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September 12, 2024

## Consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (Under Japanese GAAP)

Company name: i-mobile Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6535  
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Scheduled date of annual general meeting of shareholders: October 25, 2024  
 Scheduled date to commence dividend payments: October 8, 2024  
 Scheduled date to file annual securities report: October 28, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended July 31, 2024 (from August 1, 2023 to July 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended July 31, 2024	18,735	14.1	3,549	0.7	3,459	0.7	2,420	0.7
July 31, 2023	16,426	17.9	3,525	(7.1)	3,434	(10.6)	2,404	(10.3)

Note: Comprehensive income For the fiscal year ended July 31, 2024: 2,441 million yen [1.7%]  
 For the fiscal year ended July 31, 2023: 2,399 million yen [(11.8%)]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended July 31, 2024	Yen 42.13	Yen 41.99	% 16.4	% 15.0	% 18.9
July 31, 2023	39.93	39.80	17.6	17.2	21.5

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

For the fiscal year ended July 31, 2024: —

For the fiscal year ended July 31, 2023: —

Note: The Company conducted a stock split on November 1, 2023 with each common share split into three shares. “Basic earnings per share and diluted earnings per share” are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of July 31, 2024	Millions of yen 24,488	Millions of yen 15,633	% 63.3	Yen 268.94
July 31, 2023	21,721	14,079	64.3	241.16

Reference: Equity

As of July 31, 2024: 15,496 million yen

As of July 31, 2023: 13,968 million yen

Note: The Company conducted a stock split on November 1, 2023 with each common share split into three shares. On the assumption that the stock split was conducted at the beginning of the previous fiscal year, “net assets per share” was calculated.

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
Fiscal year ended July 31, 2024	Millions of yen 3,793	Millions of yen (747)	Millions of yen (683)	Millions of yen 18,602
July 31, 2023	4,388	(378)	(2,059)	16,218

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2023	—	0.00	—	40.00	40.00	772	33.4	5.8
Fiscal year ended July 31, 2024	—	0.00	—	22.00	22.00	1,267	52.2	8.6
Fiscal year ending July 31, 2025 (Forecast)	—	0.00	—	26.00	26.00		50.8	

Note: The Company conducted a stock split on November 1, 2023 with each common share split into three shares. For the fiscal year ended July 31, 2023, the actual dividend amount before the stock split is shown. For the fiscal year ended July 31, 2024 and the fiscal year ending July 31, 2025 (forecast), the dividend amount after the stock split is shown.

## 3. Consolidated earnings forecast for the fiscal year ending July 31, 2025 (from August 1, 2024 to July 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
July 31, 2025	23,000	22.8	4,500	26.8	4,330	25.2	2,950	21.9	51.20

**\*Notes**

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

Newly included: 0 companies

Excluded: 0 companies

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies other than (i) : None

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(3) Number of shares issued (common shares)

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

As of July 31, 2024	58,147,188 shares
As of July 31, 2023	61,147,188 shares

(ii) Number of treasury shares at the end of the period

As of July 31, 2024	526,800 shares
As of July 31, 2023	3,223,350 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended July 31, 2024	57,455,955 shares
Fiscal year ended July 31, 2023	60,213,210 shares

Note: 1. The Company conducted a stock split on November 1, 2023 with each common share split into three shares. "Number of issued shares," "Number of treasury shares" and "Average number of shares outstanding" are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

2. At a meeting of the Board of Directors held on June 30, 2023, the Company resolved to cancel treasury shares in accordance with Article 178 of the Companies Act, and canceled 3,000,000 shares of treasury shares on January 31, 2024.

**Reference: Overview of non-consolidated financial results****1. Non-consolidated financial results for the fiscal year ended July 31, 2024 (from August 1, 2023 to July 31, 2024)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended July 31, 2024	17,774	14.9	3,437	3.0	3,323	2.8	2,354	4.0
July 31, 2023	15,467	24.1	3,336	4.3	3,232	0.6	2,264	(1.4)
	Basic earnings per share		Diluted earnings per share					
Fiscal year ended	Yen		Yen					
July 31, 2024	40.99		40.85					
July 31, 2023	37.60		37.49					

Note: The Company conducted a stock split on November 1, 2023 with each common share split into three shares. "Basic earnings per share and diluted earnings per share" are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2024	23,129	14,401	61.7	247.56
July 31, 2023	20,445	12,913	62.6	221.02

Reference: Equity

As of July 31, 2024: 14,264 million yen

As of July 31, 2023: 12,802 million yen

\* Financial results reports are exempt from an audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including business results forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. Actual business results may differ considerably due to various factors.

The Company is to hold a financial results briefing session for institutional investors and analysts on Friday, September 13, 2024.

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## 1. Overview of Operating Results

### (1) Operating Results for the Fiscal Year Ended July 31, 2024

During the fiscal year ended July 31, 2024 (August 1, 2023 to July 31, 2024), the Japanese economy showed the normalization of social activities and buoyant economy from the recovery of inbound demand. On the other hand, the economic recovery has shown signs of pausing as the growth rate of real wages also remained negative due to sluggish domestic demand caused by high prices.

The i-mobile Group (the “Group”) is composed of two business segments —Consumer Service and Online Advertising— operating under the Group vision “Creating a Business for the Future.” In the market for the Hometown Tax Donation business, which is the mainstay business domain of the Consumer Service business, the hometown tax donation amount in fiscal 2023 increased by approximately 1.2 times year on year to 1,117.5 billion yen, which surpassed 1 trillion yen for the first time. The number of hometown tax donations also continuously increased by approximately 1.1 times year on year to 58.94 million and the number of people eligible for the hometown tax donation credit (the number of people who actually made a hometown tax donation and were eligible for a residence tax credit) also increased by approximately 1.1 times year on year to 10.00 million people\*<sup>1</sup>. The hometown tax donations become more widely accepted as a system in line with its initial purpose of realizing regional revitalization; however, the usage rate of hometown tax donation\*<sup>2</sup> was as low as 16.6%. It is expected to have a large room for growth with market expansion.

In the domestic online advertising market, which is the mainstay business domain of the Online Advertising business, online advertising expenditure in 2023 continued its steady growth with an increase of 7.8% year on year to 3,333 billion yen\*<sup>3</sup>, and the market is expected to remain strong going forward, driven by search ad, social media ad and video ad. However, changes in people's behavior and consumer lifestyles worldwide have had a significant impact on the decline in advertising unit prices and our mainstay Ad Network business, and the situation remains highly unpredictable.

As an Internet marketing company in this business climate, the Group has worked to further enhance corporate value, leveraging the technology and marketing expertise from multiple angles cultivated in the core Online Advertising (Ad Network) business by developing new markets, and investing in growth business sectors.

With the Hometown Tax Donation business which has functions for solving social issues, such as regional industry promotion, we improved recognition of the Furunavi brand and ran promotion activities to increase the number of members and local governments under contract, and have enhanced unique products for experience-based gifts in return such as dining and lodging gift certificates, working with local governments. Additionally, we newly launched an agency service for hometown tax donations.

In the Online Advertising business, we are advancing the optimization of our business portfolio with a shift of resources from the Ad Network business to the Influencer Marketing business and App Operation business in the growing market. Furthermore, demonstration testing of green energy business that realizes regional revitalization by solving social issues, eight solar sharing power (agrivoltaics) plants utilizing abandoned farmland began operation during fiscal year ended July 31, 2024, bringing the total to fourteen solar power plants\*<sup>5</sup> (agrivoltaics and ground-mounted type\*<sup>4</sup>). In addition, “Furunavi EV Charge”, an EV recharging service which promotes infrastructure building for electric vehicles by leverages our partnerships with local governments and lodging facilities in the hometown tax donation business is making steady progress in line with the initial forecast with regard to its initial target of 100 units installed.

As a result of these efforts, for the fiscal year ended July 31, 2024, the Group recorded net sales of 18,735 million yen, up 14.1% year on year, operating profit of 3,549 million yen, up 0.7% year on year, ordinary profit of 3,459 million yen, up 0.7% year on year, and profit attributable to owners of parent of 2,420 million yen, up 0.7% year on year.

\*1 Source: Results of Survey on Current Status of Hometown Tax Donations, Municipal Tax Planning Division, Local Tax Bureau, Ministry of Internal Affairs and Communications of Japan, August 2, 2024

In addition, the results including the hometown tax donation amount were calculated based on the municipal fiscal year (from April 1 to March 31 of the following year), which differs from the calculation period of residence tax.

\*2 The usage rate of hometown tax donation is calculated by the Company with reference to “Actual Results of Residence Tax Deduction for Taxation in Each Fiscal Year” and “Survey of Municipal Taxation Status in Each Fiscal Year,” both published by the Ministry of Internal Affairs and Communications.

\*3 Source: 2023 Advertising Expenditures in Japan, Dentsu Inc., February 27, 2024

\*4 Method of selling electricity by installing solar power generation facilities directly on land

\*5 15 solar power plants (agrivoltaics and ground-mounted type) are in operation at the time of disclosure of this consolidated financial result.

Business performance by segment was as follows.

Net sales for each segment include inter-segment sales and transfers.

In addition, effective from the fiscal year ended July 31, 2024, the allocation method of some expenses was changed.

The details are described in “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Segment Information and Other Data).”

#### (Consumer Service Segment)

In the Consumer Service segment, the Company operates the Hometown Tax Donation business “Furunavi,” as well as the Furunavi Travel business, Restaurant PR business, and Loyalty Points Service business as peripheral businesses. In “Furunavi,” our main Hometown Tax Donation business, with the continued stable high growth of the hometown tax donation market, we strived for continuous promotions and improvement in portal site functions considering customer convenience and needs to achieve the target of 20% market share to secure competitive advantage. In addition, in our peripheral business “Furunavi Travel,” we are expanding the number of experience-based gifts in return as well as increasing approximately two times in the number of contracted facilities such as accommodations and restaurants compared to the same month last year, thereby promoting continuous customer use by improving the user experience. These measures contributed to an expansion of the customer base and an increase in repeat customers, and the number of donations and members steadily grew year over year. Moreover, we started an agency service for hometown tax donations, and strengthened cooperation with local governments, including efforts to promote the appeal of local governments, in addition to support for improving operational efficiency and reducing costs.

As a result, net sales in the Consumer Service Segment for the fiscal year ended July 31, 2024 was 15,950 million yen, up 20.1% year on year, and segment profit was 3,446 million yen, up 15.8% year on year.

#### (Online Advertising Segment)

In the Online Advertising segment, the Group develops the Ad Network business, the Influencer Marketing business\*6, the Media Solution business, the Ad Agency business (Cyber Consultant, Inc.), and App Operation business (Ohte, Inc., etc.). In App Operation business, the Company promoted the improvement of the environment enabling shortening the development period and other initiatives to realize simultaneous releases on Android and iOS version. In addition to this, as a result of the strengthening of new title releases through development collaboration with other companies, five new titles were released in the fiscal year ended July 31, 2024, exceeding the initial plan. The Company also concentrated on increasing user retention by introducing “Exchange coins”\*7 and other way. Moreover, the Company began entering the poikatsu (loyalty point-saving activity)\*8 market through collaboration with other companies to earn new revenues. Thanks to these measures and others, net sales are steadily recovering. In the Influencer Marketing business, we are looking to increasing the number of registered influencers and the utilization rate. To that end, in addition to starting to offer a variety of fee plans, we are also building a comprehensive support system, including the proposal of external commercial materials to advertisers. Furthermore, in the Media Solution business, the number of active partners reached a record high. In addition, new advertising formats contributed to earnings, resulting in stable performance. On the other hand, the decrease in advertising budgets of our main clients and industries in the Ad Network business continued to have a significant impact on our earnings, resulting in year-on-year declines in both net sales and segment profit.

As a result, net sales in the Online Advertising Segment for the fiscal year ended July 31, 2024 was 2,756 million yen, down 13.3% year on year, and segment profit was 333 million yen, down 50.1% year on year.

\*6 In order to focus on growth business, the name of “Affiliate business” was changed to “Influencer Marketing business” from the fiscal year ended July 31, 2024. This business also includes the existing activities of the Affiliate business.

\*7 A mechanism where users receive coins, even if they don’t win a prize, which they can then accumulate and exchange for gifts.

\*8 It is an abbreviation for “point-saving activity,” a generic term for accumulating points and using accumulated points.

## (2) Financial Position for the Fiscal Year Ended July 31, 2024

Total assets for the fiscal year ended July 31, 2024 were 24,488 million yen (up 2,766 million yen from the end of the previous fiscal year). This increase was mainly due to an increase of 2,384 million yen in cash and deposits.

Total liabilities were 8,855 million yen (up 1,212 million yen from the end of the previous fiscal year). This increase was mainly attributed to increases in accounts payable - other of 580 million yen, in deposits received of 550 million yen, and in provision for sales promotions expenses of 465 million yen, despite a decrease of 460 million yen in income taxes payable.

Net assets were 15,633 million yen (up 1,553 million yen from the end of the previous fiscal year). This increase was mainly attributed to an increase of 2,420 million yen due to profit attributable to owners of parent, despite a decrease of 772 million yen in retained earnings due to the payment of dividends.

### **(3) Cash Flows for the Fiscal Year Ended July 31, 2024**

The balance of cash and cash equivalents (hereinafter referred to as “funds”) for the fiscal year ended July 31, 2024 totaled 18,602 million yen, an increase of 2,384 million yen from the end of the previous fiscal year.

Each cash flow status and their factors during the fiscal year ended July 31, 2024 were as follows.

(Cash flows from operating activities)

In the fiscal year ended July 31, 2024, funds acquired as a result of operating activities amounted to 3,793 million yen compared to 4,388 million yen in the previous fiscal year. This was mainly attributed to profit before income taxes of 3,446 million yen, a decrease of 699 million yen in expenses for prepaid expenses, and increases in deposits received of 547 million yen and in provision for sales promotion expenses of 465 million yen, despite income taxes paid of 1,589 million yen.

(Cash flows from investing activities)

Funds used in investing activities in the fiscal year ended July 31, 2024 totaled 747 million yen compared to 378 million yen in the previous fiscal year. This was mainly attributed to payments of leasehold and guarantee deposits of 336 million yen, purchase of property, plant and equipment of 311 million yen and purchase of intangible assets of 149 million yen.

(Cash flows from financing activities)

Funds used in financing activities in the fiscal year ended July 31, 2024 totaled 683 million yen compared to expenditures of 2,059 million yen in the previous fiscal year. This was mainly attributed to dividends paid of 771 million yen.

### **(4) Future Outlook**

As for performance in the fiscal year ending July 31, 2025, the Group forecasts net sales of 23,000 million yen, up 22.8% year on year, operating profit of 4,500 million yen, up 26.8%, ordinary profit of 4,330 million yen, up 25.2%, and profit attributable to owners of parent of 2,950 million yen, up 21.9%. For details, please refer to the financial results briefing materials for the fiscal year ended July 31, 2024 which are disclosed at the same time as these financial results.

### **(5) Basic Policy on Distribution of Profit and Dividends for the Fiscal Years Ended July 31, 2024 and Ending July 31, 2025**

(Basic Policy)

While preserving the resources required to maintain our business foundation and achieve sustainable growth, the Company will provide shareholder returns agilely, in addition to considering relevant factors, including our business performance, financial conditions, and internal reserves. More specifically, the change in shareholder returns for the four years between FY07/24 and FY07/27 consists in distribution of dividends with a payout ratio benchmark of 50%, in addition to flexible purchases of treasury shares in line with share price level and market environment.

The Company pays dividends of surplus once a year as a year-end dividend. However, in accordance with Article 459, Paragraph 1 of the Companies Act, the Company has a provision in its Articles of Incorporation that dividends from surplus shall be determined by a resolution of the Board of Directors, with July 31 as the record date of the year-end dividend and January 31 as the record date of the interim dividend.

(Dividends for the fiscal year ended July 31, 2024)

Concerning dividends of surplus for the fiscal year ended July 31, 2024, the Company resolved to distribute dividends of 22 yen per share, with the record date dated July 31, 2024, at the meeting of the Board of Directors held on September 12, 2024. As a result, the annual dividend for the fiscal year ended July 31, 2024 is 22 yen per share.

As mentioned in the “Notice Concerning Status and Completion of Purchase of Treasury Shares” released on August 31, 2023, the Company purchased treasury shares from August 1 to August 31, 2023, based on the resolution of the Board of Directors meeting held on June 30, 2023.

(Dividends for the fiscal year ending July 31, 2025)

The dividend of surplus for the fiscal year ending July 31, 2025 is expected to be 26 yen per share. In addition, the Company will consider the flexible purchase of treasury shares in a suitable and appropriate manner, considering share price level and market environment.



## **2. Basic Approach to Selection of Accounting Standards**

The Group applies Japan accounting standards to ensure comparability with other companies in the same industry in Japan.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Unit: Millions of yen)

	As of July 31, 2023	As of July 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	16,218	18,602
Accounts receivable – trade	1,463	1,626
Prepaid expenses	1,541	830
Other	390	324
Allowance for doubtful accounts	(0)	(0)
Total current assets	19,613	21,383
Non-current assets		
Property, plant and equipment		
Buildings, net	78	413
Tools, furniture and fixtures, net	49	160
Other, net	268	474
Total property, plant and equipment	396	1,048
Intangible assets		
Software	112	199
Goodwill	75	5
Other	83	73
Total intangible assets	272	279
Investments and other assets		
Investment securities	502	477
Deferred tax assets	798	939
Other	145	359
Allowance for doubtful accounts	(7)	(0)
Total investments and other assets	1,439	1,777
Total non-current assets	2,108	3,104
Total assets	21,721	24,488

(Unit: Millions of yen)

	As of July 31, 2023	As of July 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	813	713
Accounts payable – other	773	1,353
Income taxes payable	937	476
Deposits received	2,347	2,897
Provision for bonuses	73	84
Provision for sales promotion expenses	2,083	2,548
Provision for point card certificates	1	1
Other	553	654
<b>Total current liabilities</b>	<b>7,582</b>	<b>8,730</b>
Non-current liabilities		
Asset retirement obligations	59	124
Other	—	0
<b>Total non-current liabilities</b>	<b>59</b>	<b>125</b>
<b>Total liabilities</b>	<b>7,642</b>	<b>8,855</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	152	152
Capital surplus	102	73
Retained earnings	15,071	15,446
Treasury shares	(1,387)	(227)
<b>Total shareholders' equity</b>	<b>13,938</b>	<b>15,445</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30	51
<b>Total accumulated other comprehensive income</b>	<b>30</b>	<b>51</b>
Share acquisition rights	110	136
<b>Total net assets</b>	<b>14,079</b>	<b>15,633</b>
<b>Total liabilities and net assets</b>	<b>21,721</b>	<b>24,488</b>

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

Consolidated Statement of Income

(Unit: Millions of yen)

	Year ended July 31, 2023	Year ended July 31, 2024
Net sales	16,426	18,735
Cost of sales	25	32
Gross profit	16,401	18,702
Selling, general and administrative expenses	12,875	15,153
Operating profit	3,525	3,549
Non-operating income		
Interest income	0	0
Dividend income	10	0
Foreign exchange gains	12	22
Other	0	3
Total non-operating income	23	25
Non-operating expenses		
Loss on valuation of investment securities	51	46
Donations	62	67
Other	1	0
Total non-operating expenses	114	115
Ordinary profit	3,434	3,459
Extraordinary income		
Gain on sale of investment securities	—	39
Gain on national subsidies	—	4
Total extraordinary income	—	44
Extraordinary losses		
Impairment losses	23	—
Head office relocation expenses	—	53
Other	—	4
Total extraordinary losses	23	58
Profit before income taxes	3,410	3,446
Income taxes – current	1,465	1,176
Income taxes – deferred	(459)	(150)
Total income taxes	1,006	1,025
Profit	2,404	2,420
Profit attributable to owners of parent	2,404	2,420

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Year ended July 31, 2023	Year ended July 31, 2024
Profit	2,404	2,420
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	21
Total other comprehensive income	(4)	21
Comprehensive income	2,399	2,441
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,399	2,441

### (3) Consolidated Statement of Changes in Equity

Year ended July 31, 2023 (August 1, 2022 to July 31, 2023)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	152	73	13,432	(354)	13,303
Changes during period					
Dividends of surplus			(764)		(764)
Profit attributable to owners of parent			2,404		2,404
Purchase of treasury shares				(1,040)	(1,040)
Disposal of treasury shares		(1)		7	5
Restricted share-based remuneration		29			29
Net changes in items other than shareholders' equity					
Total changes during period	—	28	1,639	(1,033)	634
Balance at end of period	152	102	15,071	(1,387)	13,938

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	34	34	67	13,406
Changes during period				
Dividends of surplus				(764)
Profit attributable to owners of parent				2,404
Purchase of treasury shares				(1,040)
Disposal of treasury shares				5
Restricted share-based remuneration				29
Net changes in items other than shareholders' equity	(4)	(4)	42	38
Total changes during period	(4)	(4)	42	672
Balance at end of period	30	30	110	14,079

Year ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	152	102	15,071	(1,387)	13,938
Changes during period					
Dividends of surplus			(772)		(772)
Profit attributable to owners of parent			2,420		2,420
Purchase of treasury shares				(213)	(213)
Disposal of treasury shares		(53)		95	41
Cancellation of treasury shares		(1,278)		1,278	—
Restricted share-based remuneration		29			29
Transfer from retained earnings to capital surplus		1,273	(1,273)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(28)	374	1,160	1,506
Balance at end of period	152	73	15,446	(227)	15,445

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	30	30	110	14,079
Changes during period				
Dividends of surplus				(772)
Profit attributable to owners of parent				2,420
Purchase of treasury shares				(213)
Disposal of treasury shares				41
Cancellation of treasury shares				—
Restricted share-based remuneration				29
Transfer from retained earnings to capital surplus				—
Net changes in items other than shareholders' equity	21	21	25	47
Total changes during period	21	21	25	1,553
Balance at end of period	51	51	136	15,633

**(4) Consolidated Statements of Cash Flows**

(Unit: Millions of yen)

	Year ended July 31, 2023	Year ended July 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,410	3,446
Depreciation	111	180
Impairment losses	23	—
Amortization of goodwill	73	69
Share-based payment expenses	84	68
Increase (decrease) in allowance for doubtful accounts	(10)	(3)
Increase (decrease) in provision for bonuses	(1)	11
Increase (decrease) in provision for sales promotion expenses	1,318	465
Increase (decrease) in provision for point card certificates	(1)	(0)
Loss (gain) on valuation of investment securities	51	46
Loss (gain) on sale of investment securities	—	(39)
Interest and dividend income	(10)	(0)
Decrease (increase) in trade receivables	90	(153)
Increase (decrease) in trade payables	(204)	(99)
Decrease (increase) in prepaid expenses	(728)	699
Increase (decrease) in deposits received	1,352	547
Other	40	141
Subtotal	5,598	5,379
Interest and dividends received	10	0
Income taxes refund (paid)	(1,221)	(1,589)
Other	40	2
Net cash provided by (used in) operating activities	4,388	3,793
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(259)	(311)
Purchase of intangible assets	(84)	(149)
Purchase of investment securities	(37)	—
Payments of leasehold and guarantee deposits	(11)	(336)
Other	13	50
Net cash provided by (used in) investing activities	(378)	(747)
<b>Cash flows from financing activities</b>		
Payments for money held in trust for purchase of treasury shares	(260)	—
Proceeds from repayments for money held in trust for purchase of treasury shares	—	46
Purchase of treasury shares	(1,040)	—
Exercise of share acquisition rights	5	41
Dividends paid	(764)	(771)
Net cash provided by (used in) financing activities	(2,059)	(683)
Effect of exchange rate change on cash and cash equivalents	—	21
Net increase (decrease) in cash and cash equivalents	1,949	2,384
Cash and cash equivalents at the beginning of the year	14,268	16,218
Cash and cash equivalents at the end of the year	16,218	18,602



## **(5) Notes to the Consolidated Financial Statements**

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Estimates)

(Changes in Service Life Estimates)

In the fiscal year ended July 31, 2024, the Company has determined the date of leave of the former head office as it proceeds with the relocation of its head office. Consequently, it has shortened the service life of fixed assets whose use is not expected following the relocation.

For this reason, the operating profit and ordinary profit are each 43 million yen below the figures obtained using the previous accounting method, and profit before income taxes is 52 million yen below them.

(Segment Information and Other Data)

(Segment Information)

### 1. Reportable segments

#### (1) Method of determining reportable segments

The Company's reportable segments are those of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance. The Company is composed of segments classified by business type, with the Consumer Service business and Online Advertising business being the reportable segments for the purpose of further clarifying the main business areas.

#### (2) Products and services belonging to each reportable segment

The Consumer Service segment includes the Hometown Tax Donation business, the Furunavi Travel business, the Restaurant PR business, and the Loyalty Points Service business.

The Online Advertising segment includes the Ad Network business, the Influencer Marketing business, the Media Solution business, the Ad Agency business, and the App Operation business.

### 2. Calculation method for net sales, profit or loss, assets or liabilities, and other items for each reportable segment

The accounting method for the reported business segments complies with the accounting policies adopted for the preparation of the consolidated financial statements.

Profit for reportable segments is based on operating profit. Intersegment profit and transfers are based on prevailing market prices.

### 3. Information on net sales, amounts of profit or loss, and other items by reportable segment

Year ended July 31, 2023 (August 1, 2022 to July 31, 2023)

(Unit: Millions of yen)

	Reportable segment			Adjustments (Note 1)	Amount recorded on consolidated financial statements (Note 2)
	Consumer Service	Online Advertising	Total		
Net sales					
Goods to be transferred at a point in time	8	17	25	—	25
Goods to be transferred over a certain period	13,277	3,123	16,401	—	16,401
Net sales to external customers	13,285	3,141	16,426	—	16,426
Intersegment sales or transfers	—	39	39	(39)	—
Total	13,285	3,180	16,466	(39)	16,426
Segment profit	2,976	667	3,643	(118)	3,525
Other items					
Depreciation	30	80	111	—	111

Notes: 1. Adjustments to segment profit of (118) million yen are entirely attributable to corporate expenses not allocated to reportable segments. Corporate expenses are general and administrative expenses not attributable to reportable segments.

2. Segment profit corresponds to the operating profit reported on the Consolidated Statement of Income.

Year ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(Unit: Millions of yen)

	Reportable segment			Adjustments (Note 1,2,3)	Amount recorded on consolidated financial statements (Note 4)
	Consumer Service	Online Advertising	Total		
Net sales					
Goods to be transferred at a point in time	16	1	17	14	31
Goods to be transferred over a certain period	15,934	2,748	18,683	19	18,703
Net sales to external customers	15,950	2,750	18,700	34	18,735
Intersegment sales or transfers	—	5	5	(5)	—
Total	15,950	2,756	18,706	28	18,735
Segment profit	3,446	333	3,779	(230)	3,549
Other items					
Depreciation	46	76	123	57	180

Notes: 1. The adjustment of 34 million yen for net sales to external customers also correspond to net sales that do not belong to the reportable segments.

2. Adjustments to segment profit of (230) million yen are entirely attributable to net sales that do not belong to reportable segments and corporate expenses not allocated to reportable segments. Corporate expenses are general and administrative expenses not attributable to reportable segments.

3. The adjustment of 57 million yen for to depreciation represents depreciation expenses that do not belong to any reportable segments.

4. Segment profit correspond to the operating profit reported on the Consolidated Statement of Income.

### 4. Matters concerning changes to reportable segments

Effective from the fiscal year ended July 31, 2024, the allocation method of some expenses was changed. This change was made to bring the allocation standards closer to actual conditions in response to the increase in outsourcing and temporary staffing.

As a result of this change, segment profit in the Consumer Service segment decreased by 90 million yen and segment profit

in the Online Advertising segment increased by 89 million yen in the fiscal year ended July 31, 2024, compared with the previous method.

(Per Share Information)

	Year ended July 31, 2023 (August 1, 2022 to July 31, 2023)	Year ended July 31, 2024 (August 1, 2023 to July 31, 2024)
Book value per share (yen)	241.16	268.94
Basic earnings per share (yen)	39.93	42.13
Diluted earnings per share (yen)	39.80	41.99

Notes: 1. The Company conducted a stock split on November 1, 2023 with each common share split into three shares. On the assumption that the stock split was conducted at the beginning of the previous fiscal year, net assets per share, basic earnings per share, and diluted earnings per share are calculated.

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

Item	Year ended July 31, 2023 (August 1, 2022 to July 31, 2023)	Year ended July 31, 2024 (August 1, 2023 to July 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	2,404	2,420
Amounts not allocated to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common shares (millions of yen)	2,404	2,420
Average number of common shares outstanding during the year (shares)	60,213,210	57,455,955
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (millions of yen)	—	—
Increase in number of common shares	186,906	196,144
[Of which, share acquisition rights (shares)]	(186,906)	(196,144)
Outline of stock not included in the calculation of diluted earnings per share due to lack of dilutive effect	Forth series of share acquisition rights Number of share acquisition rights: 1,300 units (Common stock 390,000 shares)  First series of share acquisition rights with payment of a fee Number of share acquisition rights: 1,890 units (Common stock 567,000 shares)	Forth series of share acquisition rights Number of share acquisition rights: 1,300 units (Common stock 390,000 shares)