



February 14, 2023

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(Securities Code : 7060, TSE Prime Market)  
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## **Notice Concerning Filing of the Amendments to Past Securities Reports and Corrections to Past Financial Results**

GEECHS Inc. hereby announces that it has decided today to submit an amendment to its Annual Securities Report and Quarterly Securities Reports to the Kanto Local Finance Bureau, and also to partially correct its financial results for the past fiscal year.

### 1. Background and reason for correction

The Group has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the “Revenue Recognition Accounting Standard”) from the beginning of the first quarter of the fiscal year ended March 2022. The Group therefore recognizes revenue at the time that control of the promised goods or services is transferred to the customer, or at the amount expected to be received in exchange for such goods or services as they are transferred.

The main content of the IT Freelance Matching Business sales provided by the Group is a service in which client companies entrust systems development and other projects as quasi-contracts to GEECHS where they are outsourced to the best IT freelancers registered on our system. We are therefore obligated to provide development support for systems and other services to these client companies.

Comprehensively considering the contractual relationship between the client company and the IT freelancer, it has been determined that this type of transaction falls under the category of an agency transaction because it is considered that we do not have the primary responsibility for the provision of goods or services. The difference between the amount invoiced to the client company for the transaction and the amount paid to the matched IT freelancer is thus recognized as revenue.

However, as stated in the Notice Regarding the Completion of the Acquisition of Shares of Launch Group Holdings Pty Ltd, an Australian IT human resources service, disclosed on January 16, 2023, Launch Group Holdings Pty and its subsidiary Launch Recruitment Pty Ltd have become consolidated subsidiaries of GEECHS. As such, we have reexamined the revenue recognition of IT Freelance Matching Business sales in the whole Group.

As a result of scrutinizing the contents of contracts with customers, we have determined that it is appropriate to recognize revenue based on the total transaction amount as a principal transaction going

back to the time when the Revenue Recognition Accounting Standard began to be applied, since the Group controls the goods or services before they are provided to the customer.

## 2. Annual securities reports and quarterly reports to be corrected

### Annual Securities Reports

FY3/22 (April 1, 2021 to March 31, 2022)

### Quarterly Reports

FY3/22 Q1 (April 1, 2021 to June 30, 2021)

FY3/22 Q2 (July 1, 2021 to September 30, 2021)

FY3/22 Q3 (October 1, 2021 to December 31, 2021)

FY3/23 Q1 (April 1, 2022 to June 30, 2022)

FY3/23 Q2 (July 1, 2022 to September 30, 2022)

## 3. Consolidated financial results and quarterly financial results to be corrected

### Consolidated Financial Results

Consolidated financial results for the fiscal year ended March 31, 2022 (Japan GAAP)

### Quarterly Consolidated Financial Results

Consolidated financial results for the first quarter of the fiscal year ending March 31, 2023 (Japan GAAP)

Consolidated financial results for the second quarter of the fiscal year ending March 31, 2023 (Japan GAAP)

## 4. Impact of corrections on consolidated financial results in previous years

(Thousand yen)

Time	Item	Before correction	After correction	Impact amount
FY3/22 Q1	Sales	1,077,846	3,187,180	2,109,334
	Cost of sales	601,048	2,710,382	2,109,334
FY3/22 Q2	Sales	2,672,834	6,964,491	4,291,656
	Cost of sales	1,216,129	5,507,786	4,291,656
FY3/22 Q3	Sales	4,015,547	10,601,106	6,585,558
	Cost of sales	1,928,512	8,514,071	6,585,558
FY3/22 Full-year	Sales	5,388,647	14,340,774	8,952,126
	Cost of sales	2,605,184	11,557,310	8,952,126
FY3/23 Q1	Sales	1,026,054	3,524,255	2,498,200
	Cost of sales	607,710	3,105,910	2,498,200
FY3/23 Q2	Sales	2,568,288	7,649,721	5,081,432
	Cost of sales	1,233,293	6,314,725	5,081,432