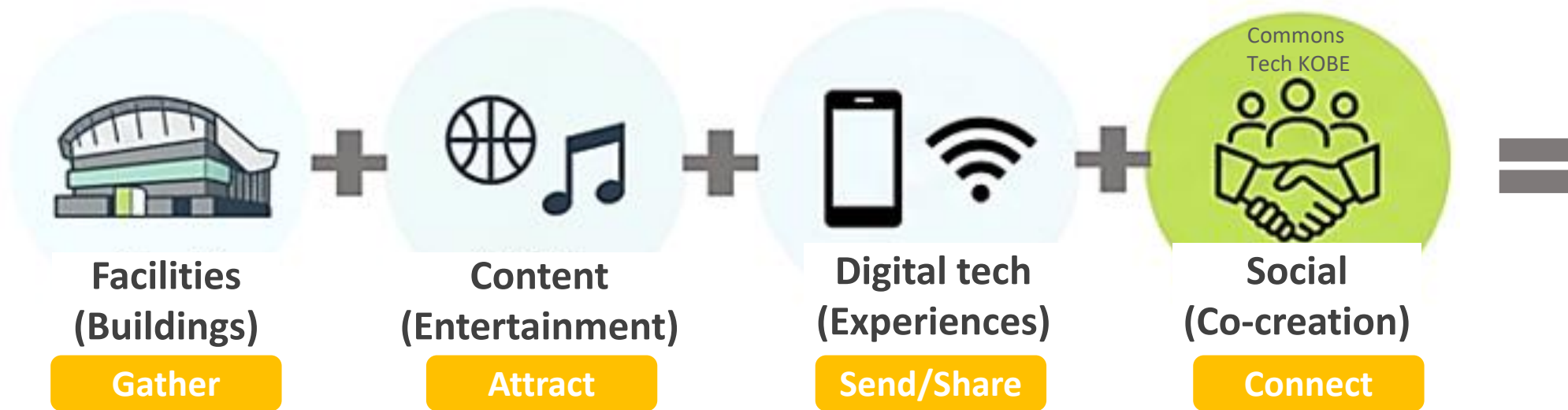
Smart Venues: Smart City Models

Commons Tech KOBE

A community co-creation business in which companies and organizations design communities of the future

Using the Arena as a hub, we will leverage ICT to enhance circulation of people, revitalize the local community, and expand the population that will visit this area.

Smartest Arena combining these four components



More circulation of people originating with the Smartest Arena



Digital technologies are incorporated in society, such as by using the TOTTEI KOBE app and the collection and analysis of real-time data using neighborhood beacons. The objective is the establishment of a community model that can constantly create energy and excitement.



Smart Venues: Smart City Models

Action 1 – Create touch points

TOTTEI KOBE App collects data on events, purchases, locations and preferences



Use TOTTEI PAY to make payments with one touch

By registering payment information, TOTTEI PAY can be used at restaurants, stores and other locations by simply holding a phone over a payment unit. No need to recharge. Also accumulate TOTTEI miles with every use.



Mission for visiting recommended TOTTEI and Kobe locations Many more ways to enjoy Kobe

Complete the mission of visiting recommended locations in Kobe and within TOTTEI to earn miles, discount coupons and special badges available for a limited time. Missions are a new and innovative way to have fun.



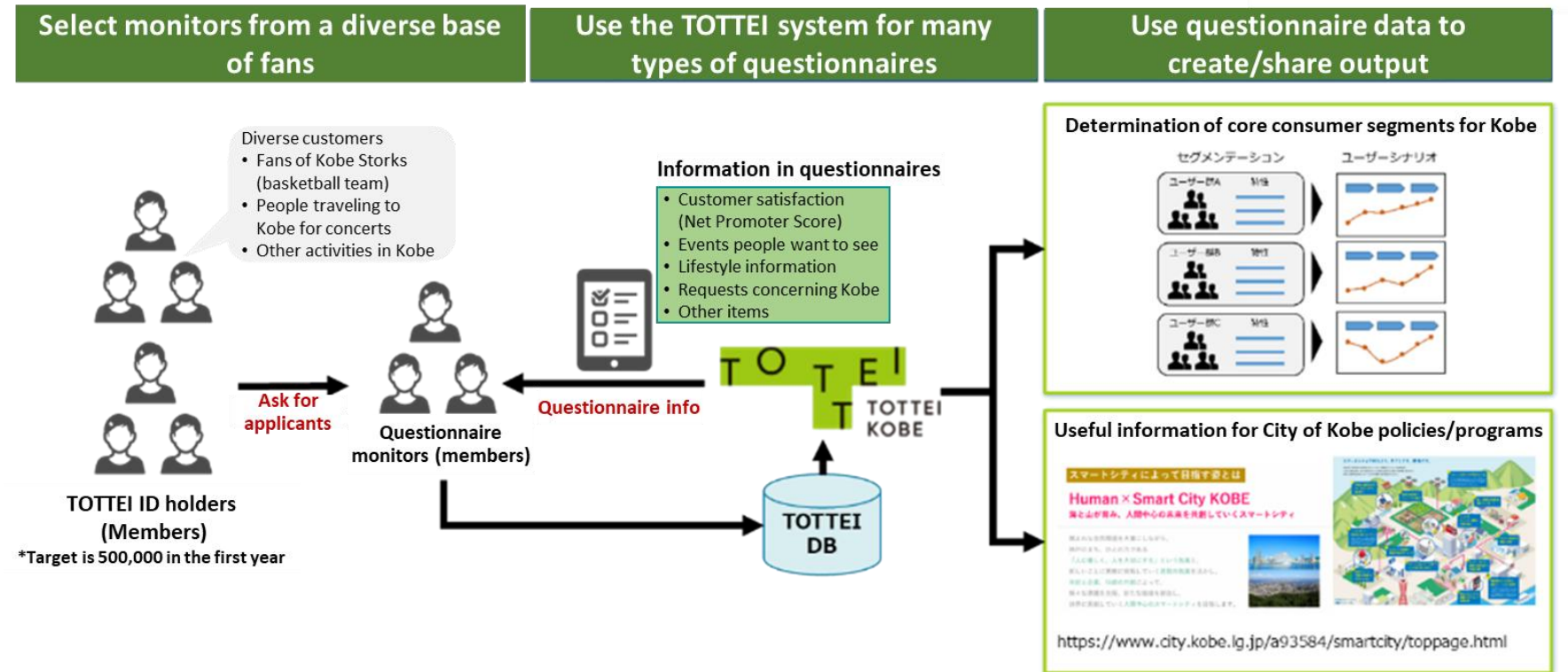
Coupons for enjoying TOTTEI and Kobe at a discount Accumulate miles for benefits

Coupons issued by the app can be used in TOTTEI as well as at many locations in Kobe. You can even use TOTTEI coupons for savings in your daily activities.



Action 2 – Real-time collection of data on visitors

Supplies optimized data by using CRM and survey information for a thorough understanding of customers



Action 3 – Real-time collection of data on visitors

Effective activities by using beacons to collect data on movements of people



Partnership with JR West for setting up beacons to complement TOTTEI app capabilities and to collect and disseminate information

The beacon infrastructure



Combines beacons and smartphone Bluetooth links for directly sending promotional information to carefully selected individuals.

Direct promotions to selected targets can be implemented to achieve highly publicized measures.

Strengths of the JRwest-derived system

- Beacons are placed at the automatic ticket gates of JR West stations, which can provide a high-touch environment due to the nature of high-traffic locations.
 - Installed on the Osaka Loop Line and the main line between Kyoto and Kobe
 - Other rail operators are being approached for installation.
- By analyzing data on the number of contacts for each beacon, it is possible to demonstrate and improve promotional measures on an ongoing basis.

Envisioned overall picture

Based on data obtained from the app about the interests of individuals, information that matches these interests is sent with the proper timing (when an individual is near a particular restaurant, for example) to increase effectiveness and encourage people to stay in the area and visit more shops and other businesses



Action 4 – Data collection and analysis

Use the dashboard for demand forecasts and analysis of future events



Forecasts and new community creation made possible by data analysis

Use the power of data for constantly updating communities

Visualization of current condition: Determine characteristics and movement patterns of visitors and share information about issues.

Forecasts: Use current condition data to create forecasts that enable the determination of more effective actions.

Community-specific marketing: Use marketing activities based on data to play a role in increasing the vitality of the entire waterfront district.




Smart Venues: Smart City Models


Examples of accomplishments and customer circulation improvements




TOTTEI visitors
1,000,000 people



App downloads
61,735 DL




TOTTEI PAY payments
4,005 times



Mission entries
52,101 times



Coupons used
5,074 coupons



Beacon locations
110 places

KOBE 30Days CHALLENGE

A Kobe stamp rally was held to celebrate the opening of the arena. People collect stamps every time they visit a different location and receive coupons that can be used immediately at many stores and other locations. This event gives people a reason to visit many places in Kobe.



10,959 participants

Pro Sports Stamp Rally

This stamp rally was held with the cooperation of professional sports clubs in Hyogo prefecture. Participants visited stadiums and arenas where they used GPS or a QR code to receive stamps.



1,161 participants

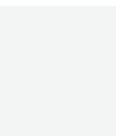
Basketball post-game food/beverage coupons



Tens of groups participated

05

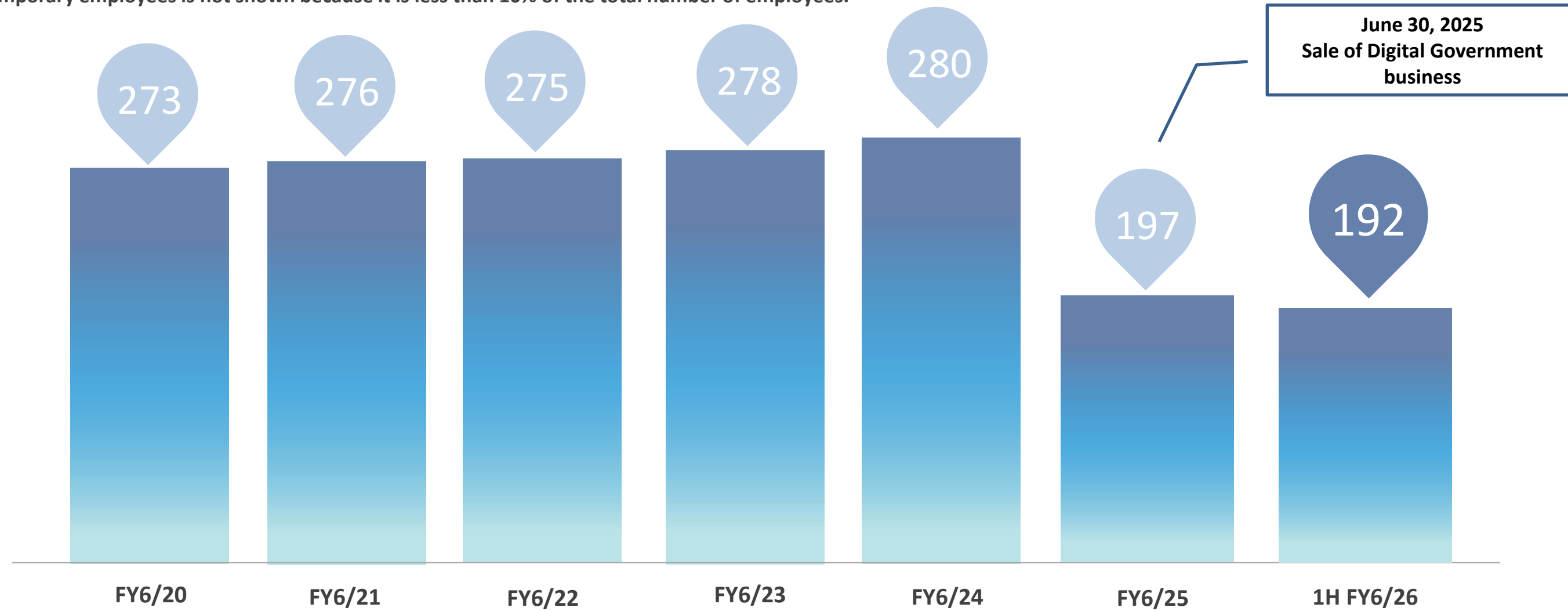
Appendix



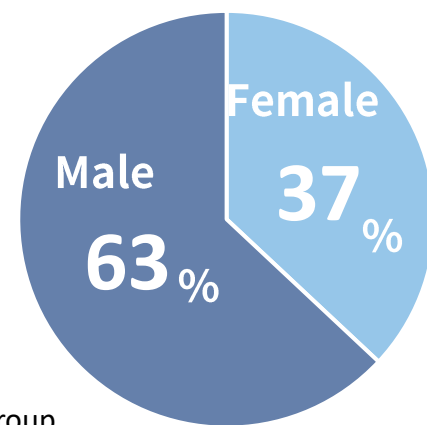
Employees

Smartvalue Group Employees

* The number of temporary employees is not shown because it is less than 10% of the total number of employees.

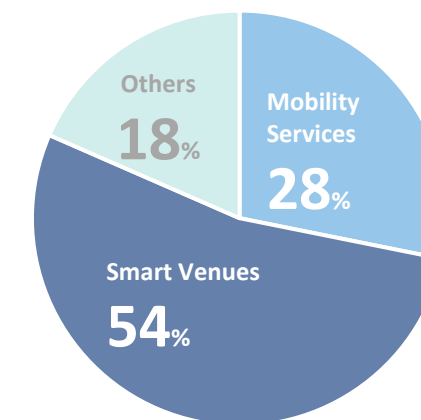


Gender



Smartvalue Group

Segment



Smartvalue
(Including employees seconded to consolidated subsidiaries)

Human Resources Initiatives (Work-life Support)

The SMART WORK project of Smartvalue includes initiatives to enable people to do their jobs by using many working styles, increase assistance for people raising children, support employees with needs involving care for an aging parent, infertility or other issues, and improve the workplace environment in many other ways.

We will continue to take actions for more improvements concerning the workplace environment, measures to deal with Japan's aging and declining population, and other activities. We are committed to maintaining workplaces and providing benefits that enable people to work with confidence while realizing their full potential.

Kurumin certification



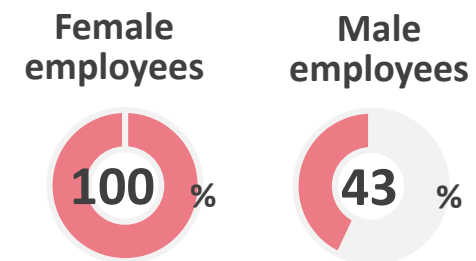
In March 2025, Smartvalue received for the fifth time Kurumin certification from the Minister of Health, Labour and Welfare as a company that provides support for raising and caring for children. (Continuously certified since April 2013)

Eruboshi certification



In September 2022, Smartvalue was certified by the Minister of Health, Labour and Welfare as an outstanding company concerning the empowerment and advancement of women.

Use of child care time off



Women have used 100% of available time off for child care since this program started.

During FY6/25, utilization rate of child care time off by men was 43%.

Work and family member care



Smartvalue has its own system to support employees who need to care for a family member while continuing to work. Salaries are paid for part of this time off and employees can decide working hours in the family care support program.

Infertility treatment support



In July 2023, Smartvalue added a program to assist employees undergoing procedures involving infertility. Employees can take time off for these treatments or reduce working hours. A consultation service is also available.

Work-life support info meetings



Smartvalue holds information meetings periodically to explain programs that enable employees to remain at the company while meeting obligations at home. These meetings raise the awareness of these benefits as well as the understanding of how the programs function.



Human Resources Initiatives (Health Management)

Purpose of Health Management

Smartvalue has the mission of “combining ‘smart’ systems and technologies to create social systems that can thrive for many years.” Health management is an essential component of management for accomplishing this mission.

Health management makes employees more aware of the need for measures to stay healthy, improves their sense of well-being, and helps everyone perform “smart work.”

Recognized as the 2025 KENKO Investment for Health Outstanding Organizations (Large Enterprise Category)

Smartvalue received Health Management Outstanding Organization 2025 (Large Enterprise Category) certification from the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. This certification recognizes companies that have outstanding health management programs.



Smartvalue's Commitment to DE&I

Policy for DE&I

In 2013, Smartvalue started several activities for assisting employees who are caring for children. These activities are based on our commitment to providing environments that make it easy for people to do their jobs while maintaining a suitable work-life balance. This assistance also has the benefit of raising productivity.

In 2017, we started the SMART WORK project to accomplish three goals: higher productivity, more added value, and ensuring the safety and good health of our employees. This project enables people to do their jobs in many ways, increases assistance for people raising children, supports employees with needs involving care for an aging parent, infertility or other issues. Many actions were taken to give people an even better environment for doing their jobs.

Going one more step, we are providing a workplace environment where people respect and care for others and are able to use their skills and achieve their full potential. The aim is to create a community based on mutual trust, support the growth of the company and its people, and implement business reforms and innovations. These Diversity, Equity & Inclusion (DE&I) measures have the goal of consistently producing value that will remain well into the future.

*DE&I is the concept of increasing diversity, equity, and inclusion in an organization and creating an environment where diverse human resources respect each other and can demonstrate their abilities.)

On the DE&I page of the Smartvalue corporate website, we share achievements and initiatives for the SMART WORK.



Initiatives for Sustainability

Basic Policy for Sustainability

The purpose of Smartvalue is to serve as “a business infrastructure that can be effective forever as a valuable element of society and play key roles in creating new stages for society over the years.” Our businesses help solve social issues and business activities are backed by sound corporate governance. We are also committed to protecting the environment and constantly being a positive and beneficial member of society in other ways. This commitment and our socially responsible business activities are rooted in our belief that the implementation of sustainability initiatives is our purpose.



Convergence of “digital” and “real”

Our businesses help solve social issues through the use of technology for achieving the convergence of the “digital” and “real” domains.



Earth is our biggest stakeholder

Our activities for helping deal with environmental issues are based on the belief that the Earth is our biggest stakeholder.



Respect for diversity

We respect the diversity of our people and recognize this diversity as the premise for ability to produce innovative ideas. Based on this thinking, we maintain an organizational culture that always puts people first.

Initiatives for Sustainability

Visualization of CO2 emissions and energy use by using TOTTEI

Consolidated subsidiary One Bright KOBE established an alliance with Infosys Ltd., a large IT company based in India, for a project that provides the visualization of the CO2 emissions and energy use of a facility. This is part of the TOTTEI ALL GREEN ACTION initiative of One Bright KOBE, a private-sector project for solving district and social issues involving the Kobe waterfront.

The project with Infosys monitors the use of water, electricity and gas at GLION ARENA KOBE and other TOTTEI facilities. Monitoring is performed by collecting sensor data from a system placed in a central surveillance center (emergency response center). Information is integrated and analyzed in the cloud.

Data is collected concerning the CO2 emission reduction resulting from the use of renewable energy supplied by SymEnergy Inc. and the resulting numerical information and visualization is monitored by the arena operator. In the future, information panels will be placed in the arena to share this data with people attending events, demonstrating the benefits of measures to reduce the arena's environmental impact.



Corporate Governance

A Governance Structure for the Growth of Corporate Value

Based on the corporate philosophy of serving as “a business infrastructure that can be effective forever as a valuable element of society and play key roles in creating new stages for society over the years,” we are dedicated to using “smart” systems and technology for creating the social systems that will thrive for many years. We want to be a company that is a constant source of new value for our customers.

We will build strong relationships with stakeholders as we make our business operations even more efficient. Maintaining and improving a sound governance structure is vital to our ability to fulfill our responsibilities to society as well as for the long-term growth of corporate value.

Management consistent with the objectives of governance with a Nominations Committee and Remuneration Committee

Strengthen the management supervision function

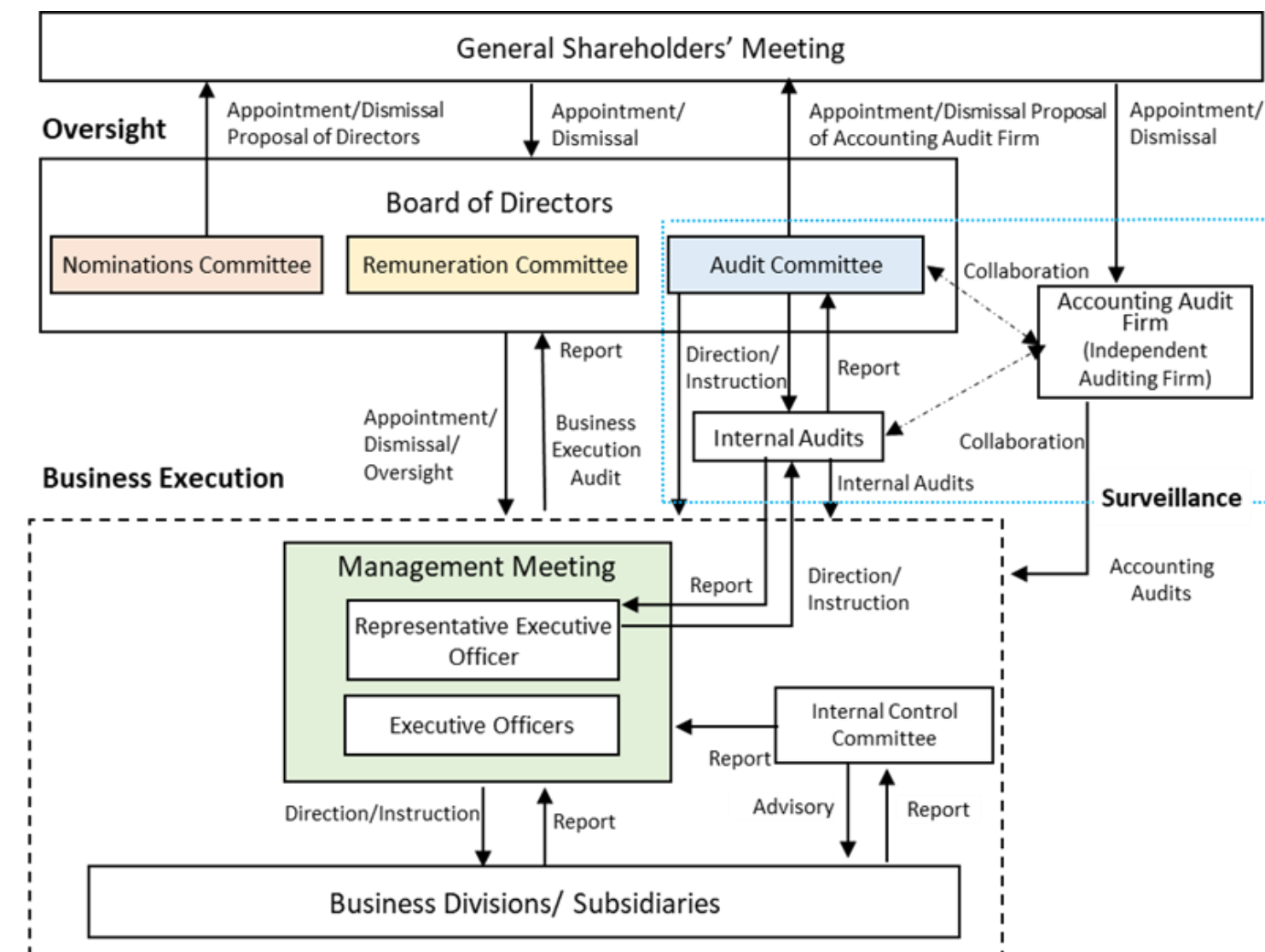
- Higher speed of conducting business operations
- More external directors

A proper management framework based on the Corporate Governance Code

Distribution of more information to all stakeholders

Stronger oversight of group companies

Corporate Governance Structure



Information Security

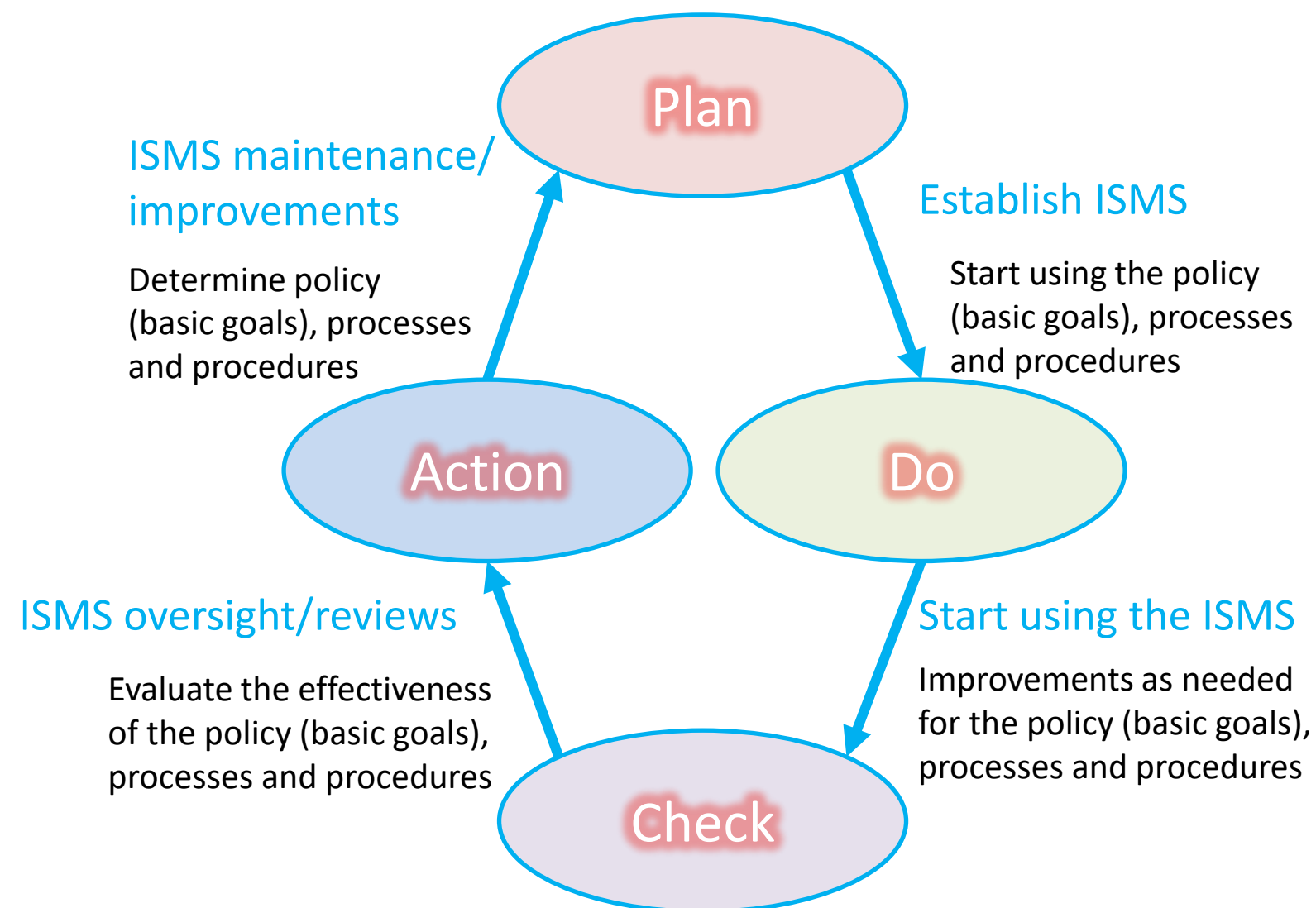
ISO27001 Certification

Smartvalue earned ISO27001 certification, which is a standard for information security management systems (ISMS), in 2005 and maintains a sound framework for the safe management of information.

As business operations change and grow, we are expanding the range of operations covered by this certification.

A framework covering the entire company is used for the implementation of a plan that does not rely on only countermeasures involving individual technologies. The information security plan also incorporates the self-assessment of risk from the perspective of organizational management and the required level of security.

The Smartvalue Group ISMS Cycle



- Appropriate protection of information assets by using the risk management framework
- Maintenance/upgrades of information security; strengthen compliance
- Earn the trust of business partners and customers, differentiation from other companies
- Prevent security management problems; corporate social responsibility
- Compliance with information security laws, regulations, and other requirements and guidelines

Smartvalue's Commitment to DX

Business Process Innovation (Business Process Re-engineering)

Smartvalue plans to use the benefits of its internal digital transformation (DX) for the extensive use of the AI transformation (AX) that incorporates generative AI and a unique large language model (LLM). The objective is the standardization of all business processes at a high level and compliance with revisions to laws and regulations.

Smartvalue is building a business process platform that eliminates any reliance on specific individuals and maintains consistently high quality. The platform uses Smartvalue's own LLM in a diverse business front office system and the autonomy of every step from data analysis to linkage. Other benefits are the automation of non-standard business processes and continuous improvements in the accuracy of centralized audits. Smartvalue will continue to advance and evolve with the goal of establishing a clear competitive advantage by adapting to change with speed and accuracy.

