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November 13, 2023

TEMONA. Inc.
Earnings Report for the Fiscal Year Ended September 30, 2023
[Japanese GAAP] (Consolidated)

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Scheduled dates

Ordinary general meeting of shareholders: December 22, 2023
 Dividend payout: -
 Filing of statutory year-end financial report: December 22, 2023
 Supplementary materials to financial results available: Yes
 Fiscal year-end earnings presentation held: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Financial Results for the Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)

(1) Operating Results (Percentage figures represent year on year changes)

FY Ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Sept. 30, 2023	2,341	3.9	(83)	-	(76)	-	(127)	-
Sept. 30, 2022	2,253	-	(195)	-	(194)	-	(175)	-

Note: Comprehensive income Year ended Sept. 30, 2023: ¥(127) million [-%]
 Year ended Sept. 30, 2022: ¥(175) million [-%]

FY Ended	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit margin
	¥	¥	%	%	%
Sept. 30, 2023	(12.00)	-	(11.4)	(3.4)	(3.6)
Sept. 30, 2022	(16.50)	-	(14.9)	(8.4)	(8.7)

Notes: Although there are residual securities outstanding, diluted earnings per share is omitted here, as the Company recorded net loss per share for the period.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	
As of Sep. 30, 2023	2,254	1,091	46.8	98.71
As of Sep. 30, 2022	2,306	1,201	51.2	110.76

Reference: Total shareholders' equity: Sep. 30, 2023: ¥1,054 million Sep. 30, 2022: ¥1,180 million

(3) 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
FY Ended	¥ million	¥ million	¥ million	¥ million
Sept. 30, 2023	229	(146)	122	1,200
Sept. 30, 2022	(128)	(379)	55	994

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY Ended Sep. 30, 2022	—	0.00	—	0.00	0.00	—	—	—
FY Ended Sep. 30, 2023	—	0.00	—	0.00	0.00	—	—	—
FY Ending Sep. 30, 2024 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Earnings Forecast for the Fiscal Year Ending September 30, 2024 (October 1, 2023 to September 30, 2024)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six Months Ending Mar. 31, 2024	1,103	(11.4)	40	-	39	-	19	-	1.87
Full year	2,436	4.1	202	-	200	-	123	-	11.58

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement:

- 1) Changes in accordance with amendments to accounting standards: Yes
- 2) Changes other than the above 1): None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

Note: For details, please see “(Changes in accounting policy)” under “(5) Notes on the Consolidated Financial Statements” on page 12 in section “3. Consolidated Financial Statements and Main Notes” in the Accompanying Materials.

3. Consolidated Financial Statements and Main Notes
(3) Number of shares issued (common stock)

1) Number of shares issued at end of period (treasury shares included):

September 30, 2023: 11,425,592 shares

September 30, 2022: 11,405,592 shares

2) Number of shares held in treasury at end of period:

September 30, 2023: 745,317 shares

September 30, 2022: 745,317 shares
3) Average number of shares outstanding during the period:
September 30, 2023: 10,661,645 shares
September 30, 2022: 10,651,727 shares

Note. The Company has introduced a "Board Benefit Trust" and an "Employee Stock Ownership Plan Trust". The Company's shares held by these trusts (September 30, 2022: 744,500 shares, September 30, 2023: 744,500 shares) are included in the number of treasury shares.

* This earnings report is exempt from auditing by certified public accountants and the accounting auditor.

***Appropriate Use of Earnings Forecasts and Other Important Information**

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. These forward-looking statements are not guarantees of future performance, and actual results may differ materially from those expressed or implied herein due to a range of factors. For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, please refer to "(4) Outlook for Fiscal Year Ending September 30, 2024" on page 5 in section "1. Operating Results and Financial Position" in the Accompanying Materials.

(Supplementary materials to quarterly financial results)

Supplementary materials to the financial results (Fact Sheets) will be posted on the Company's website on November 13, 2023.

Accompanying Materials

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1. Operating Results and Financial Position

(1) Operating Results

In the fiscal year ended September 30, 2023, the outlook for the Japanese economy remained uncertain primarily due to international uncertainties within the context of the crisis in Ukraine, a slowdown in the global economy resulting from monetary tightening in the U.S. and Europe, and prolonged depreciation of the yen.

According to the “FY2022 Digital Transaction Environment Improvement Project (Market Research on Electronic Commerce),” for the domestic e-commerce market related to the Group’s business, the B2C-EC market size increased 9.91% year on year to 22.7 trillion yen, and the B2B-EC market size rose 12.8% year on year to 420.2 trillion yen in 2022. On the other hand, the e-commerce ratio (*1), which is an indicator of the market penetration of e-commerce, continued to increase, rising to 9.13% for B2C-EC and 37.5% for B2B-EC, and the digitalization of commercial transactions is expected to continue to advance.

In the current business environment, the Group believes that the key to growth is the provision of comprehensive support for subscription businesses (which can facilitate the securing of steady revenue even in the midst of worsening economic conditions) while continuing to contribute to growth of customers’ businesses. The Group will ensure business growth by pursuing the business strategies (1) expansion of target areas and (2) expansion of the subscription value chain, providing comprehensive support for subscription businesses, and continuing to contribute to the growth of customers’ business.

The following is a breakdown of the Group’s business results.

Consolidated net sales during the fiscal year ended September 30, 2023 totaled 2,341,027 thousand yen, up 3.9% year on year. This result reflects the growth of revenue from contract system development, etc. and the addition of revenue of the Engineering Business, despite decreases in the total number of service user accounts and GMV.

Cost of sales increased 15.5% year on year to 1,108,696 thousand yen, owing to increased outsourcing expenses associated with the growth in contract development revenue, as well as the inclusion of costs from the Engineering Business.

Selling, general and administrative expenses decreased 11.7% year on year to 1,316,061 thousand yen, due to a decrease in hiring expenses and expenses related to the acquisition of shares in AIS Inc. and Sackle Inc.

As a result of evaluating the financial position and prospects of investment securities the Company holds, the Company recorded 49,999 thousand yen in impairment loss on valuation of investment securities as an extraordinary loss.

As a result, in the fiscal year ended September 30, 2023, the Group posted an operating loss of 83,730 thousand yen (operating loss of 195,641 thousand yen in the previous fiscal year). Ordinary loss was 76,529 thousand yen (ordinary loss of 194,390 thousand yen in the previous fiscal year). Loss attributable to owners of the parent came to 127,956 thousand yen (loss attributable to owners of the parent of 175,715 thousand yen in the previous fiscal year).

Operating results by business segment are as follows.

(a) E-Commerce Support Business

The E-Commerce Support Business provides systems that make up e-commerce sites specializing in subscription businesses, as well as a range of services related to attracting customers, client services, logistics, etc., that support the operation of subscription businesses.

The following is a breakdown of the revenue generated by each of the services provided by the E-Commerce Support Business.

(Unit: thousands of yen)

Service	Revenue category	Fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022)		Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)		
		Amount	Weighting (%)	Amount	Weighting (%)	
a	Subsc-Store	Recurring revenue	398,345	20.7	373,959	19.9
		Contract development revenue	136,192	7.1	223,422	11.9
		Other revenue	69,400	3.6	105,628	5.6
	Tamago Repeat	Recurring revenue	462,510	24.1	393,655	21.0
		Contract development revenue	-	-	-	-
		Other revenue	64,998	3.4	47,547	2.5
Subtotal		1,131,446	58.8	1,144,213	60.9	
b	Payment fees	GMV-linked revenue	536,775	27.9	479,135	25.5
c	Others	Recurring revenue	42,869	2.2	79,926	4.3
		Contract development revenue	165,624	8.6	125,496	6.7
		Other revenue	45,885	2.4	50,195	2.7
	Subtotal		254,379	13.2	255,618	13.6
Total (a+b+c)		1,922,601	100.0	1,878,967	100.0	

- a. Subsc-Store service user accounts totaled 477, the same number as in the previous fiscal year, and Tamago Repeat service user accounts totaled 482, down 12.8% year on year. Total service user accounts stood at 959, down 6.9% year on year. Recurring revenue (*2) declined due to the decrease in accounts. However, revenue totaled 1,144,213 thousand yen, up 1.1% year on year, due to growth in contract development revenue (*3), including Subsc-Store customization services.
- b. The gross transaction volume of services provided by the Group totaled 129.8 billion yen, down 11.7% year on year, mainly reflecting decreases in service user accounts. GMV-linked revenue (*4) totaled 479,135 thousand yen, down 10.7% year on year.
- c. Accounts (corporate contracts) for the Subsc-@ service targeted at physical stores increased to 180, up 21.6% year on year, and Subsc-Store B2B accounts targeted at B2B service providers grew to 22, up 37.5% year on year. As a result, recurring revenue increased, rising 86.4% year on year to 79,926 thousand yen. However, contract development revenue decreased 24.2% year on year to 125,496 thousand yen owing to a decline in web page production services related to Subsc-@. As a result, revenue from other services totaled 255,618 thousand yen, up 0.0% year on year.

As a result of the above factors, revenue from the E-Commerce Support Business came to 1,878,967 thousand yen, down 2.3% year on year, and segment loss was 113,407 thousand yen (segment loss of 138,394 thousand yen in the same period of the previous fiscal year).

(b) Engineering Business

The Engineering Business operated by Sackle Inc. provides system development services and system engineering services that provide customers with software engineer skills.

Revenue from the Engineering Business totaled 593,436 thousand yen, up 56.2% year on year and segment profit was 32,493 thousand yen, up 2,222.4% year on year.

*1 E-commerce ratio is the ratio of B2C/B2B e-commerce transaction value to total B2C/B2B market transaction value.

*2 Recurring revenue: Revenue from services that charge a fixed monthly fee.

*3 Contract development revenue: Revenue from contract development, such as customization of the Company's system.

*4 GMV-linked revenue: Revenue from services with variable fees linked to client GMV.

(2) Financial Position

(Assets)

Consolidated assets as of September 30, 2023, totaled 2,254,539 thousand yen, a 51,607 thousand yen decrease from September 30, 2022, the end of the previous fiscal year. This was mainly due to a decrease of 128,472 thousand yen in other current assets, mainly due to a decrease in income taxes receivable.

(Liabilities)

Consolidated liabilities as of September 30, 2023, totaled 1,163,157 thousand yen, a 58,043 thousand yen increase from September 30, 2022. The increase mainly reflects a 100,000 thousand yen decrease in short-term loans payable and a 220,536 thousand yen increase in long-term loans payable (including the current portion of long-term loans payable).

(Net assets)

Consolidated net assets as of September 30, 2023, totaled 1,091,382 thousand yen, a 109,651 thousand yen decrease from September 30, 2022. This decrease mainly reflects a 127,956 thousand yen decrease in retained earnings.

(3) Cash Flows

Cash and cash equivalents ("cash") as of September 30, 2023, totaled 1,200,545 thousand yen. Cash flows from operating, investing, and financing activities were as follows.

(Cash flows from operating activities)

Operating activities provided net cash of 229,716 thousand yen. The main inflows were 147,309 thousand yen in depreciation and a 115,390 thousand yen decrease in notes and accounts receivable trade.

(Cash flows from investing activities)

Investing activities used net cash of 146,170 thousand yen. This was primarily 146,113 thousand yen to purchase intangible assets.

(Cash flows from financing activities)

Financing activities provided net cash of 122,036 thousand yen. This was mostly 400,000 thousand yen in proceeds from long-term borrowings, which offset 179,464 thousand yen in repayments of long-term loans payable.

(4) Outlook for Fiscal Year Ending September 30, 2024

As for the future outlook, numerical targets in the medium-term management plan were withdrawn, but the Group will continue to promote (1) the expansion of target areas and (2) the expansion of the subscription value chain, both of which are set forth in the medium-term management plan, in order to ensure business growth.

With this promotion, the consolidated earnings forecast for the fiscal year ending September 30, 2024 is net sales of 2,436 million yen (up 4.1% year on year), operating profit of 202 million yen, ordinary profit of 200 million yen, and profit attributable to owners of the parent of 123 million yen, as shown below.

(Unit: million yen)

	Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)	Fiscal year ending September 30, 2024 (October 1, 2023 to September 30, 2024)	Change	Change (%)
Net sales	2,341	2,436	95	4.1
Operating profit (loss)	(83)	202	285	-
Ordinary profit (loss)	(76)	200	276	-
Profit (loss) attributable to owners of parent	(127)	123	251	-

The above forecast was prepared based on information available as of the day of the release of this earnings report. Actual performance may differ from the forecast figures due to a variety of factors.

2. Basic Policy on the Selection of Accounting Standards

The Company's policy, for the time being, is to prepare financial statements in accordance with Japanese GAAP, taking into consideration the comparability of financial statements between periods and between companies.

The Company's policy is to consider application of the International Financial Reporting Standards based on consideration of circumstances in Japan and overseas.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Unit: thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	994,963	1,200,545
Accounts receivable - trade	284,393	169,002
Contract assets	-	47,389
Other	207,928	79,456
Allowance for doubtful accounts	(1,314)	(2,365)
Total current assets	1,485,971	1,494,029
Non-current assets		
Property, plant and equipment		
Buildings, net	42,181	29,530
Other, net	27,313	17,260
Total property, plant and equipment	69,494	46,791
Intangible assets		
Software	231,523	255,473
Goodwill	275,874	231,726
Total intangible assets	507,397	487,199
Investments and other assets		
Investment securities	52,250	17,250
Deferred tax assets	111,287	131,753
Other	81,896	81,184
Allowance for doubtful accounts	(2,150)	(3,667)
Total investments and other assets	243,283	226,519
Total non-current assets	820,176	760,510
Total assets	2,306,147	2,254,539

(Unit: thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	136,099	72,542
Short-term loans payable	300,000	200,000
Accounts payable - other	115,095	106,640
Current portion of long-term loans payable	161,966	205,512
Income taxes payable	7,899	24,112
Contract liabilities	85,834	68,632
Other	39,080	49,043
Total current liabilities	845,975	726,484
Non-current liabilities		
Long-term loans payable	247,933	424,923
Provision for share awards	10,325	11,750
Contract liabilities	879	-
Total non-current liabilities	259,137	436,673
Total liabilities	1,105,113	1,163,157
Net assets		
Shareholders' equity		
Capital stock	385,671	386,421
Capital surplus	375,671	376,421
Retained earnings	1,003,158	875,201
Treasury shares	(583,744)	(583,744)
Total shareholders' equity	1,180,756	1,054,300
Stock acquisition rights	20,277	37,082
Total net assets	1,201,034	1,091,382
Total liabilities and net assets	2,306,147	2,254,539

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

(Unit: thousands of yen)

	Fiscal Year ended September 30, 2022	Fiscal Year ended September 30, 2023
Net sales	2,253,812	2,341,027
Cost of sales	959,846	1,108,696
Gross profit	1,293,965	1,232,331
Selling, general and administrative expenses	1,489,607	1,316,061
Operating loss	(195,641)	(83,730)
Non-operating income		
Interest income	12	9
Dividend income	113	226
Commission income	351	112
Subsidy income	13,817	10,787
Other	842	2,037
Total non-operating income	15,137	13,173
Non-operating expenses		
Interest expenses	1,556	2,710
Loss on sale of notes and accounts receivable - trade	12,329	3,262
Other	1	-
Total non-operating expenses	13,887	5,972
Ordinary loss	(194,390)	(76,529)
Extraordinary losses		
Loss on sale of investment securities	1,500	-
Loss on valuation of investment securities	884	49,999
Total extraordinary losses	2,384	49,999
Loss before income taxes	(196,775)	(126,529)
Income taxes		
Current	4,570	21,891
Deferred	(25,630)	(20,465)
Total income taxes	(21,060)	1,426
Loss for the period	(175,715)	(127,956)
Loss attributable to owners of the parent	(175,715)	(127,956)

Consolidated Statement of Comprehensive Income

(Unit: thousands of yen)

	Fiscal Year ended September 30, 2022	Fiscal Year ended September 30, 2023
Loss for the period	(175,715)	(127,956)
Comprehensive income	(175,715)	(127,956)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(175,715)	(127,956)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended September 30, 2022 (From October 1, 2021, to September 30, 2022)

(Unit: thousands of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	385,071	375,071	1,178,873	(583,744)	1,355,271
Changes during period					
Issuance of new shares	600	600			1,200
Loss attributable to owners of the parent			(175,715)		(175,715)
Net changes of items other than shareholders' equity					
Total changes during period	600	600	(175,715)	-	(174,515)
Balance at end of period	385,671	375,671	1,003,158	(583,744)	1,180,756

	Stock acquisition rights	Total net assets
Balance at beginning of period	6,059	1,361,331
Changes during period		
Issuance of new shares		1,200
Loss attributable to owners of the parent		(175,715)
Net changes of items other than shareholders' equity	14,218	14,218
Total changes during period	14,218	(160,297)
Balance at end of period	20,277	1,201,034

Fiscal year ended September 30, 2023 (From October 1, 2022, to September 30, 2023)

(Unit: thousands of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	385,671	375,671	1,003,158	(583,744)	1,180,756
Changes during period					
Issuance of new shares	750	750			1,500
Loss attributable to owners of the parent			(127,956)		(127,956)
Net changes of items other than shareholders' equity					
Total changes during period	750	750	(127,956)	-	(126,456)
Balance at end of period	386,421	376,421	875,201	(583,744)	1,054,300

	Stock acquisition rights	Total net assets
Balance at beginning of period	20,277	1,201,034
Changes during period		
Issuance of new shares		1,500
Loss attributable to owners of the parent		(127,956)
Net changes of items other than shareholders' equity	16,804	16,804
Total changes during period	16,804	(109,651)
Balance at end of period	37,082	1,091,382

(4) Consolidated Statement of Cash Flows

(Unit: thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Cash flows from operating activities		
Loss before income taxes	(196,775)	(126,529)
Depreciation	130,864	147,309
Amortization of goodwill	16,824	29,148
Loss (gain) on sale of investment securities	1,500	-
Loss (gain) on valuation of investment securities	884	49,999
Interest and dividend income	(125)	(235)
Interest expenses	1,556	2,710
Decrease (increase) in notes and accounts receivable – trade	164,202	115,390
Decrease (increase) in contract assets	-	(47,389)
Increase (decrease) in notes and accounts payable - trade	(10,234)	(63,556)
Increase (decrease) in accounts payable – other	(23,636)	(8,454)
Increase (decrease) in contract liabilities	(22,779)	(17,201)
Other	(62,024)	103,730
Subtotal	254	184,920
Interest and dividend income received	125	235
Interest paid	(1,516)	(2,796)
Income taxes refund (paid)	(127,140)	47,357
Cash flow from operating activities	(128,276)	229,716
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,259)	(2,441)
Purchase of intangible assets	(157,394)	(146,113)
Purchase of investment securities	(50,000)	(15,000)
Proceeds from sale of investment securities	10,500	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(170,267)	-
Proceeds from settlement of contingent consideration		15,000
Payments of leasehold and guarantee deposits	(12,637)	-
Proceeds from refund of leasehold and guarantee deposits	17,131	2,385
Cash flow from investing activities	(379,927)	(146,170)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	200,000	(100,000)
Proceeds from long-term loans payable		400,000
Repayments of long-term loans payable	(145,452)	(179,464)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	1,200	1,500
Cash flow from financing activities	55,748	122,036
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(452,455)	205,582
Cash and cash equivalents at beginning of period	1,447,418	994,963
Cash and cash equivalents at end of period	994,963	1,200,545

(5) Notes on the Consolidated Financial Statements

(Notes on the going-concern assumption)

Not applicable.

(Changes in accounting policy)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

“Implementation Guidance on Accounting Standard for Fair Value Measurement” (revised ASBJ Guidance No. 31, June 17, 2021) has been applied effective from the beginning of the fiscal year ending September 30, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the Company has opted to apply the new accounting policies set forth in the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively. Note that this has no impact on the Company’s quarterly consolidated financial statements.

(Segment information, etc.)

Segment information

1. Overview of reportable segments

The Temona Group’s reportable segments are constituent units of the Group for which separate financial information is available, and are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their business performance.

The Temona Group’s operations can be categorized into two reportable segments: E-Commerce Support Business and Engineering Business. The E-Commerce Support Business provides systems to operate e-commerce sites specializing in subscription businesses, as well as a range of services related to customer acquisition, customer support, logistics, etc., that support the operation of subscription businesses. In the Engineering Business, Sackle Inc. provides contract system development services and system engineering services that provide customers with software engineer skills.

2. Calculation method for net sales, income/loss, assets, liabilities, and other amounts by reportable segment

The accounting method for the reported business segments is in accordance with the accounting policies adopted to prepare the consolidated financial statements.

3. Net sales, income/loss, assets, liabilities, and other amounts by reportable segment

Fiscal year ended September 30, 2022 (October 1, 2021, to September 30, 2022)

(Unit: Thousands of yen)

	Reportable segment			Adjustments (Note 1, 2)	Reported in consolidated statement of income (note 3)
	E-Commerce Support Business	Engineering Business	Total		
Net sales					
Sales to external customers	1,922,601	331,211	2,253,812	-	2,253,812
Intersegment sales or transfers	-	48,789	48,789	(48,789)	-
Total	1,922,601	380,000	2,302,601	(48,789)	2,253,812
Segment income (loss)	(138,394)	1,399	(136,995)	(58,645)	(195,641)
Segment assets	1,724,369	601,190	2,325,560	(19,412)	2,306,147
Other items					
Depreciation	129,380	1,483	130,864	-	130,864
Amortization of goodwill	4,380	12,444	16,824	-	16,824
Increase in property, plant and equipment and intangible assets	223,174	249,312	472,486	-	472,486

Notes: 1. Adjustments for segment income (loss) includes 59,183 thousand yen in acquisition cost of shares in AIS Inc. and Sackle Inc.

2. Adjustments for segment assets includes 19,412 thousand yen of intersegment transactions elimination.
3. Segment income (loss) is adjusted based on operating loss reported in the consolidated statement of income for the corresponding period.

Fiscal year ended September 30, 2023 (October 1, 2022, to September 30, 2023)

(Unit: Thousands of yen)

	Reportable segment			Adjustments (Note 1, 2)	Reported in consolidated statement of income (note 3)
	E-Commerce Support Business	Engineering Business	Total		
Net sales					
Sales to external customers	1,878,967	462,060	2,341,027	-	2,341,027
Intersegment sales or transfers	-	131,375	131,375	(131,375)	-
Total	1,878,967	593,436	2,472,403	(131,375)	2,341,027
Segment income (loss)	(113,407)	32,493	(80,913)	(2,816)	△83,730
Segment assets	1,721,662	542,779	2,264,442	(9,903)	2,254,539
Other items					
Depreciation	144,399	2,909	147,309	-	147,309
Amortization of goodwill	4,260	24,888	29,148	-	29,148
Increase in property, plant and equipment and Intangible assets	152,018	674	152,692	4,309	148,382

- Notes: 1. Adjustments for segment income (loss) of 2,816 thousand yen include intersegment transactions elimination.
2. Adjustments for segment assets of 9,903 thousand yen include elimination of receivables and payables between segments.
3. Segment income (loss) is adjusted based on operating loss reported in the consolidated statement of income for the corresponding period.

[Information associated with reportable segments]

Fiscal year ended September 30, 2022 (October 1, 2021, to September 30, 2022)

1. Information for each product or service

(Unit: thousands of yen)

	Reportable segment					Total
	E-Commerce Support Business				Engineering Business	
	Subsc-Store	Tamago Repeat	Payment fees (*)	Others		
Revenue category						
Recurring revenue	398,345	462,510	-	42,869	-	903,724
Contract development revenue	136,192	-	-	165,624	331,211	633,029
GMV-linked revenue	-	-	536,775	-	-	536,775
Other revenue	69,400	64,998	-	45,885	-	180,283
Revenue from contracts with customers	603,938	527,508	536,775	254,379	331,211	2,253,812
Other revenues	-	-	-	-	-	-
Sales to external customers	603,938	527,508	536,775	254,379	331,211	2,253,812
Timing of revenue recognition						
Goods to be transferred at one point in time	203,679	64,998	536,775	211,510	315,594	1,332,556
Goods transferred over a period of time	400,259	462,510	-	42,869	15,617	921,255
Sales to external customers	603,938	527,508	536,775	254,379	331,211	2,253,812

* Payment fees are incurred in associated with services of "Subsc-Store," "Tamago Repeat," and "Others" segments, but are shown separately because it is difficult to classify them by service.

2. Information by geographic area

(1) Net sales

The information is omitted here because net sales to external customers in Japan account for more than 90% of the net sales on the consolidated statement of income.

(2) Property, plant and equipment

The information is omitted here because there is no property, plant and equipment located outside Japan.

3. Information by major customer

The information is omitted here because no customer accounts for more than 10% of the net sales on the consolidated statement of income.

Fiscal year ended September 30, 2023 (October 1, 2022, to September 30, 2023)

1. Information for each product or service

(Unit: thousands of yen)

	Reportable segment					Total
	E-Commerce Support Business				Engineering Business	
	Subsc-Store	Tamago Repeat	Payment fees (*)	Others		
Revenue category						
Recurring revenue	373,959	393,655	-	79,926	-	847,541
Contract development revenue	223,422	-	-	125,496	462,060	810,978
GMV-linked revenue	-	-	479,135	-	-	479,135
Other revenue	105,628	47,547	-	50,195	-	203,371
Revenue from contracts with customers	703,010	441,203	479,135	255,618	462,060	2,341,027
Other revenues	-	-	-	-	-	-
Sales to external customers	703,010	441,203	479,135	255,618	462,060	2,341,027
Timing of revenue recognition						
Goods to be transferred at one point in time	329,050	47,547	479,135	139,358	393,548	1,388,640
Goods transferred over a period of time	373,959	393,655	-	116,260	68,511	952,387
Sales to external customers	703,010	441,203	479,135	255,618	462,060	2,341,027

* Payment fees are incurred in associated with services of "Subsc-Store," "Tamago Repeat," and "Others" segments, but are shown separately because it is difficult to classify them by service.

2. Information by geographic area

(1) Net sales

The information is omitted here because net sales to external customers in Japan account for more than 90% of the net sales on the consolidated statement of income.

(2) Property, plant and equipment

The information is omitted here because there is no property, plant and equipment located outside Japan.

3. Information by major customer

The information is omitted here because no customer accounts for more than 10% of the net sales on the consolidated statement of income.

[Impairment loss on non-current assets by reportable segment]

Fiscal year ended September 30, 2022 (October 1, 2021, to September 30, 2022)

Not applicable.

Fiscal year ended September 30, 2023 (October 1, 2022, to September 30, 2023)

Not applicable.

[Amortization for and unamortized balance of goodwill by reportable segment]

Fiscal year ended September 30, 2022 (October 1, 2021, to September 30, 2022)

	E-Commerce Support Business	Engineering Business	Total
Balance as of Sept. 30, 2022	39,420	236,454	275,874

Note: The amount of amortization of goodwill is omitted here because the same information is presented in the "Segment Information, etc." above.

Fiscal year ended September 30, 2023 (October 1, 2022, to September 30, 2023)

	E-Commerce Support Business	Engineering Business	Total
Balance as of Sept. 30, 2023	20,160	211,566	231,726

Note: 1 With regard to the acquisition of AIS Inc., a part of the consideration was returned following an after-the-fact revision to the acquisition price of its shares. Accordingly, the acquisition cost has been reduced by the amount of the returned consideration, and goodwill has been reduced. The reduced goodwill is calculated as if it had been reduced at the date of the business combination, and the amortization of goodwill for the period prior to the current fiscal year is accounted for as income/loss for the current fiscal year.

2 The amount of amortization of goodwill is omitted here because the same information is presented in the "Segment Information, etc." above.

[Gain on negative goodwill by reportable segment]

Fiscal year ended September 30, 2022 (October 1, 2021, to September 30, 2022)

Not applicable.

Fiscal year ended September 30, 2023 (October 1, 2022, to September 30, 2023)

Not applicable.

(Per share data)

	Fiscal Year ended September 30, 2022	Fiscal Year ended September 30, 2023
Net assets per share (yen)	110.76	98.71
Basic loss per share (yen)	(16.50)	(12.00)
Diluted earnings per share (yen)	-	-

Note: 1. Although there are residual securities outstanding, diluted earnings per share is omitted here, as the Company recorded net loss per share for the period.

2. In the calculation of "basic loss per share," the Company's own shares held by the "Board Benefit Trust" and "Employees Benefit Trust" are included in treasury shares and are deducted from the calculation of the average number of shares outstanding during the period. In the calculation of "net assets per share", these shares are included in treasury shares and are deducted from the calculation of the number of shares issued at end of period.

For reference, the average number of these own shares during the period was 744,500 shares, and the number of these own shares at end of period was 744,500 shares.

3. The basis for calculating basic loss per share is as follows.

	Fiscal Year ended September 30, 2022	Fiscal Year ended September 30, 2023
Basic loss per share		
Loss attributable to owners of the parent (thousands of yen)	(175,715)	(127,956)
Amounts not attributable to common shareholders (thousands of yen)	-	-
Loss attributable to common shareholders (thousands of yen)	(175,715)	(127,956)
Average number of shares outstanding during the period (shares)	10,651,727	10,661,645
Diluted earnings per share		
Adjustment on profit attributable to owners of the parent (thousands of yen)	-	-
Increase in number of common shares (shares)	-	-
[Stock acquisition rights] (shares)	-	-
Summary of dilutive stock not included in the calculation of diluted earnings per share due to not having dilutive effects	-	-

4. The basis for calculating net assets per share is as follows.

	September 30, 2022	September 30, 2023
Total net assets on the consolidated balance sheets (thousands of yen)	1,201,034	1,091,382
Amount deducted from total net assets (thousands of yen)	20,277	37,082
[Stock acquisition rights] (thousands of yen)	(20,277)	(37,082)
Net assets attributable to common shares at period-end (thousands of yen)	1,180,756	1,054,300
Number of common shares at period-end that are used for calculation of net assets per share (shares)	10,660,275	10,680,275

(Significant subsequent events)

Not applicable.