



October 25, 2022

To Whom It May Concern

Company name: coconala Inc.
Representative: Ayumu Suzuki, Chief Executive Officer
(Code number: 4176 TSE Growth)
Inquiries: Seiichiro Matsumoto, Chief Financial Officer
TEL. +81-3-6712-7771

(Corrections/Numerical Data Corrections) Notice of Partial Correction of Consolidated Financial Results for the Fiscal Year Ended August 31, 2022 to Reflect Adjusting Events after the Reporting Period

The Company hereby announces corrections to the Consolidated Financial Results for the Fiscal Year Ended August 31, 2022 to Reflect Adjusting Events after the Reporting Period announced on October 14, 2022 to reflect the adjustment for events for the reporting period. Corrections were also made to numerical data (XBRL data) and corrected numerical data are posted by the Company

1. Reason for the correction

The notice of Issuance of Stock Acquisition Rights (Stock Options with Charge) disclosed on October 18 2022 that the director waived the right of the 12th stock options with charge that had already been granted and the 13th stock options with charge on October 18. As a result, stock-based compensation expense of 7 million yen was cancelled.

2. Details of the corrections

The corrected parts are underlined in the attached Consolidated Financial Results for the Fiscal Year Ended August 31, 2022.

End

Translation

Notice: This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

October 14, 2022

Consolidated Financial Results for the Fiscal Year Ended August 31, 2022 (Based on Japanese GAAP)

Company name: coconala Inc.
 Listing exchange: Tokyo Stock Exchange
 Securities code: 4176
 URL: <https://coconala.co.jp/>
 Representative: Ayumu Suzuki, Chief Executive Officer
 Inquiries: Seiichiro Matsumoto, Chief Financial Officer
 Phone: +81-3-6712-7771
 Scheduled date for next general meeting of shareholders: November 28, 2022
 Scheduled date for commencing dividend payments: -
 Scheduled date for filing securities report: November 29, 2022
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing session: Yes

(Amounts are rounded down to the nearest million yen, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2022 (from September 1, 2021 to August 31, 2022)

(1) Consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended August 31, 2022	3,837	—	(515)	—	(511)	—	(494)	—
Fiscal year ended August 31, 2021	—	—	—	—	—	—	—	—

(Note) Comprehensive income Fiscal year ended August 31, 2022: (531) million yen [- %]
 Fiscal year ended August 31, 2021: - million yen [- %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit / operating revenue
	Yen	Yen	%	%	%
Fiscal year ended August 31, 2022	(21.28)	—	(24.9)	(11.8)	(13.4)
Fiscal year ended August 31, 2021	—	—	—	—	—

(Reference) Equity gains (losses) of affiliated companies Fiscal year ended August 31, 2022: - million yen
 Fiscal year ended August 31, 2021: - million yen

(Note) 1. As coconala Inc. (“the Company”) has prepared consolidated financial statements from the second quarter of the fiscal year ended August 31, 2022, the figures for the fiscal year ended August 31, 2021, and the percentages indicating year-on-year changes have not been stated. Since the fiscal year ended August 31, 2022, is the initial consolidated fiscal year, return on equity and return on assets for the fiscal year ended August 31, 2022, are calculated based on equity and total assets at the end of the fiscal year.

2. Diluted earnings per share for the fiscal year ended August 31, 2022, is not indicated as the Company generated net loss for the period, although there are diluted shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended August 31, 2022	4,327	2,437	45.9	84.40
Fiscal year ended August 31, 2021	—	—	—	—

(Reference) Total shareholders' equity: As of August 31, 2022: 1,987 million yen
 As of August 31, 2021: - million yen

(Note) As the Company has prepared consolidated financial statements from the second quarter of the fiscal year ended August 31, 2022, the figures for the fiscal year ended August 31, 2021, have not been stated.

(3) Consolidated 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended August 31, 2022	(419)	(487)	638	3,050
Fiscal year ended August 31, 2021	—	—	—	—

(Note) As the Company has prepared consolidated financial statements from the second quarter of the fiscal year ended August 31, 2022, the figures for the fiscal year ended August 31, 2021, have not been stated.

2. Cash Dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends / net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended August 31, 2021	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended August 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending August 31, 2023 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending August 31, 2023 (from September 1, 2022 to August 31, 2023)

(Percentage figures indicate year-on-year changes for full year and changes from the same quarter of the previous fiscal year for quarter)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,800	25.1	(700)	—	(700)	—	(645)	—	(27.39)

(Note) 1. For matters concerning the earnings forecast, please refer to “1. Overview of Operating Results (4) Future Outlook” on page 3 of the attachment.

2. The total number of shares issued and outstanding as of August 31, 2022, was used for the average number of shares during the period which is the basis of calculating the basic earnings per share.

* Notes

(1) Changes in significant subsidiaries during the fiscal year (changes in specified subsidiaries resulting in change in scope of consolidation): Yes

Newly consolidated: 1 (CSP No. 1 Investment Limited Partnership); Excluded from consolidation: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior financial statements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies other than those in i. above: No

(iii) Changes in accounting estimates: No

(iv) Restatement of prior period financial statement: No

(3) 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, 2022	23,546,600 shares
As of August 31, 2021	22,380,500 shares

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

As of August 31, 2022	- shares
As of August 31, 2021	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended August 31, 2022	23,227,600 shares
Fiscal year ended August 31, 2021	21,261,848 shares

(Reference) Overview of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2022
(from September 1, 2021 to August 31, 2022)**

(1) Non-consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended August 31, 2022	3,837	39.7	(503)	—	(496)	—	(493)	—
Fiscal year ended August 31, 2021	2,746	54.7	89	—	59	—	41	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended August 31, 2022	(21.26)	—
Fiscal year ended August 31, 2021	1.93	1.76

(Note) Diluted earnings per share for the fiscal year ended August 31, 2022, is not indicated as the Company generated net loss for the period, although there are diluted shares.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended August 31, 2022	3,889	1,999	51.1	84.41
Fiscal year ended August 31, 2021	4,059	2,328	57.4	104.06

(Reference) Total shareholders' equity: As of August 31, 2022: 1,987 million yen
As of August 31, 2021: 2,328 million yen

* This summary of financial results is not subject to review procedures by a public accountant or audit corporation.

* Explanation regarding appropriate use of earnings forecasts, and other notes

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are deemed to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual results, etc. may materially differ materially from the forecast due to various factors.

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1. Qualitative Information on the Financial Results for the Period under Review

(1) Overview of Operating Results

In the fiscal year ended August 31, 2022, the Japanese economy remained uncertain due to the spread of COVID-19, the prolonged issue regarding Ukraine, surge in crude oil prices and fluctuation in the financial markets due to U.S. monetary policy. In the inter-personal and inter-enterprise services targeted by the Company, the potential market size is extremely large at approximately 18 trillion yen while the ratio of online transactions is estimated to be about 1% (value estimated by InfoCom Research). The Company believes that the market for online service transactions is very important also for society, as significant changes in lifestyles are occurring due to the advent of the era of 100-year lifespans and work-style reform.

Under such circumstances, the Company steadily expanded its businesses by developing “coconala,” an EC service marketplace, with the vision of “Create a world where each person lives their ‘own story.’” The Company aims to realize a one-of-a-kind service EC platform by replacing all transactions that are done offline on a daily basis with online transactions that are more convenient.

In the current fiscal year, amid the prolonged COVID-19 pandemic, a slowdown in the overall growth rate of online transactions was seen as vaccination progressed nationwide and time spent at home shortened. The Company conducted proactive marketing centering on TV commercials in order to intensively facilitate efforts to capture a user base through mass media and other such channels while focusing on the development of product functions to enhance user convenience. In July 2022, the Company newly introduced the “Service PR” function that allows users to advertise their listings in the advertising space within coconala with an aim to create opportunities for exposure within coconala and promote the growth of their own business.

As a result of the above, the Company posted gross merchandise value (GMV) of 12,718,124 thousand yen, operating revenue of 3,837,213 thousand yen, operating loss of 515,279 thousand yen, ordinary loss of 511,269 thousand yen, and loss attributable to owners of parent of 494,355 thousand yen for the current fiscal year.

Operating results by segment are as follows.

(i) coconala

In “coconala,” the Company conducted proactive marketing centering on TV commercials. In July 2022, the Company newly introduced “Service PR” that allows users to advertise their listings in the advertising space within coconala with an aim to create opportunities for exposure within coconala and promote the growth of their own business.

As a result, operating revenue amounted to 3,455,074 thousand yen, while segment loss amounted to 508,726 thousand yen.

(ii) coconala Legal Consultation

In “coconala Legal Consultation,” the number of lawyers registered under the fee-based service increased as both precision and volume of the matching of users and lawyers were steady, and against this backdrop, fixed usage fees, which are advertising revenue from lawyers, also grew.

As a result, operating revenue amounted to 382,139 thousand yen, while segment profit amounted to 4,734 thousand yen.

(2) Financial Position

(Assets)

Total assets at the end of the current fiscal year amounted to 4,327,398 thousand yen.

They mainly consist of cash and deposits of 3,050,945 thousand yen and investment securities of 419,090 thousand yen.

(Liabilities)

Total liabilities at the end of the current fiscal year amounted to 1,889,731 thousand yen.

They mainly consist of deposits received of 922,567 thousand yen, advances received of 487,936 thousand yen, and accounts payable of 443,471 thousand yen.

(Net assets)

Total net assets at the end of the current fiscal year amounted to 2,437,666 thousand yen.

They mainly consist of share capital of 1,221,560 thousand yen, capital surplus of 2,366,763 thousand yen, and retained earnings of negative 1,601,139 thousand yen.

(3) Cash Flows

Cash and cash equivalents at the end of the current fiscal year amounted to 3,050,945 thousand yen. The status of cash flows in the current fiscal year and their contributing factors are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 419,817 thousand yen. This is mainly attributable to 536,769 thousand yen

of net loss before income taxes, against 175,055 thousand yen of increase in deposits received due to the increase in GMV.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 487,044 thousand yen. This is mainly attributable to 441,066 thousand yen for purchase of investment securities and 34,934 thousand yen for purchase of property, plant and equipment mainly involving capital investment associated with floor space expansion of the headquarters.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 638,906 thousand yen. This is mainly due to 475,000 thousand yen of proceeds from share issuance to non-controlling shareholders and 146,906 thousand yen of proceeds from issuance of shares resulting from exercise of share acquisition rights

(4) Future Outlook

Going forward, it is believed that the Japanese economy will remain uncertain due to the spread of COVID-19, the prolonged issue regarding Ukraine, surge in crude oil prices and fluctuation in financial markets due to the U.S. monetary policy. In such environment, the Company will continue to conduct product development and marketing investment to achieve high growth rates from a medium- to long-term perspective rather than short-term top-line growth. In addition, the Company will also start new businesses on a full scale towards the realization of coconala's Ecosystem.

In light of the above, for the fiscal year ending August 31, 2023, the Company's consolidated full-year earnings forecast is as follows: operating revenue of 4,800,000 thousand yen (up 25.1% year on year), operating loss of 700,000 thousand yen (operating loss of 515,279 thousand yen in the previous fiscal year), ordinary loss of 700,000 thousand yen (ordinary loss of 511,269 thousand yen in the previous fiscal year), and loss attributable to owners of parent of 645,000 thousand yen (loss attributable to owners of parent of 494,355 thousand yen in the previous fiscal year).

2. Basic Principle on the Choice of Accounting Standards

For the time being, the Group makes it a policy to prepare its consolidated financial statements based on Japanese GAAP, in view of the comparability for the period covered by the consolidated financial statements and inter-company comparability.

With regard to the application of the International Financial Reporting Standards (IFRS), the Company intends to respond to the application in an appropriate manner, taking into account the situations of various factors both in and outside Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(Thousands of yen)	
Current fiscal year (As of August 31, 2022)	
Assets	
Current assets	
Cash and deposits	3,050,945
Accounts receivable - trade	333,364
Prepaid expenses	105,655
Other	88,408
Total current assets	<u>3,578,372</u>
Non-current assets	
Property, plant and equipment	
Buildings	102,682
Tools, furniture and fixtures	82,865
Accumulated depreciation	(70,924)
Total property, plant and equipment	<u>114,623</u>
Intangible assets	
Software	10,674
Total intangible assets	<u>10,674</u>
Investments and other assets	
Guarantee deposits	179,876
Long-term prepaid expenses	20,936
Investment securities	419,090
Other	3,823
Total investments and other assets	<u>623,727</u>
Total non-current assets	<u>749,025</u>
Total assets	<u>4,327,398</u>
Liabilities	
Current liabilities	
Accounts payable - other	443,471
Accrued expenses	23,454
Income taxes payable	2,287
Advances received	487,936
Deposits received	922,567
Provision for point card certificates	3,502
Provision for coupons	6,513
Total current liabilities	<u>1,889,731</u>
Total liabilities	<u>1,889,731</u>
Net assets	
Shareholders' equity	
Share capital	1,221,560
Capital surplus	2,366,763
Retained earnings	<u>(1,601,139)</u>
Total shareholders' equity	<u>1,987,184</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	94
Total accumulated other comprehensive income	<u>94</u>
Share acquisition rights	<u>12,500</u>
Non-controlling interests	437,888
Total net assets	<u>2,437,666</u>
Total liabilities and net assets	<u>4,327,398</u>

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

	(Thousands of yen)
	Current fiscal year (September 1, 2021 - August 31, 2022)
Operating revenue	3,837,213
Operating expenses	4,352,493
Operating profit (loss)	<u>(515,279)</u>
Non-operating income	
Interest income	27
Income from refund	3,975
Other	236
Total non-operating income	4,239
Non-operating expenses	
Interest expenses	229
Total non-operating expenses	229
Ordinary (profit) loss	<u>(511,269)</u>
Extraordinary income	
Gain on reversal of share acquisition rights	4,500
Total extraordinary income	4,500
Extraordinary losses	
Loss on valuation of investment securities	30,000
Total extraordinary losses	30,000
Profit (loss) before income taxes	<u>(536,769)</u>
Income taxes - current	2,395
Profit (loss)	<u>(539,164)</u>
Profit (loss) attributable to non-controlling interests	(44,809)
Profit (loss) attributable to owners of parent	<u>(494,355)</u>

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Current fiscal year (September 1, 2021 - August 31, 2022)
Profit (loss)	<u>(539,164)</u>
Other comprehensive income	
Valuation difference on available-for-sale securities	8,024
Total other comprehensive income	<u>8,024</u>
Comprehensive income	<u>(531,140)</u>
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	<u>(494,096)</u>
Comprehensive income attributable to non-controlling interests	(37,044)

(3) Consolidated Statements of Changes in Equity
Fiscal Year Ended August 31, 2022 (September 1, 2021 to August 31, 2022)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	1,148,107	2,293,077	(1,112,379)	2,328,805
Cumulative effects of changes in accounting policies			5,595	5,595
Restated balance	1,148,107	2,293,077	(1,106,784)	2,334,400
Changes during period				
Issuance of new shares (Exercise of share acquisition rights)	56,348	56,348		112,697
Issuance of new shares (Restricted stock compensation)	17,104	17,104		34,208
Profit (loss) attributable to owners of parent			(494,355)	(494,355)
Capital increase of consolidated subsidiaries		232		232
Net changes in items other than shareholders' equity				
Total changes during period	73,453	73,685	(494,355)	(347,216)
Balance at end of period	1,221,560	2,366,763	(1,601,139)	1,987,184

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	—	—	—	—	2,328,805
Cumulative effects of changes in accounting policies					5,595
Restated balance	—	—	—	—	2,334,400
Changes during period					
Issuance of new shares (Exercise of share acquisition rights)					112,697
Issuance of new shares (Restricted stock compensation)					34,208
Profit (loss) attributable to owners of parent					(494,355)
Capital increase of consolidated subsidiaries					232
Net changes in items other than shareholders' equity	94	94	12,500	437,888	450,482
Total changes during period	94	94	12,500	437,888	103,266
Balance at end of period	94	94	12,500	437,888	2,437,666

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Current fiscal year (September 1, 2021 - August 31, 2022)
Cash flows from operating activities	
Profit (loss) before income taxes	(536,769)
Depreciation	28,390
Amortization of guarantee deposits	5,963
Loss (gain) on valuation of investment securities	30,000
Gain on reversal of share acquisition rights	(4,500)
Share-based payment expenses	2,012
Interest income	(27)
Interest expenses	301
Decrease (increase) in trade receivables	(64,278)
Decrease (increase) in prepaid expenses	(59,272)
Decrease (increase) in long-term prepaid expenses	(19,980)
Increase (decrease) in accounts payable - other	(22,231)
Increase (decrease) in accrued expenses	2,720
Increase (decrease) in income taxes payable - factor based tax	(17,283)
Increase (decrease) in accrued consumption taxes	(81,732)
Increase (decrease) in advances received	133,977
Increase (decrease) in deposits received	175,055
Increase (decrease) in provision for point card certificates	908
Increase (decrease) in provision for coupons	877
Decrease (increase) in other current assets	34,610
Subtotal	(391,258)
Interest received	27
Interest paid	(271)
Income taxes paid	(28,314)
Net cash provided by (used in) operating activities	(419,817)
Cash flows from investing activities	
Purchase of property, plant and equipment	(34,934)
Purchase of intangible assets	(11,042)
Purchase of investment securities	(441,066)
Net cash provided by (used in) investing activities	(487,044)
Cash flows from financing activities	
Proceeds from issuance of shares resulting from exercise of share acquisition rights	146,906
Proceeds from issuance of share acquisition rights	17,000
Proceeds from share issuance to non-controlling shareholders	475,000
Net cash provided by (used in) financing activities	638,906
Net increase (decrease) in cash and cash equivalents	(267,954)
Cash and cash equivalents at beginning of period	3,318,899
Cash and cash equivalents at end of period	3,050,945

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Additional Information)

(Application of Accounting Standard for Revenue Recognition, Etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan [ASBJ] Statement No. 29, issued on March 31, 2020), etc. from the beginning of the current fiscal year, and decided to recognize revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer. As a result, the customer loyalty program provided by the Company, which previously recorded the amount expected to be used in the future as provision for point card certificates in order to prepare for the use of points granted, has been changed to a method that recognizes the granted points as the performance obligation and allocates transaction prices based on the independent sales values calculated while taking into consideration expiration in the future.

The Accounting Standard for Revenue Recognition, etc. have been applied in accordance with the transitional treatment stipulated in the proviso of Paragraph 84 of said standard. The cumulative effect in the case of retrospective application of the new accounting policy prior to the beginning of the current fiscal year is adjusted to retained earnings at the beginning of the current fiscal year, and the new accounting policy is applied from the balance at the beginning of such. As a result of this change, for the current fiscal year, operating revenue decreased by 12,199 thousand yen and operating expenses decreased by 20,850 thousand yen, while operating profit, ordinary profit and profit before income taxes each decreased by 8,650 thousand yen compared with those before the application of the Accounting Standard for Revenue Recognition. In addition, the balance of retained earnings at the beginning of the current fiscal year increased by 5,595 thousand yen.

Furthermore, due to the application of the Accounting Standard for Revenue Recognition, etc., although “provision for point card certificates” was indicated under “current liabilities” in the balance sheet for the previous fiscal year, the Company has decided to indicate those that fall under contract liabilities in “advances received” from the current fiscal year.

(Application of Accounting Standard for Fair Value Measurement, Etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, issued on July 4, 2019), etc. from the beginning of the current fiscal year and decided to apply the new accounting policy set forth by the Accounting Standard for Fair Value Measurement, etc. going forward in accordance with the transitional measures as stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, issued on July 4, 2019). This will have no impact on the consolidated financial statements.

(Segment Information, Etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are its components for which separate financial information is available and which are subject to periodic reviews by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Company has established business divisions for each service, and formulates comprehensive strategies for the services of each business division as well as develops business activities.

Accordingly, the Company consists of segments for each service based on business divisions, and positions "coconala" and "coconala Legal Consultation" as its reportable segments.

"coconala" operates "coconala," a marketplace of skills to sell and purchase services based on individual knowledge, skills and experience.

"coconala Legal Consultation" operates "coconala Legal Consultation," a search media that can find lawyers suitable for each individual.

2. Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting treatments for the reportable segments are in accordance with the accounting policies adopted in the preparation of consolidated financial statements.

The profit of each reportable segment indicates the figure based on operating profit or operating loss.

3. Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment, and breakdown of revenue

Current fiscal year (from September 1, 2021 to August 31, 2022)

(Thousands of yen)

	Reportable segments			Other (Note 1)	Total (Note 2)
	coconala	coconala Legal Consultation	Total		
Operating revenue					
Revenue from contracts with customers	3,455,074	382,139	3,837,213	—	3,837,213
Other revenue	—	—	—	—	—
Revenues from external customers	3,455,074	382,139	3,837,213	—	3,837,213
Intersegment operating revenue or transfers	—	—	—	—	—
Total	3,455,074	382,139	3,837,213	—	3,837,213
Segment profit (loss)	<u>(508,726)</u>	<u>4,734</u>	<u>(503,991)</u>	(11,287)	<u>(515,279)</u>
Other items					
Depreciation	24,202	4,188	28,390	—	28,390

(Note) 1. The "Other" category represents business segments that are not included in the reportable segments and includes the investment business.

2. Total amount of segment loss corresponds to operating loss described in the consolidated statement of income.

3. The amounts of segment assets and liabilities are not indicated as they are regularly provided at the Company's highest decision-making body and not used.

(Additional Information)

Matters concerning changes in reportable segments, etc.

The Company has omitted segment information as the only single reportable segment until the previous fiscal year was the "coconala" business. However, since the proportion of "coconala Legal Consultation," a business segment included in the reportable segment, has increased, the Company has changed to a method of disclosing it as a new reportable segment from the current fiscal year. As a result, the Company decided to change its reportable segments from a single segment to the two segments of "coconala" and "coconala Legal Consultation" to disclose segment information.

4. Description of nature of differences between amounts of reportable segments total and consolidated financial statements

Not applicable.

(Per Share Information)

	Current fiscal year (from September 1, 2021 to August 31, 2022)
Net assets per share	<u>84.40</u>
Basic earnings (loss) per share	<u>(21.28)</u>
Diluted earnings per share	—

(Note) 1. Diluted earnings per share has not been stated despite the existence of dilutive shares because the Company incurred basic loss per share.

2. The basis of calculating basic earnings (loss) per share is as follows.

	Current fiscal year (from September 1, 2021 to August 31, 2022)
Basic earnings (loss) per share	
Profit (loss) attributable to owners of parent (Thousands of yen)	<u>(494,355)</u>
Amount not attributable to common shareholders (Thousands of yen)	—
Profit (loss) attributable to owners of parent for common shares (Thousands of yen)	<u>(494,355)</u>
Average number of common shares during the period (Shares)	23,227,660

(Significant Subsequent Events)

Not applicable.