



**FY2023** (Ending October 31, 2023)

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# **Fouth Quarter (Q4)**

**Material for Quarterly Financial Results Briefing**

# FY2023 Q4 Management Message

## FY2023 revenue continued to be strong.

Revenue remained strong at 3,198 million yen (45.2% increase YoY), exceeding both the initial budget of 2,861 million yen and the budget of 3,167 million yen revised upward in June 2023.

## Although the investment amount was within budget, the profit targets were not achieved due to impairment losses.

The investment amount for FY2023 was 611 million yen, falling within the budget of 684 million yen. Meanwhile, there were impairment losses totaling 114 million yen due to the number of policies of Insurance business being lower than anticipated and stoppage of new service in HR (impairment loss of 98 million yen on goodwill pertaining to the acquisition of ASIRO SSI and impairment loss of 16 million yen on non-current assets in HR), and impairment losses are reflected from the operating profit due to ASIRO using IFRS, resulting in operating profit and onwards falling below budget.

## We aim for more than 30% in sales growth in FY2024 to achieve the Medium-term Management Plan.

With the aim of achieving the Medium-term Management Plan targets for FY2025 of 5,500 million yen in revenue and 1,100 million yen in operating profit, we plan increase revenue by 30% or more YoY to 4,236 million yen in FY2024. Due to the positioning as a growth investment period, profit arising from business will be actively directed toward investment to increase the probability of Medium-term Management Plan and early achievement of 10 billion yen in revenue.

## We plan to actively increase dividends in FY2024.

As in FY2023, we intend to pay dividends in FY2024 based on an operating profit margin of 20% that is the target profit margin under normal circumstances, and plan a dividends of 21.43 yen per share (up 57.5% YoY).

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# Section 01

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# Corporate Overview

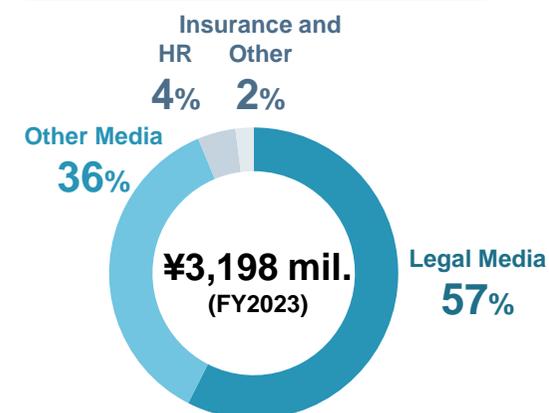
# Services

Operation of “BenNavi” Legal Media providing legal information is our main business. We are actively engaged in the development of new business and operating four businesses including Other Media meeting need related to Legal Media (such as career change need arising from labor problems), Human Resources that started from personnel referrals for attorneys, and Insurance handling insurance for attorney fees.

## Business Category

		Services	Main customers	Main services
Legal Media & Other	Legal Media (Started in 2012)	Operation of specialized sites for legal case fields	Law firms	
	Other Media <sup>1</sup> (Started in 2014)	Affiliate sites and Operation of Apps Carism Bikkore FX Expert Search for Infidelity Investigation	Recruitment agencies, FX companies, Private detective offices	
Human Resources <sup>2</sup> (HR) (Started in 2020)		Recruitment business (Job placement of attorneys, accountants and administrative positions) Temporary staffing business	Professional firms, general companies	
Insurance <sup>3</sup> (Started in 2022)		Sale of small-amount short-term insurance (insurance for attorney fees)	Individuals	

## Revenue Composition



## Operating Profit Composition<sup>4</sup>



Note: 1 Shares of Bikkore Co., Ltd. were acquired on March 31, 2023, and it came under the scope of consolidation from FY2023 Q2.

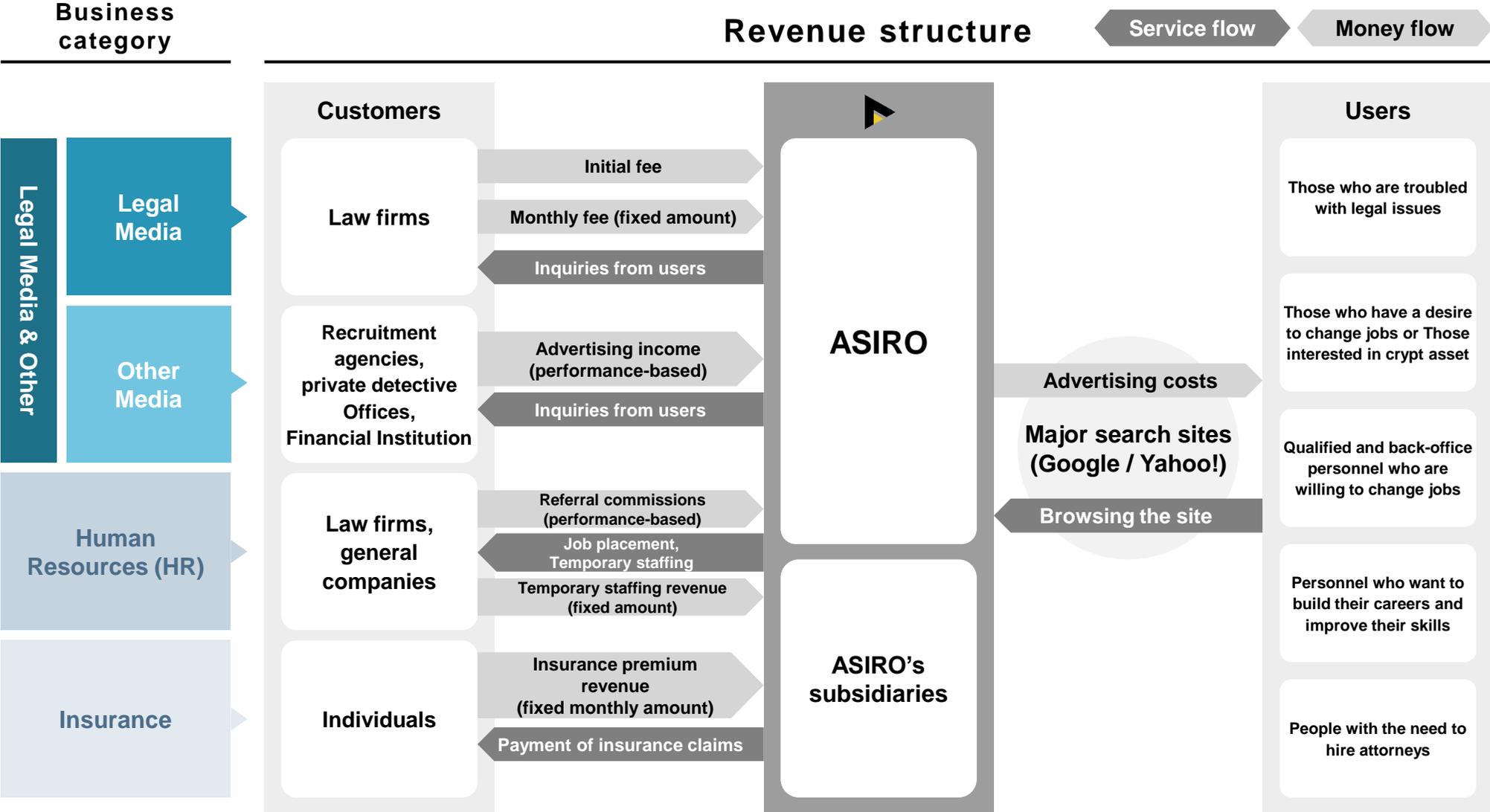
2 On August 1, 2023, we established a subsidiary, Hitotas Inc. and obtained a license under the Worker Dispatching Act, etc. on November 1, 2023.

3 The Company acquired shares in ASIRO SSI Inc. (formerly Kailash Small Amount and Short Term Insurance ) on April 28, 2022, bringing it under the scope of consolidation from FY2022 Q3.

Note: 4 Divisions with negative operating profit (e.g. Insurance) are assumed to be zero and their composition ratios are calculated.

# Business model

Revenue from Legal Media and Insurance is basically made up of fixed monthly income in a model with recurring revenue. Other Media and HR business adopt a performance-based business model based on the number of inquiries and the number of new employees. In addition, since the HR business launched a temporary staffing service in Nov 2023, the HR business will also generate recurring revenue from FY2024.



# Section 02

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## Financial Results Summary

# Summary of Results for FY2023 Q4 (Aug. 2023 - Oct. 2023)<sup>1</sup>

Revenue grew at a rate of 40% YoY in Q4, performing well and above the growth target of 30%. In addition to active investment, an impairment loss of 98 million yen on goodwill pertaining to the acquisition of ASIRO SSI and an impairment loss of 16 million yen on non-current assets in HR arose, and impairment losses are reflected from the operating profit due to ASIRO using IFRS, resulting in a operating loss for Q4.

(unit: million yen)	FY2023 Q4	FY2022 Q4	YoY	FY2023 Q3	QoQ
Revenue	859	613	40.1%	852	0.8%
Operating profit	-96	63	n/a	29	n/a
Operating profit margin (%)	n/a	10.3	n/a	3.4	n/a
Profit attributable to owners of parent	-89	61	n/a	11	n/a
Profit margin attributable to owners of parent (%)	n/a	10.0	n/a	1.3	n/a
Employees <sup>2</sup>	80(10)	57(7)	40.4%	81(9)	-1.2%

Note: 1 Figures are indicated as n/a if they cannot be calculated because the figures for the comparison are negative.

2 The number of temporary employees is the average number of employees during the accounting period (working hours converted to 8 hours per day), which is shown in parentheses. YoY and QoQ growth rates do not include the number of temporary employees.

# Summary by Business for FY2023 Q4 cumulative (Nov. 2022-Oct. 2023)

Revenue increased YoY across all businesses and Q4 cumulative revenue recorded a growth rate of over 40%. Although operating profit decreased significantly in line with the initial forecast as a result of actively implementing investment in each business and the aforementioned impairment loss, profit was positive.

<b>FY2023</b> <b>Full-year Results</b>	<p>All businesses grew, with revenue growth reaching a level exceeding 40% YoY. Despite the occurrence of impairment loss on goodwill pertaining to the acquisition of ASIRO SSI in addition to the implementation of investment planned for this fiscal year, positive operating profit was secured.</p> <p>Revenue: <b>3,198 million yen (45.2% increase YoY)</b></p> <p>Operating profit: <b>53 million yen (89.0% decrease YoY)</b></p>
<b>Legal Media</b>	<p>Achieved over 20% revenue growth. Profit decreased YoY due to advertising investment, etc. associated with branding</p> <p>Revenue: <b>1,838 million yen (25.1% increase YoY)</b></p> <p>Operating profit: <b>583 million yen (5.4% decrease YoY)</b></p>
<b>Other Media</b>	<p>Achieved a almost doubling of revenue. Operating profit decreased due to investment aimed at launch of new media site.</p> <p>Revenue: <b>1,159 million yen (94.2% increase YoY)</b></p> <p>Operating profit: <b>276 million yen (13.3% increase YoY)</b></p>
<b>HR<sup>1</sup></b>	<p>While revenue steadily grew, operating profit decreased due to strengthening upfront investment such as labor costs and advertising costs.</p> <p>Revenue: <b>136 million yen (28.1% increase YoY)</b></p> <p>Operating profit: <b>-162 million yen (169 million yen deterioration YoY)</b></p>
<b>Insurance and Other<sup>2</sup></b>	<p>Consolidation of ASIRO SSI began in Q3 of the previous fiscal year. Loss temporarily increased due to recording 98 million yen impairment loss</p> <p>Revenue: <b>65 million yen (124.2% increase YoY)</b></p> <p>Operating profit: <b>-220 million yen (128 million yen deterioration YoY)</b></p>
<b>Company-wide</b>	<p>In addition to outsourcing costs associated with M&amp;A, labor costs and other expenses also increased.</p> <p>Operating profit: <b>-424 million yen (132 million yen deterioration YoY)</b></p>

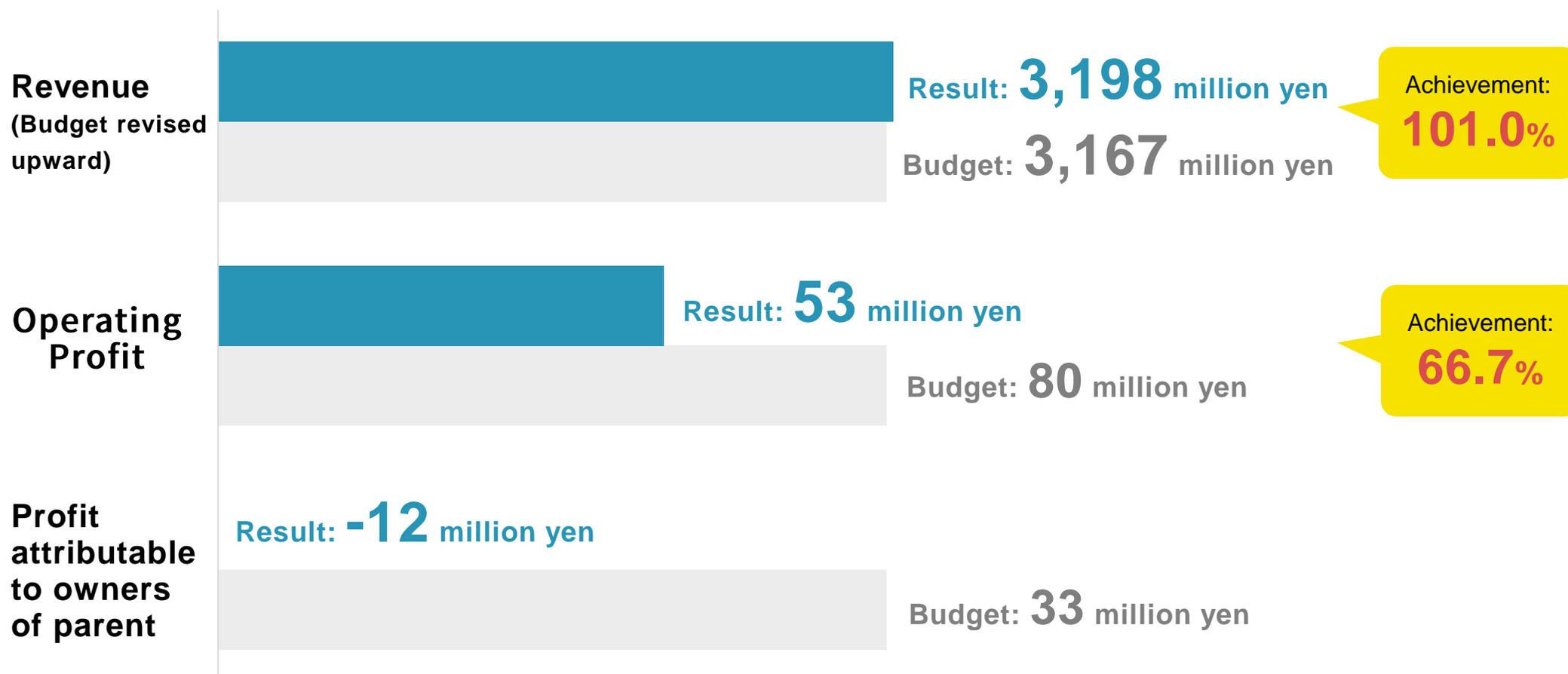
Note: 1 Includes the expenses associated with various preparations for HITOTASU Inc. a subsidiary established in August.

2 Figures for the Insurance business and other divisions.

# Achievement of FY2023 Full-year Targets

Revenue budget was achieved in line with the forecast revised upward during the period. Operating profit ended up below the full-year budget due to recording 114 million yen in impairment losses (impairment loss of 98 million yen on goodwill pertaining to the acquisition of ASIRO SSI and impairment loss of 16 million yen on non-current assets in HR).

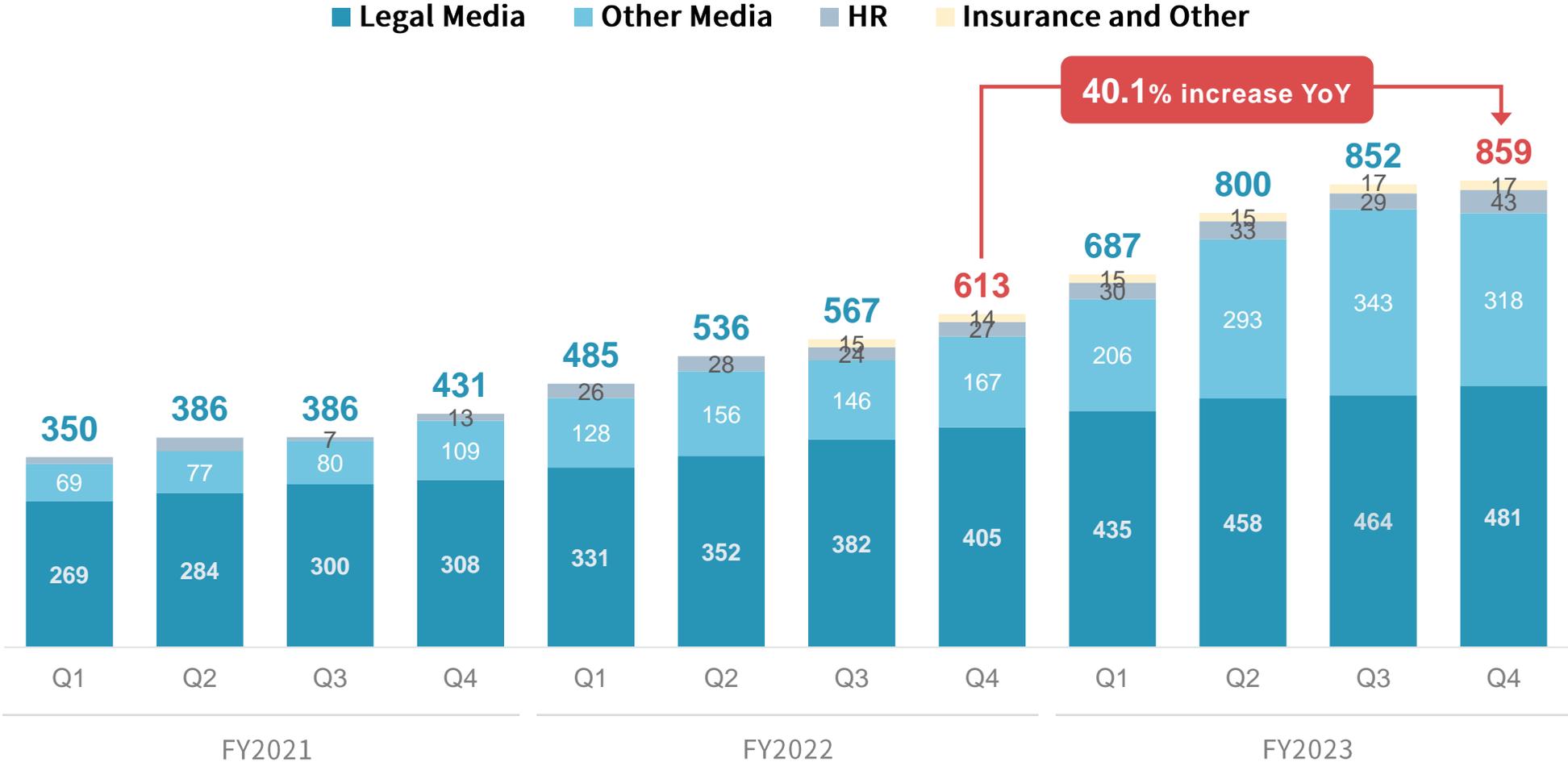
## Achievement of Full-year Forecast



# Revenue (Quarterly Changes by Business Area)

Although Other Media struggled slightly QoQ, sustained growth of Legal Media and growth of HR achieving record quarterly revenue resulted in continuing to post record overall quarterly revenue, with a YoY sales growth rate of over 40%.

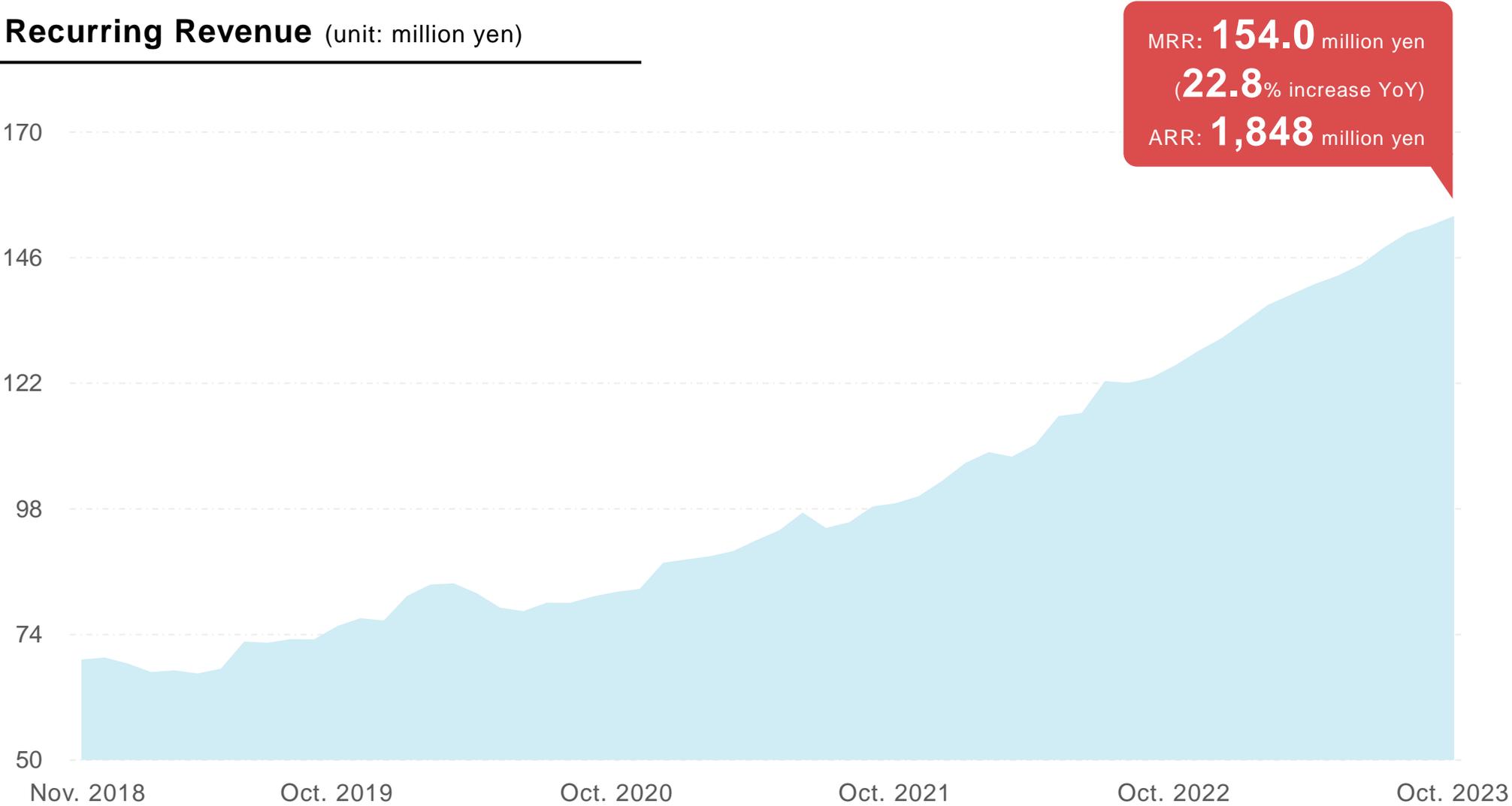
**Revenue by Business Area** (unit: million yen)



# Reference: Recurring Revenue (Monthly Changes)

MRR for the recurring revenue for October 2023 (monthly fee income for Legal Media and insurance premium revenue of Insurance segment) grew steadily with a 22.8% increase YoY, and stock revenue has been steadily increasing every quarter.

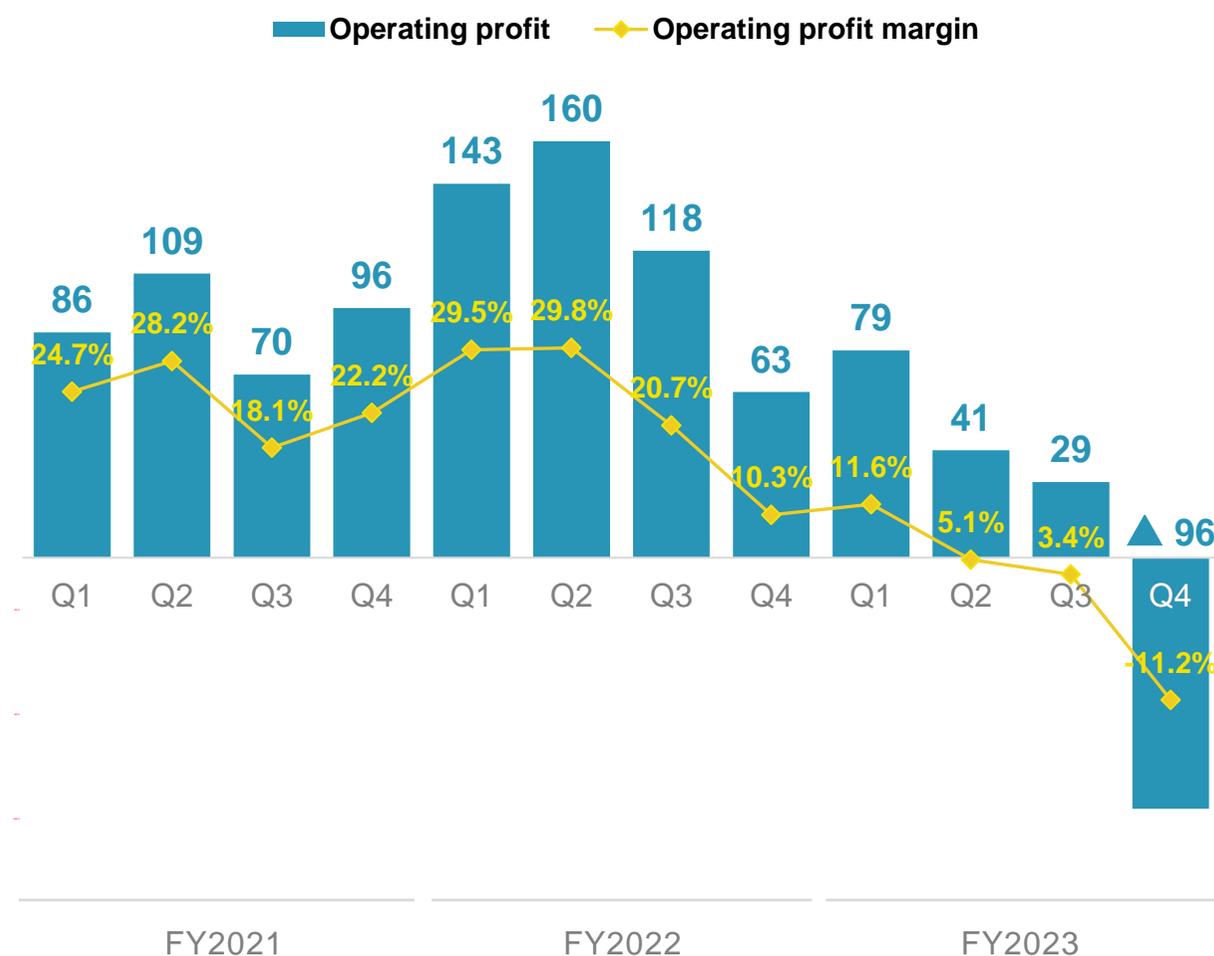
**Recurring Revenue** (unit: million yen)



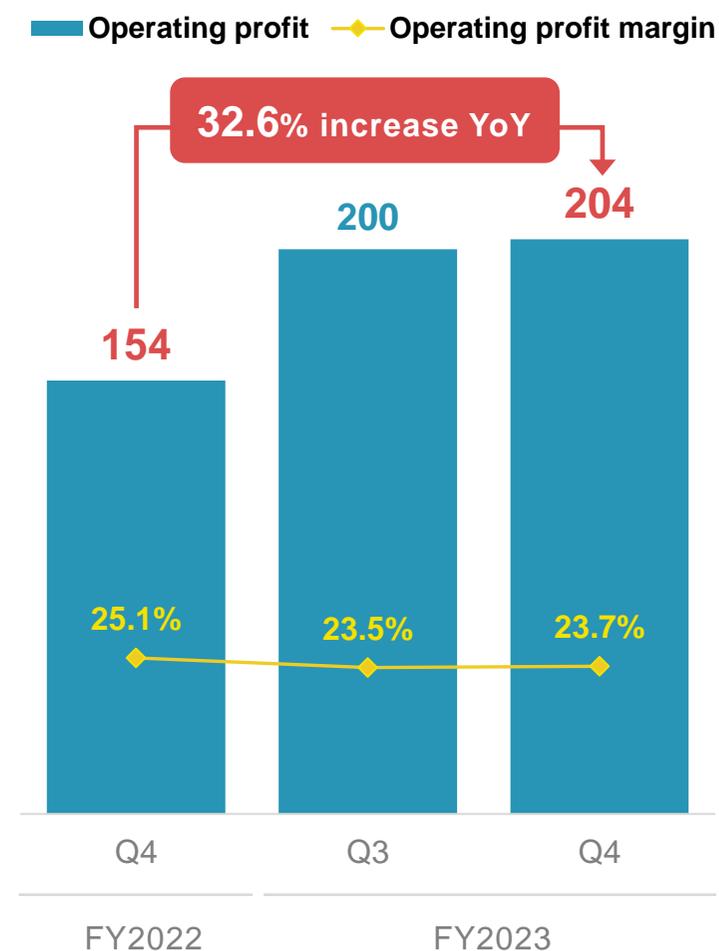
# Operating Profit (Quarterly Changes)

In addition to various investments, recording of 114 million yen in impairment losses resulted in an operating loss of 96 million yen in Q4. Meanwhile, operating profit excluding investment amount and impairment loss increased by 32.6% YoY, a significant YoY increase.

## Operating Profit (unit: million yen)



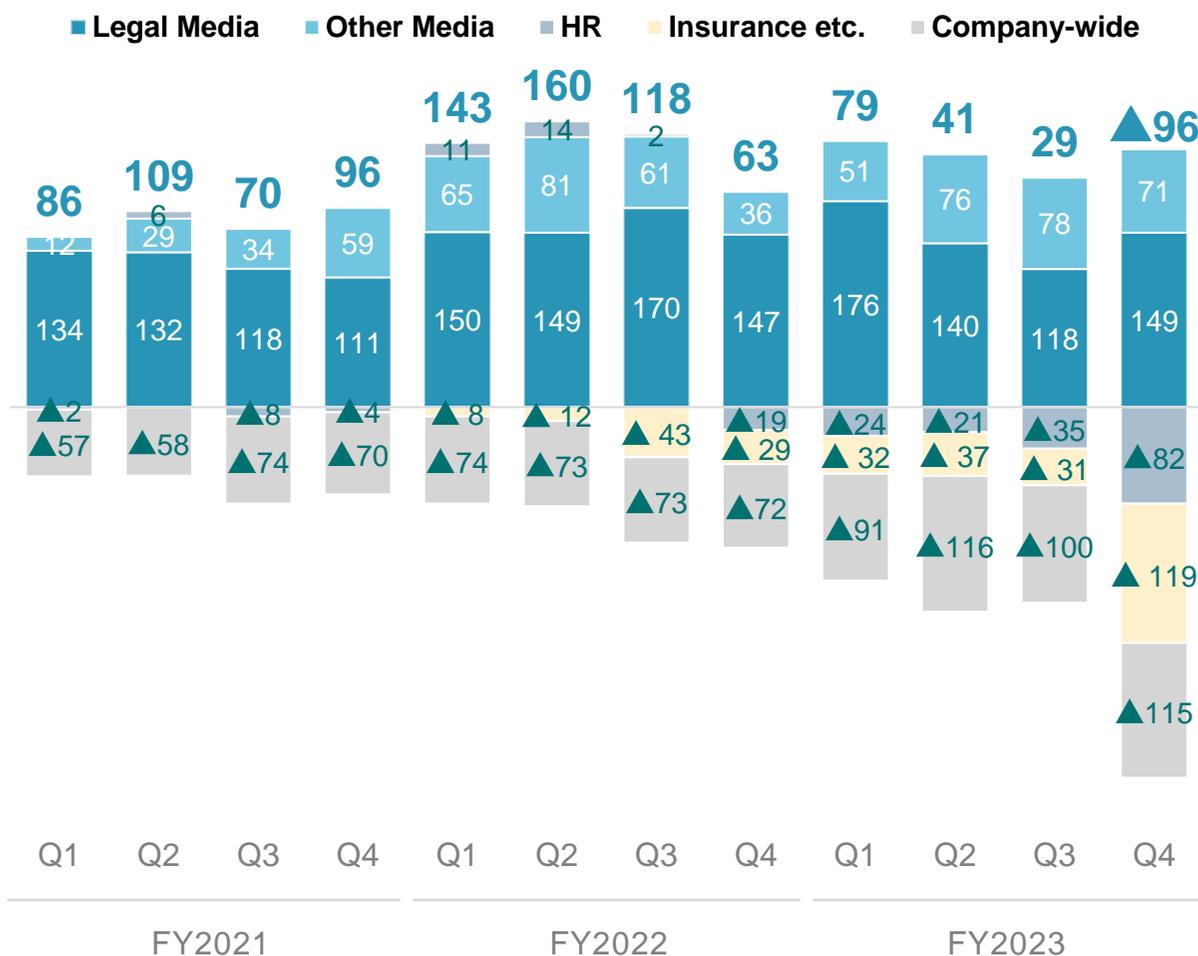
## Operating Profit Excluding Investment Amount and Impairment Loss (unit: million yen)



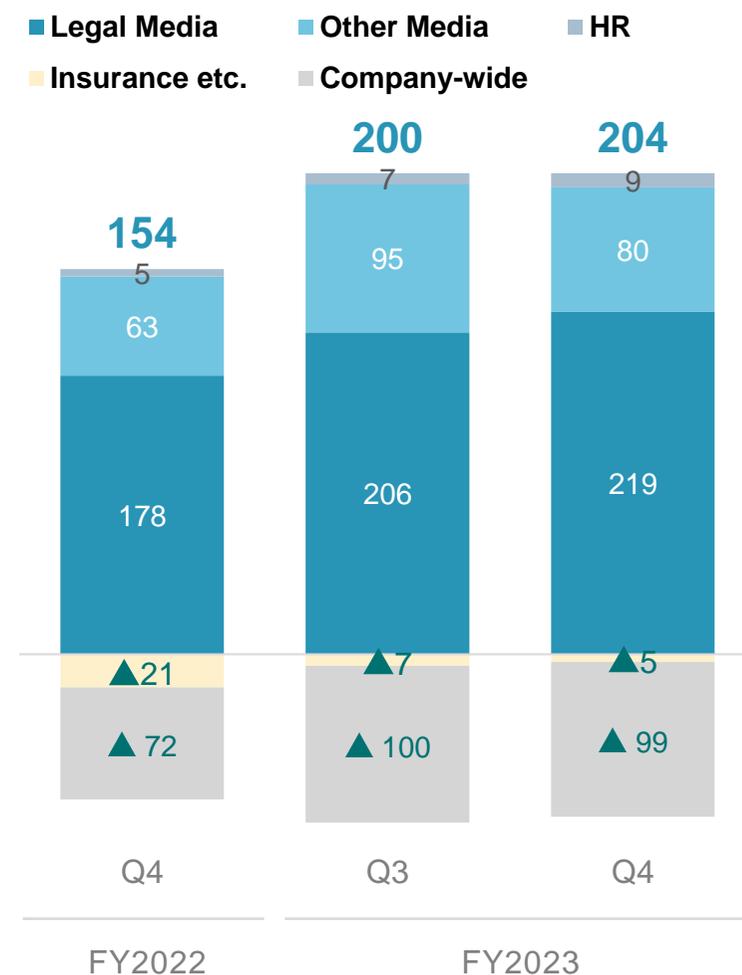
# Reference: Operating Profit (Quarterly Changes by Business Area)

Due to recording 31 million yen in train advertising and 16 million yen in impairment loss in HR, and 98 million yen in impairment loss in Insurance, losses increased in these two businesses. However, operating profit excluding the investment amount and impairment loss was the highest quarterly profit on record.

## Operating Profit by Business Area (unit: million yen)



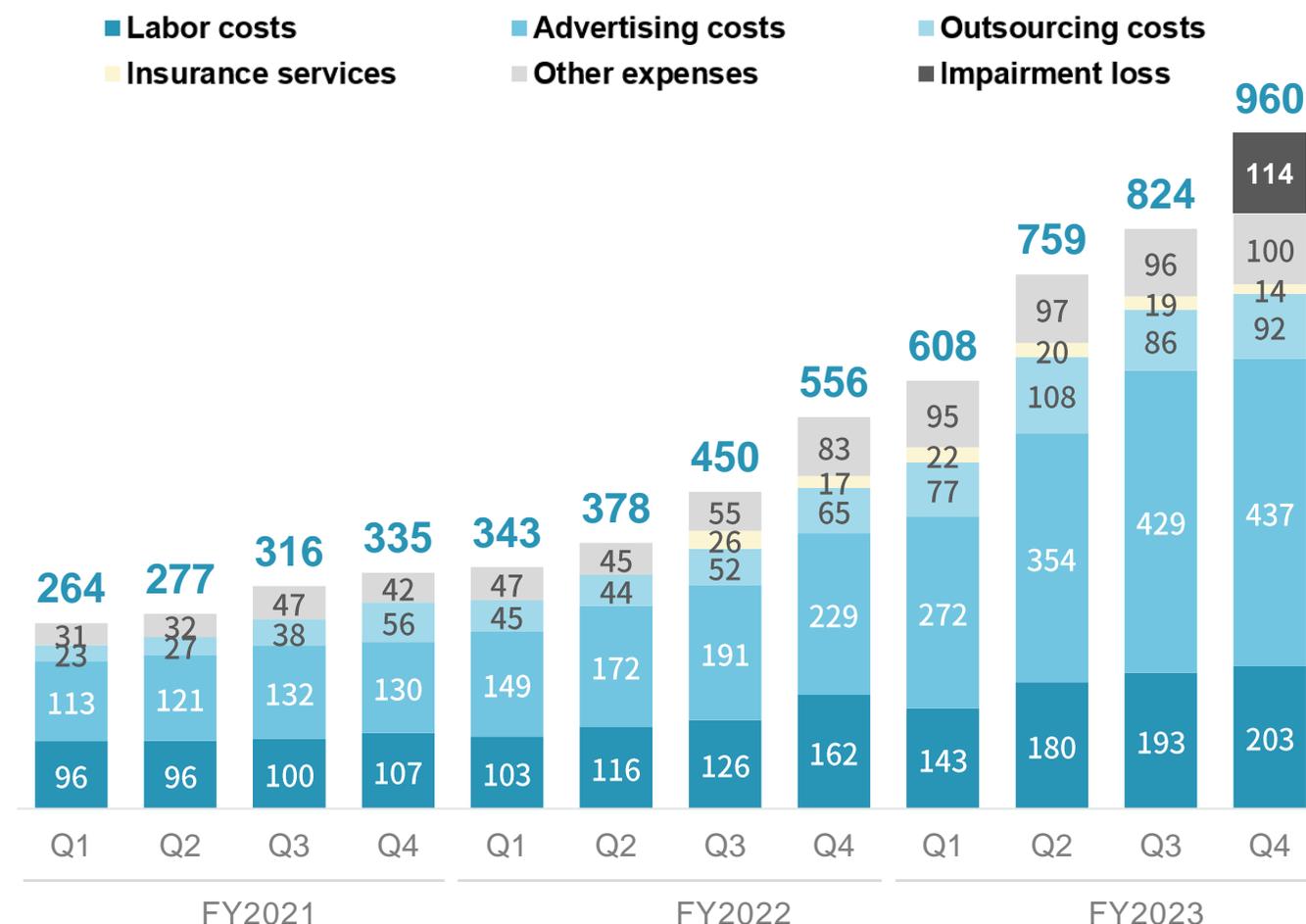
## Operating Profit by Business Area Excluding Investment Amount and Impairment Loss (unit: million yen)



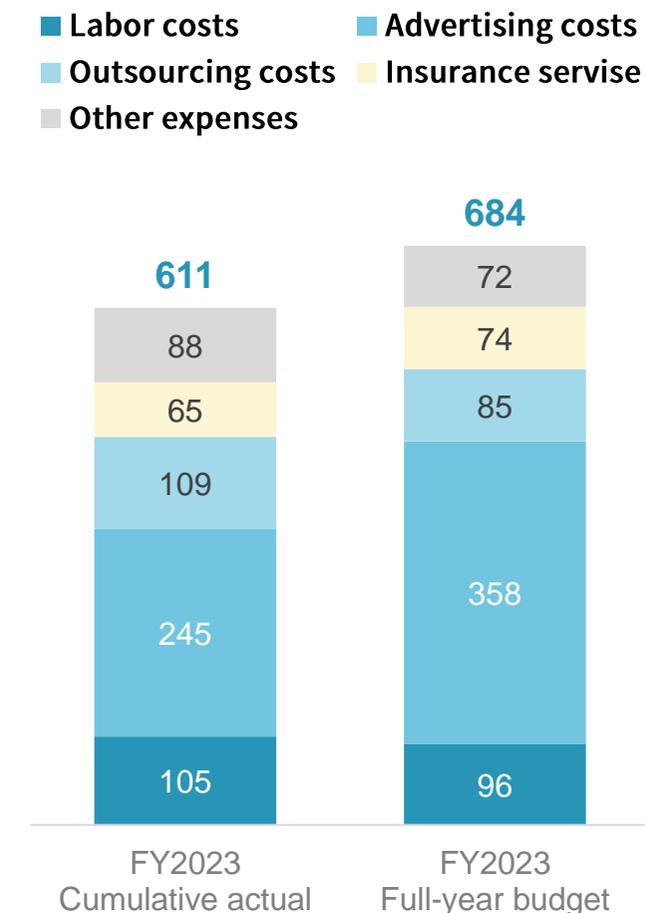
# Cost Structure (Quarterly Changes)

Total costs excluding impairment loss increased slightly QoQ in Q4 to 845 million yen due to an increase in labor costs and an increase in advertising costs due to mass advertising in HR. With regard to the investment amount for the full year, although around 100 million yen in investment in advertising costs was not used as a result of HR advertising costs being lower than budgeted, investment in other items was generally on budget.

## Cost Structure<sup>1</sup> (unit: million yen)



## Usage of Investment<sup>1</sup> (unit: million yen)



Note: 1 Until the previous year, insurance service expenses (or investment in insurance services) were presented to be included in other expenses (or investment in other expenses) until the previous fiscal year, but these are presented separately from this fiscal year.

Insurance service expenses are expenses based on IFRS17 including advertising costs and agency fees for acquiring policyholders, in addition to claims paid and reserves for the payment of claims.

# Reference: Explanation concerning Advertising Costs

In light of the increase in advertising expenses as described on the previous page, we explain nature of advertising expenses in each business and the image of their contribution to revenue as below. The backdrop to the increase in advertising costs is affected by investment, but also affected by the increase in revenue of Other Media, for which the ratio of advertising costs to revenue is set at a high level.

Legal Media	
Target	Site users
Purpose of advertising	The purpose is to attract site users and increase the number of inquiries to listing customers (attorneys, etc.).
Image of contribution to revenue	Due to revenue from listing customers being a fixed monthly amount, there is no direct impact on revenue even if inquiries increase as a result of advertising. However, reducing the churn rate by increasing the number of inquiries contributes to medium- to long-term revenue growth.
Ratio of advertising costs to revenue	Around 30%

Other Media	
Target	Site users
Purpose of advertising	The purpose is to attract site users and increase the number of inquiries to listing customers (staffing companies, etc.).
Image of contribution to revenue	Due to revenue from listing customers being performance-based, revenue directly increases if inquiries increase as a result of advertising. (A gain is obtained when the revenue from a single inquiry exceeds the advertising costs required to obtain one inquiry)
Ratio of advertising costs to revenue	Around 50% to 60%

HR	
Target	People seeking to change jobs
Purpose of advertising	The purpose is to encourage people seeking to change jobs register with ASIRO's service, and increase the number of successful career changes to companies seeking employees.
Image of contribution to revenue	Due to performance-based compensation based on conclusion of contracts (joining a company), people seeking to change jobs who have registered with service due to advertising signing a contract directly increases revenue. However, there is an impact on the correlation with sales depending on the job placement rate, and a time lag from registration to contract.
Ratio of advertising costs to revenue	— <sup>1</sup>

Insurance	
Target	People considering purchase of insurance
Purpose of advertising	The purpose is to attract people considering the purchase of insurance, and increasing the number of insurance policyholders.
Image of contribution to revenue	Increasing the number of insurance policyholders through advertising directly increases revenue. However, due to revenue from insurance policies being a fixed monthly amount rather than one-off, the pace of revenue growth is gradual, and this contributes to medium- to long-term revenue growth.
Ratio of advertising costs to revenue	— <sup>1</sup>

Note: 1 At present, no guideline has been set for the ratio of advertising costs because the business is small and in the phase of up-front investment.

**Section**

**03**

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# **Business Highlights**

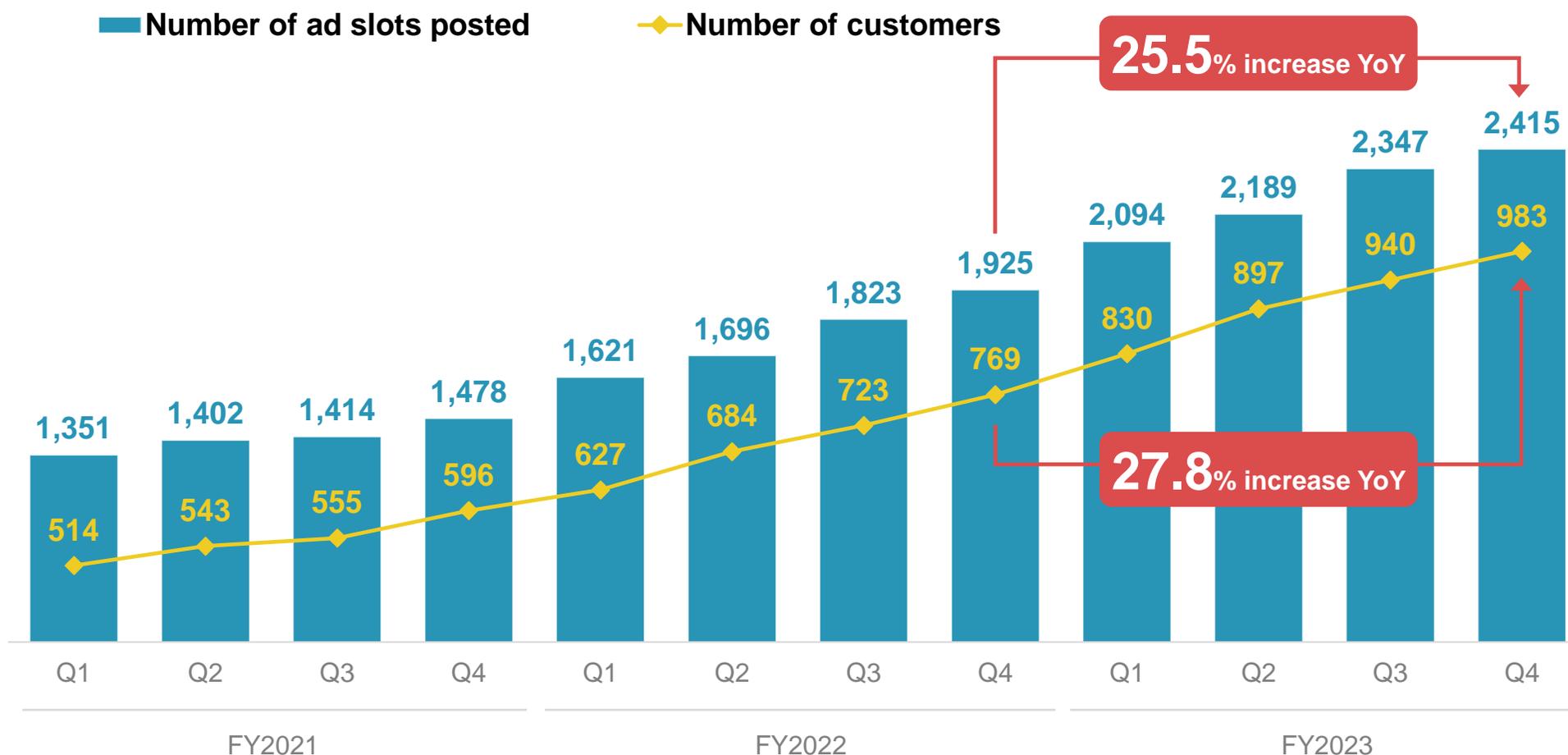
# FY2023 Q4 Business Highlights

Measures aimed at accelerating revenue growth and strengthening competitiveness of services progressed in each business, and measures continue to be implemented to achieve Medium-term Management Plan targets and reach 10 billion yen in revenue as soon as possible.

<p><b>Legal Media</b></p>	<ul style="list-style-type: none"> <li>● Due to steady progress in new acquisitions and the low churn rate, the number of ad slots posted increased by 25.5% YoY, and the number of customers grew by 27.8%, recording a stable high growth rate.</li> <li>● We implemented mass advertising as test marketing aimed at “BenNavi” branding in Q3. Going forward, we intend to focus on advertising measures for actualized users without conducting large-scale mass advertising such as television commercials for potential users.</li> </ul>
<p><b>Other Media</b></p>	<ul style="list-style-type: none"> <li>● Revenue of the mainstay “Carism” career change media continued to grow. Q4 is a period when the number of inquiries does not tend to grow due to seasonal factors and although the number of inquiries decreased slightly QoQ, the number of inquiries increased by 64.8% YoY.</li> <li>● We continued investment aimed at launching financial media, which is a new business area.</li> </ul>
<p><b>HR</b></p>	<ul style="list-style-type: none"> <li>● We focused on hiring and training of consultants engaged in personnel referrals as up-front investment. Active recruitment will continue.</li> <li>● We started advertising in trains in the Greater Tokyo area to increase recognition of BEET, a back-office personnel career change service. It contributed to acquiring many registrants and also the acquisition of job postings.</li> <li>● ASIRO's subsidiary HITOTASU inc. acquired a license pursuant to the Worker Dispatching Act on November 1, and started a staffing business. It will begin by dispatching administrative personnel to law offices.</li> </ul>
<p><b>Insurance</b></p>	<ul style="list-style-type: none"> <li>● In order to increase the acquisition of contracts, we are promoting the development of insurance agencies to strengthen sales via agents, in addition to existing sales via web advertising.</li> </ul>

The number of ad slots posted as of October 31, 2023 was 2,415, and the number of customers was 983, each growing by around 25% YoY.

### Number of ad slots posted number of customers (unit: ad slots)

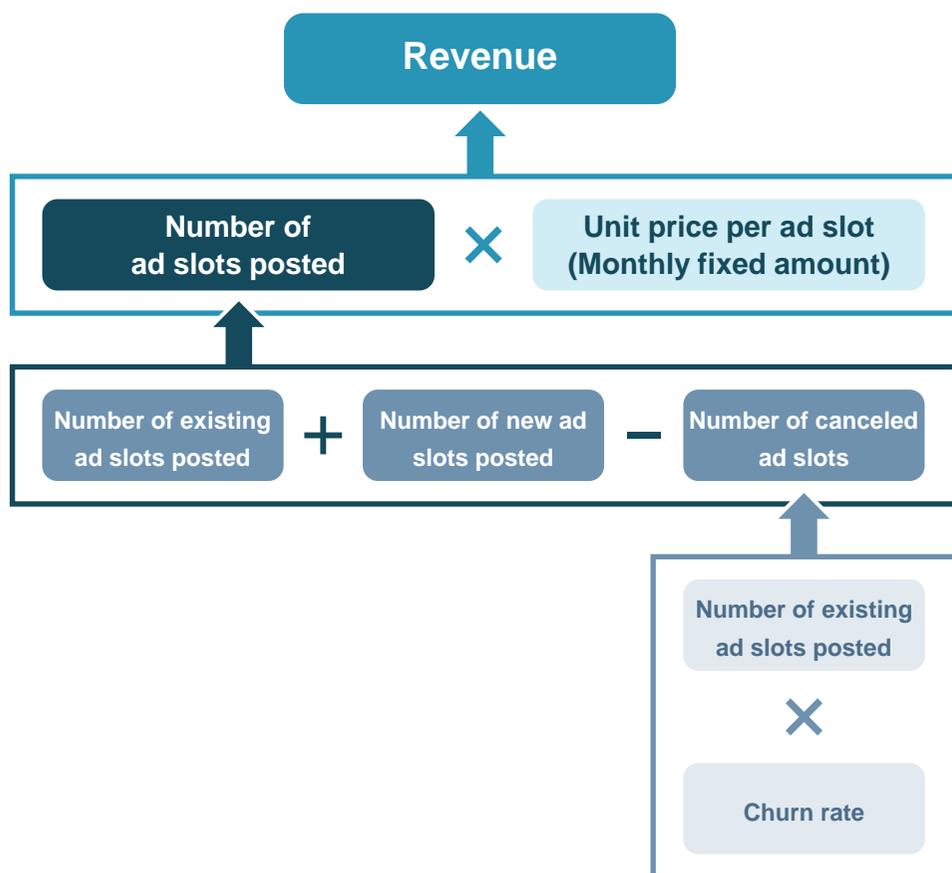


Note 1: The number of ad slots posted at the end of each quarter is shown.

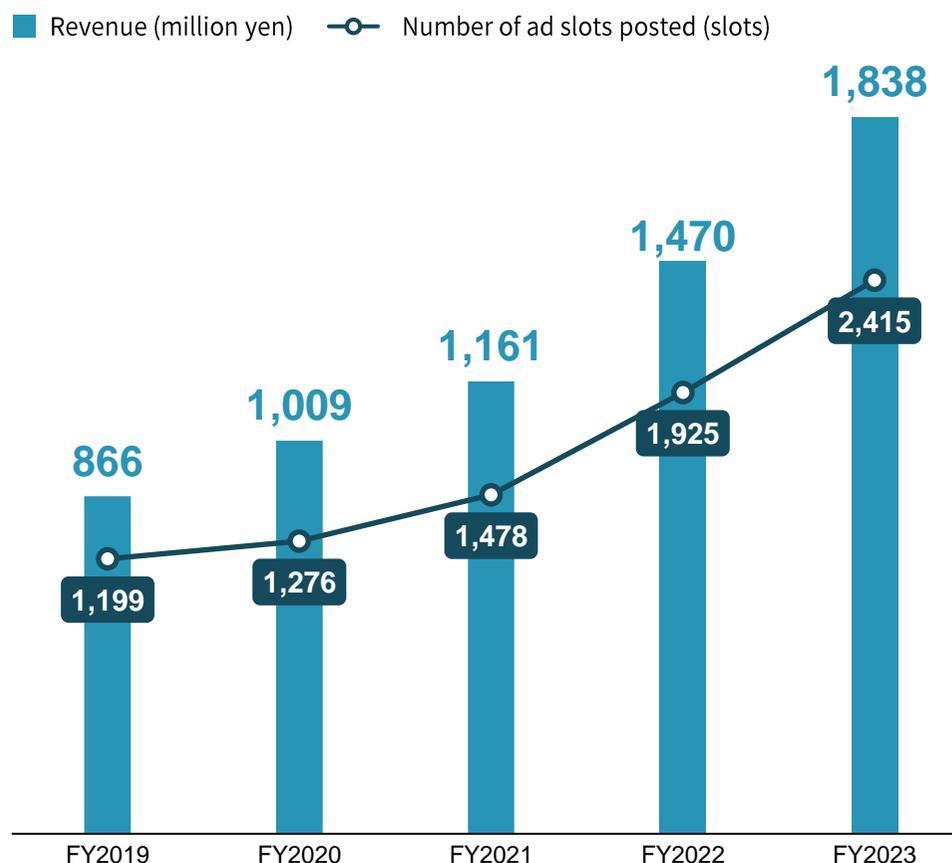
# Revenue Model

Since the unit price per legal media ad slot is a fixed monthly amount, revenue will increase in proportion to the increase in the number of ad slots posted. The number of ad slots posted has steadily increased even during the COVID-19 pandemic and we expect stable growth going forward.

## Revenue model (Legal Media)



## Revenue/Number of ad slots posted<sup>1</sup> (Legal Media)

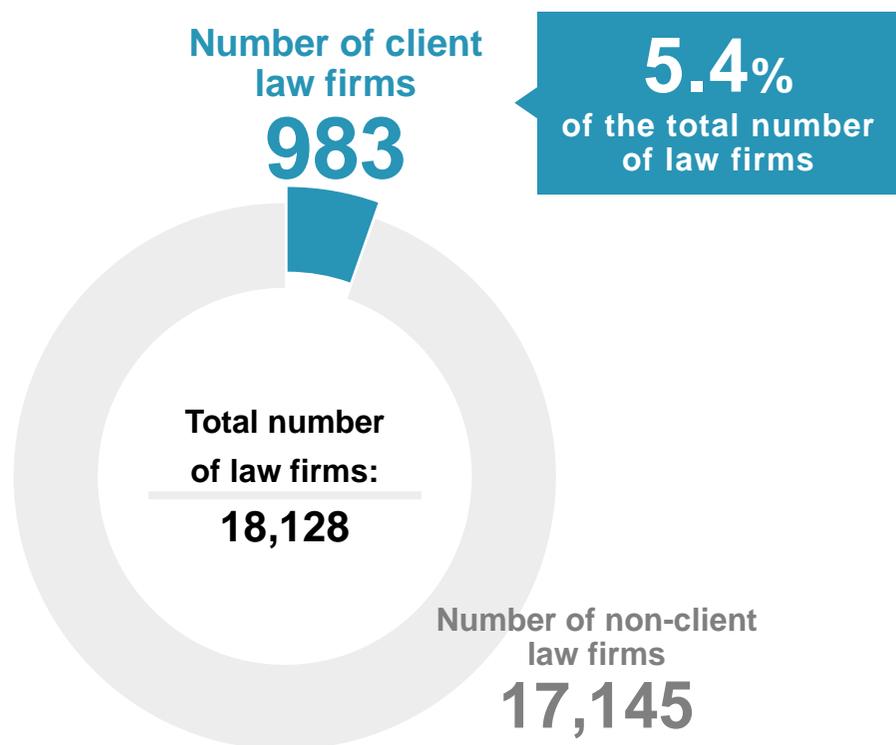


Note: 1 The number of ad slots posted is the total aggregated number of posted paid advertisements, and if the same customer places to multiple paid advertisement slots, those are counted as multiple slots. Although Legal Media does accept free posts, the number of ad slots posted does not include the number of slots for free posts.

# Reference: Our customer base and market potential<sup>1</sup>

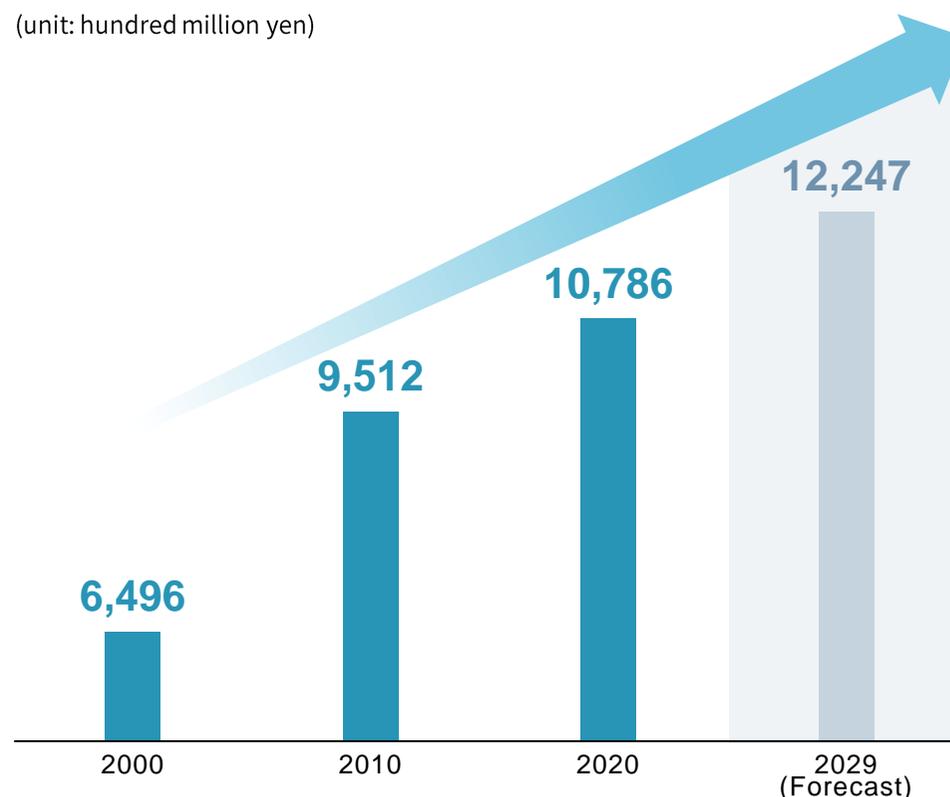
We have 983 customers as of October 31, but that is only 5.4% of the total number of law firms in Japan, so there is a lot of room for growth. As the market size for attorneys' fees is also expanding making the environment more competitive, we anticipate an increase in advertising investment by law firms.

## Our customer base<sup>2</sup>



## Estimated market size for attorneys' fees<sup>3</sup>

(unit: hundred million yen)



Notes: 1 This calculation is not for the purpose of indicating the objective market size relating to the businesses operated as of December 2023. As shown in the note below, the information is based on external statistical data and published materials, but the actual market size may differ.

2 The number of our customer law firms is the number of customers who had placed paid ads as of the end of October 2023. The total number of law firms is the number of law firms in the Japan Federation of Bar Associations White Paper on Attorneys 2022.

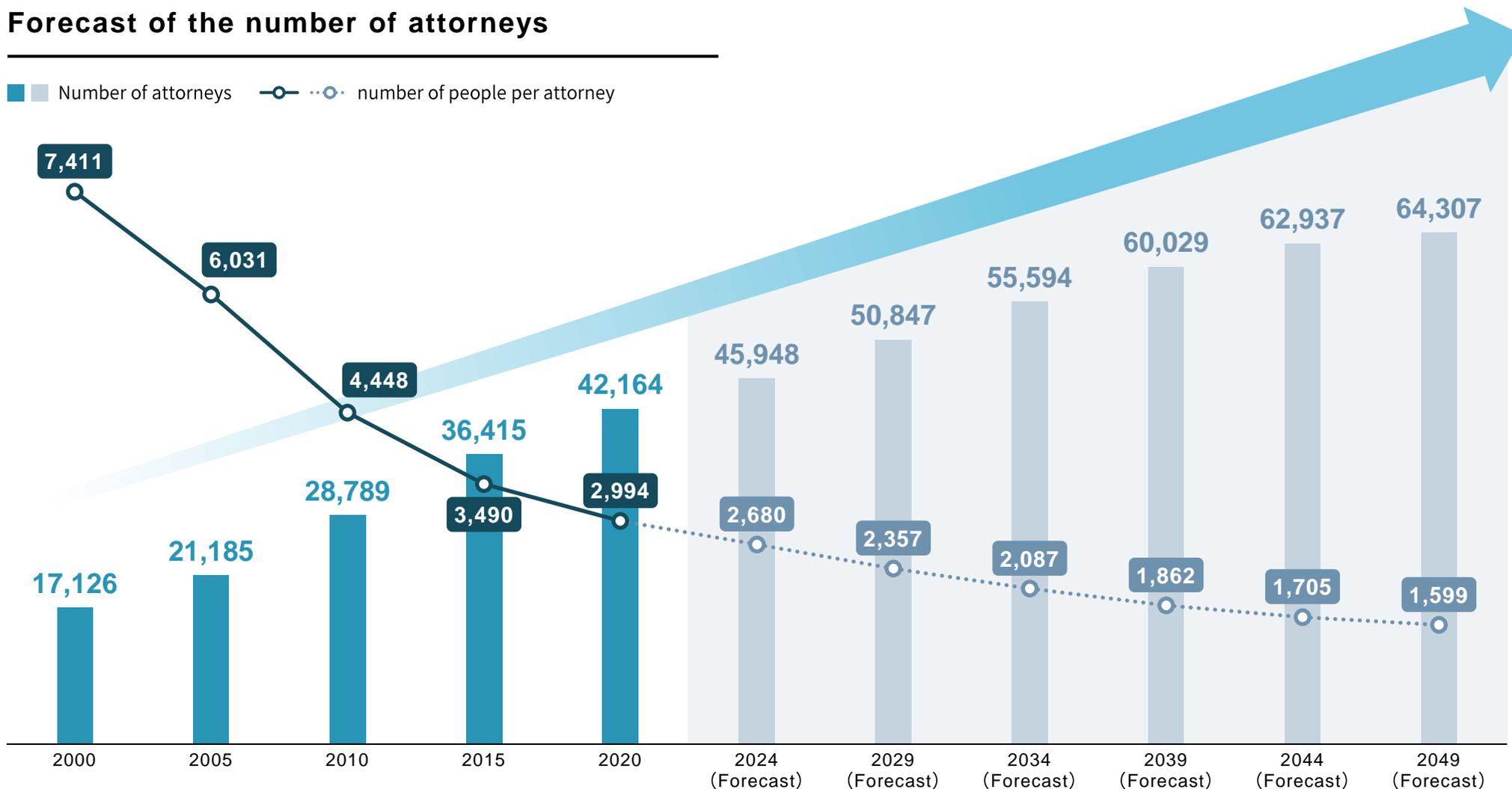
3 The market size from 2000 to 2020 is calculated by multiplying the average income per attorney for each year by the number of attorneys. In addition, the market size and average income in 2029 are estimated by applying the forecast value of the number of attorneys in 2029 based on the average income decrease rate with respect to the increase rate in the number of attorneys from 2010 to 2020.

Source: ASIRO Inc., Japan Federation of Bar Associations White Paper on Attorneys 2022.

# Increase in the Number of Attorneys

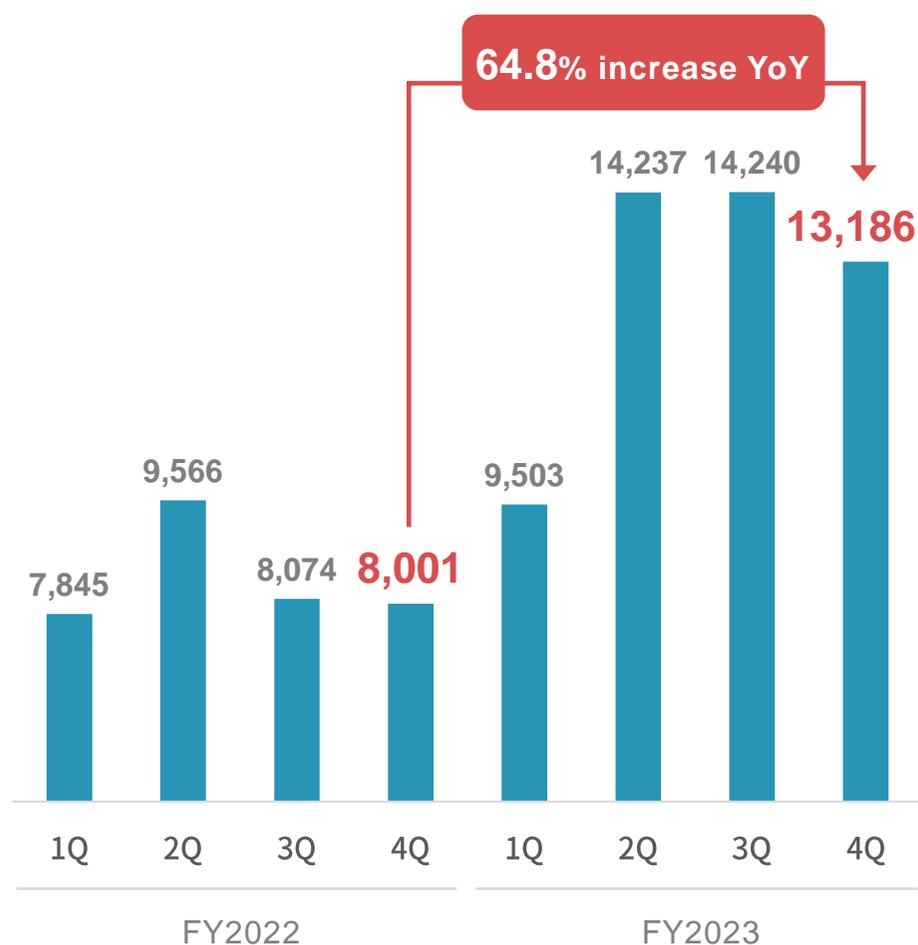
The number of attorneys is expected to continue to increase, and due to the number of people per attorney decreasing as a result, the competitive environment between attorneys will intensify, leading to an increase in demand for advertising.

## Forecast of the number of attorneys

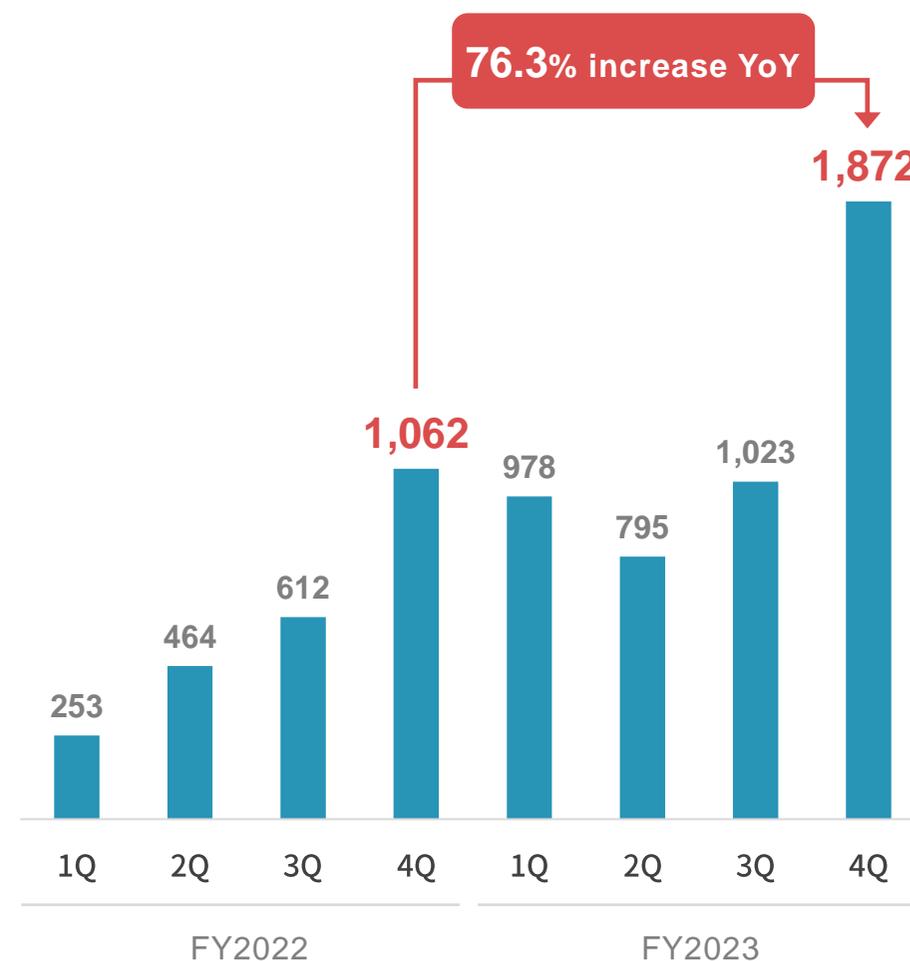


Source: Japan Federation of Bar Associations "White Paper on Attorneys 2022," Bureau of Statistics of the Ministry of Internal Affairs and Communications "Population Estimates"

In Other Media, Q4 is a period when the number of inquiries does not tend to grow due to seasonal factors and although the number of inquiries decreased slightly QoQ, the number of inquiries increased significantly by 64.8% YoY. In HR business, the train advertising implemented in Q4 had a significant impact, and the number of new registrants rose substantially by 76.3%.

Other Media: Number of Inquiries<sup>1</sup> (unit: inquiries)

HR: Number of New Registrants (unit: people)

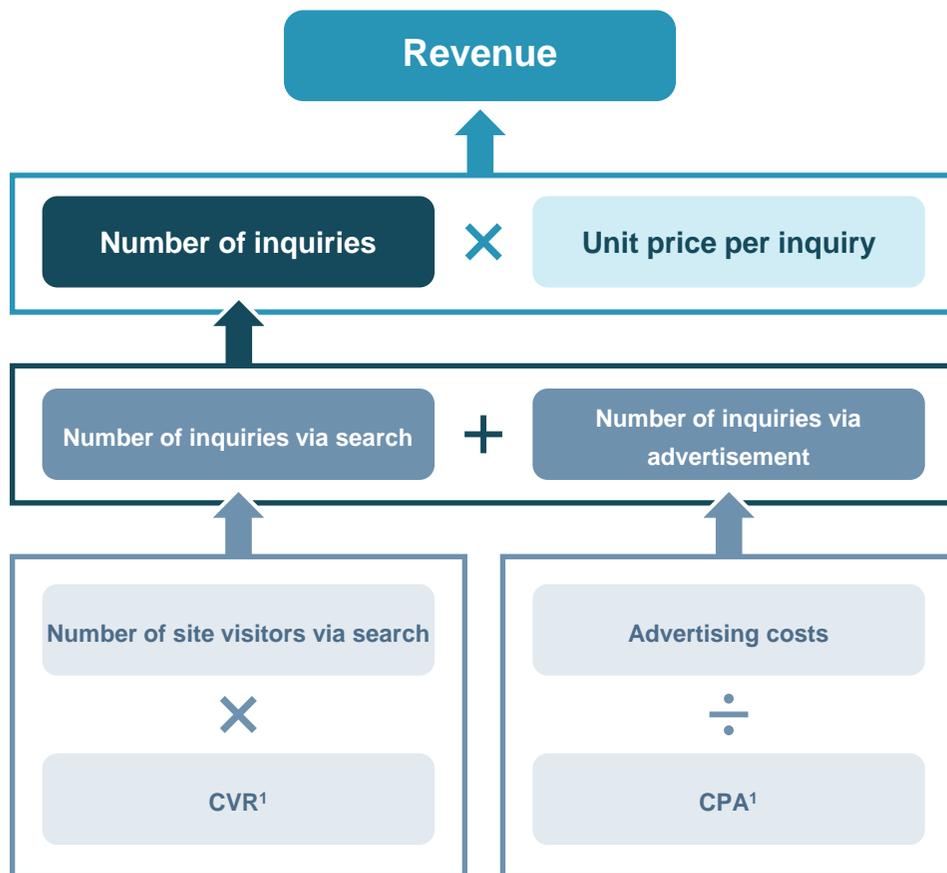


Note: 1 The total number of inquiries for the main sites of Other Media (Carism, Expert Search for Infidelity Investigation, Hotline for Missing Person Search). The number of Bikkore inquiries is not included.

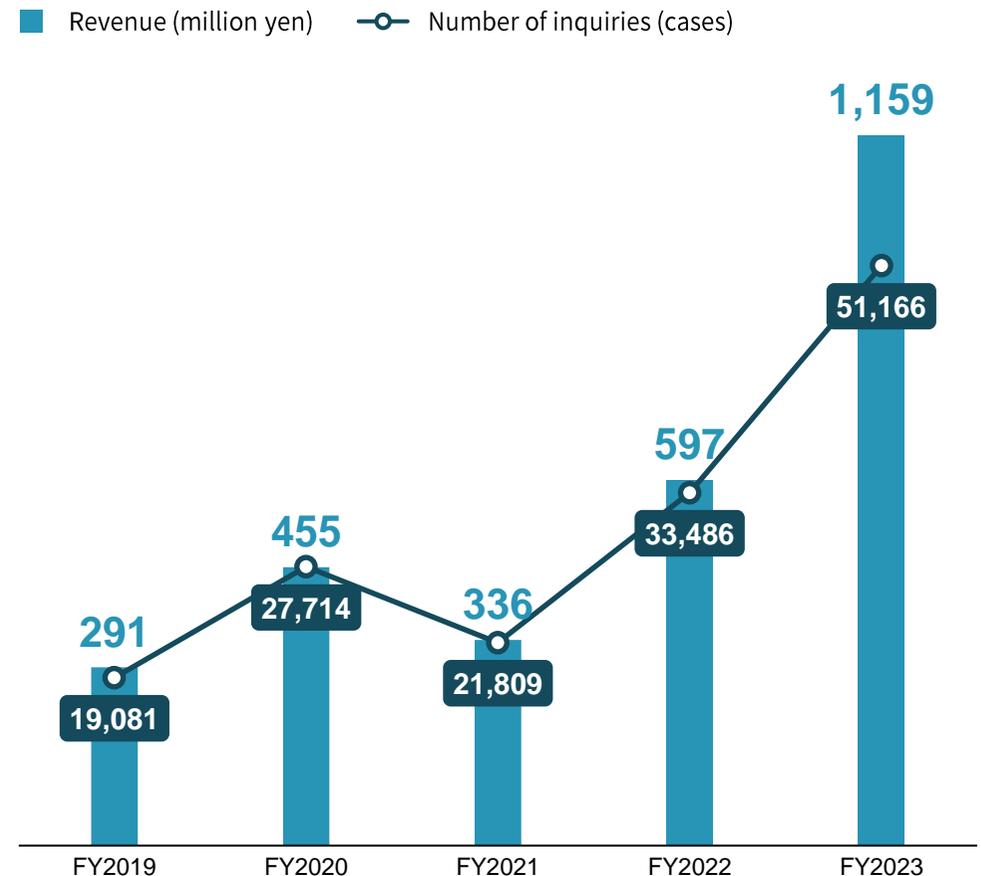
# Revenue Model

Other Media is a performance-based business based on the number of inquiries. Although the business declined in FY2021 due to the negative impact of the pandemic, the business environment has recovered as the economy has normalized, and is currently growing significantly.

## Revenue model (Other Media)



## Revenue/Number of inquiries<sup>2</sup> (Other Media)



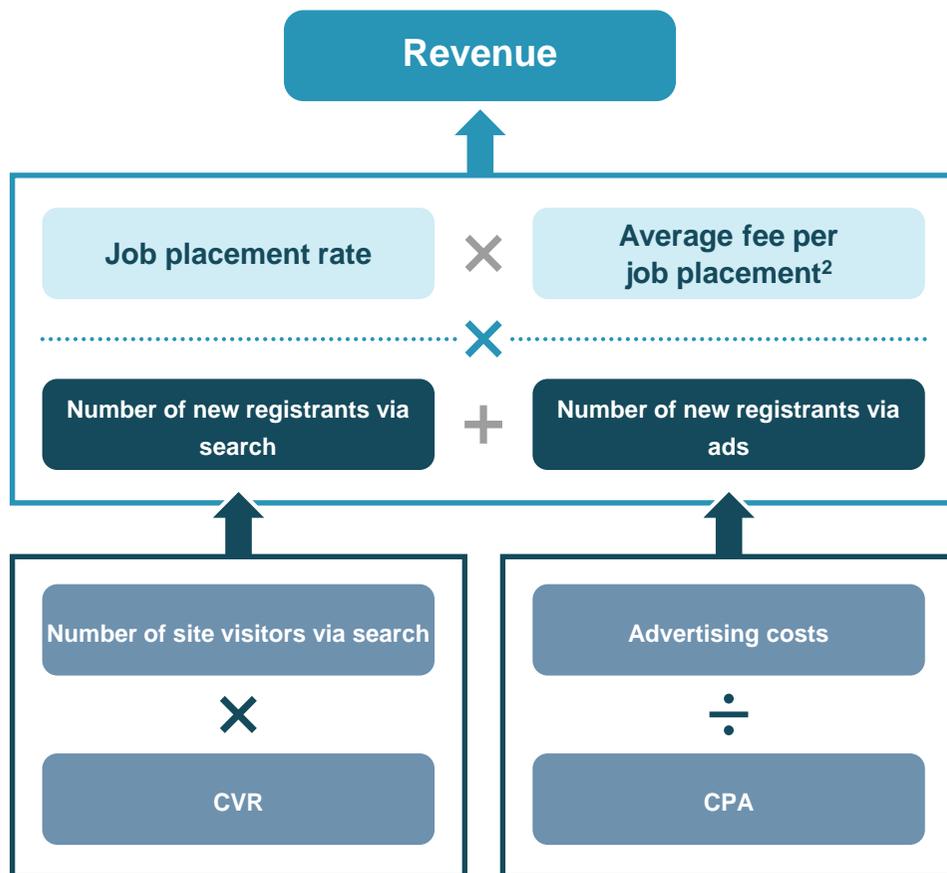
Notes: 1 CVR stands for "conversion rate," which is the number of inquiries divided by the number of site visitors. CPA is an abbreviation for Cost Per Acquisition, which is the inquiries acquisition cost by dividing advertising costs by the number of inquiries.

2 The total number of inquiries for main sites of Other Media (Carism, Expert Search for Infidelity Investigation, Hotline for Missing Person Search). The number of Bikkore inquiries is not included.

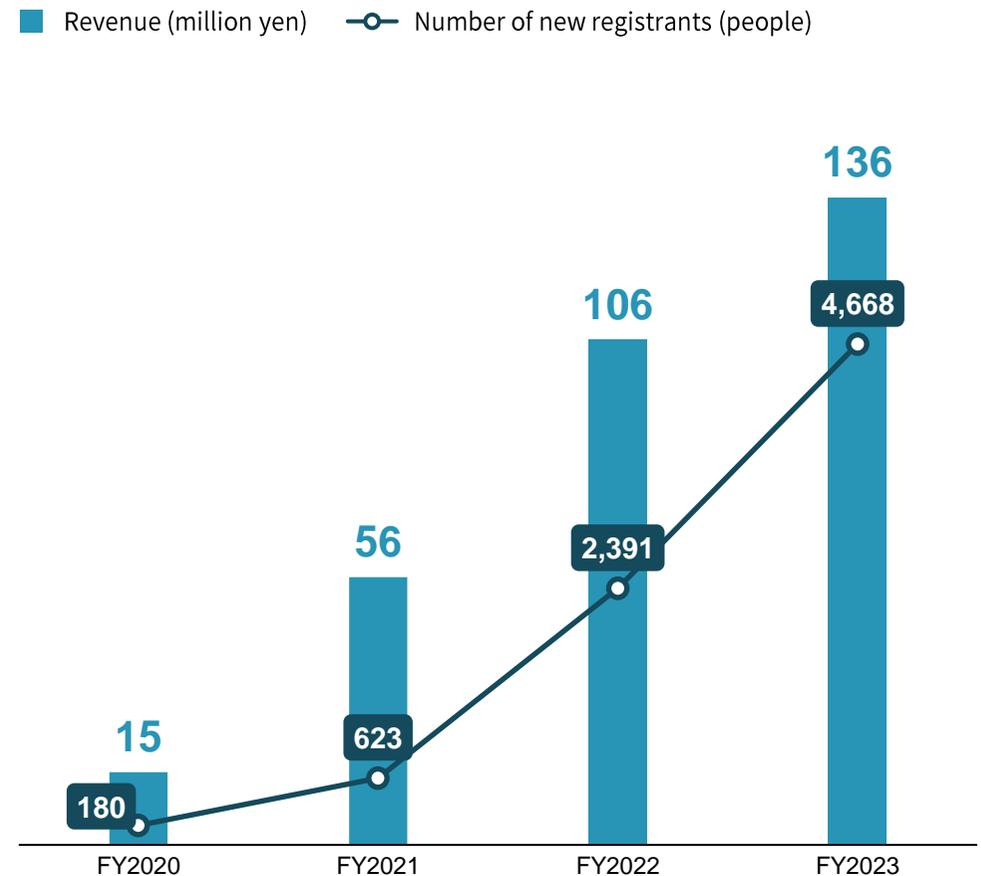
# Revenue Model

The HR business is a performance-based business based on the number of new hires (number of new registrants<sup>1</sup> x job placement rate). In addition to the referral of attorneys to law firms, we also referral of professional and back-office personnel to general companies and the number of new registrants who are job seekers increase steadily.

## Revenue model (HR)



## Revenue/Number of new registrants (HR)



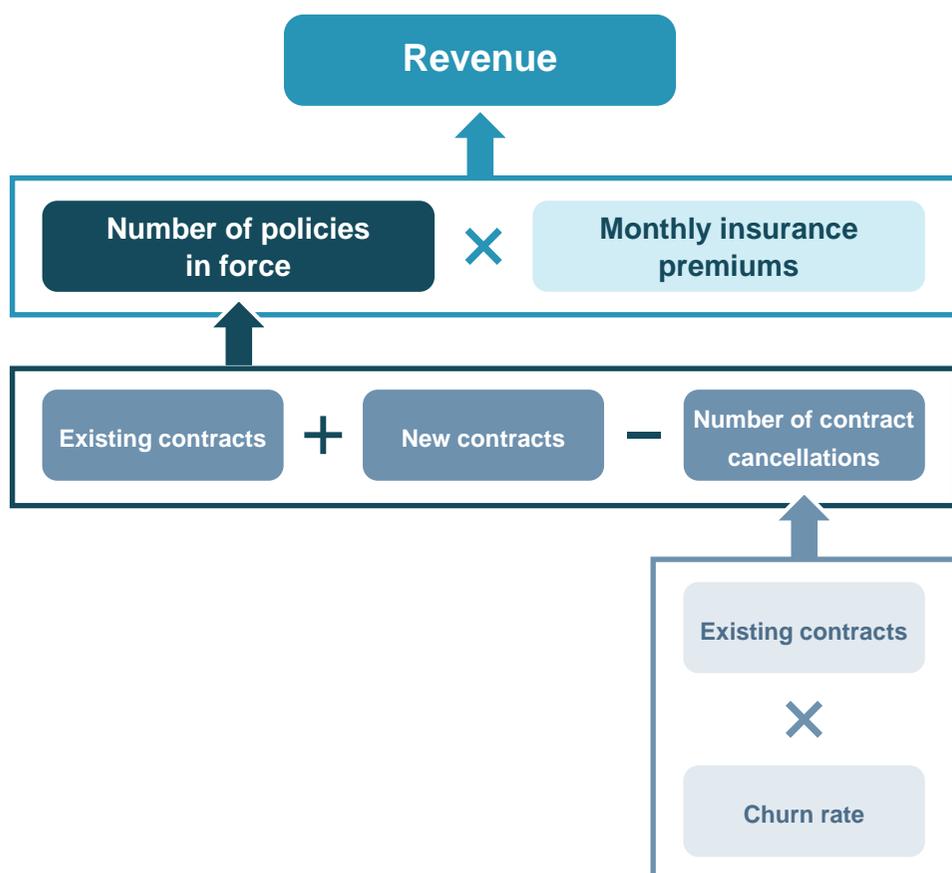
Notes: 1 Refers to the number of new registrations for the recruitment service from job seekers.

2 The average fee per job placement is the amount by multiplying the estimated annual salary of the new hires by the referral fee rate.

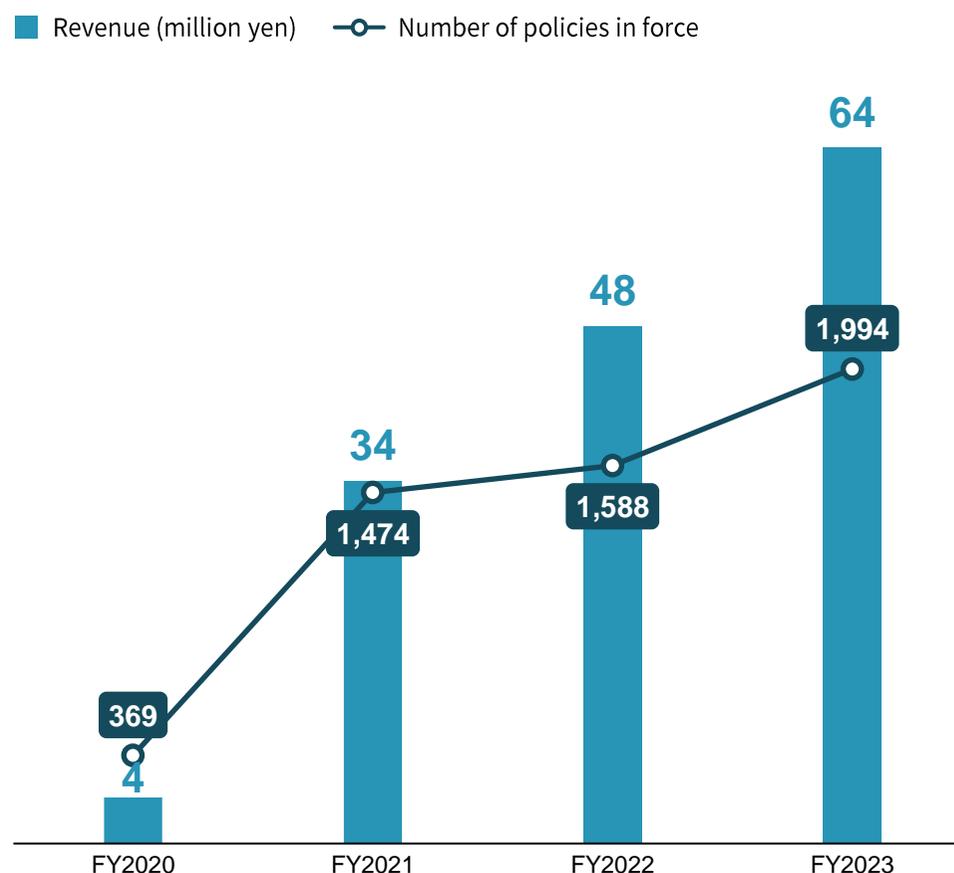
# Revenue Model

The insurance business is a recurring revenue business models in which revenue grows in proportion to the number of policies in force. Although the number of contracts in force is steadily increasing, we will promote measures to further accelerate the speed of increase.

## Revenue model (Insurance)



## Revenue / Number of policies in force<sup>1</sup> (Insurance)



Note: 1 Asiro Small Amount and Short Term Insurance Co., Ltd., a consolidated subsidiary that operates insurance business in the Group, has a fiscal year end of March, but the figures are aggregated according to the Company's fiscal year end. The company started the insurance business in April 2020, and figures for the fiscal year ending October 2020 are from April to October.

**Section**

**04**

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**Medium-Term Management Plan Review  
and Forecast for FY2024**

# Numerical targets in Medium-term Management Plan

By continuing annual revenue growth of over 30%, we aim to reach revenue of ¥5.5 billion or more and operating profit of ¥1.1 billion or more in FY2025 which is the final year of the medium-term management plan and is positioned as a profit generation period.

1

Annual revenue  
growth rate

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**30%**  
or more

2

Revenue in  
FY2025  
(Profit generation period)

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**5.5** billion yen  
or more

3

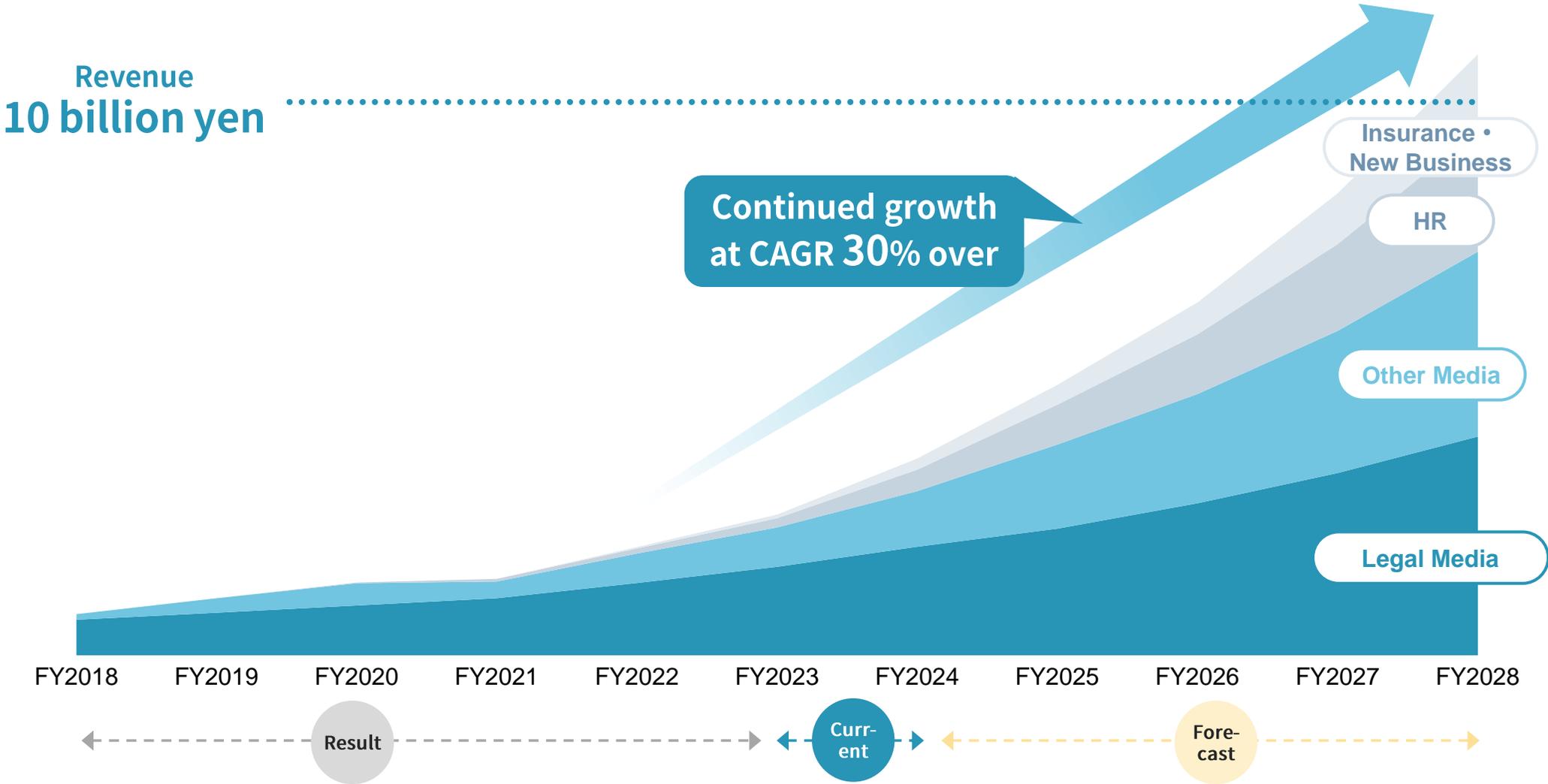
Operating profit in  
FY2025  
(Profit generation period)

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**1.1** billion yen  
or more

# Long-Term Management Objectives

We aim to reach 10 billion yen in revenue as quickly as possible by continuing 30% growth. To achieve this goal, we will aggressively invest in the FY2023 & FY2024, and we will make FY2025 a profit generation period.



Note: 1 Includes the possibility of new business development through M&A

# Forecast for FY2024

The forecast for the next fiscal year is for revenue to increase by 32.5% to 4,236 million yen, and operating profit to be 105 million yen. We plan low level of operating profit in FY2024 which is being positioned as a growth investment period, but are planning to implement a dividend based on the anticipated profit based on an operating profit margin of 20% that is the target profit margin under normal circumstances as FY2023.

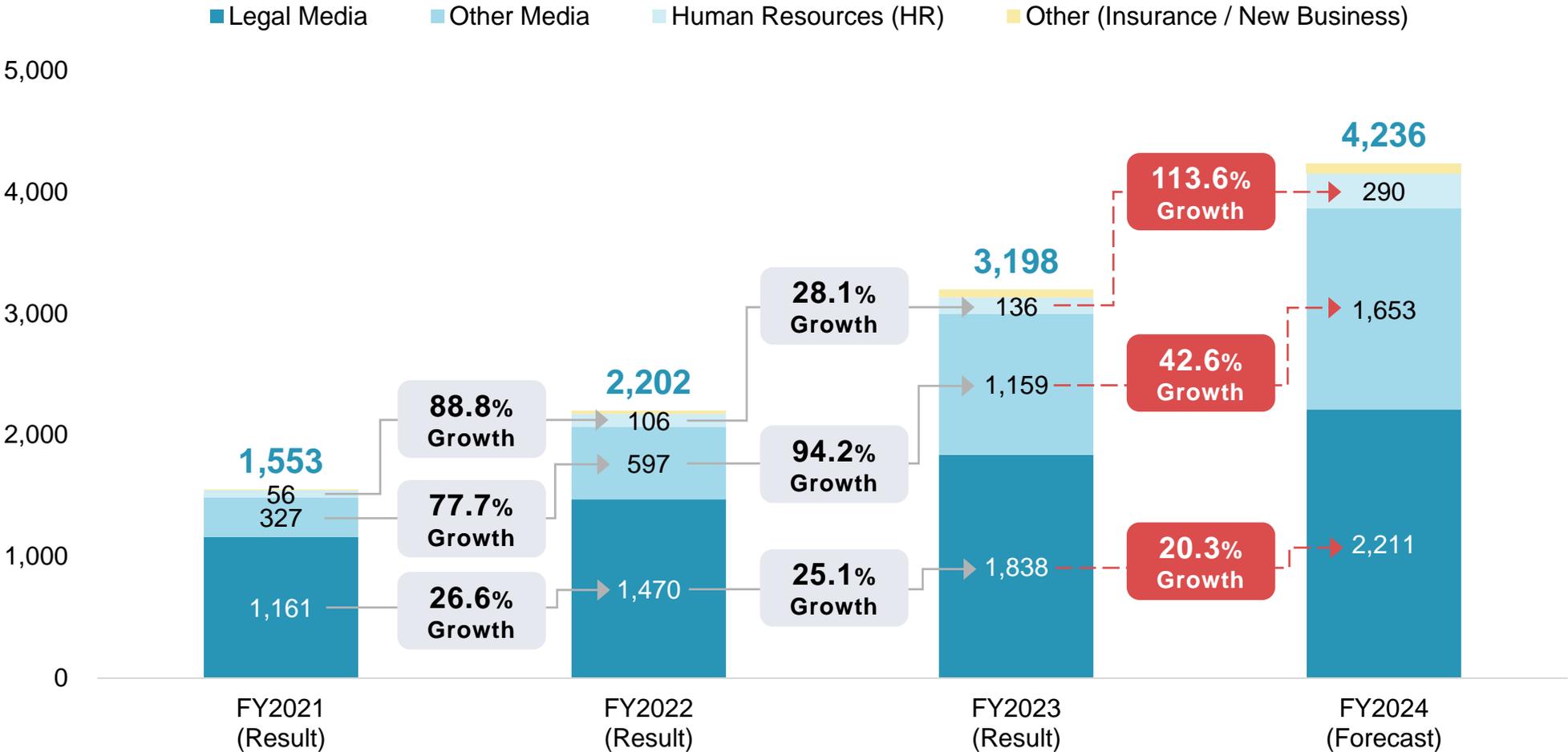
(unit: million yen)	FY2024 Forecast	FY2023 Result	YoY
Revenue	4,236	3,198	32.5%
Operating profit	105	53	97.8%
Profit attributable to owners of parent	26	-12	n/a

(unit: yen)	FY2024 Forecast	FY2023 Result	YoY
Dividend	21.43	13.61	57.5%

# FY2024 Revenue Forecast

While Legal Media is basically on track for stable growth at around 20%, we aim to continue a high rate of overall growth exceeding 30% with high growth rates continuing particularly in Other Media and HR.

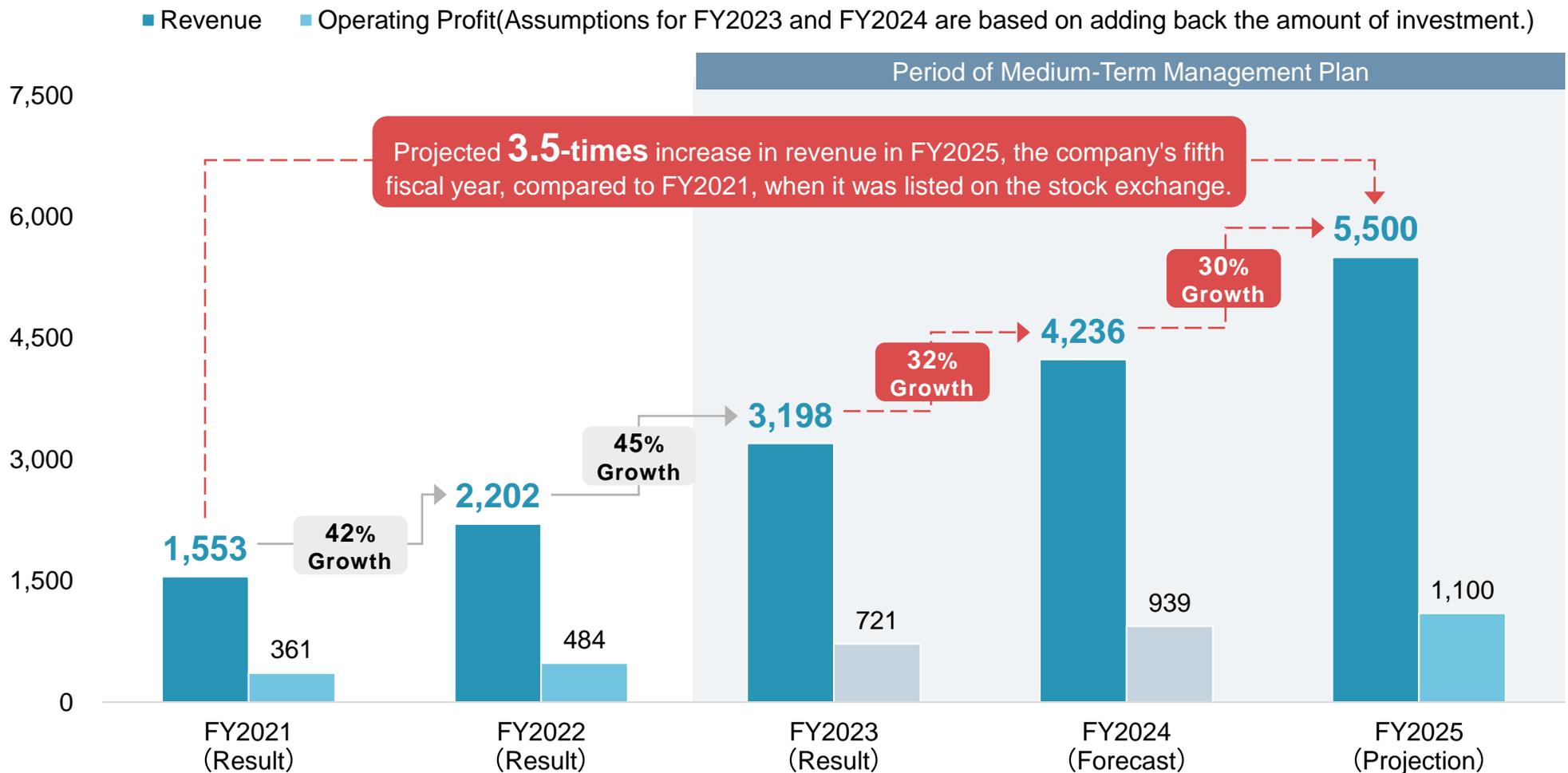
## Revenue Forecast (unit: million yen)



# Reference: Medium-Term Management Plan Review

For the FY 2024, we are forecasting 32% YoY growth in revenue. In the last two fiscal years, we have achieved sales growth of more than 40%, and we aim to achieve sales revenue of 5.5 billion yen in the FY2025 by continuing to grow at around 30% during the remaining two terms of the medium-term management plan.

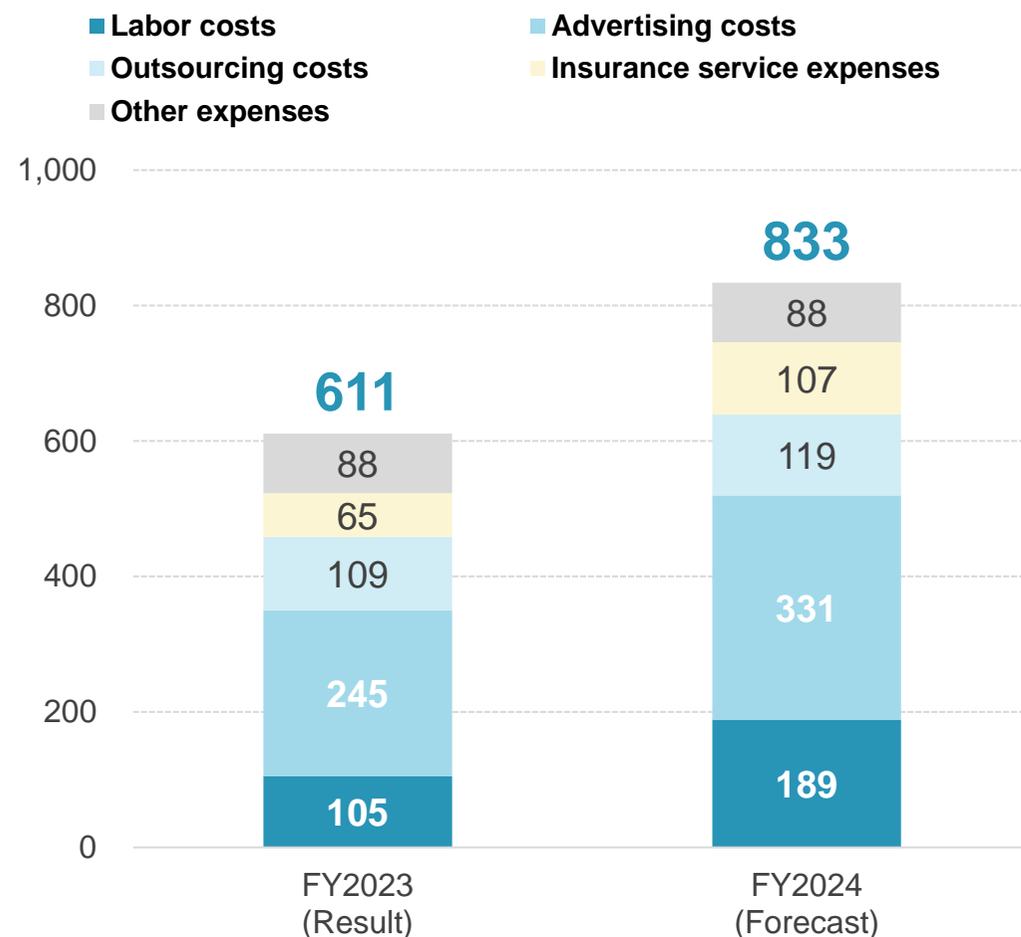
## Revenue and Operating Profit (Millions of yen)



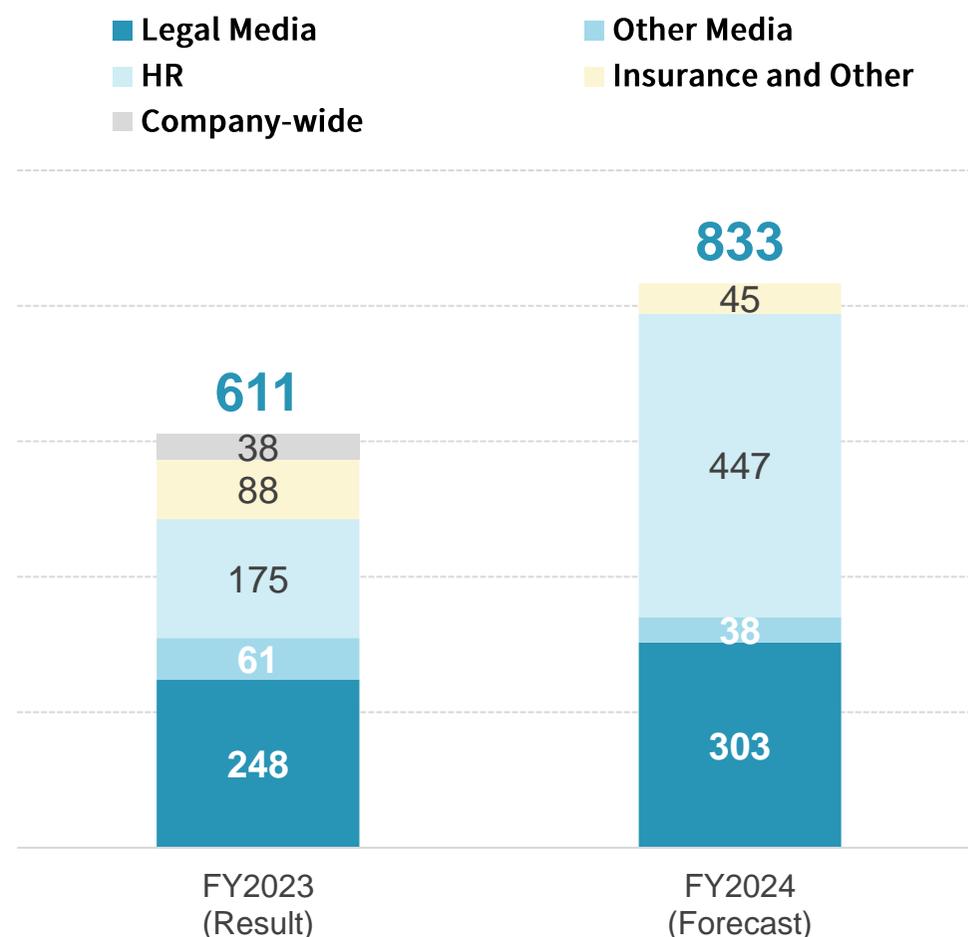
# Planned Investment Amount for FY2024

In FY2024, we plan to continue to make investments based on the ample cash flow generated by our business. We plan to increase investments mainly in labor and advertising expenses by item and in sales expansion of the placement and recruiting business and the launch of the temporary staffing business in the HR. Although we had planned to invest 680 million yen in FY2023, the investment amount was less than the budgeted amount.

Planned Investment Amount by Item (unit: million yen)



Planned Investment Amount by Business Area (unit: million yen)



# FY2024 Major Planned Investments by Business Segment

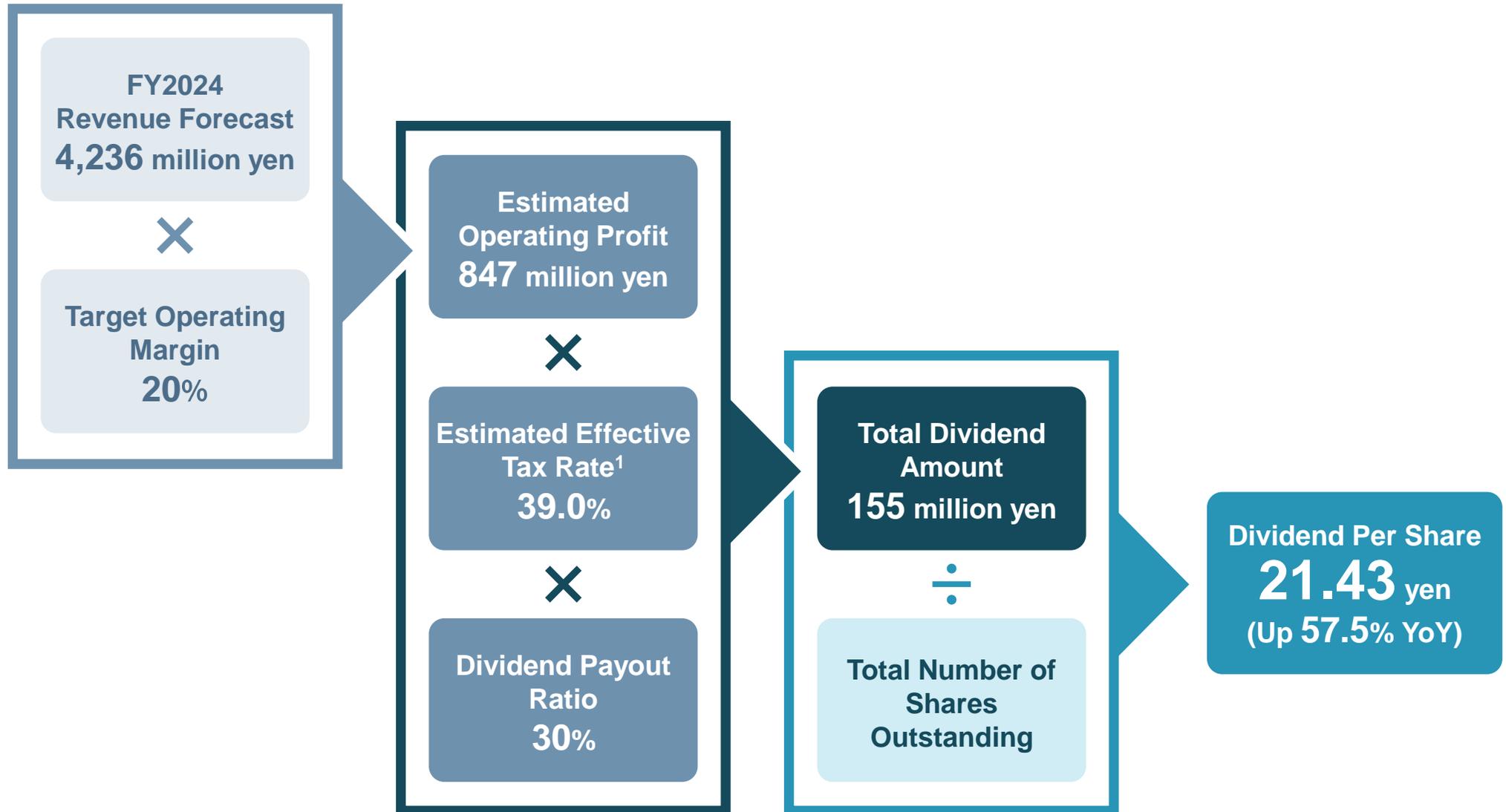
The major investments by business segment are as follows. As in 2023, we will continue to make aggressive investments in each business segment to raise the probability of achieving the goals of the medium-term management plan.

## Major Planned Investments by Business Segment

Business Segment	Projected investment amount	Planned Investments
<b>Legal Media</b>	<b>303</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in advertising and outsourcing to develop new services</li> <li>✓ Investment in advertising to increase awareness of “BenNavi”</li> <li>✓ Investment in advertising and outsourcing to improve sales promotion and customer satisfaction</li> </ul>
<b>Other Media</b>	<b>38</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in outsourcing costs to develop new services and strengthen existing services</li> </ul>
<b>HR (Recruitment business)</b>	<b>380</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in labor and recruiting expenses to strengthen the staffing structure</li> <li>✓ Investment in advertising expenses to increase awareness of “BEET”, a job search service for back-office personnel</li> </ul>
<b>HR (Temporary staffing business)</b>	<b>67</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in recruiting expenses to acquire temporary staff</li> </ul>
<b>Insurance</b>	<b>45</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in advertising and insurance agency commissions to increase the number of contracts</li> </ul>

# FY2024 Dividend Forecast

Although we continue to forecast low operating income in 2024, since our strategy is based on the decision to invest aggressively to maximize revenue/profit over the medium to long term, we plan to pay a dividend of 21.43 yen per share in 2024 (57.5% increase YoY) based on an operating margin of 20%, which is the normal profit margin, as in the previous year.



Note: 1. Since this is the assumed effective tax rate, the total dividend amount of 155 million yen is calculated by multiplying the assumed operating income of 847 million yen x the assumed effective tax rate (100% - 39.0%) x the dividend payout ratio of 30%.

# Section 05

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# Appendix

# Quarterly Financial Results (P&L)

	Q4 FY2023	Q4 FY2022		Q3 FY2023		Q4 FY2023 cumulative total	Q4 FY2022 cumulative total	
(unit: million yen)	(Aug 2023- Oct 2023)	(Aug 2022- Oct 2022)	YoY	(May 2023- Jul 2023)	QoQ	(Nov 2022- Oct 2023)	(Nov 2021- Oct 2022)	YoY
Revenue	859	613	+40.1%	852	+0.8%	3,198	2,202	+45.2%
Cost of sales	532	375	+41.7%	539	-1.3%	1,941	1,148	+69.2%
Gross profit	327	238	+37.6%	313	+4.5%	1,257	1,054	+19.2%
<i>Gross profit margin</i>	38.1%	38.8%	-0.7pt	36.8%	+1.3pt	39.3%	47.9%	-8.6pt
Sales, general, and administrative expenses	313	180	+73.8%	285	+10.1%	1,094	579	+89.1%
Other revenues / expenses	- 110	6	n/a	0	n/a	-109	8	n/a
Operating profit	-96	63	n/a	29	n/a	53	484	-89.0%
<i>Operating profit margin</i>	n/a	10.3%	n/a	3.4%	n/a	1.7%	22.0%	-20.3pt
Financial revenue / expenses	- 3	- 2	n/a	- 3	n/a	- 10	- 6	n/a
Profit before taxes	- 99	61	n/a	26	n/a	43	477	-90.9%
Tax expenses	- 5	6	n/a	22	n/a	82	147	-44.2%
Profit	- 94	56	n/a	4	n/a	- 38	331	n/a
<i>Profit margin</i>	n/a	9.1%	n/a	0.5%	n/a	n/a	15.0%	n/a
Profit attributable to owners of parent	- 89	61	n/a	11	n/a	- 12	344	n/a
<i>Profit margin attributable to owners of parent</i>	n/a	10.0%	n/a	1.3%	n/a	n/a	15.6%	n/a

# Quarterly Financial Results (BS/CF)

(unit: million yen)	Q4 FY2023	Q3 FY2023	Change
	(Oct 2023)	(Jul 2023)	
<b>Current assets</b>	1,782	1,661	+121
Cash and cash equivalents	1,226	1,137	+89
Accounts receivable	466	453	+13
Other	90	71	+19
<b>Non-current assets</b>	1,939	1,950	-11
Property, plant and equipment	113	80	+33
Right-of-use assets	318	237	+81
Goodwill	1,340	1,439	-98
Other	167	194	-27
<b>Total assets</b>	3,721	3,611	+110
<b>Liabilities</b>	1,494	1,293	+201
Interest-bearing debt	665	622	+43
Lease liabilities	287	204	+84
Other	541	467	+74
<b>Total equity</b>	2,227	2,318	-91
<b>Total liabilities and equity</b>	3,721	3,611	+110

(unit: million yen)	Q4 FY2023	Q3 FY2023	Change
	(Aug 2023-Oct 2023)	(May 2023-Jul 2023)	
<b>Cash flow from operating activities</b>	120	-89	+208
Profit before tax	- 99	26	-125
Depreciation and amortization, Impairment losses	155	33	+121
Income tax paid	0	- 135	+135
Other	64	- 14	+77
<b>Cash flow from investment activities</b>	- 48	70	-117
Purchase of property, plant and equipment	- 43	- 4	-39
Acquisition of investments in securities	0	74	-74
Other	- 4	- 0	-4
<b>Cash flow from financing activities</b>	17	- 195	+211
Repayments of short-term borrowings	- 58	- 177	+119
Repayments of lease liabilities	- 25	- 17	-8
Other	100	- 0	+100
<b>Change in cash and cash equivalents</b>	89	- 213	+302
<b>Cash and cash equivalents at period end</b>	1,226	1,137	+89
<b>FCF</b>	72	- 19	+91

# Cautions about this material

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This document contains forward-looking statements. These forward-looking statements are based on information as of the date of these materials. These statements do not guarantee future results or performance.

Such forward-looking statements include known and unknown risks and uncertainties, and as a result, future actual performance and financial position may differ materially from forecasts of future performance and results shown explicitly or implicitly by such forward-looking statements.

Factors causing actual results differing materially from the results described in these statements include, but are not limited to, changes in domestic and international economic conditions and trends in the industries in which we operate business.

In addition, information on matters and organizations other than our company is based on information that is open to the public.