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November 12, 2021

**TEMONA, Inc.**  
**Earnings Report for the Fiscal Year Ended September 30, 2021**  
**[Japanese GAAP] (Non-Consolidated)**

Stock listings: Tokyo Stock Exchange (First Section)  
 Securities code: 3985  
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**Scheduled dates**

Ordinary general meeting of shareholders: December 22, 2021  
 Dividend payout: -  
 Filing of statutory year-end financial report: December 23, 2021  
 Supplementary materials to financial results available: No  
 Fiscal year-end earnings presentation held: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

**1. Financial Results for the Fiscal Year Ended September 30, 2021 (October 1, 2020 to September 30, 2021)**

**(1) Operating Results**

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit for the period	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY Ended Sept. 30, 2021	2,405	4.5	458	175.3	457	177.7	290	200.9
Sept. 30, 2020	2,301	47.8	166	(41.3)	164	(42.9)	96	(50.6)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit margin
FY Ended	¥	¥	%	%	%
Sept. 30, 2021	27.37	27.13	24.1	21.7	19.1
Sept. 30, 2020	8.99	8.79	7.5	7.7	7.2

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

Year ended Sept. 30, 2021: -

Year ended Sept. 30, 2021: -

**(2) Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	
As of Sep. 30, 2021	2,188	1,361	61.9	127.32
As of Sep. 30, 2020	2,034	1,061	51.8	100.32

Reference: Total shareholders' equity: Sep. 30, 2021: ¥1,355 million Sep. 30, 2020: ¥1,054 million

**(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
FY Ended	¥ million	¥ million	¥ million	¥ million
Sept. 30, 2021	471	(135)	(129)	1,447
Sept. 30, 2020	—	—	—	—

Note: The Company disclosed the financial results for the fiscal year ended September 30, 2020, on a consolidated basis, while the financial results for the fiscal year ended September 30, 2021, are presented on a non-consolidated basis. For this reason, cash flows for the fiscal year ended September 30, 2020 are not presented in this earnings report.

**2. Dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY Ended Sep. 30, 2020	—	0.00	—	0.00	0.00	—	—	—
FY Ended Sep. 30, 2021	—	0.00	—	0.00	0.00	—	—	—
FY Ending Sep. 30, 2022 (Forecast)	—	0.00	—	0.00	0.00		—	

**3. Earnings Forecast for the Fiscal Year Ending September 30, 2022 (October 1, 2021 to September 30, 2022)**

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit for the period		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six Months Ending Mar. 31, 2022	1,075	(15.3)	108	(58.1)	108	(58.1)	68	(57.2)	6.43
Full year	2,274	(5.4)	201	(55.9)	202	(55.9)	127	(56.2)	11.95

**Notes**

(1) Changes in accounting policy, changes in accounting estimates, and retrospective restatement:

- 1) Changes in accordance with amendments to accounting standards: None
- 2) Changes other than the above 1): None
- 3) Changes in accounting estimates: Yes
- 4) Retrospective restatement: None

(3) Number of shares issued (common stock)

1) Number of shares issued at end of period (treasury shares included):

September 30, 2021: 11,389,592 shares

September 30, 2020: 11,256,048 shares

2) Number of shares held in treasury at end of period:

September 30, 2021: 745,317 shares

September 30, 2020: 745,292 shares

3) Average number of shares outstanding during the period:

September 30, 2021: 10,603,460 shares

September 30, 2020: 10,727,996 shares

Note. The Company has introduced a "Board Benefit Trust" and an "Employees Benefit Trust". The Company's shares held by these trusts (September 30, 2020: 744,500 shares, September 30, 2021: 744,500 shares) are included in the number of treasury shares.

\* This earnings report is exempt from auditing by certified public accountants and the accounting auditor.

**\*Appropriate Use of Earnings Forecasts and Other Important Information**

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. These forward-looking statements are not guarantees of future performance, and actual results may differ materially from those expressed or implied herein due to a range of factors. For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, please refer to “(4) Outlook for Fiscal Year Ending September 30, 2022” on page 5 in section “1. Operating Results and Financial Position” in the Accompanying Materials.

## Accompanying Materials

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## 1. Operating Results and Financial Position

### (1) Operating Results

The Company disclosed the financial results for the fiscal year ended September 30, 2020, on a consolidated basis, while the financial results for the fiscal year ended September 30, 2021, are presented on a non-consolidated basis. To facilitate year-on-year comparisons, the financial results for the fiscal year ended September 30, 2020, are presented on a non-consolidated basis in this earnings report.

Non-consolidated financial results are as follows.

(Unit: ¥ thousand)

	Fiscal year ended September 30, 2020		Fiscal year ended September 30, 2021		Change	Change (%)
	Amount	Weighting (%)	Amount	Weighting (%)		
Net sales	2,301,573	100.0	2,405,091	100.0	103,517	4.5
Cost of sales	934,153	40.6	925,810	38.5	(8,342)	(0.9)
Gross profit	1,367,420	59.4	1,479,280	61.5	111,860	8.2
SG&A expenses	1,200,931	52.2	1,020,977	42.5	(179,954)	(15.0)
Operating profit	166,488	7.2	458,303	19.1	291,814	175.3
Ordinary profit	164,867	7.2	457,906	19.0	293,039	177.7
Profit for the period	96,466	4.2	290,299	12.1	193,832	200.9

In the fiscal year ended September 30, 2021, the prolonged impact of COVID-19 weighed on Japan's economy. Although the lifting of the state of emergency and progress with vaccinations offers some hope for a recovery in demand, the economic outlook remains uncertain.

According to a Ministry of Economy, Trade and Industry survey on the domestic e-commerce market, a market connected with the Company's business, business-to-consumer e-commerce ("B2C-EC") market transactions in 2020 decreased 0.43% year on year to 19.3 trillion yen while business-to-business e-commerce ("B2B-EC") market transactions fell 5.1% to 334.9 trillion yen.

Meanwhile, the e-commerce ratio\*1, which is an indicator of the market penetration of e-commerce, continued to increase, rising to 8.08% for B2C-EC and 33.5% for B2B-EC, and the digitalization of commercial transactions is expected to continue to advance. In recent years, the continued rise in customer acquisition costs owing to population decline and other factors has boosted demand for subscription businesses, such as cloud-based businesses.

In this business environment, the Company has been working in line with its management philosophy, "Make business and everyday life easier"\*2, to popularize recurring revenue business models. The Company is doing this through focusing efforts on functional enhancement of Subsc-Store, an online shopping cart system for B2C businesses that specialize in subscription-based business. In addition, to provide even greater value to Subsc-Store and Tamago Repeat customers, the Company has expanded services and options relating to ancillary businesses, such as the Chatbot, Subsc-Atobarai, and Temonavi businesses.

To promote greater service lineup selection and concentration, the Company incorporated the "members-only e-commerce" functions of Subsc-Beauty into Subsc-@ and shifted the sales structure targeting brick-and-mortar stores to Subsc-@. These initiatives are contributing to further monetization of these services while also expanding their target markets.

The following is a breakdown of revenue generated by each of the services provided by the E-Commerce Support Business, the Company's only reportable segment.

(Unit: ¥thousand)

Service	Fiscal year ended September 30, 2020		Fiscal year ended September 30, 2021		Change	Change (%)
	Amount	Weighting (%)	Amount	Weighting (%)		
a. Subsc-Store	418,526	18.2	704,881	29.3	286,355	68.4
Tamago Repeat	1,180,076	51.3	782,302	32.5	(397,774)	(33.7)
Subtotal	1,598,602	69.5	1,487,183	61.8	(111,419)	(7.0)
b. Payment fee (excluding Subsc- Atobarai)	561,506	24.4	599,659	24.9	38,153	6.8
Subsc-Atobarai	4,835	0.2	158,836	6.6	154,000	3,184.8
Subtotal	566,341	24.6	758,496	31.5	192,154	33.9
c. Other	136,629	5.9	159,411	6.6	22,782	16.7
Total (a+b+c)	2,301,573	100.0	2,405,091	100.0	103,517	4.5

- a. Tamago Repeat and Subsc-Store service user accounts totaled 1,139, up 2.5% year on year. This result was partly due to the fact that, although the number of businesses entering the e-commerce market increased in the fiscal year ended September 30, 2020 in response to the impact of the pandemic, an increasing number of businesses that became service users in the fiscal year ended September 30, 2020 subsequently quickly exited the market in the fiscal year ended September 30, 2021. Revenue totaled 1,487,183 thousand yen during the fiscal year, 7.0% yen less than in the same period of the previous fiscal year. This was due to decreased sales of optional services and other factors.

Subsc-Store service user accounts totaled 490, a 40.8% increase from a year earlier, generating revenue of 704,881 thousand yen, a year-on-year increase of 68.4%, with the growth being driven by users' increased use of service options, such as Temonavi and Chatbot.

Tamago Repeat has stopped new sales in order to focus on its successor service, Subsc-Store, and the number of accounts using the service was 649 (down 14.9% year-on-year). In addition, the sales are now posted as net revenue with the sales channel change of the LTV-Linked Affiliate. As a result, the net sales amount was 782,302 thousand yen (down 33.7% year-on-year).

The Tamago Repeat service has halted new sales in order to focus on sales of successor service, Subsc-Store. As a result its service user accounts decreased to 649, down 14.9% year on year. Revenue was 782,302 thousand yen, down 33.7% year on year. This was due to factors including changes to the Lifetime Value-Linked Affiliate service's commercial distribution, which resulted in revenue being recorded as a net amount.

- b. In the fiscal year ended September 30, 2021, the gross transaction volume of services provided by the Company grew at a sluggish pace, increasing just 2.2% year on year to 155.7 billion yen, due to a significant drop in the transaction volume of cosmetic products as a result of the tendency for people to stay home during the state of emergency. However, revenue from settlement service fees expanded 33.9% year on year to 758,496 thousand yen owing to an increase in transactions for Subsc-Atobarai, the Company's own payment/settlement service.
- c. Revenue from "Others", which includes Subsc-@ and Subsc-Store B2B, increased 16.7% year on year to 159,411 thousand yen, due to an increase in webpage production orders related to Subsc-@.

As a result of the above factors, total net sales for the fiscal year ended September 30, 2021, came to 2,405,091 thousand yen, a year-on-year gain of 4.5%.

The cost of sales was affected by the transaction volume increase of the Company's payment service Subsc-Atobarai and reduced cost of sales posted due to the sales being posted as net revenue with the sales channel change of the LTV-Linked Affiliate. As a result, the cost of sales was 925,810 thousand yen (down 0.9% year-on-year).

Cost of sales increased 0.9% to 925,810 thousand yen, largely owing to increased transaction volume for Subsc-Atobarai, the Company's own payment/settlement service, and changes to the Lifetime Value-Linked Affiliate service's commercial distribution, which resulted in revenue being recorded as a net amount, thus resulting in a decrease in the amount of cost of sales recorded.

Selling, general and administrative expenses totaled 1,020,977 thousand yen, 15.0% less than a year earlier, when selling, general and administrative expenses increased with the recording of expenses relating to research and development outsourced to a subsidiary, consulting fees related to the establishment of a stock compensation system, and commission fees relating to a business acquisition, all of which were recorded in the previous fiscal year.

As a result, operating profit for the fiscal year ended September 30, 2021, came to 458,303 thousand yen, up 175.3% year on year, ordinary profit totaled 457,906 thousand yen, up 177.7%, and profit for the period reached 290,299 thousand yen, up 200.9%

\*1. E-commerce ratio is the ratio of B2C/B2B e-commerce transaction value to total B2C/B2B market transaction value.

\*2. The name of the Company, "Temona", is based on the Japanese expression "temonaku" meaning easily, effortlessly, or without difficulty. This expression is also reflected in the Company's philosophy: "Make business and everyday life easier".

## (2) Financial Position

### Assets

Non-consolidated assets at September 30, 2021, totaled 2,188,967 thousand yen, a 154,905 thousand yen increase from September 30, 2020, the end of the previous fiscal year. This increase was mainly the result of a 205,435 thousand yen expansion in cash and deposits due to increased revenue.

### Liabilities

Non-consolidated liabilities at September 30, 2021, totaled 827,636 thousand yen, a 144,777 thousand yen decrease from September 30, 2020. This decrease was mainly the result of a 139,968 thousand yen decrease in long-term loans payable (including current portion of long-term loans payable) due to repayments of loans payable.

### Net Assets

Compared to the previous fiscal year, the balance of net assets at the end of the current fiscal year increased by 299,683 thousand yen to 1,361,331 thousand yen. This was mainly due to the increase of retained earnings by 290,299 thousand yen.

Non-consolidated net assets at September 30, 2021, totaled 1,361,331 thousand yen, an increase of 299,683 thousand from September 30, 2020. This increase was mainly the result of a 290,299 yen increase in retained earnings.

## (3) Cash Flows

Cash and cash equivalents ("cash") at September 30, 2021, totaled 1,447,418 thousand yen. Cash flows from operating, investing, and financing activities were as follows.

### Cash flows from operating activities

Operating activities provided net cash of 471,354 thousand yen. The main outflows were a 59,248 yen decrease in notes and accounts payable-trade, and a 63,605 thousand yen decrease in income taxes paid, which were offset by 435,008 thousand yen in profit before income taxes, 77,211 thousand yen in depreciation, and a 30,578 thousand yen decrease in notes and accounts receivable-trade.

### Cash flows from investing activities

Investing activities used net cash of 135,926 thousand yen. This was primarily 117,245 thousand yen to purchase intangible assets, and 16,472 thousand yen used for the purchase of property, plant, and equipment.

#### Cash flows from financing activities

Financing activities used net cash of 129,992 thousand yen. This was mostly 139,968 thousand yen for repayments of long-term loans payable, which offset 10,015 thousand yen in proceeds from issuance of shares resulting from exercise of share acquisition rights.

#### (4) Outlook for Fiscal Year Ending September 30, 2022

The pandemic is expected to continue to have an impact on the economy. Although progress with vaccination is expected to result in a recovery in demand to a certain degree, it is still unclear whether the spread of infections will come to an end entirely and when that would occur.

In this environment, B2C-EC market transactions in 2020 decreased 0.43% year on year to 19.3 trillion yen, while B2B-EC market transactions fell 5.1% to 334.9 trillion yen.

Meanwhile, there is still significant room for growth of the e-commerce markets for cosmetics and health food products, which account for a significant proportion of the products handled by clients of the Company. Steady growth is also anticipated for e-commerce market segments like food and household goods.

In the current business environment, the Company believes that it can contribute to society through the provision of comprehensive support for subscription businesses (which can facilitate the securing of steady revenue even in the midst of worsening economic conditions) and through helping companies to operate such businesses successfully. It is with this in mind that the Company has formulated a new medium-term management plan, which was announced today.

The fiscal year ending September 30, 2022 is the first year covered by the medium-term management plan. During this initial fiscal year, the Company will work to reinforce its business foundations for further growth. This will involve investing in engineer personnel to expand the Company's target areas and invest in the recruitment of human resources to expand the areas of support that the Company provides.

In light of the above, the forecast for the fiscal year ending September 30, 2022 is net sales of 2,274 million yen (year-on-year change provided below), operating profit of 201 million yen (down 55.9% year on year), ordinary profit of 202 million yen (down 55.9% year on year), and profit for the period of 127 million yen (down 56.2% year on year).

Note that the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. from the beginning of the fiscal year ending September 30, 2022, and these have been applied to the forecast figures in this earnings report. The figures provided below for the fiscal year ended September 30, 2021 have been tentatively calculated (unaudited) using said standards to facilitate year-on-year comparisons.

(Unit: million yen)

	Fiscal year ended September 30, 2021	Fiscal year ending September 30, 2022	Change	Change (%)
Net sales	2,010	2,274	264	13.2
Operating profit	458	201	(256)	(55.9)
Ordinary profit	457	202	(255)	(55.9)
Profit for the period	290	127	(163)	(56.2)

The above forecast was prepared based on information available as of the day of the release of this earnings report. Actual performance may differ from the forecast figures due to a variety of factors.



## **2. Basic Policy on the Selection of Accounting Standards**

The Company's policy, for the time being, is to prepare financial statements in accordance with Japanese GAAP, taking into consideration the comparability of financial statements between periods and between companies.

The Company's policy is to consider application of the International Financial Reporting Standards based on consideration of circumstances in Japan and overseas.

### 3. Financial Statements and Main Notes

#### (1) Balance Sheet

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,241,983	1,447,418
Accounts receivable-trade	278,349	247,771
Advance payments-trade	1,134	—
Prepaid expenses	87,283	90,047
Other	5,923	2,901
Allowance for doubtful accounts	(498)	(688)
<b>Total current assets</b>	<b>1,614,177</b>	<b>1,787,450</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	36,105	30,237
Tools, furniture and fixtures, net	14,489	21,419
<b>Total property, plant and equipment</b>	<b>50,594</b>	<b>51,656</b>
<b>Intangible assets</b>		
Software	123,448	179,160
Goodwill	35,383	—
<b>Total intangible assets</b>	<b>158,832</b>	<b>179,160</b>
<b>Investments and other assets</b>		
Investment securities	14,250	15,134
Shares of subsidiaries and associates	10,000	—
Leasehold and guarantee deposits	60,005	74,553
Deferred tax assets	126,202	81,011
Claims provable in bankruptcy, claims provable in rehabilitation and other	—	114
Other	555	1,058
Allowance for doubtful accounts	(555)	(1,172)
<b>Total investments and other assets</b>	<b>210,457</b>	<b>170,699</b>
<b>Total non-current assets</b>	<b>419,884</b>	<b>401,517</b>
<b>Total assets</b>	<b>2,034,061</b>	<b>2,188,967</b>

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	118,274	59,026
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	139,968	120,004
Accounts payable-other	88,345	100,082
Accrued expenses	11,366	8,954
Income taxes payable	34,312	73,011
Advances received	129,562	108,280
Deposits received	11,628	32,163
Other	92	2,377
<b>Total current liabilities</b>	<b>633,550</b>	<b>603,900</b>
<b>Non-current liabilities</b>		
Long-term loans payable	336,650	216,646
Provision for share awards	1,281	6,195
Provision for points	931	894
<b>Total non-current liabilities</b>	<b>338,862</b>	<b>223,735</b>
<b>Total liabilities</b>	<b>972,413</b>	<b>827,636</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	379,790	385,071
<b>Capital surplus</b>		
Legal capital surplus	369,790	375,071
<b>Total capital surplus</b>	<b>369,790</b>	<b>375,071</b>
<b>Retained earnings</b>		
Other retained earnings		
Retained earnings brought forward	888,574	1,178,873
<b>Total retained earnings</b>	<b>888,574</b>	<b>1,178,873</b>
Treasury shares	(583,704)	(583,744)
<b>Total shareholders' equity</b>	<b>1,054,449</b>	<b>1,355,271</b>
Stock acquisition rights	7,198	6,059
<b>Total net assets</b>	<b>1,061,648</b>	<b>1,361,331</b>
<b>Total liabilities and net assets</b>	<b>2,034,061</b>	<b>2,188,967</b>

**(2) Statement of Income**

(Thousands of yen)

	Fiscal Year ended September 30, 2020	Fiscal Year ended September 30, 2021
Net sales	2,301,573	2,405,091
Cost of sales	934,153	925,810
Gross profit	1,367,420	1,479,280
Selling, general and administrative expenses	1,200,931	1,020,977
Operating profit	166,488	458,303
Non-operating income		
Interest income	13	12
Dividend income	225	—
Commission income	3,952	2,623
Other	13	—
Total non-operating income	4,204	2,636
Non-operating expenses		
Interest expenses	1,562	1,523
Loss on sale of notes and accounts receivable-trade	4,263	1,509
Total non-operating expenses	5,825	3,032
Ordinary profit	164,867	457,906
Extraordinary income		
Gain on sale of investment securities	7,547	—
Gain on reversal of share acquisition rights	227	—
Gain on reversal of asset retirement obligations	—	11,376
Total extraordinary income	7,774	11,376
Extraordinary losses		
Loss on retirement of non-current assets	320	—
Impairment loss	23,711	27,058
Loss on valuation of investment securities	—	2,715
Loss on valuation of shares of subsidiaries and associates	—	4,501
Total extraordinary losses	24,031	34,275
Profit before income taxes	148,609	435,008
Income taxes		
Current	77,982	99,519
Deferred	(25,839)	45,190
Total income taxes	52,143	144,709
Profit for the period	96,466	290,299

**(3) Statements of Changes in Equity**

Fiscal year ended September 30, 2020 (From October 1, 2019 to September 30, 2020)

(Thousands of yen)

	Shareholders' Equity						
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	369,813	359,813	359,813	792,107	792,107	(683)	1,521,051
Changes during period							
Issuance of new shares	9,976	9,976	9,976				19,952
Profit				96,466	96,466		96,466
Purchase of treasury shares						(583,020)	(583,020)
Net changes of items other than shareholders' equity							
Total changes during period	9,976	9,976	9,976	96,466	96,466	(583,020)	(466,601)
Balance at end of period	379,790	369,790	369,790	888,574	888,574	(583,704)	1,054,449

	Shareholders' Equity	
	Stock acquisition rights	Total net assets
Balance at beginning of period	7,354	1,528,406
Changes during period		
Issuance of new shares		19,952
Profit		96,466
Purchase of treasury shares		(583,020)
Net changes of items other than shareholders' equity	(156)	(156)
Total changes during period	(156)	(466,758)
Balance at end of period	7,198	1,061,648

Fiscal year ended September 30, 2021 (From October 1, 2020 to September 30, 2021)

(Thousands of yen)

	Shareholders' Equity						
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	379,790	369,790	369,790	888,574	888,574	(583,704)	1,054,449
Changes during period							
Issuance of new shares	5,281	5,281	5,281				10,562
Profit				290,299	290,299		290,299
Purchase of treasury shares						(40)	(40)
Net changes of items other than shareholders' equity							
Total changes during period	5,281	5,281	5,281	290,299	290,299	(40)	300,821
Balance at end of period	385,071	375,071	375,071	1,178,873	1,178,873	(583,744)	1,355,271

	Shareholders' Equity	
	Stock acquisition rights	Total net assets
Balance at beginning of period	7,198	1,061,648
Changes during period		
Issuance of new shares		10,562
Profit		290,299
Purchase of treasury shares		(40)
Net changes of items other than shareholders' equity	(1,138)	(1,138)
Total changes during period	(1,138)	299,683
Balance at end of period	6,059	1,361,331

**(4) Statement of Cash Flows**

(Thousands of yen)

	Fiscal year ended September 30, 2021
Cash flows from operating activities	
Profit before income taxes	435,008
Depreciation	77,211
Loss (gain) on valuation of investment securities	2,715
Loss on valuation of shares of subsidiaries and associates	4,501
Gain on reversal of asset retirement obligations	(11,376)
Impairment loss	27,058
Interest and dividend income	(2,636)
Interest expenses	1,523
Decrease (increase) in notes and accounts receivable-trade	30,578
Increase (decrease) in notes and accounts payable-trade	(59,248)
Increase (decrease) in accounts payable-other	11,469
Increase (decrease) in advances received	(21,281)
Other	38,297
Subtotal	533,820
Interest and dividend income received	2,636
Interest paid	(1,496)
Income taxes paid	(63,605)
Net cash provided by operating activities	471,354
Cash flows from investing activities	
Purchase of property, plant and equipment	(16,472)
Purchase of intangible assets	(117,245)
Purchase of investment securities	(3,600)
Payments of leasehold and guarantee deposits	(6,274)
Proceeds from refund of leasehold and guarantee deposits	2,166
Proceeds from liquidation of subsidiaries	5,498
Net cash used in investing activities	(135,926)
Cash flows from financing activities	
Repayments of long-term loans payable	(139,968)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	10,015
Purchase of treasury shares	(40)
Net cash used in financing activities	(129,992)
Net increase (decrease) in cash and cash equivalents	205,435
Cash and cash equivalents at beginning of period	1,241,983
Cash and cash equivalents at end of period	1,447,418

## (5) Notes on the Financial Statements

(Notes on the going-concern assumption)

Not applicable.

(Changes in accounting estimates)

During the fiscal year ended September 30, 2021, the Company changed the lease contract for its head office. As a result, the head office is required to relocate by June 2024, and the useful lives of non-current assets that are not expected to be used after the relocation have been changed prospectively. In addition, the asset retirement obligations recorded for restoration obligations based on the lease contract prior to this change have been revised to match the change in contract terms. As a result of this change in estimates, depreciation increased by 1,038 thousand yen, and extraordinary income increased by 11,376 thousand yen for the current fiscal year. As a result, the operating profit and ordinary profit decreased by 1,038 thousand yen, and profit before income taxes increased by 10,338 thousand yen.

(Additional Information)

(Accounting estimates of the impact of COVID-19)

The Company makes accounting estimates based on information available at the time of creating the financial statements. With regard to the assumptions used in the accounting estimate, the Company currently considers that there is no significant impact from COVID-19.

However, the impact of COVID-19 on economic activities is highly uncertain. Therefore, if there are changes to the assumptions due to future conditions, there may be an impact on the Company's financial position and business performance in the future.

(Segment information)

This information is omitted because the Company's business is comprised of a single reportable segment: the E-Commerce Support Business.

(Share of profit (loss) of entities accounted for using equity method, etc.)

Not applicable.



(Per share data)

	Fiscal Year ended September 30, 2021
Net assets per share (yen)	127.32
Basic earnings per share (yen)	27.37
Diluted earnings per share (yen)	27.13

Note: 1. In the calculation of “basic earnings per share” and “diluted earnings per share”, the Company's own shares held by the “Board Benefit Trust” and “Employees Benefit Trust” are included in treasury shares and are deducted from the calculation of the average number of shares outstanding during the period. In the calculation of “net assets per share”, these shares are included in treasury shares and are deducted from the calculation of the number of shares issued at end of period.

For reference, the average number of these own shares during the period was 744,500 shares, and the number of these own shares at end of period was 744,500 shares.

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Fiscal Year ended September 30, 2021
Basic earnings per share	
Profit for the period (thousands of yen)	290,299
Amounts not attributable to common shareholders (thousands of yen)	—
Profit attributable to common shareholders (thousands of yen)	290,299
Average number of shares outstanding during the period (shares)	10,603,460
Diluted earnings per share	
Adjustment on profit (thousands of yen)	—
Increase in number of common shares (shares)	96,438
[Stock acquisition rights] (shares)	[96,438]
Summary of dilutive stock not included in the calculation of diluted earnings per share due to not having dilutive effects	—

3. The basis for calculating net assets per share is as follows.

	September 30, 2021
Total net assets on the consolidated balance sheets (thousands of yen)	1,361,331
Amount deducted from total net assets (thousands of yen)	6,059
[Stock acquisition rights] (thousands of yen)	[6,059]
Net assets attributable to common shares at period-end (thousands of yen)	1,355,271
Number of common shares at period-end that are used for calculation of net assets per share (shares)	10,644,275

(Significant subsequent events)

Not applicable.