Financial Report for the Fiscal Year Ended March 31, 2024 [Japanese GAAP] (Consolidated)

May 15, 2024

Company Name	Datasection Inc.	Stock Exchange Listing: Tokyo
Ticker Symbol	3905 URL: https://www.datasection.co.jp	
Representative	(Title) President, CEO & CFO (Name) Shinichi Iwata	
Contact	(Title) President, CEO & CFO (Name) Shinichi Iwata	TEL: +81 50-3649-4858
Scheduled Date of Annual General Meeting of Shareholders		June 27, 2024
Scheduled Date of Dividend Payment Commencement		-
Scheduled Date of Filing Annual Securities Report		June 28, 2024
Availability of Supplementary Briefing Material on Financial Results		Yes
Scheduled Date of Financial Results Briefing Session		Yes

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

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

	Net Sales		Operating Income		Adjusted EBITDA		Ordinary Income		Net Income Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	2,229	15.9	(216)	-	47	(93.1)	(235)	-	(1,261)	-
FY2023	1,924	13.7	(55)	-	689	128.4	46	(71.6)	(530)	-

(Note) 1. Comprehensive Income

- FY2024: ¥(1,260) million (-%)
- FY2023: ¥(448) million (-%)

(Note) 2. We disclose Adjusted EBITDA as an indicator of our cash flow generation capability in business activities.
Adjusted EBITDA = Operating income + Depreciation and amortization + Amortization of intangible fixed assets + Stock-based compensation expenses + M&A - related expenses

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	yen	yen	%	%	%
FY2024	(84.07)	-	(57.6)	(5.8)	(9.7)
FY2023	(36.45)	-	(20.2)	1.1	(2.9)

(Reference) Equity in Earnings of Affiliates

- FY2024: ¥(7) million
- FY2023: ¥(0) million

(Note) 3. The diluted net income per share for the fiscal years ended March 31, 2023, and March 31, 2024, is not disclosed as it resulted in a net loss per share despite the existence of potential shares.

(Note) 4. The figures for the previous fiscal year have been revised under the guidance of the auditing firm, following the publication of the "Financial Report for the Fiscal Year Ended March 31, 2023 [Japanese Standard] (Consolidated)" on May 15, 2023. Therefore, the actual figures are those recorded in the Securities Report submitted on June 30, 2023.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
	Millions of yen	Millions of yen	%	yen
FY2024	3,786	1,982	50.6	111.78
FY2023	4,386	2,508	56.2	167.39

(Reference) Equity Capital

- FY2024: ¥1,914 million
- FY2023: ¥2,466 million

(Note) The figures for the previous fiscal year have been revised under the guidance of the auditing firm, following the publication of the "Financial Report for the Fiscal Year Ended March 31, 2023 [Japanese Standard] (Consolidated)" on May 15, 2023. Therefore, the actual figures are those recorded in the Securities Report submitted on June 30, 2023.

(3) Consolidated Cash Flow Status

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2024	333	(569)	382	1,659
FY2023	2	(255)	242	1,415

(Note) The figures for the previous fiscal year have been revised under the guidance of the auditing firm, following the publication of the "Financial Report for the Fiscal Year Ended March 31, 2023 [Japanese Standard] (Consolidated)" on May 15, 2023. Therefore, the actual figures are those recorded in the Securities Report submitted on June 30, 2023.

2. Dividend Status

	Annual Dividend per Share					Total Dividends (Total)	Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	Q1 End	Q2 End	Q3 End	Year-End	Total Annual Dividend			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2023	-	0.00	-	0.00	0.00	-	-	-
FY2024	-	0.00	-	0.00	0.00	-	-	-
FY2025(Forecast)	-	0.00	-	0.00	0.00		-	

(Note) Whether there has been a revision from the most recently announced dividend forecast: None

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

(Percentage figures indicate the rate of change from the previous fiscal year)

	Net Sales		Operating Income		Adjusted EBITDA		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	2,650	18.9	80	-	425	797.0	55	-	17	-	0.99

(Note) The average number of shares used for calculating "Net Income per Share" is based on the number of issued shares (excluding treasury stock) as of March 31, 2024.

(Notes)

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries affecting the scope of consolidation): None
- Newly included: None
- Excluded: None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
1) Changes in accounting policies due to revisions of accounting standards: None
2) Changes in accounting policies other than 1): None
3) Changes in accounting estimates: None
4) Retrospective restatements: None

(3) Number of shares issued (common stock)
1) Number of shares issued at the end of the period (including treasury stock)
   - FY2024: 17,188,051 shares
   - FY2023: 14,757,851 shares
2) Number of treasury shares at the end of the period
   - FY2024: 62,922 shares
   - FY2023: 22,623 shares
3) Average number of shares during the period
   - FY2024: 15,007,284 shares
   - FY2023: 14,548,956 shares

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(1) Non-Consolidated Operating Results

(Percentage figures indicate the rate of change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	463	2.8	(544)	-	(1,388)	-	(1,953)	-
FY2023	450	0.1	(149)	-	7	(93.4)	(864)	-

	Net Income per Share	Diluted Net Income per Share
	yen	yen
FY2024	(130.14)	-
FY2023	(59.41)	-

(Note): The diluted net income per share for the fiscal years ended March 31, 2023, and March 31, 2024, is not disclosed as it resulted in a net loss per share despite the existence of potential shares.

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share
	Millions of yen	Millions of yen	%	yen
FY2024	2,268	944	39.9	52.83
FY2023	3,644	2,167	59.0	145.98

(Reference): Equity Capital
FY2024: ¥904 million
FY2023: ¥2,151 million

(Note) 1. The financial results (Financial Report) are not subject to audit by certified public accountants or auditing firms.

(Note) 2. Explanation of the Appropriate Use of Performance Forecasts and Other Special Notes
The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual results may differ significantly due to various factors. For details on the assumptions underlying the earnings forecasts and precautions for using the forecasts, please refer to the attached materials on page 8, "1. Overview of Operating Results, etc. (4) Future Outlook."

Table of Contents of Attached Documents

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year

During the current consolidated fiscal year, the Japanese economy showed signs of normalization in social activities, including a recovery in domestic demand and inbound tourism, following the reclassification of COVID-19 to a Category 5 infectious disease. However, uncertainties in the global situation, the depreciation of the yen, and rising prices have continued to pose challenges to economic conditions.

In the domestic AI business market, investments are expected to increase from FY2023 onward in enhancing application functionalities and developing systems specialized for specific tasks. As applications and systems become more complex to meet user demands, in-house development is anticipated to become more prevalent over outsourcing due to factors such as cost and development speed. Consequently, the market for items related to in-house development, particularly middleware, servers, storage, and IaaS, is expected to see significant growth, with forecasts predicting a market size of 1.9787 trillion yen by FY2027, a 1.7 times increase compared to FY2021 (Fuji Chimera Research Institute, Inc., "2022 Comprehensive Survey of Artificial Intelligence Business").

The South American smart retail device market is projected to grow from USD 1.8322 billion in 2019 to USD 2.6692 billion by 2027, with an estimated CAGR of 5.3% from 2020 to 2027. This market is segmented into Brazil, Argentina, and other regions of South America. Some of these regions face complex macroeconomic and political environments, leading to various growth scenarios. Developing countries such as Brazil, Argentina, Chile, and Peru are making significant investments in infrastructure and the retail sector. Moreover, many retailers in these regions are beginning digital transformations to enhance competitiveness and adapt to changing conditions. Colombia and Brazil are rapidly advancing in digital innovation, while Chile is ranked as the most outstanding country in terms of digitalization and innovation. This digital transformation is expected to create new opportunities in the smart retail device market across the region. The demand for smart retail devices is also anticipated to increase due to urbanization and the growth of various shopping complexes and recreation centers in the region (Business Market Insights, "South America Smart Retail Devices Market Research Report").

In Japan's retail technology market (including payment terminals, self-service terminals, next-generation facilities, and next-generation operations), investments in contactless solutions and systems enabling operations with minimal staff, such as fully self-service checkouts and remote customer service systems, increased to maintain business operations during the COVID-19 pandemic. There has been growth in items related to visualizing consumer attributes and in-store behavior, which were previously difficult to digitize, as well as in the utilization of such data. Going forward, next-generation solutions such as cashierless payment systems and smart entrances are expected to grow, along with items related to optimizing the entire supply chain, such as RFID solutions and demand forecasting systems. The market is projected to reach 555.3 billion yen by 2030, a 2.2 times increase compared to 2021 (FUJI KEIZAI CO., LTD., "2022 Edition: Current Status and Future Outlook of the Next-Generation Store & Retail Tech Market").

In the distribution/retail industry related to digital transformation, fully self-service checkouts are being introduced to address labor shortages in physical stores and enhance customer shopping experiences. Additionally, supermarkets and hypermarkets are increasingly adopting shopping carts equipped with tablet devices, and growth in unmanned store solutions is also anticipated. To enhance shopping experiences, retailers, systems integrators, and advertising companies are advancing the use of AR/VR technologies. In digital operations, the adoption of automatic ordering systems is expanding, particularly in food and general supermarkets, with expected adoption in supply chain management (SCM) by wholesale businesses. Demand forecasting systems are also being increasingly implemented by major national retailers, driven by needs such as reducing food waste and complying with SDGs. The market for these systems is projected to reach 185.2 billion yen by FY2030, a 3.6 times increase compared to FY2021 (Fuji Chimera Research Institute, Inc., "2023 Future Outlook of the Digital Transformation Market: Market Edition and Vendor Strategy Edition").

Under these circumstances, our group has been actively investing in business expansion to accelerate global development and implementing measures to strengthen our workforce, including proactive recruitment and retention strategies, during the current consolidated fiscal year.

In the second quarter of the consolidated fiscal year, we reviewed and enhanced our management and performance management systems from a management approach perspective. Taking into account future business expansion, we also reassessed our segment classifications to ensure a more rational division. As a result, we changed our reporting segments from the previous two divisions, 'Retail Marketing' and 'Data Analysis Solutions,' to 'Japan Segment' and 'Overseas Segment.' Additionally, due to their increased significance, we consolidated FollowUP Customer Experience S.I. in Spain and Alianza FollowUP Panamá S.A. in Panama as subsidiaries.

The operating results for the current consolidated fiscal year are as follows:

(Net Sales)
Net sales for the current consolidated fiscal year were ¥2,229 million, an increase of 15.9% compared to the previous fiscal year. This increase was mainly due to the growth in orders for system development projects at d-ss.inc. (hereinafter referred to as 'DSS'), a consolidated subsidiary, in Japan. Similarly, orders increased significantly at Solid Intelligence Co., Ltd. (hereinafter referred to as 'SI'), another consolidated subsidiary, by accurately capturing public sector and inbound needs. Overseas, consolidated subsidiaries, including FollowUP Customer Experience S.I. and Alianza FollowUP Panamá S.A., which were consolidated in the second quarter of the current fiscal year, saw a steady increase in service orders.

(Cost of Sales)

The cost of sales for the current consolidated fiscal year was ¥1,527 million, an increase of 34.2% compared to the previous fiscal year. The main components of this cost are personnel expenses of ¥719 million, outsourcing expenses of ¥610 million, depreciation expenses of ¥149 million, and server usage fees of ¥53 million.

(Selling, General and Administrative Expenses)

Selling, general and administrative expenses for the current consolidated fiscal year were ¥917 million, an increase of 9.1% compared to the previous fiscal year. The main components are personnel expenses of ¥469 million, outsourcing expenses of ¥97 million, amortization of goodwill and customer-related assets of ¥54 million, payment of commissions of ¥49 million, rent expenses of ¥39 million, taxes and public dues of ¥35 million, recruitment expenses of ¥32 million, payment of fees of ¥30 million, and audit fees of ¥24 million.

(Non-operating Expenses)

We recorded ¥11 million in interest expenses, ¥7 million in investment losses under the equity method, and ¥14 million in other non-operating expenses.

(Extraordinary Income)

We recorded ¥9 million in reversal of stock acquisition rights, ¥6 million in negative goodwill, and ¥3 million in gain on sales of fixed assets.

(Extraordinary Losses)

As disclosed in today's "Disclosure Update: Losses of Consolidated Subsidiary," we recorded an extraordinary loss of ¥505 million in the third quarter of the consolidated fiscal year as bad debt losses related to the offsetting of loans to former shareholders. This was in connection with the settlement of preferred stock redemption rights between the former shareholders and us, where we offset the loans made to the former shareholders. Taking into account the recoverability of these loans, we recognized the full amount of ¥505 million as bad debt losses. Additionally, as disclosed in today's "Notice Regarding the Recording of Impairment Losses and Differences Between Consolidated Earnings Forecast and Actual Results," we recorded ¥378 million as impairment losses related to software assets in our marketing business.

(Corporate Taxes, etc.)

The total amount of corporate taxes, etc., was ¥45 million, including corporate tax, inhabitant tax, and business tax. Additionally, based on an estimate of future taxable income at this time, we reviewed the recoverability of deferred tax assets and recorded a tax adjustment amount of ¥113 million.

As a result, while net sales for the current consolidated fiscal year were ¥2,229 million (a 15.9% increase year-on-year), operating loss amounted to ¥216 million (compared to an operating loss of ¥55 million in the same period of the previous year), mainly due to upfront costs associated with the restructuring of our business portfolio, as outlined in our basic policy for the fiscal year, and the increase in personnel and outsourcing costs related to the expansion of our business operations and the enhancement of our governance structure as a global company. Consequently, despite the almost planned non-cash expenses such as goodwill amortization, Adjusted EBITDA was ¥47 million (a 93.1% decrease year-on-year), affected by the increased operating loss. Additionally, we recorded non-operating expenses including ¥11 million in interest expenses, ¥7 million in investment loss on equity method, and ¥14 million in other non-operating expenses, resulting in an ordinary loss of ¥235 million (compared to an ordinary profit of ¥46 million in the same period of the previous year). We also recorded extraordinary income of ¥9 million from the reversal of stock acquisition rights, ¥6 million from negative goodwill, and ¥3 million from the gain on the sale of fixed assets, while recording extraordinary losses including ¥505 million in bad debt losses related to loans to former shareholders and ¥378 million in impairment losses. Taking into account the current performance and re-estimating future taxable income, we recorded a tax adjustment amount of ¥113 million, resulting in a net loss attributable to owners of the parent of ¥1,261 million (compared to a net loss attributable to owners of the parent of ¥530 million in the same period of the previous year).

Adjusted EBITDA = Operating income + Depreciation + Amortization of intangible assets
+ Stock-based compensation expenses + M&A-related expenses

The segment operating results for the current consolidated fiscal year are as follows:

i. Japan Segment

In the Japan segment, we operate the AI and System Development domain, Social Media Analytics domain, Retail Marketing domain, and New Business domain.

In the AI and System Development domain, our company independently develops custom solutions for clients by leveraging our expertise in big data analytics and AI technologies (text, image, and audio processing). Our consolidated subsidiary, d-ss.inc. (hereinafter referred to as "DSS"), provides services such as payment services (prepaid card services for businesses, "Biz Prepaid Card" [https://bizpreca.jp/]), SES services (system engineering services for financial institutions including card companies, payment companies, and securities companies), financial system development focusing on card companies, MSP services (cloud system construction, operation, and maintenance services centered on AWS), and security services (consulting on PCI DSS and security diagnostics).

During the current consolidated fiscal year, our company's acquisition of the data science business from The ROOM4D Co. (hereinafter referred to as "4D") in September 2023 contributed to increased sales compared to the same period of the previous fiscal year. Additionally, DSS recorded an increase in sales due to the progress of several large-scale development projects compared to the same period last year.

Going forward, we plan to strengthen the data science field as part of the PMI (post-merger integration) of 4D, which has a proven track record in data utilization and AI development for major clients. We will also aim to expand our consulting services related to data utilization and IT education, as well as continue to leverage our strength in large-scale data analytics and comprehensive service offerings, including maintenance and operations. In addition, we will further enhance our collaboration with DSS, which has a strong foothold in the Fintech domain, to increase orders.

In the Social Media Analytics domain, our company provides subscription-based services such as "Insight Intelligence" and "Insight Intelligence Q," while our consolidated subsidiary, Solid Intelligence Co., Ltd. (hereinafter referred to as "SI"), offers consulting services in multilingual social media analytics.
During the current consolidated fiscal year, our company saw a decline in sales compared to the same period last year, due to a focus on building an efficient sales structure. However, SI increased sales by accurately capturing public sector and inbound demand. As a result, sales for the overall business increased compared to the same period last year.

In the Retail Marketing domain, our company offers the stock-based service "FollowUP," which helps improve store performance by analyzing image and video data captured by AI cameras installed in retail stores in conjunction with POS data. This service is provided to major companies in Japan.
During the current consolidated fiscal year, the domestic expansion of "FollowUP" progressed, with multiple orders from retail customers operating multi-store chains, leading to an increase in both the number of stores introducing "FollowUP" and the number of cameras installed. As a result, sales increased compared to the same period last year.

In the New Business domain, we are developing AI-powered medical data analysis services such as ECG monitoring AI, NEDO MCI analysis AI (voice), and NEDO epilepsy analysis AI (EEG, ECG), as well as AI services for voice analysis.
During the current consolidated fiscal year, we focused on developing new products for the retail industry and advancing medical-related businesses.

As a result of expanding orders across domestic companies, net sales to external customers in the Japan segment increased to ¥1,383 million (up 1.1% year-on-year). However, due to increased costs, including upfront expenses related to the restructuring of our business portfolio, the enhancement of engineering personnel as part of our business acquisitions, and increased outsourcing costs to support business expansion, as well as personnel and subcontracting costs associated with strengthening our governance and infrastructure as a global company, the segment recorded a loss of ¥18 million (compared to a segment profit of ¥76 million in the same period last year).

ii. Overseas Segment
In the Overseas segment, we have expanded the "FollowUP" service to over 20 countries globally.
With a primary focus on the South American market, which is expected to see high growth in the future, our consolidated subsidiary in Chile, Jach, has organically expanded its business by securing large-scale orders from major clients, including publicly listed development companies. Furthermore, by consolidating our previously non-consolidated subsidiaries in Spain and Panama as consolidated subsidiaries from the second quarter of the current fiscal year, we have strengthened our global business foundation through the expansion of our business territories across multiple countries.

Additionally, Inx, which we acquired in 2021, and Peru, which was consolidated as a subsidiary in the previous fiscal year, have both achieved steady corporate growth, and the PMI of these acquired businesses is progressing smoothly.
As a result, net sales to external customers in the Overseas segment increased to ¥865 million (up 1.1% year-on-year), and the segment recorded a profit of ¥176 million (compared to a segment loss of ¥118 million in the same period last year).

(2) Overview of Financial Position for the Fiscal Year

Assets, Liabilities, and Net Assets
(Assets)
Total assets at the end of the current consolidated fiscal year amounted to ¥3,786 million, a decrease of ¥599 million (13.7% decrease compared to the end of the previous fiscal year). This was primarily due to increases in cash and deposits by ¥244 million, tangible fixed assets by ¥139 million, and notes and accounts receivable, including contract assets, by ¥86 million, offset by decreases in investments and other assets by ¥862 million and intangible fixed assets by ¥124 million.

(Liabilities)
Total liabilities at the end of the current consolidated fiscal year amounted to ¥1,803 million, a decrease of ¥73 million (3.9% decrease compared to the end of the previous fiscal year). This decrease was mainly due to an increase in current liabilities, including short-term loans payable, by ¥148 million, and other long-term liabilities by ¥64 million, offset by a decrease in long-term loans payable (including current portion) by ¥358 million.

(Net Assets)
Net assets at the end of the current consolidated fiscal year amounted to ¥1,982 million, a decrease of ¥526 million (21.0% decrease compared to the end of the previous fiscal year). This decrease was primarily due to the issuance of common stock and the 19th series of stock acquisition rights (fixed exercise price) through third-party allotment, as disclosed in the announcements dated January 26, 2024, "Notice on Issuance of New Shares and 19th Share Acquisition Rights (Fixed Exercise Price Type) by Third-Party Allotment and Changes in Major Shareholders and the Largest Shareholders," and February 13, 2024, "Notice on Changes in Payment Due Date and Exercise Period, etc., for Issuance of New Shares and 19th Share Acquisition Rights by Third-Party Allotment." These transactions resulted in an increase in capital stock and capital surplus by ¥352 million each and an increase in stock acquisition rights by ¥22 million. However, these were offset by a decrease in retained earnings by ¥1,253 million due to the net loss attributable to owners of the parent for the current fiscal year.

(3) Overview of Cash Flows for the Fiscal Year

At the end of the current consolidated fiscal year, cash and cash equivalents (hereinafter referred to as "funds") increased by ¥244 million compared to the end of the previous consolidated fiscal year, resulting in a balance of ¥1,659 million. The status and factors of each cash flow during the current consolidated fiscal year are as follows:

(Cash Flows from Operating Activities)
Funds generated from operating activities during the current consolidated fiscal year amounted to ¥333 million (compared to ¥2 million generated in the previous consolidated fiscal year). The main contributing factors were a profit before income taxes of ¥(1,099) million, bad debt loss of ¥505 million, impairment loss of ¥378 million, depreciation of ¥167 million, and goodwill amortization of ¥47 million.

(Cash Flows from Investing Activities)
Funds used in investing activities during the current consolidated fiscal year amounted to ¥569 million (compared to ¥255 million used in the previous consolidated fiscal year). This was primarily due to expenditures of ¥536 million for the acquisition of tangible fixed assets.

(Cash Flows from Financing Activities)
Funds generated from financing activities during the current consolidated fiscal year amounted to ¥382 million (compared to ¥242 million generated in the previous consolidated fiscal year). This was mainly due to proceeds of ¥704 million from the issuance of shares, ¥135 million from long-term loans, ¥86 million from an increase in short-term borrowings, and expenditures of ¥504 million for the repayment of long-term loans.

(Reference) Trends in Cash Flow-Related Indicators

	FY2023 (Consolidated)	FY2024 (Consolidated)
Equity Ratio (%)	56.2	50.6
Market Value-Based Equity Ratio (%)	88.0	329.7
Cash Flow to Interest-Bearing Debt Ratio (Years)	623.7	3.7
Interest Coverage Ratio (Times)	0.2	28.6

Equity Ratio: Equity / Total Assets
Market Value-Based Equity Ratio: Market Capitalization / Total Assets
Cash Flow to Interest-Bearing Debt Ratio: Interest-Bearing Debt / Cash Flow
Interest Coverage Ratio: Cash Flow / Interest Payments

(Note 1) Market capitalization is calculated based on the number of issued shares excluding treasury stock.
(Note 2) Cash flow refers to operating cash flow.
(Note 3) Interest-bearing debt includes all debt listed on the consolidated balance sheet for which interest is paid.

(4) Future Outlook

In the fiscal year ending March 2025, we will continue our efforts to expand both sales and profits. Specifically, we will enhance corporate value by taking the following actions in each business segment:

i. Japan Segment

- In our individual operations, we will aim to secure high-value-added large-scale projects by leveraging enhanced consulting functions aligned with customer needs identified through market research, and by refining our targeting strategies. At the same time, we will expand channels that will form the foundation for future revenue, such as participation in IT-intensive industries and public sector projects, and collaborative research projects with academia, industry, and government. To achieve this, we will strengthen the hiring of engineers and improve our operational systems to enhance profitability in order-taking.

- As part of the PMI (Post-Merger Integration) of 4D, a company with a proven track record in data utilization and AI development for major clients, we will strengthen the data science field by capturing customer needs in consulting services related to data utilization and IT education.
- We will continue to maintain organic growth through the provision of "FollowUP" while enhancing value through the introduction of our own developed products, cross-selling with other in-house services, and acquiring large-scale projects from a wide range of industries to increase both sales and profits.
- Regarding tools such as "Insight Intelligence" and "Insight Intelligence Q," we will continue to focus on acquiring leads efficiently, and by cross-selling with other businesses such as retail marketing and expanding channels to financial institutions, we will aim for steady growth.
- For SI, our qualitative goals include expanding our recognition in the inbound tourism sector through PR activities (seminars, exhibitions, etc.), expanding public sector projects beyond tourism through contracts with central government ministries and affiliated agencies such as the Cabinet Office, Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade, and Industry, as well as stabilizing these projects. We will also focus on developing new services.
- At DSS, we will utilize the know-how gained through strong relationships with major financial institutions to enhance digital payment services and develop our own products, thereby working to expand our mid-term revenue base. In addition, to address short-term shortages in engineering resources, we will strengthen our organizational structure by implementing flexible hiring, utilizing external contractors when necessary, and fostering the development of management-level personnel.

ii. Overseas Segment

- In the South American market, where the growth from informal markets (such as street vendors) to formal markets (such as shopping malls) is accelerating, we will continue to leverage our relationships with local listed developers and retail business owners to secure large-scale projects such as shopping malls. Additionally, by utilizing the reseller networks acquired through past acquisitions and strengthening our product lineup, we will expand the value we provide.

For the consolidated fiscal year ending March 2025, we forecast net sales of ¥2,650 million, aiming for balanced growth in both domestic and overseas markets. We expect an improvement in profitability through a stronger focus on profitability and cost management at each company. Additionally, considering the reduction in amortization expenses following the full amortization of goodwill and impairment losses recorded in the current consolidated fiscal year, we forecast an operating profit of ¥80 million. Furthermore, we expect adjusted EBITDA to increase to ¥425 million on a normalized basis, excluding the impairment of goodwill.

2. Basic Policy on the Selection of Accounting Standards

Our group applies Japanese accounting standards in order to ensure comparability with other domestic companies in the same industry.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Unit: 1,000 yen)

	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
Assets		
Current assets		
Cash and deposits	1,446,255	1,690,432
Notes receivable and accounts receivable	560,515	646,601
Products	81,449	62,462
other	199,797	136,871
Total current assets	2,288,018	2,536,366
Non-current assets		
Property, plant and equipment		
Buildings and structures	102,999	26,639
Accumulated depreciation	(57,750)	(20,289)
Buildings and structures (net)	45,249	6,350
Tools and fixtures	397,977	464,422
Accumulated depreciation	(220,009)	(87,073)
Tools and fixtures (net)	177,968	377,348
land	21,150	-
Total tangible fixed assets	244,368	383,698
Intangible assets		
goodwill	169,546	174,048
software	560,124	450,731
other	40,173	20,095
Total intangible assets	769,844	644,875
Investments and other assets		
Investment securities	120,471	67,704
Long-term loans	515,058	16,359
Deferred tax assets	112,728	14,120
Insurance reserves	218,033	65,067
other	117,490	58,055
Total investments and other assets	1,083,780	221,307
Total non-current assets	2,097,993	1,249,882
Total assets	4,386,012	3,786,248

(Unit: 1,000 yen)

	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
Liabilities		
Current liabilities		
Short-term debt	513,979	600,000
Long-term debt due within one year	327,677	258,276
Accrued Liabilities	166,214	205,421
Accrued expenses	46,441	87,621
Corporate taxes payables	69,828	94,270
Consumption tax payables	8,312	22,688
Allowance for bonuses	21,069	19,159
other	17,271	31,683
Total current liabilities	1,170,796	1,319,121
Non-Current liabilities		
Long-term debt	668,812	379,830
Asset retirement obligations	11,807	11,807
Deferred tax liabilities	-	2,551
Others	25,715	90,313
Total non-current liabilities	706,335	484,502
Total liabilities	1,877,132	1,803,624
Net Assets		
Shareholders' equity		
Capital	1,516,478	1,868,479
Capital surplus	1,225,970	1,577,970
Retained earnings	(287,953)	(1,541,545)
Treasury stock	(3)	(3)
Total shareholders' equity	2,454,492	1,904,900
Accumulated other comprehensive income		
Valuation Difference on Securities	3,038	5,876
Currency translation adjustment account	8,992	3,404
Total other comprehensive income	12,030	9,281
Stock acquisition rights	16,841	39,237
Non-controlling interest	25,515	29,206
Total net assets	2,508,880	1,982,624
Total liabilities and net assets	4,386,012	3,786,248

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

(Consolidated Statements of Income)

(Unit: 1,000 yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 To March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To March 31, 2024)
Sales	1,924,259	2,229,281
Cost of sales	1,138,651	1,527,915
Gross profit	785,607	701,365
Selling, general and administrative expenses	841,105	917,462
Operating loss	(55,497)	(216,097)
Non-operating revenue		
Interest received	1,047	3,721
Dividends received	7,683	3,093
Profit on investments in anonymous partnerships	2,337	2,544
Foreign exchange gains	72,615	-
Other	43,150	5,326
Total non-operating revenue	126,834	14,686
Non-operating expenses		
Interest expense	15,972	11,656
Equity in losses of affiliated companies	971	7,090
Foreign exchange losses	-	465
Other	7,437	14,416
Total non-operating expenses	24,381	33,629
Ordinary income or loss	46,955	(235,040)
Extraordinary income		
Gain on sale of investment securities	102,839	-
Gain on sale of fixed assets	57	3,323
Reversal of stock acquisition rights	-	9,434
Gain on negative goodwill	-	6,629
Total extraordinary income	102,896	19,387
Extraordinary loss		
Impairment loss	170,967	378,409
Loss on valuation of investment securities	13,955	-
Loss on disposal of inventory	2,542	-
Loss on disposal of fixed assets	1,328	-
Amortization of goodwill	461,086	-
Bad debt loss	-	505,907
Total extraordinary loss	649,880	884,317
Net loss before income taxes	(500,028)	(1,099,970)
Income taxes, inhabitant taxes, and business taxes	57,987	45,494
Adjustments for income taxes	(30,640)	113,175
Total income taxes	27,347	158,670
Net loss	(527,375)	(1,258,640)
Net income attributable to non-controlling shareholders	2,915	3,055
Net loss attributable to owners of parent	(530,291)	(1,261,695)

(Consolidated Statements of Comprehensive Income)

(Unit: 1,000 yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 To March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 To March 31, 2024)
Net loss	(527,375)	(1,258,640)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,038	2,838
Currency translation adjustment account	75,396	(4,952)
Total other comprehensive income	78,434	(2,113)
Comprehensive income	(448,941)	(1,260,754)
(Breakdown)		
Comprehensive income attributable to owners of parent	(452,624)	(1,264,445)
Comprehensive income attributable to non-controlling interests	3,682	3,690

(3) Statement of Changes in Consolidated Shareholders' Equity

Previous fiscal year (from April 1, 2022 to March 31, 2023)

(Unit: 1,000 yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Retained earnings	Total shareholders' equity
Balance at the beginning of the current fiscal year	1,457,102	1,166,594	238,690	(3)	2,862,383
Changes in the current fiscal year					
Issuance of new shares	59,376	59,376			118,752
Net income attributable to owners of parent or net loss attributable to owners of parent			(530,291)		(530,291)
Changes in retained earnings due to new consolidation			3,648		3,648
Increase or decrease in retained earnings due to changes in the scope of consolidation					
Changes in items other than shareholders' equity (net) for the current fiscal year					
Total changes in the current fiscal year	59,376	59,376	(526,643)	-	(407,891)
Balance at the end of the current fiscal year	1,516,478	1,225,970	(287,953)	(3)	2,454,492

(Unit: 1,000 yen)

	Accumulated Other Comprehensive Income			Stock Acquisition Rights	Non-controlling Interests	Total Net Assets
	Valuation Difference on Available-for-sale Securities	Foreign Currency Translation Adjustment	Total Accumulated Other Comprehensive Income			
Balance at Beginning of Period	-	(65,636)	(65,636)	3,966	17,396	2,818,110
Changes during Period						
Issuance of New Shares						118,752
Net income attributable to owners of parent or net loss attributable to owners of parent						(530,291)
Changes in Retained Earnings Due to New Consolidation						3,648
Increase or decrease in retained earnings due to changes in the scope of consolidation						
Changes during Period (Net) in Items Other Than Shareholders' Equity	3,038	74,629	77,667	12,875	8,118	98,661
Total Changes during Period	3,038	74,629	77,667	12,875	8,118	(309,229)
Balance at End of Period	3,038	8,992	12,030	16,841	25,515	2,508,880

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Unit: 1,000 yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at Beginning of Period	1,516,478	1,225,970	(287,953)	(3)	2,454,492
Changes during Period					
Issuance of New Shares	352,000	352,000			704,000
Net income attributable to owners of parent or net loss attributable to owners of parent			(1,261,695)		(1,261,695)
Increase or decrease in retained earnings due to changes in the scope of consolidation			8,103		8,103
Changes during Period (Net) in Items Other Than Shareholders' Equity					
Total Changes during Period	352,000	352,000	(1,253,592)	-	(549,591)
Balance at End of Period	1,868,479	1,577,970	(1,541,545)	(3)	1,904,900

(Unit: 1,000 yen)

	Accumulated Other Comprehensive Income			Stock Acquisition Rights	Non-controlling Interests	Total Net Assets
	Valuation Difference on Available-for-sale Securities	Foreign Currency Translation Adjustment	Total Accumulated Other Comprehensive Income			
Balance at Beginning of Period	3,038	8,992	12,030	16,841	25,515	2,508,880
Changes during Period						
Issuance of New Shares						704,000
Net income attributable to owners of parent or net loss attributable to owners of parent						(1,261,695)
Changes in Retained Earnings Due to New Consolidation						8,103
Changes during Period (Net) in Items Other Than Shareholders' Equity	2,838	(5,587)	(2,749)	22,395	3,690	23,336
Total Changes during Period	2,838	(5,587)	(2,749)	22,395	3,690	(526,255)
Balance at End of Period	5,876	3,404	9,281	39,237	29,206	1,982,624

(4) Consolidated Statement of Cash Flows

(Unit: 1,000 yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Cash flow from operating activities		
Net loss before taxes	(500,028)	(1,099,970)
Depreciation	143,963	167,274
Impairment loss	170,967	378,409
Bad debt loss	-	505,907
Reversal of stock acquisition rights	-	(9,434)
Goodwill amortization	566,211	47,136
Gain on negative goodwill	-	(6,629)
Interest received and dividends received	(8,731)	(6,815)
Interest expense	15,972	11,656
Gain or loss on investments under the equity method (profit in negative)	971	7,090
Foreign exchange gains (profit in negative)	(1,476)	465
Gain or loss in anonymous partnerships investment (profit in negative)	(2,337)	(2,180)
Gain or loss on sale of fixed assets (profit in negative)	-	(3,323)
Gain or loss on valuation of investment securities (profit in negative)	13,955	-
Gain on sale of investment securities (profit in negative)	(102,839)	-
Increase or decrease in receivables for sales (increase in negative)	(47,681)	(58,263)
Increase in inventories (increase in negative)	(19,272)	31,670
Increase or decrease in payables and accrued expenses (decrease in negative)	(23,225)	37,572
Other	(99,304)	371,999
Subtotal	107,143	372,566
Receipts of interest and dividends	8,730	6,814
Interest payment	(15,972)	(11,656)
Amount paid for corporate taxes	(97,480)	(34,120)
Cash flow from operating activities	2,421	333,604
Cash flow from investment activities		
Expenditures from acquisition of property, plant and equipment	(86,693)	(536,773)
Proceeds from sale of tangible fixed assets	-	16,860
Expenditures from acquisition of intangible assets	(210,129)	(157,583)
Expenditures from acquisition of investment securities	(7,792)	-
Proceeds from sale of investment securities	102,840	-
Expenditures on loans	(41,576)	(33,612)
Expenditures by accumulating insurance reserves	(27,423)	-
Proceeds from cancellation of insurance reserves	-	152,965
Proceeds from return of investments in anonymous partnerships	12,077	2,180
Other	2,923	(13,301)
Cash flow from investing activities	(255,774)	(569,264)
Cash flow from financing activities		
Proceeds from long-term borrowings	560,000	135,652
Repayment of long-term borrowings	(385,664)	(504,455)
Increase or decrease in short-term borrowings (decrease in negative)	101,159	86,533
Proceeds from issuance of shares	2,200	704,000
Proceeds from issuance of shares through exercise of stock acquisition rights	66	-

Expenditures for acquisition of subsidiary shares without changes in scope of consolidation	(35,738)	(38,774)
Cash flow from financing activities	242,023	382,956
Exchange differences on cash and cash equivalents	(5,545)	85,440
Increase or decrease in cash and cash equivalents (decrease in negative)	(16,874)	232,737
Cash and cash equivalents at the beginning of the period	1,420,430	1,415,253
Increase in cash and cash equivalents due to new consolidation	11,697	11,438
Cash and cash equivalents at the end of the period	1,415,253	1,659,429

(5) Notes to Consolidated Financial Statements

(Notes Regarding the Assumption of a Going Concern)

There are no applicable matters.

(Segment Information, etc.)

[Segment Information]

i. Overview of Reporting Segments

The reporting segments of our group are units for which separate financial information is available, and are subject to regular review by the Board of Directors for the purpose of making decisions on resource allocation and evaluating performance.

As of the second quarter of the current consolidated fiscal period, we have changed the reporting segments from the previous two segments, "Retail Marketing" and "Data Analytics Solutions," to two segments, "Japan Business" and "Overseas Business." The segment information for the previous consolidated fiscal year has been disclosed based on the new segment classifications.

Previously, we operated under two segments, "Retail Marketing" and "Data Analytics Solutions." However, from the perspective of a management approach, we have reviewed and enhanced our management and performance monitoring systems. In addition, considering future business development, such as making balanced investments in both domestic and overseas markets to drive growth, we have determined that a more reasonable segmentation is to divide the business into "Japan Business," which primarily focuses on the domestic market, and "Overseas Business," which focuses on international markets.

As a result, we believe that this change will enable us to provide more accurate disclosure regarding the unique business model of our group, which operates several consolidated subsidiaries in South America and has a business presence in more than 20 countries worldwide, as well as regarding our business progress.

ii. Method of Calculating Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reporting Segment

The accounting methods for the reported business segments are consistent with the accounting policies adopted for the preparation of the consolidated financial statements.

The profit for the reporting segments is based on operating profit.

Inter-segment revenue and transfers are based on prevailing market prices.

iii. Information on Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reporting Segment, and Breakdown of Revenue

Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(Unit: 1,000 yen)

	Reporting Segment			Adjustments (Note 1)	Amounts Recorded in Consolidated Financial Statements (Note 2)
	Japan Segment	Overseas Segment	Total		
Net Sales					
Goods or Services Transferred at a Point in Time	569,994	36,706	606,700	-	606,700
Goods or Services Transferred Over Time	656,532	661,025	1,317,558	-	1,317,558
Revenue from Contracts with Customers	1,226,526	697,732	1,924,259	-	1,924,259
Other Revenue	-	-	-	-	-
Sales to External Customers	1,226,526	697,732	1,924,259	-	1,924,259
Inter-Segment Internal Sales or Transfers	33,613	70,746	104,359	(104,359)	-
Total	1,260,139	768,478	2,028,618	(104,359)	1,924,259
Segment Profit or Loss	76,195	(118,088)	(41,892)	(13,604)	(55,497)
Segment Assets	989,139	1,362,098	2,351,237	2,034,774	4,386,012
Other Items					
Depreciation	42,019	97,877	139,897	4,066	143,963
Amortization of Goodwill	30,345	535,865	566,211	-	105,124

(Note 1) The adjustments are as follows:

- The adjustment of 13,604 thousand yen for segment profit represents corporate expenses that are not allocated to each reporting segment.
- The adjustment of 2,034,774 thousand yen for segment assets represents corporate assets, etc., that are not allocated to each reporting segment.

(Note 2) Segment profit is reconciled with operating loss in the consolidated financial statements.

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Unit: 1,000 yen)

	Reporting Segment			Adjustments (Note 1)	Amounts Recorded in Consolidated Financial Statements (Note 2)
	Japan Segment	Overseas Segment	Total		
Net Sales					
Goods or Services Transferred at a Point in Time	743,814	56,547	800,361	-	800,361
Goods or Services Transferred Over Time	620,009	808,910	1,428,919	-	1,428,919
Revenue from Contracts with Customers	1,363,824	865,457	2,229,281	-	2,229,281
Other Revenue	-	-	-	-	-
Sales to External Customers	1,363,824	865,457	2,229,281	-	2,229,281
Inter-Segment Internal Sales or Transfers	19,849	-	19,849	(19,849)	-
Total	1,383,674	865,457	2,249,131	(19,849)	2,229,281
Segment Profit or Loss	(18,279)	176,898	158,619	(374,716)	(216,097)
Segment Assets	2,162,864	1,460,715	3,623,580	162,668	3,786,248
Other Items					
Depreciation	38,926	124,107	163,033	4,240	167,274
Amortization of Goodwill	25,049	22,086	47,136	0	47,136

(Note 1) The adjustments are as follows:

- The adjustment of 374,716 thousand yen for segment profit or loss represents corporate expenses that are not allocated to each reporting segment.
- The adjustment of 162,668 thousand yen for segment assets represents corporate assets and the elimination of inter-segment transactions that are not allocated to each reporting segment.

(Note 2) Segment profit or loss is reconciled with operating loss in the consolidated financial statements.

[Related Information]
Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
1. Information by Product and Service

(Unit: 1,000 yen)

Retail Marketing	Data Analytics Solutions	Total
939,003	985,255	1,924,259

2. Information by Region
(1) Net Sales

(Unit: 1,000 yen)

Japan	Chile	Other	Total
1,237,427	411,451	275,380	1,924,259

(2) Tangible Fixed Assets

(Unit: 1,000 yen)

Japan	Chile	Other	Total
55,770	164,176	24,421	244,368

3. Information by Major Customer

(Unit: 1,000 yen)

Customer Name	Net Sales	Related Segment Name
Digital Garage, Inc.	219,294	Data Analytics Solutions

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
1. Information by Product and Service

(Unit: 1,000 yen)

Retail Marketing	Data Analytics Solutions	Total
1,055,256	1,174,025	2,229,281

2. Information by Region
(1) Net Sales

(Unit: 1,000 yen)

Japan	Chile	Other	Total
1,363,824	525,382	340,074	2,229,281

(2) Tangible Fixed Assets

(Unit: 1,000 yen)

Chile	Colombia	Panama	Peru	Other	Total
197,360	92,331	46,598	38,846	8,562	383,698

(Changes in Presentation Method)
In the previous consolidated fiscal year, tangible fixed assets in "Colombia" and "Peru," which were previously included under "Other," are now presented separately due to their increased significance in the geographical information for our group as a whole. Additionally, in the second quarter of the current consolidated fiscal period, Panama's Alianza FollowUP Panamá S.A., which was previously a non-consolidated subsidiary, has been newly consolidated due to its increased significance. As a result, tangible fixed assets in "Panama" are now included in the geographical information for our group starting this consolidated fiscal year.

Furthermore, the tangible fixed assets in "Japan," which were previously presented separately in the previous consolidated fiscal year, are now presented under "Other" due to their decreased significance in the geographical information for our group. Additionally, the non-consolidated subsidiary in Spain, FollowUP Customer Experience S.I., has increased in significance and was consolidated, contributing to this change.

3. Information by Major Customer
Information by major customer is omitted because there is no customer that accounts for 10% or more of the net sales in the statement of income.

[Information on Impairment Losses on Fixed Assets by Reporting Segment]
Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(Unit: 1,000 yen)

	Japan Segment	Overseas Segment	Corporate / Elimination	Total
Impairment Loss	170,967	-	-	170,967

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Unit: 1,000 yen)

	Japan Segment	Overseas Segment	Corporate / Elimination	Total
Impairment Loss	274,590	103,819	-	378,409

[Information on Amortization and Unamortized Balances of Goodwill by Reporting Segment]
Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(Unit: 1,000 yen)

	Japan Segment	Overseas Segment	Corporate / Elimination	Total
Amortization for the Period	30,345	535,865	-	566,211
Balance at End of Period	107,646	61,900	-	169,546

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Unit: 1,000 yen)

	Japan Segment	Overseas Segment	Corporate / Elimination	Total
Amortization for the Period	25,049	22,086	-	47,136
Balance at End of Period	86,672	87,376	-	174,048

[Information on Gain on Negative Goodwill by Reporting Segment]

In the "Overseas Segment," negative goodwill was generated due to the new consolidation of Alianza FollowUP Panamá S.A. starting from the cumulative period of the second quarter. The recorded gain on negative goodwill from this event amounts to 6,629 thousand yen.

(Information per Share)

(Unit: yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Net Assets per Share	167.39	111.78
Net Loss per Share	(36.45)	(84.07)
Net income per share (diluted)	- yen	- yen

(Note 1)The diluted net income per share for both the previous consolidated fiscal year and the current consolidated fiscal year is not presented, as there was a net loss per share despite the existence of dilutive shares.

(Note 2)The basis for calculating net loss per share and diluted net income per share is as follows:

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Net Loss per Share		
Parent Company Shareholders' Net Loss (Unit: 1,000 yen)	(530,291)	(1,261,695)
Amount Not Attributable to Common Shareholders (Unit: 1,000 yen)	-	-
Parent Company Shareholders' Net Loss Attributable to Common Shares (Unit: 1,000 yen)	(530,291)	(1,261,695)
Average Number of Shares Outstanding During the Period (shares)	14,548,956	15,007,284
Diluted net income per share		
Net income attributable to owners of the parent (thousand yen)	-	-
Increase in number of common stock (shares)	-	-
(of which stock acquisition rights (shares))	-	-
Summary of potential stock not included in the calculation of diluted net income per share due to the absence of dilutive effects	-	-

(Significant Subsequent Events)

There are no applicable matters.