

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2023



May 12, 2023

Name of Listed Company: Bengo4.com, Inc.

Listed Stock Exchange: Tokyo Stock Exchange

Securities Code: 6027

URL <https://www.bengo4.com/corporate/>

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Scheduled date of ordinary general meeting of shareholders: June 23, 2023

Scheduled date to commence dividend payments: –

Scheduled date to submit Securities Report: June 23, 2023

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Million yen with fractional amounts rounded down)

1. Financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	8,710	26.7	1,090	-4.3	1,103	-4.0	717	2.2
March 31, 2022	6,877	29.3	1,139	560.2	1,149	530.6	702	986.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
March 31, 2023	32.33	31.54	25.9	26.8	12.5
March 31, 2022	31.56	30.65	30.6	33.2	16.6

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

Fiscal year ended March 31, 2023: 66 million yen Fiscal year ended March 31, 2022: 28 million yen

(2) Financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2023	4,410	3,167	71.3	141.43
March 31, 2022	3,812	2,398	62.9	108.17

Reference: Equity capital As of March 31, 2023: 3,143 million yen As of March 31, 2022: 2,397 million yen

(3) Cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
March 31, 2023	458	-517	28	1,646
March 31, 2022	1,155	-436	-500	1,676

2. Cash dividends

	Dividend per share					Total dividend payments (Total)	Dividend payout ratio	Dividend on equity ratio
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	–	0.00	–	0.00	0.00	–	–	–
March 31, 2023	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending								
March 31, 2024 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

Fiscal year ending	Net sales		Operating profit	Ordinary profit	Profit	Basic earnings per share
	Million yen	%				
March 31, 2024	10,730	23.2	1,200 million yen or more	1,200 million yen or more	740 million yen or more	33.28 yen or more

In our earnings forecasts for the fiscal year ending March 31, 2024, the Company simply forecasts that operating profit will stand at 1,200 million yen or more, a record high. However, the Company has a policy not to disclose concrete forecasts for all profit items from operating profit onwards, from the viewpoint that agile investment judgment is needed.

* Notes

(1) Changes in accounting policies and changes or restatement of accounting estimates

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies other than a: None
- c. Change in accounting estimates: None
- d. Restatement: None

(2) Number of shares issued (common stock)

- a. Total number of shares issued at the end of the period (including treasury shares)
 - As of March 31, 2023 22,329,500 shares
 - As of March 31, 2022 22,264,500 shares
- b. Number of treasury shares at the end of the period
 - As of March 31, 2023 101,289 shares
 - As of March 31, 2022 101,259 shares
- c. Average number of shares during the period
 - Fiscal year ended March 31, 2023 22,187,828 shares
 - Fiscal year ended March 31, 2022 22,249,067 shares

* 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

The forward-looking statements such as earnings forecasts stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ substantially from the forecasts due to various factors. For the assumptions underlying the forecasts and precautions when using the forecasts, please refer to “(4) Outlook” under “1. Overview of Operating Results and Financial Position” on page 5 of the supplementary materials and the financial explanatory documents for the fiscal year ended March 31, 2023, released on May 12, 2023.

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1. Overview of Operating Results and Financial Position

(1) Overview of operating results for the fiscal year ended March 31, 2023

During the fiscal year under review, the Japanese economy saw a moderate recovery in activities. The impact of COVID-19 was gradually subsiding, and movement restrictions were easing. However, future outlook remains uncertain due to another steep rise in market prices caused by the outbreak of the Ukrainian crisis, and other factors.

Under the mission “Be the Professional-Tech Company.” the Company has been operating the Internet media business through portal sites such as Bendo4.com for legal consultation and zeiri4.com for tax consultation, while also providing IT and solution services including CloudSign, a contract management platform.

As a result, net sales reached 8,710 million yen, up 26.7% year on year, operating profit amounted to 1,090 million yen, down 4.3% year on year, ordinary profit was 1,103 million yen, falling 4.0% year on year, and profit came to 717 million yen, up 2.2% from a year earlier.

Operating results by business segment are as follows.

(Media business)

In the Media business, the Company engages in the Internet media business through the legal consultation portal site Bendo4.com and the tax consultation portal site zeiri4.com.

In the bengo4.com business, the Company focused on providing content that is helpful for users and improving usability. It also sought to increase recognition through the distribution of articles of bengo4.com news, an owned media channel which lawyers use to explain familiar topics from a legal perspective. Consequently, monthly site visitors decreased 7.8% year on year, to 9.81 million in March 2023. The number of registered lawyers as of the end of the fiscal year under review rose 6.7% year on year, to 23,659, of which the number of lawyers with paid member subscriptions to the lawyer support service stood at 5,297 (an increase of 1.7% year on year). Meanwhile, the number of paid subscribers to bengo4.com paid services grew 1.8% year on year, to 184,404.

As a result, net sales and segment profit increased 8.8% and 4.0% year on year, to 4,082 million yen and 1,567 million yen, respectively, in the fiscal year under review.

(IT/Solutions business)

In the IT/Solutions business, the Company provides IT and solution services including CloudSign, a contract management platform.

In the CloudSign service, the Company sought to reinforce its development and sales systems by actively recruiting human resources, while simultaneously improving usability, increasing recognition and expanding its customer base through the placement of advertisements in a range of media, among other efforts. As a result, the number of contracts transmitted increased 38.1% year on year, to 6,058,497 in the fiscal year under review.

As a result, net sales and segment profit increased 48.2% and 22.7% year on year, to 4,627 million yen and 652 million yen, respectively, in the fiscal year under review.

(2) Overview of financial position for the fiscal year ended March 31, 2023

Total assets at the end of the fiscal year under review were 4,410 million yen, increasing 597 million yen from the end of the previous fiscal year. This mainly reflected increases in accounts receivable, prepaid expenses, leasehold and guarantee deposits, and software.

(Current assets)

Current assets at the end of the fiscal year under review stood at 3,232 million yen, rising 334 million yen from the end of the previous fiscal year. The main changes were year-on-year increases of 286 million yen in accounts receivable and 60 million yen in prepaid expenses.

(Non-current assets)

Non-current assets climbed 262 million yen from the end of the previous fiscal year, to 1,177 million yen. The main changes were year-on-year increases of 173 million yen in software and 52 million yen in leasehold and guarantee deposits.

(Current liabilities)

Current liabilities decreased 170 million yen from the end of the previous fiscal year, reaching 1,242 million yen. This was chiefly attributable to an increase of 128 million yen in accounts payable - other from the end of the previous fiscal year, and decreases of 293 million yen and 73 million yen in income taxes payable and accrued consumption taxes, respectively.

(Net assets)

Total net assets at the end of the fiscal year under review stood at 3,167 million yen, rising 768 million yen from the end of the previous fiscal year. This was mainly due to year-on-year increases of 14 million yen in share capital, 14 million yen in legal capital surplus and 717 million yen in retained earnings.

(3) Overview of cash flows for the fiscal year ended March 31, 2023

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year under review amounted to 1,646 million yen, a decrease of 29 million yen from the end of the previous fiscal year.

Cash flows in the fiscal year under review were as follows:

(Cash flows from operating activities)

Cash provided by operating activities was 458 million yen, compared with cash provided of 1,155 million yen the previous fiscal year. This mainly reflects the recording of profit before income taxes of 1,099 million yen and depreciation of 266 million yen, and an increase in accounts payable - other of 127 million yen, which offset outflows such as an increase in trade receivables of 286 million yen, a decrease in accrued consumption taxes of 73 million yen and income taxes paid of 676 million yen.

(Cash flows from investing activities)

Cash used in investing activities was 517 million yen, compared with cash used of 436 million yen the previous fiscal year. Major factors included the purchase of intangible assets of 454 million yen and payments of leasehold deposits of 79 million yen.

(Cash flows from financing activities)

Cash provided by financing activities was 28 million yen, compared with cash used of 500 million yen the previous fiscal year. This is mainly attributable to proceeds from exercise of employee share options of 29 million yen.

(Reference) Trends in cash flow indices

	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023
Equity ratio (%)	82.9	84.5	70.8	62.9	71.3
Equity ratio based on market value (%)	4,331.0	3,729.6	6,250.5	2,293.5	1,214.7
Ratio of interest-bearing debt to cash flow (years)	—	—	—	—	—
Interest coverage ratio	—	—	—	—	—

Equity ratio: Equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest expenses paid

* Cash flows are cash flows from operating activities.

* Ratio of interest-bearing debt to cash flow is omitted because the Company has no interest-bearing debt.

* Interest coverage ratio is omitted because the Company has no interest expenses paid.

(4) Outlook

(a) General outlook

Under the mission “Be the Professional-Tech Company.” the Company has been operating the Media business, where it operates Internet media through portal sites such as Bendo4.com for legal consultation and zeiri4.com for tax consultation, while also operating IT/Solutions business, where it provides IT and solution services including CloudSign, a contract management platform. In the fiscal year ending March 31, 2024, in the Media business, the Company will work on providing useful user content, improving usability, and increasing recognition through the distribution of articles via the bengo4.com news channel. In the IT/Solutions business, the Company will reinforce its development and sales systems by actively recruiting human resources, while simultaneously improving usability, increasing recognition and expanding its customer base through the placement of advertisements in a range of media, among other efforts. Based on the above, the Company's net sales forecast for the fiscal year ending March 31, 2024 is 10,730 million yen, an increase of 23.2% year on year. Operating profit, the Company simply forecasts, will stand at 1,200 million yen or more, a record high, considering that the Company needs to be agile in its investment decision-making. Ordinary profit is forecast to come to 1,200 million yen or more, and profit is forecast to be 740 million yen or more.

(b) Net sales forecast

In the Media business, the net sales forecast for the lawyer support service is determined by calculating the number of subscribers to be charged each month, which is the number of subscribers at the end of the previous fiscal year plus monthly new subscriber targets minus monthly churn based on the actual churn rate the previous fiscal year, and multiplying this by the average revenue per user (ARPU) based on actual ARPU the previous fiscal year. The net sales forecast for the paid subscription service is determined by calculating the number of subscribers to be charged each month, which is the number of subscribers at the end of the previous fiscal year less monthly churn based on actual churn the previous fiscal year plus monthly new subscribers (monthly bengo4.com site visitors based on previous fiscal year data times the conversion rate), and multiplying this by the monthly service charge of 300 yen (excl. tax). The net sales forecast for the tax accountant support service and advertising and other services is determined by estimating and calculating

increases in users and ARPU achieved through marketing and sales activities based on the previous fiscal year's results. Net sales in the CloudSign service of the IT/Solutions business are calculated based on the number of companies using the paid CloudSign service at the end of the previous fiscal year, to which is added the monthly target number of new companies using the paid service, from which the number of monthly cancellations is subtracted based on the cancellation rate in the previous fiscal year, to determine the number of companies using the paid service subject to monthly charges, which is multiplied by the average unit price based on the result of the previous fiscal year added with a growth rate.

(c) Operating profit forecast

Looking at cost of sales and selling, general and administrative expenses, the Company forecasts higher personnel expenses because it will actively hire human resources in connection with the provision of useful user content and improvement of usability, the increase in subscribers to the lawyer support service, the increase in subscribers to the paid subscription service and further business expansion in CloudSign. The personnel expenses forecast is determined based on personnel expenses for existing staff plus personnel expenses for new hires and plus the amount of salary increase, which is calculated by multiplying previous fiscal year data by the rate of salary increase. The forecast for expenses other than personnel expenses is determined by calculating the increase in expenses resulting from expansion of business operations based on previous fiscal year data and adding to this the amount of investment such as advertising expenses associated with improving recognition of CloudSign and further business expansion. The Company simply forecasts that operating profit will stand at 1,200 million yen or more, a record high, in the fiscal year ending March 31, 2024, considering that the Company needs to be agile in its investment decision-making.

(d) Ordinary profit forecast

The Company has not posted any non-operating income or non-operating expenses because it is difficult to determine them at present. Like operating profit, ordinary profit is forecast to reach 1,200 million yen or more, a record high.

(e) Profit forecast

The Company has not recognized any extraordinary income or extraordinary losses because it is difficult to assess the situation at present.

The profit forecast is determined based on profit before income taxes. The Company uses the tax rates applicable in the current period to calculate corporate tax, inhabitant tax and business tax and subtracts these as well as income taxes deferred based on previous fiscal years' data from profit before income taxes to determine profit. Profit is estimated to reach 740 million yen or more, a record high.

* The forecasts contained in this material are based on the information currently available to the Company. Actual results may differ due to uncertainties embodied in the forecasts, future changes in internal or external business environments, or various other factors.

2. Basic Policy for Selecting Accounting Standards

The Company prepares its non-consolidated financial statements based on Japanese GAAP. The Company will endeavor to develop a framework for complying with the International Financial Reporting Standards (IFRS) whilst carefully monitoring trends in relation to their adoption.

3. Financial Statements and Key Notes

(1) Balance sheet

(Thousand yen)

	Previous fiscal year (As of March 31, 2022)	Fiscal year under review (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	1,676,476	1,646,591
Accounts receivable	1,015,467	1,301,775
Supplies	1,569	1,210
Prepaid expenses	214,275	274,487
Accounts receivable - other	9,484	23,104
Other	8,740	24,588
Allowance for doubtful accounts	-28,643	-39,474
Total current assets	2,897,370	3,232,284
Non-current assets		
Property, plant and equipment		
Buildings	65,241	65,241
Accumulated depreciation	-18,136	-22,757
Buildings, net	47,105	42,483
Tools, furniture and fixtures	58,087	65,494
Accumulated depreciation	-32,872	-40,713
Tools, furniture and fixtures, net	25,214	24,780
Total property, plant and equipment	72,319	67,264
Intangible assets		
Software	465,752	639,638
Software in progress	103,514	124,998
Patent right	908	4,207
Trademark right	2,069	3,594
Total intangible assets	572,245	772,439
Investments and other assets		
Investment securities	3,874	0
Shares of subsidiaries and associates	49,000	49,000
Leasehold and guarantee deposits	110,836	162,985
Distressed receivables	9,203	19,600
Long-term prepaid expenses	9,604	20,466
Deferred tax assets	96,961	105,597
Allowance for doubtful accounts	-9,203	-19,600
Total investments and other assets	270,276	338,049
Total non-current assets	914,841	1,177,753
Total assets	3,812,211	4,410,037
Liabilities		
Current liabilities		
Accounts payable - other	486,369	615,330
Accrued expenses	69,362	78,103
Income taxes payable	466,907	173,173
Accrued consumption taxes	172,079	98,919
Advances received	151,559	188,906
Deposits received	67,090	88,300
Total current liabilities	1,413,368	1,242,734
Total liabilities	1,413,368	1,242,734

(Thousand yen)

	Previous fiscal year (As of March 31, 2022)	Fiscal year under review (As of March 31, 2023)
Net assets		
Shareholders' equity		
Share capital	439,667	454,207
Capital surplus		
Legal capital surplus	405,361	419,901
Total capital surplus	405,361	419,901
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,052,774	2,770,176
Total retained earnings	2,052,774	2,770,176
Treasury shares	-500,428	-500,556
Total shareholders' equity	2,397,374	3,143,728
Share acquisition rights	1,469	23,574
Total net assets	2,398,843	3,167,303
Total liabilities and net assets	3,812,211	4,410,037

(2) Statement of income

(Thousand yen)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net sales	6,877,241	8,710,552
Cost of sales	1,090,232	1,419,714
Gross profit	5,787,008	7,290,837
Selling, general and administrative expenses	4,647,792	6,200,719
Operating profit	1,139,216	1,090,118
Non-operating income		
Interest income	62	12
Commission income	8,519	13,000
Subsidy income	2,320	550
Proceeds from miscellaneous income	1,396	336
Total non-operating income	12,298	13,899
Non-operating expenses		
Commission for purchase of treasury shares	989	—
Compensation expenses	1,135	—
Miscellaneous losses	24	417
Total non-operating expenses	2,149	417
Ordinary profit	1,149,365	1,103,600
Extraordinary losses		
Loss on retirement of non-current assets	327	517
Loss on valuation of investment securities	4,598	3,874
Total extraordinary losses	4,925	4,392
Profit before income taxes	1,144,439	1,099,208
Income taxes - current	477,264	390,441
Income taxes - deferred	-35,103	-8,635
Total income taxes	442,161	381,805
Profit	702,278	717,402

(3) Statement of changes in equity

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Thousand yen)

	Shareholders' equity		
	Share capital	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of period	439,608	405,302	405,302
Changes during period			
Issuance of new shares - exercise of share acquisition rights	58	58	58
Profit			
Purchase of treasury shares			
Net changes in items other than shareholders' equity			
Total changes during period	58	58	58
Balance at end of period	439,667	405,361	405,361

	Shareholders' equity				Share acquisition rights	Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity		
	Other retained earnings	Total retained earnings				
Balance at beginning of period	1,350,496	1,350,496	-371	2,195,035	1,469	2,196,505
Changes during period						
Issuance of new shares - exercise of share acquisition rights				117		117
Profit	702,278	702,278		702,278		702,278
Purchase of treasury shares			-500,057	-500,057		-500,057
Net changes in items other than shareholders' equity				—		—
Total changes during period	702,278	702,278	-500,057	202,338	—	202,338
Balance at end of period	2,052,774	2,052,774	-500,428	2,397,374	1,469	2,398,843

Fiscal year under review (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity		
	Share capital	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of period	439,667	405,361	405,361
Changes during period			
Issuance of new shares - exercise of share acquisition rights	14,540	14,540	14,540
Profit			
Purchase of treasury shares			
Net changes in items other than shareholders' equity			
Total changes during period	14,540	14,540	14,540
Balance at end of period	454,207	419,901	419,901

	Shareholders' equity				Share acquisition rights	Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity		
	Other retained earnings	Total retained earnings				
Balance at beginning of period	2,052,774	2,052,774	-500,428	2,397,374	1,469	2,398,843
Changes during period						
Issuance of new shares - exercise of share acquisition rights				29,080		29,080
Profit	717,402	717,402		717,402		717,402
Purchase of treasury shares			-127	-127		-127
Net changes in items other than shareholders' equity				—	22,104	22,104
Total changes during period	717,402	717,402	-127	746,354	22,104	768,459
Balance at end of period	2,770,176	2,770,176	-500,556	3,143,728	23,574	3,167,303

(4) Statement of cash flows

(Thousand yen)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	1,144,439	1,099,208
Depreciation	217,754	266,395
Share-based payment expenses	—	22,116
Increase (decrease) in allowance for doubtful accounts	18,263	21,227
Interest and dividend income	-62	-12
Subsidy income	-2,320	-550
Commission for purchase of treasury shares	989	—
Loss on retirement of non-current assets	327	517
Loss (gain) on valuation of investment securities	4,598	3,874
Decrease (increase) in trade receivables	-241,152	-286,308
Decrease (increase) in inventories	-304	358
Decrease (increase) in prepaid expenses	-19,898	-60,212
Increase (decrease) in accounts payable - other	-115,829	127,725
Increase (decrease) in accrued expenses	13,717	8,741
Increase (decrease) in accrued consumption taxes	88,655	-73,160
Increase (decrease) in advances received	73,648	37,347
Other	22,866	-33,013
Subtotal	1,205,693	1,134,256
Interest and dividends received	62	12
Subsidies received	2,320	550
Income taxes paid	-52,536	-676,425
Net cash provided by (used in) operating activities	1,155,538	458,394
Cash flows from investing activities		
Purchase of property, plant and equipment	-26,331	-7,407
Purchase of intangible assets	-390,759	-454,096
Payments of leasehold deposits	-44,739	-79,161
Proceeds from refund of leasehold deposits	25,717	23,446
Net cash provided by (used in) investing activities	-436,112	-517,219
Cash flows from financing activities		
Proceeds from exercise of employee share options	117	29,010
Proceeds from issuance of share acquisition rights	—	58
Purchase of treasury shares	-501,046	-127
Net cash provided by (used in) financing activities	-500,929	28,940
Net increase (decrease) in cash and cash equivalents	218,496	-29,884
Cash and cash equivalents at beginning of period	1,457,980	1,676,476
Cash and cash equivalents at end of period	1,676,476	1,646,591

(5) Notes to financial statements
(Notes on going concern assumptions)
Not applicable.

(Equity method earnings, etc.)
Matters concerning affiliated companies

	(Thousand yen)	
	Previous fiscal year (As of March 31, 2022)	Fiscal year under review (As of March 31, 2023)
Amounts of investments in affiliated companies	49,000	49,000
Amounts of investments to which the equity method applies	78,249	144,507
	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Share of profit of entities accounted for using equity method	28,961	66,258

(Segment information)

1. Outline of reportable segments

(1) Method for determining reportable segments

The reportable segments of the Company are the units for which separate financial statements can be obtained among the constituent units of the Company and for which the Board of Directors of the Company regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Company's reportable segments are the Media segment and the IT/Solutions segment. The reportable segments are determined in consideration of the similarity and relevance of markets to which its services are sold and those of customers.

(2) Services belonging to each reportable segment

In the Media business, the Company engages in the Internet media business through the legal consultation portal site Bendo4.com and the tax consultation portal site zeiri4.com.

In the IT/Solutions business, the Company provides IT and solution services including CloudSign, a contract management platform.

2. Methods for calculating net sales, profit or loss, assets, liabilities, and other items in each reportable segment

The accounting method of the reported business segments complies with the accounting policy adopted for preparing financial statements.

The profit for reportable segments is operating profit.

3. Information on net sales and profit (loss), assets, liabilities, and other items by reportable segment

I. Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Thousand yen)

	Reportable segments			Adjustment (Note 1)	Total (Note 2)
	Media	IT/Solutions	Total		
Net sales					
Net sales to external customers	3,754,180	3,123,060	6,877,241	—	6,877,241
Inter-segment sales or transfers	—	—	—	—	—
Total	3,754,180	3,123,060	6,877,241	—	6,877,241
Segment profit	1,506,954	532,314	2,039,268	-900,051	1,139,216
Other items					
Depreciation	137,644	78,121	215,766	1,988	217,754
Impairment losses	—	—	—	—	—

(Notes) 1. The adjustment for segment profit of negative 900,051 thousand yen includes corporate expenses that are not previously allocated to the reportable segments. Corporate expenses consist primarily of general and administrative expenses that are not attributable to the reporting segments.

2. Segment profit is adjusted to be consistent with the operating profit reported in the statements of income.

3. The Company does not allocate assets to each reportable segment and thus does not disclose segment assets.

II. Fiscal year under review (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Reportable segments			Adjustment (Note 1)	Total (Note 2)
	Media	IT/Solutions	Total		
Net sales					
Net sales to external customers	4,082,706	4,627,846	8,710,552	—	8,710,552
Inter-segment sales or transfers	—	—	—	—	—
Total	4,082,706	4,627,846	8,710,552	—	8,710,552
Segment profit	1,567,014	652,965	2,219,979	-1,129,860	1,090,118
Other items					
Depreciation	150,137	112,997	263,135	3,260	266,395
Impairment losses	—	—	—	—	—

(Notes) 1. The adjustment for segment profit of negative 1,129,860 thousand yen includes corporate expenses that are not previously allocated to the reportable segments. Corporate expenses consist primarily of general and administrative expenses that are not attributable to the reporting segments.

2. Segment profit is adjusted to be consistent with the operating profit reported in the statements of income.

3. The Company does not allocate assets to each reportable segment and thus does not disclose segment assets.

(Per share information)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net assets per share	108.17 yen	141.43 yen
Basic earnings per share	31.56 yen	32.33 yen
Diluted earnings per share	30.65 yen	31.54 yen

(Note) The basis of calculation of basic earnings per share and diluted earnings per share are as follows.

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit (thousand yen)	702,278	717,402
Amount not attributable to common shareholders (thousand yen)	—	—
Profit related to common shares (thousand yen)	702,278	717,402
Average number of common shares during the period	22,249,067	22,187,828
Diluted earnings per share		
Adjusted profit (thousand yen)	—	—
Number of increase in common shares	661,317	560,685
(of which number of share acquisition rights)	(661,317)	(560,685)
Descriptions of potentially dilutive common shares that were not included in the computation of diluted earnings per share because of their anti-dilutive effect	—	<p>Twelfth Series Share Acquisition Rights Number of share acquisition rights: 406 (Common shares: 40,600 shares)</p> <p>Thirteenth Series Share Acquisition Rights Number of share acquisition rights: 174 (Common shares: 17,400 shares)</p> <p>Fourteenth Series Share Acquisition Rights Number of share acquisition rights: 161 (Common shares: 16,100 shares)</p> <p>Fifteenth Series Share Acquisition Rights Number of share acquisition rights: 69 (Common shares: 6,900 shares)</p>

(Significant subsequent events)

Not applicable.