

English Translation

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**Consolidated Financial Results**  
**for the Six Months Ended December 31, 2021**  
**[Japanese GAAP]**

**February 14, 2022**

Company name: freee K.K.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4478  
 URL: <http://www.freee.co.jp>  
 Representative: Daisuke Sasaki, Representative Director and CEO  
 Inquiries: Sumito Togo, Director and CFO  
 TEL: +81-3-6630-3231

Scheduled date to file quarterly securities report: February 14, 2022  
 Scheduled date to commence dividend payment: -  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

**1. Consolidated financial results for the first six months of the fiscal year ending June 30, 2022**  
**(from July 1, 2021 to December 31, 2021)**

**(1) Consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Adjusted operating profit		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended										
December 31, 2021	6,856	48.5	(849)	-	(1,203)	-	(1,200)	-	(1,334)	-
December 31, 2020	4,616	50.3	(694)	-	(720)	-	(712)	-	(716)	-

Notes: 1. Comprehensive income Six months ended December 31, 2021: ¥(1,333) million [-%]  
 Six months ended December 31, 2020: ¥(716) million [-%]  
 2. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Six months ended				
December 31, 2021	(24.20)	-	-	-
December 31, 2020	(14.76)	-	-	-

Note: 1. Diluted earnings per share is not stated because, although potential shares exist, basic loss per share was recorded.

**(2) Consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2021	53,038	46,189	86.4
June 30, 2021	55,286	46,871	84.2

Reference: Equity  
 As of December 31, 2021: ¥45,848 million  
 As of June 30, 2021: ¥46,560 million

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**2. Dividends**

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2021	-	0.0	-	0.0	0.0
Fiscal year ending June 30, 2022	-	0.0			
Fiscal year ending June 30, 2022 (Forecast)			-	0.0	0.0

Note: Revisions to the forecast of dividends most recently announced: None

**3. Consolidated earnings forecasts for the fiscal year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)**

For the fiscal year ending June 30, 2022, we forecast net sales of 13,971 million yen (up 36.2% compared to net sales in the fiscal year ended June 30, 2021) and adjusted operating loss(\*2) of 2,561 million yen (compared to a loss of 2,301 million yen in the fiscal year ended June 30, 2021) for Platform business(\*3), reflecting the expansion of the customer base and enhancement of customer value in the SaaS business and other factors. Adjusted operating profit margin is expected to improve by 4.1 pts to negative 18.3% from the previous fiscal year on the back of an increase in subscription net sales.

As for Other businesses(\*4), following the sale of the Shikaku Square business operated by our consolidated subsidiary Sight Visit Inc., announced on October 15, 2021, the Shikaku Square business was deconsolidated at the end of November 2021.

(Percentages indicate year-on-year changes.)

	Platform business			Other businesses			Consolidated		
	Net sales		Adjusted operating profit	Net sales		Adjusted operating profit	Net sales		Adjusted operating profit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
Fiscal year ending June 30, 2022	13,971	36.2	(2,561)	-	390	-	14,361	40.0	(2,461)

- Notes:
1. Revisions to the earnings forecasts most recently announced: None
  2. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.
  3. Platform business: Business consisting of the integrated cloud ERP offering for small businesses and financial services, etc.
  4. Other businesses: Businesses other than Platform business (Shikaku Square provided by Sight Visit Inc.).

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**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: Applicable
  - b. Changes in accounting policies other than a. above: None
  - c. Changes in accounting estimates: None
  - d. Retrospective restatement: None
- (4) Number of issued shares (Common stock)

- a. Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2021	55,731,963 shares
As of June 30, 2021	54,778,125 shares

- b. Number of treasury stock at the end of the period

As of December 31, 2021	-
As of June 30, 2021	-

- c. Average number of outstanding shares during the period

Six months ended December 31, 2021	55,130,499 shares
Six months ended December 31, 2020	48,541,901 shares

\* This consolidated financial results are exempt from quarterly review conducted by certified public accountants or audit firms.

\* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. The achievement of said forecasts cannot be promised. Results may differ materially from the consolidated forecasts due to various factors.

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## 1. Qualitative information regarding results for the period

### (1) Explanation of operating results

We estimate that the TAM(\*1) for cloud accounting and HR software for small businesses(\*2) is around 1.2 trillion yen(\*3). At present, however, among SMBs with less than 1,000 employees and self-employed that use accounting software, the adoption rate of cloud accounting software is only 25.2%(\*4). We believe that this relatively low adoption rate represents an opportunity for us to further expand the use of cloud ERP software among SMBs. In line with our corporate mission “Empower Small Businesses to Take Center Stage,” we develop and offer services aimed at realization of “Integrated Management Platform for Everyone to Manage Business Freely.”

During the first six months of the fiscal year, all plans of “*free Accounting*” for self-employed and corporate customers supported the whole type of preservation methods(\*5) under the Electronic Books Maintenance Act in preparation for the amendment of the law enforced from January 2022. To expand customer base in the Mid segment (\*6), we enhanced the fixed asset management function of “*free Accounting*” and released “*free Time Tracking Plus*” and “*free Expense Management*.” We have also invested in developing “*free Card Unlimited*” for its official release on January 26, 2022.

As a result of initiatives including the above, as of the end of the second quarter, for Platform business(\*7), ARR(\*8) increased year-over-year by 38.9% to 12,883 million yen, the number of paying customers(\*9) by 33.5% to 327,034, and ARPU(\*10) by 4.1% to 39,395 yen. Moreover, for the first six months of Platform business, net sales increased by 40.0% to 6,463 million yen year-over-year and adjusted operating loss(\*11) was 942 million yen(694 million yen in the same period of the previous fiscal year).

As a result, for the first six months of consolidated fiscal year under review, net sales increased by 48.5% year-over-year to 6,856 million yen, adjusted operating loss was 849 million yen(694 million yen in the same period of the previous fiscal year, and the same applies hereafter), operating loss was 1,203 million yen(720 million yen), ordinary loss was 1,200 million yen(712 million yen). Loss attributable to owners of parent resulted in 1,334 million yen(716 million yen).

#### Trends in ARR, Number of Paying Customers and ARPU for Platform business

	Jun 30, 2019	Jun 30, 2020	Jun 30, 2021	Dec 31, 2020	Dec 31, 2021
ARR (¥ million)	5,273	7,898	11,268	9,273	12,883
Number of paying customers	160,132	224,106	293,296	245,003	327,034
ARPU (¥)	32,930	35,246	38,419	37,849	39,395

- Notes:
- TAM: Total Addressable Market. This figure represents our estimate of our maximum market opportunity and is not intended as an objective indicator of the actual size of the market for our businesses as of the date of submission of this report. Our estimate of the TAM for accounting software and HR software for small businesses is based on certain assumptions and was calculated using statistical data and publications from external sources by the calculation method shown in 3 below. Actual market size may differ from this estimate due to the limitations peculiar to such statistical data and publications in terms of their accuracy.
  - Small Businesses refers to businesses with less than 1,000 employees as well as self-employed individuals.
  - Total annual spending of all potential customers assuming that all potential customers in Japan adopted *free Accounting* and *free HR*. All potential customers are the total of self-employed and SMBs with less than 1,000 employees. (Number of businesses in each category among all potential customers of *free Accounting* and *free HR* (“Tax Statistics 2019” by National Tax Agency and “Economic Census for Business Activity, June 2016” by Ministry of Internal Affairs and Communications) × Annual base charge of *free Accounting* and *free HR* for each category) + (Estimated average number of employees in each category (“Employment Status Survey, 2017” by Ministry of Internal Affairs and Communications) × Annual charge per ID).
  - International Data Corporation(IDC), “Worldwide Public Cloud Services Spending Guide Software Add On: V2 2021.”
  - The preservation methods under the Electronic Books Maintenance Act consist of the following three types: electronic book-keeping, scanner storage, and data storage for electronic transactions.
  - Mid segment consists of corporations with 20 to 1,000 employees.
  - Figures represent the Group’s overall business, excluding the Shikaku Square business, operated by our consolidated subsidiary Sight Visit Inc., sold in December, 2021.
  - ARR: Annual Recurring Revenue. Monthly Recurring Revenue for last month of relevant period, multiplied by 12. Monthly Recurring Revenue is defined as the amount of fees contracted to be paid by customers on a monthly basis as of the end of a particular month (excludes one-time fees).
  - Refers to both self-employed and corporations that use our services.
  - ARPU: Average Revenue Per User. Annual Recurring Revenue as of the end of the relevant period divided by the number of paying customers as of the end of the same period.
  - Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of

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acquisition-related intangible assets, and one-time cost.

### **(2) Explanation of financial position**

#### (Assets)

Total assets at the end of the period under review amounted to 53,038 million yen, a decrease of 2,247 million yen from the end of the previous fiscal year. This was primarily due to a decrease in cash and deposits by 2,847 million yen.

#### (Liabilities)

Total liabilities at the end of the period under review came to 6,848 million yen, a decrease of 1,565 million yen from the end of the previous fiscal year. This was mainly because of decreases of 539 million yen in unearned revenue and 470 million yen in long-term other payable.

#### (Net assets)

Total net assets at the end of the period under review were 46,189 million yen, a decrease of 681 million yen from the end of the previous fiscal year. This was chiefly owing to a decrease in retained earnings by 1,334 million yen resulting from the posting of loss attributable to owners of parent.

### **(3) Explanation of cash flows**

Cash and cash equivalent(hereinafter “cash”) as of December 31, 2021 stood at 44,296 million yen. Net cash flows and factors associated therewith for six months ended December 31, 2021 are as stated below.

#### (Cash flows from operating activities)

Net cash used in operating activities amounted to 1,657 million yen. This was mainly due to loss before income taxes of 1,325 million yen and the increase in prepaid expenses of 653 million yen.

#### (Cash flows from investing activities)

Net cash used in investing activities amounted to 1,370 million yen. This was mainly due to the spending of 802 million yen for payments of leasehold and guarantee deposits and the spending of 692 million yen for purchase of shares of subsidiaries resulting in change in scope of consolidation.

#### (Cash flows from financing activities)

Net cash provided by financing activities amounted to 179 million yen. This was mainly due to proceeds from issuance of common stock of 207 million yen from the issuance of new shares.

### **(4) Explanation of consolidated earnings guidance and other forward-looking statements**

Our consolidated financial guidance for the fiscal year ending June 30, 2022 has not been revised because the results are basically as originally anticipated.

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2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of June 30, 2021	As of December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	47,643,365	44,796,189
Accounts receivable - trade	1,314,115	1,215,145
Other	441,917	1,295,869
Allowance for doubtful accounts	(11,183)	(9,002)
<b>Total current assets</b>	<b>49,388,215</b>	<b>47,298,201</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Facilities attached to buildings	180,297	140,907
Accumulated depreciation	(107,701)	(110,198)
Facilities attached to buildings, net	72,596	30,708
Tools, furniture and fixtures	369,955	429,252
Accumulated depreciation	(173,822)	(218,227)
Tools, furniture and fixtures, net	196,133	211,025
<b>Total property, plant and equipment</b>	<b>268,729</b>	<b>241,733</b>
<b>Intangible assets</b>		
Goodwill	3,885,552	2,931,838
Software	871,346	874,012
Software in progress	57,748	131,687
Other	218,000	-
<b>Total intangible assets</b>	<b>5,032,647</b>	<b>3,937,538</b>
<b>Investments and other assets</b>		
Investment securities	340,008	438,848
Lease and guarantee deposits	236,147	968,704
Other	48,126	165,149
Allowance for doubtful accounts	(27,559)	(11,652)
<b>Total investments and other assets</b>	<b>596,722</b>	<b>1,561,049</b>
<b>Total non-current assets</b>	<b>5,898,100</b>	<b>5,740,321</b>
<b>Total assets</b>	<b>55,286,315</b>	<b>53,038,522</b>

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(Thousands of yen)

	As of June 30, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long-term borrowings	62,610	60,116
Other payable	1,109,701	869,260
Accrued expenses	853,243	942,247
Income taxes payable	256,418	176,838
Unearned revenue	4,899,119	4,359,912
Provision for bonuses	39,306	77,610
Other	484,855	148,486
Total current liabilities	7,705,254	6,634,472
<b>Non-current liabilities</b>		
Long-term borrowings	229,436	204,346
Long-term other payable	480,000	10,000
Total non-current liabilities	709,436	214,346
<b>Total liabilities</b>	<b>8,414,690</b>	<b>6,848,818</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	24,151,096	24,461,774
Capital surplus	40,057,134	40,367,812
Retained earnings (Accumulated deficit)	(17,645,362)	(18,979,623)
Total shareholders' equity	46,562,867	45,849,963
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(2,084)	(2,084)
Foreign currency translation adjustment	-	595
Total accumulated other comprehensive income	(2,084)	(1,489)
Stock award rights	-	5,939
Stock acquisition rights	310,841	335,289
<b>Total net assets</b>	<b>46,871,624</b>	<b>46,189,704</b>
<b>Total liabilities and net assets</b>	<b>55,286,315</b>	<b>53,038,522</b>



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**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**

**Quarterly consolidated statement of income**

(Thousands of yen)

	For the six months ended December 31, 2020	For the six months ended December 31, 2021
Net sales	4,616,026	6,856,371
Cost of sales	917,751	1,442,940
Gross profit	3,698,275	5,413,430
Selling, general and administrative expenses	4,418,520	6,617,358
Operating loss	(720,245)	(1,203,927)
Non-operating income		
Lecture fee and other income	318	200
Foreign exchange gains	5,108	-
Consumption taxes refund	2,560	617
Interest on refund of income taxes	-	5,950
Recoveries of written off receivables	-	1,057
Other	175	1,448
Total non-operating income	8,161	9,273
Non-operating expenses		
Interest expenses	-	1,339
Loss on investments in silent partnerships	279	277
Foreign exchange losses	-	4,271
Other	-	394
Total non-operating expenses	279	6,282
Ordinary loss	(712,362)	(1,200,936)
Extraordinary income		
Gain on reversal of stock acquisition rights	151	-
Gain on sale of shares of subsidiaries and associates	-	8,670
Total extraordinary income	151	8,670
Extraordinary losses		
Loss on retirement of non-current assets	-	11
Impairment losses	-	132,967
Total extraordinary losses	-	132,979
Loss before income taxes	(712,211)	(1,325,245)
Income taxes - current	4,383	9,015
Total income taxes	4,383	9,015
Loss	(716,594)	(1,334,260)
Loss attributable to owners of parent	(716,594)	(1,334,260)

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**Quarterly consolidated statement of comprehensive income**

(Thousands of yen)

	For the six months ended December 31, 2020	For the six months ended December 31, 2021
Loss	(716,594)	(1,334,260)
Other comprehensive income		
Foreign currency translation adjustment	-	595
Total other comprehensive income	-	595
Comprehensive income	(716,594)	(1,333,664)
Comprehensive income attributable to		
Owners of parent	(716,594)	(1,333,664)
Non-controlling interests	-	-

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**(3) Quarterly consolidated statement of cash flows**

(Thousands of yen)

	For the six months ended December 31, 2020	For the six months ended December 31, 2021
Cash flows from operating activities		
Loss before income taxes	(712,211)	(1,325,245)
Depreciation	134,813	226,468
Amortization of goodwill	-	136,774
Impairment losses	-	132,967
Loss (gain) on sale of shares of subsidiaries and associates	-	(8,670)
Stock-based compensation expenses	24,906	124,932
Stock issuance costs	-	342
Increase (decrease) in allowance for doubtful accounts	2,359	(8,828)
Increase (decrease) in provision for bonuses	34,719	49,052
Gain on reversal of stock acquisition rights	(151)	-
Decrease (increase) in trade receivables	60,188	41,518
Decrease (increase) in prepaid expenses	(144,083)	(653,148)
Increase (decrease) in other payables	103,951	(73,041)
Increase (decrease) in accrued expenses	86,210	91,033
Increase (decrease) in unearned revenue	310,994	113,594
Other, net	52,739	(491,819)
Subtotal	(45,561)	(1,644,070)
Interest received	49	77
Interest paid	-	(1,339)
Income taxes paid	(8,392)	(11,828)
Net cash provided by (used in) operating activities	(53,903)	(1,657,159)

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	For the six months ended December 31, 2020	For the six months ended December 31, 2021
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(42,157)	(61,325)
Purchase of intangible assets	(192,210)	(216,638)
Purchase of investment securities	(259,830)	(104,999)
Payments of leasehold and guarantee deposits	-	(802,978)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(692,386)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	500,000
Other, net	(2,312)	7,741
Net cash provided by (used in) investing activities	(496,511)	(1,370,587)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	-	(27,584)
Proceeds from issuance of common stock	22,777	207,559
Proceeds from issuance of stock acquisition rights	1,648	-
Net cash provided by (used in) financing activities	24,426	179,975
Effect of exchange rate change on cash and cash equivalents	-	595
Net increase (decrease) in cash and cash equivalents	(525,988)	(2,847,176)
Cash and cash equivalents at beginning of period	15,136,430	47,143,365
Cash and cash equivalents at end of period	14,610,441	44,296,189

#### **(4) Notes to quarterly consolidated financial statements**

##### **(Notes on going concern assumption)**

Not applicable.

##### **(Notes on significant changes in the amount of shareholders' equity)**

Not applicable.

##### **(Changes in accounting policies)**

###### 1. Adoption of "Accounting Standard for Revenue Recognition", etc.

The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the fiscal year ending June 30, 2022 and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The adoption of "Accounting Standard for Revenue Recognition", etc. is subject to the transitional treatment provided for in paragraph 84 of "Accounting Standard for Revenue Recognition". The cumulative effect of the retrospective adoption, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter was added to or deducted from the opening balance of retained earnings of the current first quarter, and thus the new accounting policy was applied from such opening balance.

This change in accounting policy has no impact on quarterly consolidated financial statements.

###### 2. Adoption of "Accounting Standard for Fair Value Measurement", etc.

The Company has adopted "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the first quarter of the fiscal year ending June 30, 2022. The new accounting policies stipulated in the new standards are applied into the future in accordance with the transitional treatment provided for in paragraph 19 of "Accounting Standard for Fair Value Measurement" and paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019).

This change in accounting policy has no impact on quarterly consolidated financial statements.

##### **(Business combination)**

(Corporate split of consolidated subsidiary (incorporation-type split) and sale of stock of newly-established company)

freee K.K. (the "Company") split up the business of the online learning service Shikaku Square (hereinafter the "Business") owned by Company consolidated subsidiary Sight Visit Inc. (hereinafter "Sight Visit"), and sold the Business to a newly established company through an incorporation-type split (hereinafter the "Corporate Split"), and sold the stock of the newly established company to RareJob, Inc., and RISO Inc. (hereinafter the "Transaction" together with the Corporate Split) on December 1, 2021.

###### 1. Overview of the corporate split and sale of stock

(1) Name of the company to be divested through corporate split and name of the company to which the stock will be sold

a. Name of the company to be divested through corporate split

shikaku square, Inc.

b. Name of the company to which the stock will be sold

RareJob, Inc.

RISO Inc.

(2) Business description of the division to be split off

Operations of the online learning service Shikaku Square of Sight Visit

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### (3) Purpose of the corporate split and sale of stock

In line with its corporate mission “Empower Small Businesses to Take Center Stage,” the Company has developed and offered services centered around integrated cloud ERP aimed at the realization of “Integrated Management Platform for Everyone to Manage Business Freely.” In April 2021, with the aim of expanding the integrated cloud ERP into legal and contract fields, the Company acquired Sight Visit Inc., the provider of the electronic signing and agreement service “NINJA SIGN,” as a consolidated subsidiary and entered the rapid-growing electronic signing and contract market.

Now, in order to focus on the development of integrated cloud ERP software, the Company has made the decision to enter into the Transaction, selling the Business operated by Sight Visit to RareJob, Inc., which has been striving to expand its business from online English conversation lesson services for individuals to broader fields of learning. Following the Transaction, Sight Visit and the Company will further focus on the development of the integrated cloud ERP.

### (4) Date of the corporate split and sale of stock

December 1, 2021

### (5) Other matters concerning the outline of the transaction, including legal form

#### a. Method of corporate split

Incorporation-type split, where the division was split off from Sight Visit and formed a new company.

#### b. Allotment of new company stock

Upon the Corporate Split, the new company will issue 100,000 ordinary shares, all of which will be allocated to Sight Visit. On the same day as the effective date of the Corporate Split, Sight Visit will sell 70,000 of such shares to RareJob, Inc. and 30,000 to RISO Inc.

#### c. Method of sale of stock

Sale of stock with consideration received in cash only

### 2. Overview of accounting treatment

#### a. Amount of gain or loss on transfer

Gain on sale of shares of subsidiaries and associates: 8,670 thousand yen

#### b. Appropriate book value of assets and liabilities related to the sold business and their major breakdown thereof

Current assets: 384,664 thousand yen

Non-current assets: 1,150,890 thousand yen

Total assets: 1,535,555 thousand yen

Current liabilities: 729,336 thousand yen

Non-current liabilities: - thousand yen

Total liabilities: 729,336 thousand yen

#### c. Accounting treatment

Accounting treatment was based on “Accounting Standard for Business Divestitures” (ASBJ Statement No.7, September 13, 2013) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10, January 16, 2019).

### 3. Name of the reporting segment in which the separated business was included

Other businesses

### 4. Approximate amount of profit and loss related to the separated business in the quarterly consolidated statement of income for the six months ended December 31, 2021.

Net sales: 393,074 thousands yen

Operating profit: 17,801 thousands yen