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August 9, 2022

Financial Results for the Fiscal Year Ended June 30, 2022 (Under Japanese GAAP)

Company name: User Local, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 3984
 URL: <https://www.userlocal.jp/>
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Scheduled date of ordinary general meeting of shareholders: September 22, 2022
 Scheduled date to file annual securities report: September 22, 2022
 Scheduled date to commence dividend payments: September 27, 2022
 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. Financial results for the fiscal year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)

(1) Operating results

(% indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-----------------|------|------------------|------|-----------------|------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended | | | | | | | | |
| June 30, 2022 | 2,683 | 28.5 | 1,024 | 19.9 | 1,018 | 19.7 | 721 | 17.3 |
| June 30, 2021 | 2,088 | 25.2 | 854 | 24.4 | 850 | 29.3 | 615 | 46.6 |

| | Basic earnings per share | Diluted earnings per share | Return on shareholders' equity | Ordinary profit to total assets | Operating profit to net sales |
|-------------------|--------------------------|----------------------------|--------------------------------|---------------------------------|-------------------------------|
| Fiscal year ended | Yen | Yen | % | % | % |
| June 30, 2022 | 45.42 | 44.73 | 14.1 | 17.7 | 38.2 |
| June 30, 2021 | 39.30 | 38.29 | 14.2 | 17.5 | 40.9 |

(Note) The Company conducted a 2-for-1 stock split of common stocks as of July 1, 2021.

The "Earnings per share" and the "Diluted earnings per share" are calculated assuming that the said stock split was conducted at the beginning of the previous fiscal year.

(2) Financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|---------------|-----------------|-----------------|-----------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| June 30, 2022 | 6,238 | 5,538 | 88.8 | 346.18 |
| June 30, 2021 | 5,277 | 4,706 | 89.2 | 297.81 |

Reference: Equity

As of June 30, 2022: ¥5,538 million

As of June 30, 2021: ¥4,706 million

(Note) The Company conducted a 2-for-1 stock split of common stocks as of July 1, 2021.

The “Net assets per share” is calculated assuming that the said stock split was conducted at the beginning of the previous fiscal year.

(3) Cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| June 30, 2022 | 911 | △120 | △167 | 5,319 |
| June 30, 2021 | 696 | △100 | 64 | 4,695 |

2. Cash dividends

| | Annual dividends per share | | | | Total dividends | Payout ratio | Dividends to net assets |
|---|----------------------------|--------------------|-------------------|-----------------|-----------------|--------------|-------------------------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | | | |
| | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended 30 June, 2021 | — | 0.00 | — | 5.00 | 39 | 6.4 | 0.9 |
| Fiscal year ended 30 June, 2022 | — | 0.00 | — | 3.00 | 47 | 6.6 | 0.9 |
| Fiscal year ending 30 June, 2023 (Forecast) | — | 0.00 | — | 4.00 | | 7.9 | |

(Note) The Company conducted a 2-for-1 stock split of common stocks as of July 1, 2021.

The “Cash dividend of Fiscal year ended 30 June 2021” are noted actual amount dividends before the said stock split.

3. Earnings Forecast for the Fiscal Year Ending June 30, 2023 (July 1, 2022 to June 30, 2023)

(% indicate changes from the previous fiscal year)

| | Net Sales | | Operating Profit | | Ordinary Profit | | Profit | | Basic earnings per share |
|-----------|-------------|------|------------------|------|-----------------|------|-------------|------|--------------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | |
| Full year | 3,236 | 20.6 | 1,178 | 15.0 | 1,178 | 15.7 | 813 | 12.6 | yen 50.82 |

(Note) Since the Company manages its operations on an annual basis, the Company refrains from disclosing the forecast for the second quarter (cumulative).

*** 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: Yes
- (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 June 30, 2022 | 16,024,800 shares |
| As of June 30, 2021 | 15,885,600 shares |

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

| | |
|---------------------|---------------|
| As of June 30, 2022 | 25,901 shares |
| As of June 30, 2021 | 83,584 shares |

(iii) Average number of shares outstanding during the period

| | |
|---|-------------------|
| For the fiscal year ended June 30, 2022 | 15,894,213 shares |
| For the fiscal year ended June 30, 2021 | 15,660,754 shares |

(Note) The Company conducted a 2-for-1 stock split of common stocks as of July 1, 2021. “Total number of issued shares”, “Number of treasury shares” and “Average number of shares” are calculated assuming that the said stock split was conducted at the beginning of the previous fiscal year.

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

* Proper use of earnings forecasts, and other special matters

Forward-looking statements are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the forecasts due to various factors.