

Financial Statements Report
of
MSSL Japan Limited
for the year ended March 31, 2025 and 2024
with
Audit Report

Miki Accounting Co.

Miki ACCOUNTING CO.

Certified Public Accountant
A Professional Corporation

Audit Report

To the Board of Directors of
MSSL Japan Limited

We have audited the financial statements of MSSL Japan Limited (the "Company"), which comprise the balance sheet as of March 31, 2025 and 2024, and the income statement for the year ended March 31, 2025 and 2024, expressed in Japanese Yen.

Our audit procedures included in confirmation of balance sheet and income statement, meaning that all the items on the balance sheet and income statement be examined with regards to validation, existence, rights and obligations, presentation and disclosure.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of March 31, 2025 and 2024, and the result of their operations for the year then ended in accordance with IND AS accounting policies.

Please refer to the Management Letter for details regarding the expected compensation from Suzuki Motor Company for inventory affected by the model change.

Very truly yours,



Miki Accounting Co.

June 23, 2025

Osaka, Japan

BALANCE SHEET

MSSL Japan Limited
As of March 31, 2025

ASSETS	Japanese Yen	
	2025	2024
Current Assets:		
Cash	¥ 142,864	¥ 159,259
Cash in bank	382,812,986	464,147,435
Notes receivable	-	3,887,841
Accounts receivable	649,431,355	459,012,833
Goods	583,745,541	624,173,767
Suspense payment	13,096,759	296,362
Receivable - other	397,547,522	187,234,473
Prepaid expense	5,347,574	5,743,041
Short-term Loans	200,000,000	200,000,000
Consumption tax - receivable	9,856,358	21,355,318
Payments	49,440	2,063,725
Total current assets	2,242,030,399	1,968,074,054
Non-current Assets		
Fixed Assets:		
Building	84,872,194	31,515,541
Fixtures	59,797,749	34,554,498
Structure	4,914,989	4,914,989
Cars	2,630,000	2,630,000
Equipment	27,075,364	23,102,249
Land	91,902,864	41,564,625
Software	1,662,695	1,758,648
Construction in progress	-	8,380,900
Less, accumulated depreciation	(54,604,123)	(41,791,527)
	218,251,732	106,629,923
Other Assets:		
Deposit	15,003,813	15,312,313
Long term prepaid expenses	666,500	759,500
Stocks of affiliated corporations	10,000,000	10,000,000
Contribution in aid of construction	242,948	-
Total non-current assets	244,164,993	132,701,736
Total assets:	¥ 2,486,195,392	¥ 2,100,775,790
LIABILITIES AND EQUITY	Japanese Yen	
	2025	2024
Current & Fixed Liabilities:		
Accounts payable	¥ 1,259,123,562	¥ 820,585,231
Income taxes payable	20,420,400	67,050,000
Accrued expenses	143,203,195	119,803,871
Deposit received, withholding tax, etc	2,970,379	780,000
Suspense	-	111,459,956
Long term debt	159,798,000	179,320,000
Total liabilities:	1,585,515,536	1,298,999,058
Shareholders' Equity:		
Capital	17,500,000	17,500,000
Capital reserve	7,500,000	7,500,000
Retained earnings	875,679,856	776,776,732
Total shareholders' equity:	900,679,856	801,776,732
Total liabilities and shareholders' equity:	¥ 2,486,195,392	¥ 2,100,775,790

INCOME STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2025

		Japanese Yen	
		2025	2024
Revenue:			
Sales	¥	7,333,419,244	6,513,583,429
Interest income		2,615,155	2,439,849
Foreign exchange gain		277,077	334
Miscellaneous income		2,782,455	1,890,010
		<u>7,339,093,931</u>	<u>6,517,913,622</u>
Costs and expenses:			
Cost of sales		6,226,197,058	5,312,369,137
Selling, general and administrative		901,370,589	753,202,891
Foreign exchange loss		437,395	145,988
Interest expense		2,264,320	2,073,582
Loss on disposal of obsolete inventories		-	605,000
Miscellaneous expense		-	660,039
		<u>7,130,269,362</u>	<u>6,069,056,637</u>
Income before income taxes		<u>208,824,569</u>	<u>448,856,985</u>
Income taxes		109,921,445	157,558,277
Net income		<u>98,903,124</u>	<u>291,298,708</u>

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

MSSL Japan Limited

For the year ended March 31, 2025

	Japanese Yen	
	2025	2024
Salary	¥ 267,975,476	¥ 175,395,134
Commuting traffic	4,325,052	4,305,499
Social insurance	32,981,515	30,707,235
Welfare	4,613,404	6,971,099
Recruting, Education cost	1,470,000	4,315,830
Outside	295,649,065	325,987,584
Delivery	49,425,494	35,774,752
Advertising	2,140,653	154,000
Entertainment	3,252,819	6,215,856
Meeting	2,286,434	924,632
Travel	20,488,835	26,768,872
Telephone	3,294,944	3,589,876
Supplies	10,926,169	22,730,386
Office supplies	2,590,492	2,763,286
Repair / Maintenance	2,677,122	6,520,539
Utilities	10,708,309	8,173,937
Publication	19,262	28,183
Membership fee	52,410	75,110
Bank charges	2,607,894	2,120,174
Brokerage fee	1,889,711	1,425,110
IT System fee	12,861,652	4,590,855
Leasing	2,801,098	1,907,097
Insurance	4,419,535	8,656,787
Professional services	61,501,067	8,072,940
Warehouse fee	48,198,030	36,936,000
Depreciation	13,295,262	6,551,302
Office rent	18,293,681	10,049,743
House rent	6,295,393	5,042,905
Other taxes	8,539,234	1,100,500
Others, miscellaneous	5,790,577	5,347,668
Total	¥ 901,370,589	753,202,891

STATEMENT OF CHANGES OF SHAREHOLDERS' EQUITY

MSSL Japan Limited

For the year ended March 31, 2025

Japanese Yen						
2025						
	Shareholders' equity				Net assets	
	Capital	Capital reserve	Retained earnings	Total shareholders' equity		
Net assets at April 1, 2024	¥ 17,500,000	7,500,000	¥ 776,776,732	¥ 801,776,732	¥	801,776,732
Net income	-	-	98,903,124	98,903,124		98,903,124
Dividend	-	-	-	-		-
Net change	-	-	98,903,124	98,903,124		98,903,124
Net assets at March 31, 2025	¥ 17,500,000	7,500,000	¥ 875,679,856	¥ 900,679,856	¥	900,679,856

Japanese Yen						
2024						
	Shareholders' equity				Net assets	
	Capital	Capital reserve	Retained earnings	Total shareholders' equity		
Net assets at April 1, 2023	¥ 17,500,000	7,500,000	¥ 485,478,024	¥ 510,478,024	¥	510,478,024
Net income	-	-	291,298,708	291,298,708		291,298,708
Dividend	-	-	-	-		-
Net change	-	-	291,298,708	291,298,708		291,298,708
Net assets at March 31, 2024	¥ 17,500,000	7,500,000	¥ 776,776,732	¥ 801,776,732	¥	801,776,732

NOTES TO FINANCIAL STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2025

1 BASIS OF PRESENTING FINANCIAL STATEMENTS

The Company maintains its accounting records and prepares its financial statements in accordance with the generally accepted accounting principles in Japan ("Japanese GAAP"), which are minor different in certain respects as to the application and disclosure requirements of the International Financial Reporting Standards (IFRS). In preparing accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. The accounting book and the financial statements are stated in Japanese Yen.

2 SUMMARY OF MAJOR ACCOUNTING POLICIES

Revenue recognition

Sales include sales price of products and discounts, excluding consumption tax (Japanese VAT).

Revenue is recognized at the delivery date of goods.

Fixed assets

Fixed assets are stated at book value.

Depreciation of fixed assets is principally computed by using the straight-line method for the period of estimated useful lives of respective asset, which are principally as stated below.

Buliding	6-31 years
Fixture	8-15 years
Structure	10 years
Equipment	4-15 years
Software	5 years

Maintenance and repairs including minor renewals and improvements are charged to income as incurred.

Income taxes

The Company is subject to Japanese national and local income taxes which in the aggregate resulted in a normal effective statutory tax rate of approximately 34.4 % for the year ended March 31, 2025.

The Company can carry the taxable loss for 9 or 10 years according to Japanese tax regulation.

Consumption tax

Japanese Consumption Tax is accounted as Consumption tax-received (liability) when goods are sold, and as Consumption tax-paid (asset) when goods and service are bought.

The balance after netting of those accounts at the end of fiscal year is recognized as Consumption tax payable or Consmpion tax receivable in balance sheet.

NOTES TO FINANCIAL STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2025

3 CASH IN BANK

The company maintains the following bank accounts of Japanese banks.
There is no restricted balance.

Mitsubishi UFJ Bank (Nagoya Branch), Ordinary Account	344,550,769
Aichi Bank (Nagoya Ekimae Branch), Ordinary Account	12,186,612
Syoko Chukin Bank (Nagoya Branch), Ordinary Account	26,001,554
Shizuoka Bank (Toyoda Branch), Ordinary Account	41,542
Gunma Bank (Ohara Branch), Ordinary Account	32,509
	<u>JPY 382,812,986</u>

4 ACCOUNTS RECEIVABLE

As accounts receivables are paid on time, there are no old and doubtful accounts.

5 INVENTORIES

Inventories are stocked at Ota-warehouse.

The company performed the physical inventory counting in Ota LC on 15, March 2025 and in Hamamatsu LC on 22 March 2025.

Inventories are stated at cost, evaluated by the total-average price method.

The cost of goods includes the importing charge, and is not lower than market value.

6 FIXED ASSETS AND DEPRECIATION

Details of fixed assets and depreciation for the year ended March 31, 2025 and 2024 are as follows.

2025	April 1, 2024	Increase	Decrease	March 31, 2025
Fixed assets:				
Building	¥ 31,515,541	53,356,653	—	¥ 84,872,194
Fixtures	34,554,498	25,243,251	—	59,797,749
Structure	4,914,989	—	—	4,914,989
Equipment	23,102,249	3,973,115	—	27,075,364
Cars	2,630,000	—	—	2,630,000
Land	41,564,625	50,338,239	—	91,902,864
Software	3,624,480	369,461	—	3,993,941
Contribution in aid of construction	220,000	260,200	—	480,200
	<u>142,126,382</u>	<u>133,540,919</u>	<u>—</u>	<u>275,667,301</u>
Less, accumulated depreciation				
Building	9,361,324	1,936,004	—	11,297,328
Fixtures	21,109,075	5,945,665	—	27,054,740
Structure	1,320,698	164,160	—	1,484,858
Equipment	8,615,344	4,328,346	—	12,943,690
Cars	1,385,086	438,421	—	1,823,507
Land	—	—	—	—
Software	1,865,832	465,414	—	2,331,246
Contribution in aid of construction	220,000	17,252	—	237,252
	<u>43,877,359</u>	<u>13,295,262</u>	<u>—</u>	<u>57,172,621</u>
Total	¥ <u>98,249,023</u>			¥ <u>218,494,680</u>

2024	April 1, 2023	Increase	Decrease	March 31, 2024
Fixed assets:				
Building	¥ 31,515,541	—	—	¥ 31,515,541
Fixtures	25,914,539	8,639,959	—	34,554,498
Structure	4,914,989	—	—	4,914,989
Equipment	15,088,008	8,014,241	—	23,102,249
Cars	2,630,000	—	—	2,630,000
Land	41,564,625	—	—	41,564,625
Software	1,512,000	2,112,480	—	3,624,480
Contribution in aid of construction	220,000	—	—	220,000
	<u>123,359,702</u>	<u>18,766,680</u>	<u>—</u>	<u>142,126,382</u>
Less, accumulated depreciation				
Building	8,305,820	1,055,504	—	9,361,324
Fixtures	19,348,653	1,760,422	—	21,109,075
Structure	1,156,089	164,609	—	1,320,698
Equipment	5,859,609	2,755,735	—	8,615,344
Cars	945,464	439,622	—	1,385,086
Land	—	—	—	—
Software	1,512,000	353,832	—	1,865,832
Contribution in aid of construction	198,422	21,578	—	220,000
	<u>37,326,057</u>	<u>6,551,302</u>	<u>—</u>	<u>43,877,359</u>
Total	¥ <u>86,033,645</u>			¥ <u>98,249,023</u>

NOTES TO FINANCIAL STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2025

7 INCOME TAXES AND INCOME TAXES PAYABLE

Reconciliation between profit after tax and taxable income at March 31, 2025 and 2024 are as follows.

	2025	2024
Profit after tax	¥ 98,903,124	291,298,708
Income taxes	109,921,445	157,558,277
Enterprise tax payment	(40,097,345)	(75,415,577)
Provision for Stocks	62,883,054	14,768,947
Donations made to foreign affiliated entities	33,895,596	-
Others	(1,969,596)	35,857,496
Taxable income	¥ 263,536,278	424,067,851

Income taxes payable as at March 31, 2025 and 2024 comprise the followings.

	2025	2024
National tax	¥ 13,890,500	46,967,300
Local tax	6,146,600	19,699,400
Local tax(per capital)	383,300	383,300
Total	¥ 20,420,400	67,050,000

8 EMPLOYEES

Number of staffs	2025	2024
Representative director	1	1
Logistics and Quality control (Ota LC)	15	15
Sales and Engineering (Shin-yokohama office)	6	7
Logistics and Quality control (Hamamatsu LC)	4	5
Sales and Engineering (Hamamatsu office)	4	5
Administration (Nagoya office)	4	2
	34	35

NOTES TO FINANCIAL STATEMENTS

MSSL Japan Limited

For the year ended March 31, 2025

9 COMMON STOCK

Summary of common stock of the Company as at March 31, 2025 was as follows.

	Number of shares		Thousand of JPY
	authorized to issue	Issued	Amount of Capital
Common stock	800	500	¥ 17,500

10 COMMITMENT AND CONTINGENT LIABILITIES

There were no material commitments and contingent liabilities at March 31, 2025.