

Summary of Consolidated Financial Results
for the First Quarter of Fiscal Year Ending March 31, 2025
(Three Months Ended June 30, 2024)

[Japanese GAAP]

Company name: Shobunsha Holdings, Inc. Listing: Tokyo Stock Exchange, Standard Market
Stock code: 9475 URL: <https://www.mapple.co.jp/en/>
Representative: Shigeo Kuroda, President & Representative Director
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Scheduled date of payment of dividend: –
Preparation of supplementary materials for financial results: None
Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter Ended June 30, 2024 (April 1, 2024–June 30, 2024)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2024	1,355	0.5	(91)	–	(25)	–	325	–
Three months ended Jun. 30, 2023	1,348	9.9	(79)	–	(53)	–	(67)	–

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2024: 248 (–%)

Three months ended Jun. 30, 2023: 7 (–%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2024	17.92	–
Three months ended Jun. 30, 2023	(3.74)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2024	18,291	12,847	70.2
As of Mar. 31, 2024	18,879	12,690	67.2

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income) (million yen)

As of Jun. 30, 2024: 12,847

As of Mar. 31, 2024: 12,690

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2024	–	0.00	–	5.00	5.00
Fiscal year ending Mar. 31, 2025	–	–	–	–	–
Fiscal year ending Mar. 31, 2025 (forecasts)	–	0.00	–	–	–

Note: Revisions to the most recently announced dividend forecast: None

There is currently no forecast for the year-end dividend for the fiscal year ending March 31, 2025. An announcement will be made promptly once it becomes possible to disclose a dividend forecast.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025
(April 1, 2024–March 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	2,810	(0.5)	(360)	–	(320)	–	(80)	–	(4.40)
Full year	6,600	3.0	100	(77.1)	170	(67.3)	350	(80.2)	19.25

Note: Revisions to the most recently announced earnings forecasts: Yes

For details, please refer to the “Notice of Revisions to Earnings Forecasts” (in Japanese) disclosed today.

*** Notes**

(1) Changes in significant subsidiaries during the period: None

Newly added: – Excluded: –

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Going Concern Assumption” on page 12 of the attachments for details.

(4) Number of issued shares (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of Jun. 30, 2024:	18,178,173 shares	As of Mar. 31, 2024:	18,178,173 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2024:	1,002 shares	As of Mar. 31, 2024:	1,002 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2024:	18,177,171 shares	Three months ended Jun. 30, 2023:	18,177,222 shares
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* Review of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: None

* Appropriate use of earnings forecasts, and other special items

Forward-looking statements in these materials are based on assumption judged to be valid and information available to the Company’s management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of factors. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements” on page 4 of the attachments for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first three months of the current fiscal year (from April 1, 2024 to June 30, 2024) (hereinafter “the period under review”), the Japanese economy was on a recovery trend, as industrial production remained stable though being affected by a slowdown in the recovery of overseas economies. As a result, corporate earnings and capital investment showed upward trend. As for the household sector, consumer spending remained weak in spite of some resilience. Behind this was the ongoing historic depreciation of the yen and rises in prices because of differences between domestic and foreign monetary policies, the prolonged Russian invasion of Ukraine, and another geopolitical risks in the Middle East. Meanwhile, a recovery trend continued in the tourism market, in which Shobunsha Holding, Inc. (hereinafter, “the Company”) and its subsidiaries and associates (hereinafter collectively “the Group”) mainly operates its business. However, the pace of the recovery was slower compared with previous year, when the market recovered rapidly resulting from the downgrade of the COVID-19 infection to a Class 5 disease under the Infectious Disease Act. In cross-border traveling, the inbound tourism market rapidly recovered benefited from the historic depreciation of the yen, as witnessed by a record high foreign travelers visiting Japan in June 2024. In contrast, recovery in the outbound tourism market was still sluggish. While the spread of COVID-19 new variants is currently reported, there is no impact on the market conditions so far.

The Group addressed challenges caused by the prolonged impact of the COVID-19 pandemic. In doing so, we implemented the Group’s business restructuring including the restructuring of the retail publishing business, which is the Group’s core business. We also rationalized and streamlined the operations through digital transformation (DX). Furthermore, we took other measures including effective use of assets owned by the Group. As a result, backed by the recovery of market environment, we turned into profitability by reporting net income for the previous fiscal year for two fiscal years in a row. Since the previous fiscal year when the COVID-19 pandemic nearly subsided, we have positioned the initiatives implemented to promote DX and realize a decarbonized society among others as part of our sustainability strategy that aligns with the corporate philosophy of “organization that provides support for good living and enjoyable traveling”. With this as a basic policy, we will continue focusing on the efforts to enhance efficiency of the existing businesses, to develop new businesses, and to develop products and services through business alliances with other companies so as to achieve sustained growth.

Net sales for the period under review increased 6 million yen (0.5%) to 1,355 million yen (compared with 1,348 million yen one year earlier) mainly due to robust sales in the retail publishing, e-books, and apps related to tourism, aided by the continued recovery trend of traveling and tourism demand since last year. In terms of profitability, operating loss was 91 million yen, a deterioration of 12 million yen from operating loss of 79 million yen one year earlier. This deterioration was mainly due to an increase in selling, general and administrative expenses compared with those for the same period a year ago, reflecting the impact of spikes in prices and others. Ordinary loss was 25 million yen, an improvement of 27 million yen from ordinary loss of 53 million yen one year earlier. This was mainly due to the recording of foreign exchange gains in non-operating income owing to the weakening yen. In addition, we included in extraordinary income a gain on sale of investment securities in the period under review, as described in “Notice of Revision to the Consolidated Earnings Forecasts for the Six Months Ending September 30, 2024 and for the Full Fiscal Year Ending March 31, 2025” (Japanese version only), which was announced on the same day of this Summary of Consolidated Financial Results. Because of this and other factors, profit attributable to owners of parent was 325 million yen, an improvement of 393 million yen from loss attributable to owners of parent of 67 million yen one year earlier.

Results by business segment of the Group were as follows.

Media Business

This segment engages in planning, producing, and selling retail publications, e-books, and apps; selling magazine and web ads; planning, producing, and selling customized items; obtaining permission to use brands and trademarks on publications, and others.

During the period under review, the segment achieved a year-on-year increase in sales. This was because of robust sales of retail publications, particularly traveling magazine for Japan’s major tourist areas such as MAPPLE Magazines, and a steady increase in sales of e-books, including the subscription service to provide unlimited access to e-books. In the retail publications business, we expanded traveling magazines including the revised editions of

overseas travel magazines for the first time in several years under the impact of the COVID-19 pandemic. Additionally, in the *Chizu de Sutto Atama ni Hairu* (quickly learn with a map) series, which is our well-received book series, we launched *Chizu de Sutto Atamani Hairu Sekai Keizai*, a book explains the current complicated global economy in a wide range, *Sutto Atamani Hairu Kukai no Oshie* (book about the teachings of Kukai, a Buddhist monk) as the first great historical figures version of the series, and others. Despite higher sales than those for the previous year, the segment recorded operating loss mainly due to an increase of selling, general and administrative expenses affected by surges in prices.

As a result, net sales of the segment were 999 million yen (compared with 979 million yen one year earlier). Operating loss was 10 million yen (compared with operating profit of 28 million yen one year earlier).

Solutions Business

This segment engages in selling the database of maps and guidebooks that are the Group's core competencies, selling system products and solution services using the database, and other activities.

During the period under review, we focused on receiving orders from government agencies as in other years, including police and fire departments that were less susceptible to economic trends. We also focused on renewing contracts with private companies on subscription-based products.

Furthermore, we constantly received orders of business-use car navigation mainly for police and fire departments. This was driven by our efforts to achieve further growth as well as to offset a decrease in demand of PND caused by rapid shrinking of the commercial PND market due mainly to the spread of free-of-charge navigation apps available on smartphones. In the business-use car navigation product, we have started supply of *Business-use Car Navigation System SDK Ver. 9.0*, which enables users to search routes efficiently with consideration of traffic restrictions that are imposed depending on load capacity.

Additionally, we focused on receiving more orders related to tourism DX with an eye to rapidly growing inbound tourism market by the effect of the weaker yen. We released Super MAPPLE Digital 25 as a commercially available product, which is the latest version of our map software for PC with a new function to support managing and analyzing tasks using open data.

As a result, net sales of the segment were 317 million yen (compared with 339 million yen one year earlier). Operating loss was 142 million yen (compared with operating loss of 143 million yen one year earlier).

Sales Agency Business

The segment engages in serving as the point of contact for agreements of the business consignment when customers, who are mainly government agencies, consign business such as data production, etc., and thereby earns commission income for such dealings.

The Company continued to receive orders of business consignment from customers during the period under review.

As a result, net sales of the segment were 17 million yen (compared with 12 million yen one year earlier). Operating profit was 10 million yen (compared with operating profit of 4 million yen one year earlier).

Other Businesses

This segment engages in the real estate business that sells or leases the Group's property, such as land and buildings, to external counterparties.

During the period under review, other businesses operated as planned.

As a result, net sales of the segment were 20 million yen (compared with 16 million yen one year earlier). Operating profit was 5 million yen (compared with operating profit of 5 million yen one year earlier).

(2) Explanation of Financial Position

Total assets at the end of the first quarter decreased 587 million yen (3.1%) from the end of the previous fiscal year to 18,291 million yen. This was mainly due to decreases in accounts receivable-trade of 665 million yen, merchandise and finished goods of 96 million yen, other of current assets of 529 million yen, and other of investments and other assets of 400 million yen, which were partly offset by increases in cash and deposits of 881

million yen, other of intangible assets of 38 million yen, and investment securities of 189 million yen. Total liabilities decreased 744 million yen (12.0%) from the end of the previous fiscal year to 5,444 million yen. This was mainly due to decreases in notes and accounts payable-trade of 131 million yen, income taxes payable of 228 million yen, provision for bonuses of 106 million yen, other of current liabilities of 240 million yen, and deferred tax liabilities of 33 million yen. The Company implemented the accounting treatment procedures as announced in “Notice of Reduction in the Amounts of Share Capital and Legal Capital Surplus and Appropriation of Surplus” (Japanese version only) dated May 15, 2024. As a result, while share capital decreased 5,141 million yen from the end of the previous fiscal year, there were increases in capital surplus of 2,023 million yen and retained earnings of 3,352 million yen including the recording of profit. In addition, valuation difference on available-for-sale securities decreased 79 million yen from the end of the previous fiscal year. As a result of these factors, total net assets increased 157 million yen (1.2%) from the end of the previous fiscal year to 12,847 million yen.

Consequently, the equity ratio increased 3.0 percentage points to 70.2%.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

The tourism market where the Group operates its core business has steadily recovered as stated above. On the other hand, spikes in prices stemming from the historic depreciation of the yen and surges in natural resource prices has led to increases in costs, putting pressures on profit. This situation, however, has been incorporated into the consolidated earnings forecasts to some extent. We therefore consider the operating results as a whole for the period under review progressed within the range of our expectations. However, during the period under review, revenue incurred in the amount exceeding initial expectation resulting from the inclusion of gain on sale of investment securities as extraordinary income, as stated above. We therefore revised the consolidated earnings forecasts for the six months ending September 30, 2024 and for the full fiscal year ending March 31, 2025 announced on May 15, 2024 as follows.

Revision to the consolidated earnings forecasts for the six months ending September 30, 2024 (from April 1, 2024 to September 30, 2024)

	(Millions of yen)	
	Revised earnings forecasts	Initial earnings forecasts
Net sales	2,810	2,810
Operating loss	360	360
Ordinary loss	320	320
Loss attributable to owners of parent	80	380

Revision to the consolidated earnings forecasts for the full fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	(Millions of yen)	
	Revised earnings forecasts	Initial earnings forecasts
Net sales	6,600	6,600
Operating profit	100	100
Ordinary profit	170	170
Profit attributable to owners of parent	350	50

Note that the earnings forecasts are based on information that is currently available to us and on certain assumptions that we believe reasonable. However, actual results may differ significantly from these forecasts for a number of factors. For information about business risks, which constitute the factors, please refer to the business risk section of our Annual Securities Report (*Yukashoken Hokokusho*) for the fiscal year ended March 31, 2024, which was filed on June 27, 2024.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY3/24 (As of Mar. 31, 2024)	First quarter of FY3/25 (As of Jun. 30, 2024)
Assets		
Current assets		
Cash and deposits	6,277,422	7,159,362
Accounts receivable-trade	2,303,354	1,637,410
Merchandise and finished goods	1,141,408	1,045,238
Work in process	165,220	149,041
Raw materials and supplies	258	258
Other	759,696	230,173
Allowance for doubtful accounts	(341)	(283)
Total current assets	10,647,020	10,221,201
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	779,834	767,229
Land	2,558,671	2,558,671
Other, net	64,893	76,529
Total property, plant and equipment	3,403,399	3,402,429
Intangible assets		
Other	92,691	131,450
Total intangible assets	92,691	131,450
Investments and other assets		
Investment securities	2,674,768	2,863,808
Retirement benefit asset	1,444,101	1,456,484
Other	665,092	264,328
Allowance for doubtful accounts	(48,038)	(48,038)
Total investments and other assets	4,735,924	4,536,583
Total non-current assets	8,232,015	8,070,463
Total assets	18,879,036	18,291,665

	(Thousands of yen)	
	FY3/24 (As of Mar. 31, 2024)	First quarter of FY3/25 (As of Jun. 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	573,011	441,353
Short-term borrowings	770,000	770,000
Income taxes payable	293,593	65,019
Refund liabilities	2,261,560	2,257,415
Provision for bonuses	298,806	192,726
Other	831,107	590,960
Total current liabilities	5,028,080	4,317,476
Non-current liabilities		
Deferred tax liabilities	794,661	761,531
Retirement benefit liability	103,121	107,750
Other	263,114	257,645
Total non-current liabilities	1,160,897	1,126,928
Total liabilities	6,188,977	5,444,404
Net assets		
Shareholders' equity		
Share capital	10,141,136	5,000,000
Capital surplus	4,168,372	6,192,139
Retained earnings	(2,844,951)	507,334
Treasury shares	(542)	(542)
Total shareholders' equity	11,464,014	11,698,931
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,248,319	1,168,550
Remeasurements of defined benefit plans	(22,275)	(20,220)
Total accumulated other comprehensive income	1,226,043	1,148,329
Total net assets	12,690,058	12,847,260
Total liabilities and net assets	18,879,036	18,291,665

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statements of Income****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/24 (Apr. 1, 2023–Jun. 30, 2023)	First three months of FY3/25 (Apr. 1, 2024–Jun. 30, 2024)
Net sales	1,348,585	1,355,445
Cost of sales	923,413	925,417
Gross profit	425,171	430,028
Selling, general and administrative expenses	504,359	521,320
Operating loss	(79,188)	(91,292)
Non-operating income		
Interest income	27	2,857
Dividend income	18,249	14,513
Rental income	660	660
Foreign exchange gains	2,375	41,373
Share of profit of entities accounted for using equity method	2,973	3,206
Subsidy income	2,957	–
Other	1,771	7,450
Total non-operating income	29,016	70,061
Non-operating expenses		
Interest expenses	2,831	2,831
Other	0	1,020
Total non-operating expenses	2,831	3,851
Ordinary loss	(53,003)	(25,082)
Extraordinary income		
Gain on sale of non-current assets	450	–
Gain on sale of investment securities	–	406,366
Total extraordinary income	450	406,366
Extraordinary losses		
Loss on sale of investment securities	–	16
Loss on valuation of investment securities	1,129	–
Total extraordinary losses	1,129	16
Profit (loss) before income taxes	(53,683)	381,267
Income taxes-current	13,423	54,376
Income taxes-deferred	790	1,088
Total income taxes	14,214	55,464
Profit (loss)	(67,898)	325,802
Profit (loss) attributable to owners of parent	(67,898)	325,802

Quarterly Consolidated Statements of Comprehensive Income
(For the Three-month Period)

	(Thousands of yen)	
	First three months of FY3/24 (Apr. 1, 2023–Jun. 30, 2023)	First three months of FY3/25 (Apr. 1, 2024–Jun. 30, 2024)
Profit (loss)	(67,898)	325,802
Other comprehensive income		
Valuation difference on available-for-sale securities	68,292	(79,769)
Remeasurements of defined benefit plans, net of tax	6,640	2,054
Total other comprehensive income	74,932	(77,714)
Comprehensive income	7,034	248,088
Comprehensive income attributable to:		
Owners of parent	7,034	248,088
Non-controlling interests	–	–

(3) Notes to Quarterly Consolidated Financial Statements

Changes in Accounting Policies

Application of the Accounting Standard for Current Income Taxes, etc.

The Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) and others have been applied from the beginning of the three months ended June 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been applied from the beginning of the three months ended June 30, 2024. This change in accounting policies was applied retrospectively. Hence, the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year.

Segment and Other Information

Segment information

I. First three months of FY3/24 (Apr. 1, 2023–Jun. 30, 2023)

1. Information pertaining to net sales and profit/loss in reportable segments and on revenue breakdown

(Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Media Business	Solutions Business	Sale Agency Business	Subtotal				
Net sales								
Retail publishing	795,848	–	–	795,848	–	795,848	–	795,848
Special-order products	30,245	–	–	30,245	–	30,245	–	30,245
Advertising	61,145	–	–	61,145	–	61,145	–	61,145
e-business sales	90,919	338,733	–	429,653	–	429,653	–	429,653
Other	1,560	1,091	12,155	14,807	–	14,807	–	14,807
Revenue from contracts with customers	979,720	339,824	12,155	1,331,700	–	1,331,700	–	1,331,700
Other income	–	–	–	–	16,884	16,884	–	16,884
Sales to external customers	979,720	339,824	12,155	1,331,700	16,884	1,348,585	–	1,348,585
Inter-segment sales and transfers	8,067	34,370	–	42,437	–	42,437	(42,437)	–
Total	987,787	374,194	12,155	1,374,138	16,884	1,391,022	(42,437)	1,348,585
Segment profit (loss)	28,648	(143,807)	4,833	(110,325)	5,599	(104,726)	25,537	(79,188)

Notes: 1. "Other" represents the businesses not included in any reportable segment and consists of the real estate business.

2. The 25,537 thousand yen adjustment to segment profit (loss) consists of 177 thousand yen of inter-segment elimination and 25,360 thousand yen of corporate revenues, net of expenses, which are not allocated to any reportable segment.

3. Segment profit (loss) is adjusted with operating loss shown on the quarterly consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

II. First three months of FY3/25 (Apr. 1, 2024–Jun. 30, 2024)

1. Information pertaining to net sales and profit/loss in reportable segments and on revenue breakdown

(Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Media Business	Solutions Business	Sale Agency Business	Subtotal				
Net sales								
Retail publishing	808,291	–	–	808,291	–	808,291	–	808,291
Special-order products	40,192	–	–	40,192	–	40,192	–	40,192
Advertising	51,234	–	–	51,234	–	51,234	–	51,234
e-business sales	98,327	316,367	–	414,694	–	414,694	–	414,694
Other	1,208	1,246	17,979	20,434	–	20,434	–	20,434
Revenue from contracts with customers	999,254	317,614	17,979	1,334,848	–	1,334,848	–	1,334,848
Other income	–	–	–	–	20,597	20,597	–	20,597
Sales to external customers	999,254	317,614	17,979	1,334,848	20,597	1,355,445	–	1,355,445
Inter-segment sales and transfers	6,553	37,146	–	43,700	–	43,700	(43,700)	–
Total	1,005,808	354,761	17,979	1,378,548	20,597	1,399,145	(43,700)	1,355,445
Segment profit (loss)	(10,282)	(142,383)	10,472	(142,194)	5,153	(137,040)	45,748	(91,292)

Notes: 1. “Other” represents the businesses not included in any reportable segment and consists of the real estate business.

2. The 45,748 thousand yen adjustment to segment profit (loss) consists of minus 861 thousand yen of inter-segment elimination and 46,609 thousand yen of corporate revenues, net of expenses, which are not allocated to any reportable segment.

3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant Changes in Shareholders' Equity

First three months of FY3/24 (Apr. 1, 2023–Jun. 30, 2023)

Not applicable.

First three months of FY3/25 (Apr. 1, 2024–Jun. 30, 2024)

Based on the resolution of the Annual General Meeting of Shareholders held on June 27, 2024, capital reduction came into effect on June 27, 2024. The Company reduced share capital by 5,141,136 thousand yen and legal capital surplus by 2,576,769 thousand yen and transferred them to other capital surplus. The Company then transferred other capital surplus of 3,026,483 thousand yen to retained earnings brought forward and appropriated it for deficit disposition.

Going Concern Assumption

Not applicable.

Notes to Quarterly Consolidated Statement of Cash Flows

The Company has not prepared the quarterly consolidated statement of cash flows for the first three months of FY3/25. The amount of depreciation (including amortization of intangible assets) for the first three months of FY3/24 and FY3/25 were as follows:

	(Thousands of yen)	
	First three months of FY3/24 (Apr. 1, 2023–Jun. 30, 2023)	First three months of FY3/25 (Apr. 1, 2024–Jun. 30, 2024)
Depreciation	36,240	28,034

Subsequent Events

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.