



## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

May 10, 2024

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 21, 2024

Scheduled date to commence dividend payments: –

Scheduled date to submit Securities Report: June 21, 2024

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. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

|                   | Net sales   |   | Operating profit |   | Ordinary profit |   | Profit attributable to owners of parent |   |
|-------------------|-------------|---|------------------|---|-----------------|---|---|---|
|                   | Million yen | % | Million yen      | % | Million yen     | % | Million yen                             | % |
| Fiscal year ended |             |   |                  |   |                 |   |   |   |
| March 31, 2024    | 11,323      | – | 1,236            | – | 1,315           | – | 837                                     | – |
| March 31, 2023    | –           | – | –                | – | –               | – | –                                       | – |

(Note) Comprehensive income: Fiscal year ended March 31, 2024: 837 million yen(–%)  
Fiscal year ended March 31, 2023: – million yen(–%)

|                   | Basic earnings per share | Diluted earnings per share | Return on equity | Return on assets | Operating margin |
|-------------------|--------------------------|----------------------------|------------------|------------------|------------------|
|                   | Yen                      | Yen                        | %                | %                | %                |
| Fiscal year ended |                          |                            |                  |                  |                  |
| March 31, 2024    | 37.62                    | 36.77                      | 23.1             | 18.1             | 10.9             |
| March 31, 2023    | –                        | –                          | –                | –                | –                |

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

Fiscal year ended March 31, 2024: 74 million yen Fiscal year ended March 31, 2023: – million yen

(Note) Year-on-year changes for the year ended March 31, 2024 and figures for the year ended March 31, 2023 are not available, as the Company has been preparing consolidated financial statements since the year ended March 31, 2024.

#### (2) Consolidated financial position

|                | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------|--------------|-------------|--------------|----------------------|
|                | Million yen  | Million yen | %            | Yen                  |
| As of          |              |             |              |                      |
| March 31, 2024 | 10,164       | 4,157       | 40.3         | 183.87               |
| March 31, 2023 | –            | –           | –            | –                    |

Reference: Equity capital As of March 31, 2024: 4,096 million yen As of March 31, 2023: – million yen

(Note) Figures for the year ended March 31, 2023 are not available, as the Company has been preparing quarterly consolidated financial statements since the year ended March 31, 2024.

#### (3) Consolidated statement of 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 |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                   | Million yen                          | Million yen                          | Million yen                          | Million yen                                |
| Fiscal year ended |                                      |                                      |                                      |  |
| March 31, 2024    | 1,160                                | -2,103                               | 2,765                                | 3,469                                      |
| March 31, 2023    | –                                    | –                                    | –                                    | –  |

(Note) Figures for the year ended March 31, 2023 are not available, as the Company has been preparing quarterly consolidated financial statements since the year ended March 31, 2024.

### 2. Cash dividends

|                           | Dividend per share |                    |                   |                 |        | Total dividend payments (Total) | Dividend payout ratio (Consolidated) | Dividend on equity ratio (Consolidated) |
|---------------------------|--------------------|--------------------|-------------------|-----------------|--------|---------------------------------|--------------------------------------|---|
|                           | First quarter-end  | Second quarter-end | Third quarter-end | Fiscal year-end | Annual |                                 |                                      |   |
| Fiscal year ended         |                    |                    |                   |                 |        |                                 |                                      |   |
| March 31, 2023            | –                  | 0.00               | –                 | 0.00            | 0.00   | –                               | –                                    | –                                       |
| March 31, 2024            | –                  | 0.00               | –                 | 0.00            | 0.00   | –                               | –                                    | –                                       |
| Fiscal year ending        |                    |                    |                   |                 |        |                                 |                                      |   |
| March 31, 2025 (Forecast) | –                  | 0.00               | –                 | 0.00            | 0.00   |                                 | –                                    |   |

3. Consolidated forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

|                                   | Net sales   |      | EBITDA      |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      | Basic earnings per share |
|-----------------------------------|-------------|------|-------------|------|------------------|------|-----------------|------|---|------|--------------------------|
|                                   | Million yen | %    | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen                             | %    | Yen                      |
| Fiscal year ending March 31, 2025 | 14,740      | 30.2 | 2,500       | 32.5 | 1,700            | 37.5 | 1,700           | 29.2 | 1,000                                   | 19.4 | 44.88                    |

(Note) EBITDA = Operating profit + Depreciation + Amortization of goodwill + Share-based payment expenses + Share of profit (loss) of entities accounted for using equity method

\* Notes

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): Yes

New: 1 company (company name): LIC CO., Ltd, Excluded (company name): None

(2) 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

(3) 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, 2024 22,382,100 shares
  - As of March 31, 2023 22,329,500 shares
- b. Number of treasury shares at the end of the period
  - As of March 31, 2024 101,363 shares
  - As of March 31, 2023 101,289 shares
- c. Average number of shares during the period
  - Fiscal year ended March 31, 2024 22,265,906 shares
  - Fiscal year ended March 31, 2023 22,187,828 shares

(For reference) Non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

|                                  | Net sales   |      | Operating profit |      | Ordinary profit |      | Profit      |     |
|----------------------------------|-------------|------|------------------|------|-----------------|------|-------------|-----|
|                                  | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen | %   |
| Fiscal year ended March 31, 2024 | 10,551      | 21.1 | 1,172            | 7.5  | 1,175           | 6.5  | 729         | 1.7 |
| March 31, 2023                   | 8,710       | 26.7 | 1,090            | -4.3 | 1,103           | -4.0 | 717         | 2.2 |

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen                      | Yen                        |
| March 31, 2024    | 32.78                    | 32.04                      |
| March 31, 2023    | 32.33                    | 31.54                      |

(2) Non-consolidated financial position

|                 | Total assets | Net assets  | Equity ratio | Net assets per share |
|-----------------|--------------|-------------|--------------|----------------------|
| As of           | Million yen  | Million yen | %            | Yen                  |
| March 31, 2024  | 8,323        | 3,954       | 46.8         | 174.74               |
| March 31, 2023: | 4,410        | 3,167       | 71.3         | 141.43               |

Reference: Equity capital As of March 31, 2024: 3,893 million yen As of March 31, 2023: 3,143 million yen

\* 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 3 of the supplementary materials and the financial explanatory documents for the fiscal year ended March 31, 2024, released on May 10, 2024.

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## 1. Overview of Operating Results and Financial Position

The Group has been preparing consolidated financial statements since the year ended March 31, 2024, and does not compare them to year-ago results or analyze any differences.

### (1) Overview of operating results for the fiscal year ended March 31, 2024

During the fiscal year under review, the Japanese economy was dampened by a slowdown in the pace of recovery of overseas economies. Nonetheless, it continued to recover modestly and grow at a pace above its potential growth rate, buoyed by the effects of loose monetary conditions and the government's economic policies, in addition to a rebound in consumer demand with the normalization of economic activity after the reclassification of COVID-19 to Class 5 disease under the Infectious Disease Act. However, the outlook remains uncertain given overseas economic and price trends, resource price trends, and corporate wages and pricing behavior.

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

On October 2, 2023, the Company acquired the shares of LIC CO., Ltd., which provides Hanreihisho, a legal precedent database, and which has an overwhelming market share. The business results of LIC CO., Ltd. and its subsidiary EOC.com Co., Ltd. are reflected from the third quarter's consolidated results of the fiscal year under review.

Since the Company also began preparing quarterly consolidated financial statements starting from the fiscal year under review, the Company also recorded equity method investment gains in relation to the investment securities it holds in relation to SMBC CLOUDSIGN, Inc.

As a result, net sales totaled 11,323 million yen, operating profit stood at 1,236 million yen, ordinary profit was 1,315 million yen, and profit attributable to owners of parent came to 837 million yen in the fiscal year under review.

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 Bengoshi.com and the tax consultation portal site zeirishi.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 Bengoshi.com news, an owned media channel which lawyers use to explain familiar topics from a legal perspective. Consequently, monthly site visitors amounted to 16.00 million in March 2024. The number of registered lawyers as of the end of the fiscal year under review stood at 23,784, of which the number of lawyers with paid member subscriptions to the lawyer support service stood at 5,372. Meanwhile, the number of paid subscribers to Bengoshi.com paid services was 184,739.

As a result, net sales for the fiscal year under review came to 4,452 million yen and segment profit was 1,431 million yen.

#### (IT/Solutions business)

In the IT/Solutions business, the Company provides IT and solution services including CloudSign, a contract management platform. On October 2, 2023, the Company acquired the shares of LIC CO., Ltd., which provides Hanreihisho, a legal precedent database, and which has an overwhelming market share.

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 amounted to 8,164,146 in the fiscal year under review.

As a result, net sales for the fiscal year under review came to 6,871 million yen and segment profit was 1,481 million yen.

### (2) Overview of financial position for the fiscal year ended March 31, 2024

Total assets at the end of the fiscal year under review amounted to 10,164 million yen. The main components were cash and deposits of 3,469 million yen, accounts receivable - trade of 1,795 million yen, technology assets of 1,412 million yen, and software of 932 million yen.

#### (Current assets)

Current assets at the end of the fiscal year under review stood at 5,654 million yen. The main components were cash and deposits of 3,469 million yen and accounts receivable - trade of 1,795 million yen.

#### (Non-current assets)

Non-current assets at the end of the fiscal year under review stood at 4,509 million yen. Major components include 1,412 million yen in technology assets, 932 million yen in software, and 747 million yen in goodwill.

#### (Current liabilities)

Current liabilities at the end of the fiscal year under review stood at 2,906 million yen. Major components include 851

million yen in accounts payable - other and 769 million yen in advances received.

(Non-current liabilities)

Non-current liabilities at the end of the fiscal year under review stood at 3,100 million yen. This mainly included long-term borrowings of 2,237 million yen and deferred tax liabilities of 556 million yen.

(Net assets)

Net assets at the fiscal year under review stood at 4,157 million yen. Main components include 464 million yen in share capital and 3,703 million yen in retained earnings.

### (3) Overview of cash flows for the fiscal year ended March 31, 2024

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year under review amounted to 3,469 million yen.

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

(Cash flows from operating activities)

Cash provided by operating activities was 1,160 million yen. This mainly reflects the recording of profit before income taxes of 1,288 million yen and depreciation of 513 million yen, and an increase in accounts payable - other of 151 million yen, which offset outflows such as an increase in trade receivables of 417 million yen, an increase of prepaid expenses of 77 million yen and income taxes paid of 394 million yen.

(Cash flows from investing activities)

Cash used in investing activities was 2,103 million yen. Major factors included the purchase of shares of subsidiaries resulting in change in scope of consolidation of 1,383 million yen, the purchase of intangible assets of 640 million yen, and the purchase of investment securities of 201 million yen.

(Cash flows from financing activities)

Cash provided by financing activities was 2,765 million yen. This is mainly attributable to proceeds from long-term borrowings of 2,900 million yen, repayments of long-term borrowings of 153 million yen, and proceeds from exercise of employee share options of 19 million yen.

### (4) Outlook

#### (a) General outlook

Under the mission “Creating next common knowledge using Professional Tech,” the Group has been operating the Media business, where it operates Internet media through portal sites such as Bengoshi.com for legal consultation and zeirishi.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, 2025, 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 Bengoshi.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, 2025 is 14,740 million yen, an increase of 30.2% year on year. Operating profit will stand at 1,700 million yen, a record high, up 37.5% year on year. Ordinary profit and profit are expected to be 1,700 million yen (up 29.2% year-on-year) and 1,000 million yen (up 19.4% year-on-year), respectively.

#### (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 Bengoshi.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, BUSINESS LAWYERS 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 1,700 million yen, a record high, in the fiscal year ending March 31, 2025.

(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 1,700 million yen, 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 1,000 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 Group prepares its 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. Consolidated Financial Statements and Key Notes

#### (1) Consolidated balance sheet

(Thousand yen)

|                                     | Fiscal year under review<br>(As of March 31, 2024) |
|-------------------------------------|--|
| <b>Assets</b>                       |  |
| Current assets                      |  |
| Cash and deposits                   | 3,469,066  |
| Accounts receivable                 | 1,795,634  |
| Prepaid expenses                    | 370,670  |
| Other                               | 62,399   |
| Allowance for doubtful accounts     | -42,826  |
| Total current assets                | 5,654,944  |
| Non-current assets                  |  |
| Property, plant and equipment       |  |
| Buildings and structures            | 147,210  |
| Accumulated depreciation            | -45,089  |
| Buildings and structures, net       | 102,120  |
| Tools, furniture and fixtures       | 197,289  |
| Accumulated depreciation            | -121,642   |
| Tools, furniture and fixtures, net  | 75,647   |
| Other                               | 14,976   |
| Accumulated depreciation            | -12,429  |
| Other, net                          | 2,547  |
| Total property, plant and equipment | 180,315  |
| Intangible assets                   |  |
| Goodwill                            | 747,843  |
| Technology assets                   | 1,412,795  |
| Software                            | 932,869  |
| Software in progress                | 39,730   |
| Trademark right                     | 244,524  |
| Other                               | 9,515  |
| Total intangible assets             | 3,387,279  |
| Investments and other assets        |  |
| Investment securities               | 427,520  |
| Distressed receivables              | 32,344   |
| Deferred tax assets                 | 241,329  |
| Other                               | 273,034  |
| Allowance for doubtful accounts     | -32,343  |
| Total investments and other assets  | 941,885  |
| Total non-current assets            | 4,509,479  |
| Total assets                        | 10,164,424   |

(Thousand yen)

|  | Fiscal year under review<br>(As of March 31, 2024) |
|--|--|
| <b>Liabilities</b>   |  |
| Current liabilities  |  |
| Current portion of long-term borrowings                              | 508,754  |
| Accounts payable - other   | 851,931  |
| Accrued expenses   | 184,627  |
| Income taxes payable   | 318,435  |
| Accrued consumption taxes  | 168,271  |
| Advances received  | 769,238  |
| Provision for bonuses  | 8,950  |
| Other  | 96,456   |
| Total current liabilities  | 2,906,663  |
| Non-current liabilities  |  |
| Long-term borrowings   | 2,237,496  |
| Deferred tax liabilities   | 556,904  |
| Provision for retirement benefits for directors (and other officers) | 273,000  |
| Retirement benefit liability   | 26,800   |
| Other  | 5,950  |
| Total non-current liabilities  | 3,100,150  |
| Total liabilities  | 6,006,813  |
| <b>Net assets</b>  |  |
| Shareholders' equity   |  |
| Share capital  | 464,228  |
| Capital surplus  | 429,922  |
| Retained earnings  | 3,703,355  |
| Treasury shares  | -500,777   |
| Total shareholders' equity   | 4,096,728  |
| Share acquisition rights   | 60,882   |
| Total net assets   | 4,157,610  |
| Total liabilities and net assets                                     | 10,164,424   |



(2) Consolidated statement of income and consolidated statement of comprehensive income  
Consolidated statement of income

(Thousand yen)

|   | Fiscal year under review<br>(from April 1, 2023 to<br>March 31, 2023) |
|---|---|
| Net sales   | 11,323,742  |
| Cost of sales   | 2,331,220   |
| Gross profit  | 8,992,522   |
| Selling, general and administrative expenses                  | 7,756,286   |
| Operating profit  | 1,236,235   |
| Non-operating income  |   |
| Interest income   | 45  |
| Share of profit of entities accounted for using equity method | 74,104  |
| Commission income   | 11,915  |
| Proceeds from miscellaneous income                            | 2,711   |
| Total non-operating income                                    | 88,776  |
| Non-operating expenses  |   |
| Interest expenses   | 3,384   |
| Loss on investments in investment partnerships                | 1,118   |
| Miscellaneous losses  | 4,860   |
| Total non-operating expenses                                  | 9,364   |
| Ordinary profit   | 1,315,648   |
| Extraordinary losses  |   |
| Loss on sale of non-current assets                            | 151   |
| Impairment losses   | 26,176  |
| Loss on retirement of non-current assets                      | 738   |
| Total extraordinary losses                                    | 27,066  |
| Profit before income taxes                                    | 1,288,581   |
| Income taxes - current  | 475,394   |
| Income taxes - deferred                                       | -24,483   |
| Total income taxes  | 450,910   |
| Profit  | 837,671   |
| Profit attributable to owners of parent                       | 837,671   |

Consolidated statement of comprehensive income

(Thousand yen)

|  | Fiscal year under review<br>(from April 1, 2023 to<br>March 31, 2024) |
|--|---|
| Profit   | 837,671   |
| Comprehensive income   | 837,671   |
| Comprehensive income attributable to                           |   |
| Comprehensive income attributable to owners of parent          | 837,671   |
| Comprehensive income attributable to non-controlling interests | —   |

(3) Consolidated statement of changes in equity  
 Fiscal year under review (from April 1, 2023 to March 31, 2024)

(Thousand yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                                | 454,207              | 419,901         | 2,865,684         | -500,556        | 3,239,236                  |
| Changes during period   |                      |                 |                   |                 |                            |
| Issuance of new shares - exercise of share acquisition rights | 10,020               | 10,020          |                   |                 | 20,041                     |
| Profit attributable to owners of parent                       |                      |                 | 837,671           |                 | 837,671                    |
| Purchase of treasury shares                                   |                      |                 |                   | -220            | -220                       |
| Net changes in items other than shareholders' equity          |                      |                 |                   |                 |                            |
| Total changes during period                                   | 10,020               | 10,020          | 837,671           | -220            | 857,491                    |
| Balance at end of period                                      | 464,228              | 429,922         | 3,703,355         | -500,777        | 4,096,728                  |

|   | Share acquisition rights | Total net assets |
|---|--------------------------|------------------|
| Balance at beginning of period                                | 23,574                   | 3,262,810        |
| Changes during period   |                          |                  |
| Issuance of new shares - exercise of share acquisition rights |                          | 20,041           |
| Profit attributable to owners of parent                       |                          | 837,671          |
| Purchase of treasury shares                                   |                          | -220             |
| Net changes in items other than shareholders' equity          | 37,308                   | 37,308           |
| Total changes during period                                   | 37,308                   | 894,799          |
| Balance at end of period                                      | 60,882                   | 4,157,610        |

## (4) Consolidated statement of cash flows

(Thousand yen)

|   | Fiscal year under review<br>(from April 1, 2023 to<br>March 31, 2024) |
|---|---|
| <b>Cash flows from operating activities</b>   |   |
| Profit before income taxes  | 1,288,581   |
| Depreciation  | 513,740   |
| Share-based payment expenses  | 37,470  |
| Impairment losses   | 26,176  |
| Amortization of goodwill  | 25,787  |
| Increase (decrease) in allowance for doubtful accounts                                      | 15,841  |
| Interest and dividend income  | -45   |
| Interest expenses   | 3,384   |
| Share of loss (profit) of entities accounted for using equity method                        | -74,104   |
| Loss (gain) on investments in investment partnerships                                       | 1,118   |
| Loss on retirement of non-current assets  | 738   |
| Loss (gain) on sale of non-current assets   | 151   |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | -50,212   |
| Decrease (increase) in trade receivables  | -417,517  |
| Decrease (increase) in prepaid expenses   | -77,407   |
| Increase (decrease) in accounts payable - other   | 151,315   |
| Increase (decrease) in accrued expenses   | 67,970  |
| Increase (decrease) in accrued consumption taxes  | 51,601  |
| Increase (decrease) in advances received  | 20,169  |
| Other   | -26,235   |
| Subtotal  | 1,558,525   |
| Interest and dividends received   | 45  |
| Interest paid   | -3,384  |
| Income taxes paid   | -394,937  |
| Net cash provided by (used in) operating activities   | 1,160,249   |

(Thousand yen)

|  | Fiscal year under review<br>(from April 1, 2023 to<br>March 31, 2024) |
|--|---|
| Cash flows from investing activities   |   |
| Purchase of property, plant and equipment  | -67,348   |
| Proceeds from sale of property, plant and equipment                              | 118,686   |
| Purchase of intangible assets  | -640,785  |
| Purchase of investment securities  | -201,630  |
| Proceeds from cancellation of insurance funds                                    | 69,551  |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | -1,383,267  |
| Other  | 1,110   |
| Net cash provided by (used in) investing activities                              | -2,103,683  |
| Cash flows from financing activities   |   |
| Proceeds from long-term borrowings   | 2,900,000   |
| Repayments of long-term borrowings   | -153,750  |
| Proceeds from exercise of employee share options                                 | 19,878  |
| Purchase of treasury shares  | -220  |
| Net cash provided by (used in) financing activities                              | 2,765,908   |
| Net increase (decrease) in cash and cash equivalents                             | 1,822,474   |
| Cash and cash equivalents at beginning of period                                 | 1,646,591   |
| Cash and cash equivalents at end of period                                       | 3,469,066   |

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

(Segment information)

1. Outline of reportable segments

(1) Method for determining reportable segments

The reportable segments of the Group are the units for which separate financial statements can be obtained among the constituent units of the Group 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 Group'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 Bengoshi.com and the tax consultation portal site zeirishi.com.

In the IT/Solutions business, the Company provides IT and solution services including CloudSign, a contract management platform. The Company acquired the shares of LIC CO., Ltd. on October 2, 2023, and provides Hanreihisho, a legal precedent database of LIC CO., Ltd.

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 consolidated 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. Fiscal year under review (from April 1, 2023 to March 31, 2024)

(Thousand yen)

|                                  | Reportable segments |              |            | Adjustment<br>(Note 1) | Annual<br>(Note 2) |
|----------------------------------|---------------------|--------------|------------|------------------------|--------------------|
|                                  | Media               | IT/Solutions | Total      |                        |                    |
| Net sales                        |                     |              |            |                        |                    |
| Net sales to external customers  | 4,452,327           | 6,871,414    | 11,323,742 | —                      | 11,323,742         |
| Inter-segment sales or transfers | —                   | —            | —          | —                      | —                  |
| Total                            | 4,452,327           | 6,871,414    | 11,323,742 | —                      | 11,323,742         |
| Segment profit                   | 1,431,498           | 1,481,144    | 2,912,642  | -1,676,406             | 1,236,235          |
| Other items                      |                     |              |            |                        |                    |
| Depreciation                     | 218,718             | 290,863      | 509,582    | 4,158                  | 513,740            |
| Amortization of goodwill         | —                   | 25,787       | 25,787     | —                      | 25,787             |
| Impairment losses                | —                   | 26,176       | 26,176     | —                      | 26,176             |

(Notes) 1. The adjustment for segment profit of negative 1,676,406 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 consolidated statement of income.

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

(Related information)

Fiscal year under review (from April 1, 2023 to March 31, 2024)

1. Information for products and services

The information is omitted as it is already mentioned in the segment information section.

2. Information for geographical segments

(1) Net sales

Not applicable as there are no sales to external customers outside Japan.

(2) Property, plant and equipment

Not applicable as there no property, plant and equipment outside Japan.

3. Information on major customers

The information is omitted as no external customers account for 10% or more of net sales stated in the consolidated statement of income.

[Information on impairment losses on non-current assets by reportable segment]

Fiscal year under review (from April 1, 2023 to March 31, 2024)

The information is omitted as it is already mentioned in the segment information section.

Information on amortization of goodwill and unamortized balance by reportable segment

Fiscal year under review (from April 1, 2023 to March 31, 2024)

(Thousand yen)

|                          | Reportable segments |              |         | Company-wide,<br>eliminations | Annual  |
|--------------------------|---------------------|--------------|---------|-------------------------------|---------|
|                          | Media               | IT/Solutions | Total   |                               |         |
| Balance at end of period | –                   | 747,843      | 747,843 | –                             | 747,843 |

(Note) Information on amortization of goodwill is omitted because the same information is disclosed in the segment information.

Information on gains on bargain purchase by reportable segment

Fiscal year under review (from April 1, 2023 to March 31, 2024)

Not applicable.

## (Per share information)

|                            | Fiscal year under review<br>(from April 1, 2023<br>to March 31, 2024) |
|----------------------------|---|
| Net assets per share       | 183.87 yen  |
| Basic earnings per share   | 37.62 yen   |
| Diluted earnings per share | 36.77 yen   |

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

|  | Fiscal year under review<br>(from April 1, 2023<br>to March 31, 2024)   |
|--|---|
| Basic earnings per share   |   |
| Profit attributable to owners of parent (thousand yen)   | 837,671   |
| Amount not attributable to common shareholders (thousand yen)  | —   |
| Profit attributable to owners of parent related to common stock (thousand yen)   | 837,671   |
| Average number of common shares during the period  | 22,265,906  |
| Diluted earnings per share   |   |
| Adjusted profit attributable to owners of parent (thousand yen)  | —   |
| (of which interest expenses, net of tax (thousand yen))  | (—)   |
| Number of increase in common shares  | 513,285   |
| (of which number of convertible-bond-type bonds with share acquisition rights)   | (—)   |
| (of which number of share acquisition rights)  | (513,285)   |
| Descriptions of potentially dilutive common shares that were not included in the computation of diluted earnings per share because of their anti-dilutive effect | Twelfth series share acquisition rights<br>Number of share acquisition rights: 406<br>(Common shares: 40,600 shares)    |
|  | Thirteenth series share acquisition rights<br>Number of share acquisition rights: 174<br>(Common shares: 17,400 shares) |
|  | Fourteenth series share acquisition rights<br>Number of share acquisition rights: 126<br>(Common shares: 12,600 shares) |
|  | Fifteenth series share acquisition rights<br>Number of share acquisition rights: 54<br>(Common shares: 5,400 shares)    |
|  | Sixteenth series share acquisition rights<br>Number of share acquisition rights: 70<br>(Common shares: 7,000 shares)    |
|  | Seventeenth series share acquisition rights<br>Number of share acquisition rights: 30<br>(Common shares: 3,000 shares)  |
|  |   |



(Significant subsequent events)

(Business combination through acquisition)

At a meeting of the Board of Directors held on April 17, 2024, the Company resolved to acquire all of the outstanding shares of Bengo Kakumei Inc. to make it a subsidiary, and entered into a share transfer agreement on the same date. The Company acquired the shares on May 1, 2024.

1. Outline of the business combination

(1) Name and business of acquired company

Name of acquired company: Bengo Kakumei Inc.

Business: Development and provision of BengoKakumei, a digital case recordkeeping tool

(2) Main reasons for the business combination

The digitalization of social and economic systems has been advancing rapidly in recent years, and moves to promote digitalization are also taking shape in the judicial system.

The Code of Civil Procedure was amended in 2022 to promote the use of IT in civil court proceedings. This has made it more important to efficiently use digital documents in attorney services.

It is expected that the need to manage cases using IT tools, efficiently manage digital documents, prepare documents using AI technologies, and other needs will be greater in the future.

Bengo Kakumei provides Bengo Kakumei, a digital case recordkeeping tool. In the practice of law, it is necessary to efficiently reference to case records and events. General file folders and cloud storage are not optimal for case records, in light of the issue of decreasing operational efficiency. BengoKakumei is the only product that squarely addresses this issue and offers innovative services to greatly improve lawyers' productivity. It is strongly supported by its users and is currently used by approximately 2,000 lawyers. Due to the advancement of the digitalization of the practice of law, including the mandatory submission of documents via the internet that is scheduled to begin in 2026, these services are expected to progress in the future.

With the addition of BengoKakumei in the Company's product portfolio, many different synergies are expected to be created, such as the acceleration of sales leveraging the Company's customer base of 27,000 lawyers, the enhancement of product functions that combine the knowledge of both companies in the legal industry and AI technologies, and the improvement of convenience by linking the legal precedent databases of the BengoKakumei and Hanrei Hisho services. By contributing to the continued improvement of lawyers' productivity, the Company strives to realize a society in which more legal problems are solved.

(3) Date of the business combination

May 1, 2024 (deemed acquisition date: April 1, 2024)

(4) Legal form of the business combination

Share acquisition in exchange for cash

(5) Name of the combined entity

No change

(6) Percentage share of voting rights acquired

100%

(7) Main reason for the decision to acquire the company

Availability to the Company of the method of all share acquisition in exchange for cash.

2. Costs of the acquisition of acquired company and breakdown by type of consideration

|                               |      |                      |
|-------------------------------|------|----------------------|
| Consideration for acquisition | Cash | 200,000 thousand yen |
| Acquisition cost              |      | 200,000 thousand yen |

3. Major expenses associated with the acquisition

Compensation and fees, etc. for the advisor 1,250 thousand yen

4. Goodwill arising from the business combination, reason for the goodwill, and method and period of amortization

Yet to be determined

5. Amounts of assets accepted and liabilities assumed on the date of the business combination, and a breakdown

Yet to be determined