

# Announcement of the 6th Fiscal Period Financial Results

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ARAV Inc.  
Representative Director: Reiesu Shiroku

## Balance Sheet

(As of February 28, 2026)

(Unit: Thousand Yen)

Assets Section		Liabilities Section	
<b>Current Assets</b>	774,722	<b>Current Liabilities</b>	329,249
Cash and Deposits	419,597	Accounts Payable	47,163
Accounts Receivable	115,773	Accounts Payable - Other	24,749
Contract Assets	173,107	Accrued Expenses	18,209
Raw Materials	5,900	Lease Obligations	2,772
Advance Payments	144	Contract Liabilities	473
Advances Paid	27,455	Deposits Received	5,841
Prepaid Expenses	11,572	Short-term Loans Payable	180,000
Prepaid Amounts	15,670	Long-term Loans Payable - Due within one year	19,984
Rental Income Receivable	5,500	Income Taxes Payable	580
<b>Non-current Assets</b>	43,903	Accrued Consumption Tax, etc.	29,476
Tangible Fixed Assets	31,354	<b>Non-current Liabilities</b>	294,200
Buildings	1,047	Lease Obligations	16,307
Accumulated Depreciation on Buildings	△93	Long-term Loans Payable	272,190
Building Fixtures	10,372	Asset Retirement Obligations	5,160
Accumulated Depreciation on Building Fixtures	△1,664	Deferred Tax Liabilities	541
Machinery and Equipment	6,550	<b>Total Liabilities</b>	623,450
Accumulated Depreciation on Machinery and Equipment	△5,143	<b>Net Assets Section</b>	
Tools, Furniture, and Fixtures	22,470	<b>Share Capital</b>	90,000
Accumulated Depreciation on Tools, Furniture, and Fixtures	△19,003	<b>Capital Surplus</b>	224,333
Lease Assets	17,550	Capital Reserve	156,666
Accumulated Depreciation on Lease Assets	△731	Other Capital Surplus	67,666
Intangible Fixed Assets	208	<b>Retained Earnings</b>	△119,157
Software	208	Other Retained Earnings	△119,157
Investments and Other Assets	12,341	Compression Reserve Fund	505
Capital Contributions	10	Unappropriated Retained Earnings	△119,662
Guarantee Deposits Paid	11,373	(of which: Net Income for the Current Period)	(78,823)
Long-term Prepaid Expenses	958	<b>Total Shareholders' Equity</b>	195,176
<b>Total Assets</b>	818,626	<b>Total Net Assets</b>	195,176
		<b>Total Liabilities and Net Assets</b>	818,626

## Notes to the Individual Financial Statements

(From March 1, 2025 to February 28, 2026)

### 1. Notes on Matters Concerning Significant Accounting Policies

#### (a) Criteria and Methods for the Valuation of Inventories

##### Raw Materials

Cost method based on the weighted-average method is adopted.

The balance sheet value is calculated by the method of writing down the book value due to a decline in profitability.

#### (b) Method of Depreciation for Fixed Assets

##### Tangible Fixed Assets (excluding Lease Assets)

The declining-balance method is adopted.

However, the straight-line method is adopted for buildings and building fixtures.

##### Intangible Fixed Assets

The straight-line method is adopted.

##### Lease Assets

Lease assets related to finance lease transactions that transfer ownership.

The same depreciation method applied to owned fixed assets is adopted.

#### (c) Notes on Revenue Recognition

Our company recognizes revenue from contracts with customers based on the five-step approach (① Identification of the contract with the customer, ② Identification of the performance obligations in the contract, ③ Determination of the transaction price, ④ Allocation of the transaction price to the performance obligations in the contract, ⑤ Recognition of revenue when the performance obligation is satisfied) and recognizes revenue when the performance obligation is satisfied.

Revenue is recognized when the asset is transferred to the customer (or as the asset is transferred) by the customer obtaining control over the service (asset) and the performance obligation is satisfied (or as it is satisfied).

Control over the asset by the customer is determined based on the ability to direct the use of the asset and enjoy almost all of the remaining benefits generated from the asset.

Our main business is the development and provision of technology for the remote control and automation of construction machinery, and we have the performance obligation to install this technology on construction machinery owned by the customer.

Since we are considered to satisfy the performance obligation as we progress with technology development and installation on construction machinery, we recognize revenue according to the progress rate of the technology development (the ratio of the total costs incurred to the total estimated costs).

Since payment of the transaction price is normally received within one year from the satisfaction of the performance obligation, no adjustment for a financing component is made.

### 2. Notes on Changes in Accounting Policies

Not applicable.

### 3. Notes on Changes in Presentation

Not applicable.

#### 4. Notes on Correction of Errors

Not applicable.

#### 5. Notes on Statement of Changes in Equity

##### (1) Number of Issued Shares as of the End of the Fiscal Year

Common Shares	100,000 shares
Series A Preferred Shares	11,111 shares
Series A-2 Preferred Shares	16,800 shares

##### (2) Class and Number of Treasury Shares as of the End of the Fiscal Year

Not applicable.

##### (3) Matters Concerning Dividends

Not applicable.

##### (4) Number of Shares Subject to Share Subscription Rights

Not applicable.

##### (5) Number of Shares Subject to Issued Share Acquisition Rights (excluding those whose exercise period has not yet commenced)

Not applicable.

#### 6. Other Notes

Amounts are rounded down to the nearest thousand yen.