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October 15, 2021

## Non-Consolidated Financial Results for the Fiscal Year Ended August 31, 2021 (Under Japanese GAAP)

Company name: **coconala Inc.**  
 Listing: Tokyo Stock Exchange  
 Securities code: 4176  
 URL: <https://coconala.co.jp/>  
 Representative: Ayumu Suzuki, Chief Executive Officer  
 Inquiries: Shuhei Nakagawa, Chief Financial Officer  
 TEL: +81-3-6712-7771  
 Scheduled date of annual general meeting of shareholders: November 25, 2021  
 Scheduled date to commence dividend payments: –  
 Scheduled date to file annual securities report: November 26, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Non-consolidated financial results for the fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
August 31, 2021	2,746	54.7	89	–	59	–	41	–
August 31, 2020	1,775	56.0	(80)	–	(83)	–	(94)	–

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
Fiscal year ended	Yen	Yen	%	%	%
August 31, 2021	1.93	1.76	3.3	2.0	3.3
August 31, 2020	(4.59)	–	(43.0)	(5.5)	(4.6)

(Reference) Share of profit (loss) of entities accounted for using equity method:

For the fiscal year ended August 31, 2021: – million yen

For the fiscal year ended August 31, 2020: – million yen

- (Notes) 1. For the fiscal year ended August 31, 2020, a figure for diluted earnings per share has not been stated despite the existence of dilutive shares because it is not possible to ascertain the average share price during that fiscal year given that the Company's shares were not listed, and because the Company incurred a net loss per share.
2. On March 19, 2021, the Company listed its shares on the Mothers section of the Tokyo Stock Exchange. As such, the amount stated with respect to diluted earnings per share for the fiscal year ended August 31, 2021, has been calculated on the basis of the average share price for the fiscal year being that of the average share price during the period extending from the date on which the shares were listed until the fiscal year-end.

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2021	4,059	2,328	57.4	104.06
August 31, 2020	1,945	171	8.8	8.38

(Reference) Equity: For the year ended August 31, 2021 2,328 million yen  
For the year ended August 31, 2020 171 million yen

## (3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2021	764	(115)	1,386	3,318
August 31, 2020	274	(190)	460	1,284

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2020	—	0.00	—	0.00	0.00
Fiscal year ended August 31, 2021	—	0.00	—	0.00	0.00
Fiscal year ending August 31, 2022 (Forecast)	—	0.00	—	0.00	0.00

	Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	Millions of yen	%	%
Fiscal year ended August 31, 2020	—	—	—
Fiscal year ended August 31, 2021	—	—	—
Fiscal year ending August 31, 2022 (Forecast)		—	

## 3. Non-consolidated earnings forecasts for the fiscal year ending August 31, 2022 (September 1, 2021 to August 31, 2022)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,650	32.9	(1,290)	—	(1,290)	—	(1,292)	—	(57.74)

(Note) 1. For details, please refer to “1. Overview of operating results and others (4) Future outlook” on page 3 of the Financial Results report.

2. The total number of shares outstanding as of August 31, 2021, was used for the average number of shares during the period that becomes the basis of calculating the basic earning per share.

**\* Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2021	22,380,500 shares
As of August 31, 2020	20,474,000 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2021	–
As of August 31, 2020	–

(iii) Average number of shares outstanding during the period

For the fiscal year ended August 31, 2021	21,261,848 shares
For the fiscal year ended August 31, 2020	20,474,000 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts, and other special matters

The forecasts and other forward-looking statements in this report are based on information currently available to the Company and certain assumptions determined as rational. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future.

**Attached Materials**

**Index**

- 1. Overview of operating results and others ..... 2
  - (1) Overview of operating results for the fiscal year ..... 2
  - (2) Overview of financial position for the fiscal year ..... 2
  - (3) Overview of cash flows for the fiscal year ..... 3
  - (4) Future outlook ..... 3
- 2. Basic policies concerning selection of accounting standards ..... 4
- 3. Non-consolidated financial statements ..... 5
  - (1) Non-consolidated balance sheet ..... 5
  - (2) Non-consolidated statement of income ..... 6
  - (3) Non-consolidated statement of changes in equity ..... 7
  - (4) Non-consolidated statement of cash flows ..... 9
  - (5) Notes to non-consolidated financial statements ..... 10
    - (Notes on uncertainties of entity’s ability to continue as going concern) ..... 10
    - (Equity in earnings (losses) of affiliates if equity method is applied) ..... 10
    - (Segment information, etc.) ..... 10
    - (Per share information) ..... 10
    - (Significant events after reporting period) ..... 11

## 1. Overview of operating results and others

### (1) Overview of operating results for the fiscal year

During the fiscal year ended August 31, 2021, the Japanese economy was beset by a persisting outlook of uncertainty with still no end in sight in terms of the prolonged nature of the novel coronavirus disease (COVID-19) pandemic despite the nation having initiated vaccinations.

Under such circumstances, the Company gained many new service users as a result of it having focused on development of product features while also enlisting marketing initiatives that have intensely facilitated its efforts to tap into its user base through mass media and other such channels.

In developing product features, the Company has been striving to build coconala's economic domain over the medium- to long-term. In September 2020, it accordingly released a service that enables people to sell and purchase access to fee-based blogs with user-created content residing on the coconala platform. In December 2020, the Company added the ability for people to make payment at 7-Eleven locations. In August 2021, the Company launched services enlisting its new buyer-exclusive Coconala Business platform equipped with features designed for team accessibility as part of its lineup of services tailored to business use. In terms of its marketing initiatives, the Company has been running TV commercials nationwide in Japan since August 2021. The Company otherwise engaged in development efforts and implemented initiatives that give rise to greater user convenience throughout the fiscal year under review.

During the fiscal year ended August 31, 2021, the Company consequently achieved the following financial results: GMV of ¥9,599,554 thousand (up 51.6% YoY), operating revenue of ¥2,746,940 thousand (up 54.7% YoY), operating profit of ¥89,478 thousand (operating loss of ¥80,864 thousand in the previous fiscal year), ordinary profit of ¥59,959 thousand (ordinary loss of ¥83,767 thousand in the previous fiscal year), and net profit of ¥41,083 thousand (net loss of ¥94,001 thousand in the previous fiscal year).

The Company does not present segment information given that it has one reportable segment, the coconala.

### (2) Overview of financial position for the fiscal year

#### Assets

Total assets at the end of the fiscal year under review were ¥4,059,327 thousand, an increase of ¥2,114,208 thousand from the end of the previous fiscal year. The increase is mainly attributable to a ¥2,034,723 thousand increase in cash and deposits largely due to issuance of shares associated the Company's listing on the Mothers section of the Tokyo Stock Exchange.

#### Liabilities

Total liabilities at the end of the fiscal year under review were ¥1,730,521 thousand, a decrease of ¥43,089 thousand from the end of the previous fiscal year. The increase is mainly attributable to a ¥730,000 thousand decrease in short-term borrowings, a ¥252,792 thousand increase in accounts payable largely due to expenses incurred in relation to TV commercials, increases of ¥210,029 thousand in deposits received and ¥153,025 thousand in advances received due to the increase in GMV, a ¥43,200 thousand increase in income taxes payable, and a ¥16,664 thousand increase in accrued consumption taxes.

#### Net assets

Total net assets at the end of the fiscal year under review were ¥2,328,805 thousand, an increase of ¥2,157,298 thousand from the end of the previous fiscal year. The increase is mainly attributable to respective ¥1,058,107 thousand increases in both share capital and capital surplus due to issuance of shares associated the Company's listing on the Mothers section of the Tokyo Stock Exchange, and a ¥41,083 thousand increase in retained earnings.

### (3) Overview of cash flows for the fiscal year

Cash and cash equivalents at the end of the fiscal year under review were ¥3,318,899 thousand, an increase of ¥2,034,723 thousand from the end of the previous fiscal year. The respective cash flow positions and main factors behind the changes are as follows.

#### Cash flows from operating activities

Net cash provided by operating activities was ¥764,335 thousand (¥274,373 thousand provided in the previous fiscal year). This is mainly attributable to a ¥301,108 thousand increase in accounts payable, a ¥210,029 thousand increase in deposits received due to the increase in GMV, and a ¥153,025 thousand increase in advances received due to the increase in GMV.

#### Cash flows from investing activities

Net cash used in investing activities was ¥115,826 thousand (¥190,485 thousand used in the previous fiscal year). This is mainly attributable to ¥76,237 thousand for purchase of property, plant and equipment largely involving capital investment associated with relocation of the headquarters, and ¥51,723 thousand for payments of guarantee deposits associated with floor space expansion with respect to headquarter offices.

#### Cash flows from financing activities

Net cash provided by financing activities was ¥1,386,215 thousand (¥460,000 thousand provided in the previous fiscal year). This was mainly due to ¥2,116,215 thousand in proceeds from issuance of shares and ¥730,000 thousand of net decrease in short-term borrowings.

### (4) Future outlook

Uncertainty persists amid concerns that include the possibility of an economic downturn weighing on business activity associated with the prolonged nature of the COVID-19 pandemic worldwide. At this point in time, however, the Company is leaving its growth strategy unchanged going forward and is accordingly operating its business based on an approach that involves placing top priority on achieving growth with its sights set on attaining the corporate vision of “building a world where each of us can live ‘our own story.’” As a result, the Company has set a medium- to long-term target of aiming to achieve at least 30% growth in operating revenue.

The coconala Business is in its growth phase while also equipped with a financial structure arranged such that expansion in the size of the business is conducive to prompting increases in its long-term profits, cash flows, and shareholder value. As such, rather than emphasizing results with respect to operating profit, ordinary profit, and net profit over the short-to-medium term, the Company will instead engage in business operations based on an approach that involves placing top priority on increasing its GMV and operating revenue, while maintaining an efficient financial structure and exercising financial discipline. In line with this approach, the Company intends to increase its GMV by achieving growth in its number of paid unique users (UUs) through expansion of its user base and also by achieving growth in its purchase amount per buyer through improvements with respect to the user interface (UI) and user experience (UX) along with expansion of its business user base.

During the fiscal year ending August 31, 2022, the Company’s plans include significantly increasing its marketing investment particularly with respect to TV commercials and continuing its investment in human resources with a focus on developing product features. Meanwhile, the ratio of operating revenue to GMV is apt to fluctuate somewhat due to changes in the share of GMV attributable to respective categories, but substantial volatility seems unlikely. As such, operating revenue is likely to increase in line with gains in GMV.

For the fiscal year ending August 31, 2022, the Company’s full-year earnings forecast based on these assumptions is as follows: operating revenue of ¥3,650,000 thousand (up 32.9% YoY), operating loss of ¥1,290,000 thousand (operating profit of ¥89,478 thousand in the previous fiscal year), ordinary loss

of ¥1,290,000 thousand (ordinary profit of ¥59,959 thousand in the previous fiscal year), and net loss of ¥1,292,290 thousand (net profit of ¥41,083 thousand in the previous fiscal year).

## 2. Basic policies concerning selection of accounting standards

The Company, giving consideration to the fiscal term for the financial statements and the comparability among companies in the same industry, follows a policy of preparing financial statements in accordance with the generally accepted accounting standards in Japan (Japanese GAAP).

With respect to adoption of International Financial Reporting Standards (IFRS), the Company follows a policy of responding in a suitable manner after giving consideration to various circumstances in Japan and overseas.

### 3. Non-consolidated financial statements

#### (1) Non-consolidated balance sheet

(Thousands of yen)

	As of August 31, 2020	As of August 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	1,284,176	3,318,899
Accounts receivable	347,853	269,085
Prepaid expenses	29,423	48,424
Other	25,579	126,492
<b>Total current assets</b>	<b>1,687,032</b>	<b>3,762,902</b>
Non-current assets		
Property, plant and equipment		
Buildings	82,256	83,385
Tools, furniture and fixtures	50,104	70,891
Construction in progress	–	3,300
Accumulated depreciation	(25,111)	(48,298)
<b>Total property, plant and equipment</b>	<b>107,249</b>	<b>109,278</b>
Investments and other assets		
Guarantee deposits	150,626	185,840
Long-term prepaid expenses	209	956
Other	–	350
<b>Total investments and other assets</b>	<b>150,836</b>	<b>187,146</b>
<b>Total non-current assets</b>	<b>258,085</b>	<b>296,424</b>
<b>Total assets</b>	<b>1,945,118</b>	<b>4,059,327</b>
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	730,000	–
Accounts payable	214,476	467,269
Accrued expenses	17,404	20,734
Income taxes payable	2,289	45,490
Accrued consumption taxes	65,068	81,732
Advances received	178,014	331,040
Deposits received	537,482	747,511
Provision for point certificates	23,582	31,107
Provision for coupons	5,292	5,635
<b>Total current liabilities</b>	<b>1,773,610</b>	<b>1,730,521</b>
<b>Total liabilities</b>	<b>1,773,610</b>	<b>1,730,521</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	90,000	1,148,107
Capital surplus		
Legal capital surplus	900,000	1,958,107
Other capital surplus	334,970	334,970
<b>Total capital surplus</b>	<b>1,234,970</b>	<b>2,293,077</b>
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,153,462)	(1,112,379)
<b>Total retained earnings</b>	<b>(1,153,462)</b>	<b>(1,112,379)</b>
<b>Total shareholders' equity</b>	<b>171,507</b>	<b>2,328,805</b>
<b>Total net assets</b>	<b>171,507</b>	<b>2,328,805</b>
<b>Total liabilities and net assets</b>	<b>1,945,118</b>	<b>4,059,327</b>



## (2) Non-consolidated statement of income

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Operating revenue	1,775,555	2,746,940
Operating expenses	1,856,419	2,657,461
Operating profit (loss)	(80,864)	89,478
Non-operating income		
Interest income	9	18
Subsidy income	500	–
Income from refund	1,741	1,544
Other	578	195
Total non-operating income	2,829	1,759
Non-operating expenses		
Interest expenses	5,717	6,574
Listing expenses	–	24,700
Other	15	3
Total non-operating expenses	5,732	31,278
Ordinary profit (loss)	(83,767)	59,959
Profit (loss) before income taxes	(83,767)	59,959
Income taxes – current	2,289	18,876
Income taxes – deferred	7,943	–
Total income taxes	10,233	18,876
Net profit (loss)	(94,001)	41,083

## (3) Non-consolidated statement of changes in equity

Fiscal year ended August 31, 2020

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	90,000	900,000	334,970	1,234,970
Changes during period				
Net loss				
Total changes during period	–	–	–	–
Balance at end of period	90,000	900,000	334,970	1,234,970

	Shareholders' equity			Total net assets
	Retained earnings		Total shareholders' equity	
	Other retained earnings	Total retained earnings		
	Retained earnings brought forward			
Balance at beginning of period	(1,059,461)	(1,059,461)	265,508	265,508
Changes during period				
Net loss	(94,001)	(94,001)	(94,001)	(94,001)
Total changes during period	(94,001)	(94,001)	(94,001)	(94,001)
Balance at end of period	(1,153,462)	(1,153,462)	171,507	171,507

Fiscal year ended August 31, 2021

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	90,000	900,000	334,970	1,234,970
Changes during period				
Issuance of new shares	1,058,107	1,058,107		1,058,107
Net profit				
Total changes during period	1,058,107	1,058,107	–	1,058,107
Balance at end of period	1,148,107	1,958,107	334,970	2,293,077

	Shareholders' equity			Total net assets
	Retained earnings		Total shareholders' equity	
	Other retained earnings	Total retained earnings		
	Retained earnings brought forward			
Balance at beginning of period	(1,153,462)	(1,153,462)	171,507	171,507
Changes during period				
Issuance of new shares			2,116,215	2,116,215
Net profit	41,083	41,083	41,083	41,083
Total changes during period	41,083	41,083	2,157,298	2,157,298
Balance at end of period	(1,112,379)	(1,112,379)	2,328,805	2,328,805

## (4) Non-consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(83,767)	59,959
Depreciation	17,608	25,789
Amortization of guarantee deposits	13,854	4,375
Interest income	(9)	(18)
Interest expenses	5,717	6,574
Listing expenses	–	24,700
Decrease (increase) in trade receivables	(125,337)	78,768
Decrease (increase) in prepaid expenses	(13,917)	(19,911)
Decrease (increase) in long-term prepaid expenses	(209)	(746)
Decrease (increase) in consumption taxes refund receivable	61,021	–
Increase (decrease) in accounts payable	40,068	301,108
Increase (decrease) in accrued expenses	13,200	3,329
Increase (decrease) in income taxes payable – factor based tax	–	26,616
Increase (decrease) in accrued consumption taxes	65,068	16,664
Increase (decrease) in advances received	79,135	153,025
Increase (decrease) in deposits received	219,628	210,029
Increase (decrease) in provision for point certificates	11,662	7,525
Increase (decrease) in provision for coupons	(5,283)	343
Decrease (increase) in other assets	(15,372)	(101,160)
<b>Subtotal</b>	<b>283,068</b>	<b>796,971</b>
Interest received	9	18
Interest paid	(6,413)	(5,663)
Listing expenses payment	–	(24,700)
Income taxes paid	(2,290)	(2,291)
<b>Net cash provided by (used in) operating activities</b>	<b>274,373</b>	<b>764,335</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(56,628)	(76,237)
Payments of guarantee deposits	(138,857)	(51,723)
Proceeds from refund of guarantee deposits	5,000	27,907
Payments for asset retirement obligations	–	(15,773)
<b>Net cash provided by (used in) investing activities</b>	<b>(190,485)</b>	<b>(115,826)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	460,000	(730,000)
Proceeds from issuance of shares	–	2,116,215
<b>Net cash provided by (used in) financing activities</b>	<b>460,000</b>	<b>1,386,215</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>543,887</b>	<b>2,034,723</b>
Cash and cash equivalents at beginning of period	740,288	1,284,176
<b>Cash and cash equivalents at end of period</b>	<b>1,284,176</b>	<b>3,318,899</b>

(5) Notes to non-consolidated financial statements

(Notes on uncertainties of entity's ability to continue as going concern)

Not applicable.

(Equity in earnings (losses) of affiliates if equity method is applied)

Not applicable.

(Segment information, etc.)

Segment information is omitted as the Company has one reportable segment of the coconala Business.

(Per share information)

(Yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Net assets per share	8.38	104.06
Basic earnings (loss) per share	(4.59)	1.93
Diluted earnings per share	–	1.76

Notes: 1. For the fiscal year ended August 31, 2020, a figure for diluted earnings per share has not been stated despite the existence of dilutive shares because it is not possible to ascertain the average share price during that fiscal year given that the Company's shares were not listed, and because the Company incurred a net loss per share.

2. On March 19, 2021, the Company listed its shares on the Mothers section of the Tokyo Stock Exchange. As such, the amount stated with respect to diluted earnings per share for the fiscal year ended August 31, 2021, has been calculated on the basis of the average share price for the fiscal year being that of the average share price during the period extending from the date on which the shares were listed until the fiscal year-end.

3. Basis for calculation of basic earnings (loss) per share and diluted earnings per share is as follows:

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Basic earnings (loss) per share		
Net profit (loss) (Thousands of yen)	(94,001)	41,083
Amounts not attributable to common shareholders (Thousands of yen)	–	–
Net profit (loss) related to common shares (Thousands of yen)	(94,001)	41,083
Average number of common shares outstanding during the period (Shares)	20,474,000	21,261,848
Diluted earnings per share		
Adjustments to net profit (Thousands of yen)	–	–
Increase in number common shares (Shares)	–	2,111,816
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	Six types of share acquisition rights (7,487 share acquisition rights)	–

(Significant events after reporting period)

Not applicable.