Translation

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October 11, 2024

Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (Based on Japanese GAAP)

Company name: coconala Inc.
Listing exchange: Tokyo Stock Exchange
Securities code: 4176
URL: https://coconala.co.jp/
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Scheduled date for next general meeting of shareholders: November 27, 2024
Scheduled date for commencing dividend payments: -
Scheduled date for filing securities report: November 28, 2024
Preparation of supplementary materials on financial results: Yes
Holding of financial results briefing session: Yes

(Amounts are rounded down to the nearest million yen, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(1) Consolidated Operating Results

(Percentage figures represent year-on-year changes)

	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 August 31, 2024	6,588	40.8	304	—	225	—	243	—
Fiscal year ended August 31, 2023	4,679	21.9	(126)	—	(168)	—	(75)	—

(Note) Comprehensive income Fiscal year ended August 31, 2024: 105 million yen [- %]
Fiscal year ended August 31, 2023: (169) million yen [- %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit /sales
	Yen	Yen	%	%	%
Fiscal year ended August 31, 2024	10.21	10.00	11.8	3.3	4.6
Fiscal year ended August 31, 2023	(3.20)	—	(3.9)	(3.5)	(2.7)

(Note) Diluted earnings per share for the first three quarters of the previous consolidated fiscal year is not indicated as the Company generated net loss for the period, although there are diluted shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended August 31, 2024	8,254	3,786	26.7	92.20
Fiscal year ended August 31, 2023	5,232	3,125	37.2	81.65

(Reference) Total shareholders' equity: As of August 31, 2024: 2,202 million yen
As of August 31, 2023: 1,946 million yen

(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 period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended August 31, 2024	628	(1,336)	1,619	3,905
Fiscal year ended August 31, 2023	114	(932)	761	2,993

2. Cash Dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends / net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended August 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended August 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending August 31, 2025 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending August 31, 2025 (from September 1, 2024 to August 31, 2025)

(Percentage figures indicate year-on-year changes for full year and changes from the same quarter of the previous fiscal year for quarter)

	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
Full year	9,500	44.2	160	(47.5)	180	(20.2)	130	(46.7)	5.44

* Notes

(1) Significant changes in scope of consolidation during the fiscal year: Yes

Newly consolidated: 2 companies (Mizuho coconala Inc., an consulting Inc.); Excluded from consolidation: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior financial statements

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement of prior period financial statement: None

(3) Number of issued shares (common shares)

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

As of August 31, 2024	23,921,300 shares
As of August 31, 2023	23,839,700 shares

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

As of August 31, 2024	37,200 shares
As of August 31, 2023	4,300 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended August 31, 2024	23,871,886 shares
Fiscal year ended August 31, 2023	23,744,925 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(1) Non-consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended August 31, 2024	5,291	16.2	464	—	469	—	292	—
Fiscal year ended August 31, 2023	4,555	18.7	(88)	—	(72)	—	(73)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended August 31, 2024	12.27	12.01
Fiscal year ended August 31, 2023	(3.12)	—

(Note) Diluted earnings per share for the previous fiscal year is not indicated as the Company generated net loss for the period, although there are diluted shares.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended August 31, 2024	6,150	2,496	36.6	94.33
Fiscal year ended August 31, 2023	4,077	2,058	50.5	86.37

(Reference) Total shareholders' equity: As of August 31, 2024: 2,252 million yen
As of August 31, 2023: 1,946 million yen

* This summary of financial results is not subject to review procedures by a public accountant or audit corporation.

* Explanation regarding appropriate use of earnings forecasts, and other notes
The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are deemed to be reasonable by the Company. Accordingly, such statements should not beias a guarantee of achieving the results by the Company. Actual results, etc. may materially differ from the forecast due to various factors.

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1. Qualitative Information on the Financial Results for the Period under Review

(1) Overview of Operating Results

The Company is developing services such as "coconala Skill Market," which is an EC service marketplace, with the vision of "Building a world where each of us can live 'our own story'" The Company aims to realize a one-of-a-kind service EC platform by replacing all transactions that are done offline on a daily basis with online transactions that are more convenient.

While the potential market size of inter-personal and inter-enterprise services targeted by the Company is extremely large at approximately 18 trillion yen, the ratio of online transactions is estimated to be around 1% (value estimated by InfoCom Research). The Company believes that the market for online service transactions is very important also for society, as significant changes in lifestyles are occurring due to the advent of the era of 100-year lifespans and work-style reform.

In the current fiscal year, while focusing on product function development, the Company launched new businesses namely "coconala Pro," "coconala Consult" and "coconala Assist," and proceeded with the expansion of the coconala economic zone as well as established Mizuho coconala, Inc., a joint venture with Mizuho Bank, Ltd., in January 2024 and launched the service in April. In June 2024, the Company acquired the shares of an consulting Inc. (currently coconala tech Inc.) and made it a wholly owned subsidiary after judging that it would contribute to the business expansion of "coconala tech," which connects IT freelancers centering on engineers with outsourcing projects from companies, and the maximization of the Company's corporate value.

As a result of the above, the Company posted gross merchandise value (GMV) of 15,841,294 thousand yen (up 8.0% year-on-year), sales of 6,588,712 thousand yen (up 40.8% year-on-year), operating profit of 304,776 thousand yen (operating loss of 126,388 thousand yen in the same period of the previous fiscal year), ordinary profit of 225,671 thousand yen (ordinary loss of 168,277 thousand yen in the same period of the previous fiscal year), and profit attributable to owners of parent of 243,716 thousand yen (loss attributable to owners of parent of 75,899 thousand yen in the same period of the previous fiscal year) for the current fiscal year.

Operating results by segment are as follows. From the current fiscal year, the names of reportable segments have been changed from "Skill Market" to "Marketplace," from "Legal Consultation" to "Media" and from "Tech Agent" to "Agent," respectively. Only the names were changed, and such change will have no impact on segment information.

(i) Marketplace

In "Marketplace," with regard to "coconala Job Requests," the Company conducted a significant update of the application and recruitment forms, etc. in February 2024 as well as started providing "AI-based automatic generation function (β version)" in the application guidelines in August. In addition, the Company launched the service of "Mizuho coconala Skill Market" in April 2024.

As a result, sales amounted to 4,403,867 thousand yen (up 10.1% year-on-year), while segment profit amounted to 432,649 thousand yen (segment loss of 66,086 thousand yen in the same period of the previous fiscal year).

(ii) Media

In "Media," the number of lawyers registered under the fee-based service increased as both precision and volume of the matching of users and lawyers were steady, and against this backdrop, fixed usage fees, which are advertising revenue from lawyers, also grew.

As a result, sales amounted to 649,852 thousand yen (up 21.9% year-on-year), while segment profit amounted to 158,820 thousand yen (up 127.2% year-on-year).

(iii) Agent

In "Agent," the Company launched a new business called "coconala Assist," a monthly service in which talented assistants support businesses, in October 2023. In June 2024, the Company acquired the shares of an consulting Inc. (currently coconala tech Inc.) and made it a subsidiary to realize the business expansion of "coconala tech," which connects IT freelancers centering on engineers with outsourcing projects from companies, at an early stage.

As a result, sales amounted to 1,534,993 thousand yen (up 961.1% year-on-year), while segment loss amounted to 241,482 thousand yen (segment loss of 97,962 thousand yen in the same period of the previous fiscal year).

(2) Financial Position

(i) Status of assets, liabilities and net assets

(Assets)

Total assets at the end of the current fiscal year increased by 3,021,855 thousand yen from the end of the previous fiscal year to 8,254,770 thousand yen.

This was mainly due to an increase of 911,591 thousand yen in cash and deposits, 862,952 thousand yen in goodwill and 455,033 thousand yen in accounts receivable - trade.

(Liabilities)

Total liabilities at the end of the current fiscal year increased by 2,361,733 thousand yen from the end of the previous fiscal year to 4,468,684 thousand yen.

This was mainly due to an increase of 1,144,189 thousand yen in long-term loans payable, 312,540 thousand yen in accounts payable – trade and 215,786 thousand yen in short-term loans payable.

(Net assets)

Total net assets at the end of the current fiscal year increased by 660,121 thousand yen from the end of the previous fiscal year to 3,786,085 thousand yen.

This was mainly due to an increase of 271,592 thousand yen in non-controlling interests and 243,629 thousand yen in retained earnings.

(3) Cash Flows

Cash and cash equivalents at the end of the current fiscal year amounted to 3,905,323 thousand yen. The respective cash flow positions and main factors behind the changes are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 628,504 thousand yen (114,229 thousand yen provided in the same quarter of the previous fiscal year). This is mainly attributable to an increase of 145,115 thousand yen in accounts payable - other, 141,856 thousand yen of share-based payment expenses, and an increase of 96,483 thousand yen in advances received.

(Cash flows from investing activities)

Net cash used in investing activities was 1,336,546 thousand yen (932,664 thousand yen used in the same quarter of the previous fiscal year). This is mainly attributable to 922,065 thousand yen for purchase of shares of subsidiaries resulting in change in scope of consolidation and 261,412 thousand yen for purchase of investment securities.

(Cash flows from financing activities)

Net cash provided by financing activities was 1,619,633 thousand yen (761,221 thousand yen provided in the same quarter of the previous fiscal year). This is mainly due to 1,260,000 thousand yen of proceeds from long-term loans payable and 414,700 thousand yen of proceeds from share issuance to non-controlling shareholders.

(4) Future Outlook

The Company will continue to conduct product development, business development, and marketing investment to achieve high growth rates from a medium- to long-term perspective rather than short-term profit growth. For the fiscal year ending August 31, 2025, the Company expects sales of 9,500,000 thousand yen (up 44.2% year-on-year), operating profit of 160,000 thousand yen (down 47.5% year-on-year), ordinary profit of 180,000 thousand yen (down 20.2% year-on-year), and profit attributable to owners of parent of 130,000 thousand yen (down 46.7% year-on-year).

2. Basic Principle on the Choice of Accounting Standards

For the time being, the Group makes it a policy to prepare its consolidated financial statements based on Japanese GAAP, in view of the comparability for the period covered by the consolidated financial statements and inter-company comparability.

With regard to the application of the International Financial Reporting Standards (IFRS), the Company intends to respond to the application in an appropriate manner, taking into account the situations of various factors both in and outside Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year (As of August 31, 2023)	Current fiscal year (As of August 31, 2024)
Assets		
Current assets		
Cash and deposits	2,993,732	3,905,323
Accounts receivable - trade	475,700	930,733
Prepaid expenses	116,686	114,664
Accrued income taxes	—	1,014
Other	104,545	288,377
Total current assets	3,690,665	5,240,113
Non-current assets		
Property, plant and equipment		
Buildings	171,161	266,483
Tools, furniture and fixtures	98,034	102,423
Accumulated depreciation	(84,575)	(136,080)
Total property, plant and equipment	184,620	232,826
Intangible assets		
Software	8,466	17,799
Goodwill	144,721	1,007,674
Customer-related assets	55,100	378,307
Total intangible assets	208,287	1,403,780
Investments and other assets		
Investment securities	893,174	1,063,721
Shares of subsidiaries and affiliates	—	6,551
Long-term prepaid expenses	10,515	3,266
Guarantee deposits	241,507	268,603
Deferred tax assets	—	15,424
Other	4,143	14,429
Total investments and other assets	1,149,341	1,371,997
Total non-current assets	1,542,249	3,008,603
Deferred assets		
Stock issuance expenses	—	4,109
Corporate bond issuance expenses	—	1,943
Total deferred assets	—	6,053
Total assets	5,232,914	8,254,770

(Thousands of yen)

	Previous fiscal year (As of August 31, 2023)	Current fiscal year (As of August 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	62,974	375,514
Accounts payable - other	287,635	451,070
Accrued expenses	49,009	99,604
Income taxes payable	38,927	95,948
Advances received	542,078	638,561
Deposits received	1,001,005	1,061,346
Current portion of long-term loans payable	—	215,786
Current portion of bonds	—	20,000
Provision for point card certificates	3,127	1,918
Provision for coupons	7,567	5,988
Other	97,172	139,390
Total current liabilities	2,089,497	3,105,130
Non-current liabilities		
Deferred tax liabilities	17,453	102,456
Corporate bond	—	80,000
Asset retirement obligation	—	36,908
Long-term loans payable	—	1,144,189
Total non-current liabilities	17,453	1,363,554
Total liabilities	2,106,951	4,468,684
Net assets		
Shareholders' equity		
Share capital	1,238,686	1,244,957
Capital surplus	2,384,341	2,390,553
Retained earnings	(1,677,039)	(1,433,410)
Total shareholders' equity	1,945,989	2,202,100
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112	107
Total accumulated other comprehensive income	112	107
Share acquisition rights	110,999	243,423
Non-controlling interests	1,068,862	1,340,454
Total net assets	3,125,963	3,786,085
Total liabilities and net assets	5,232,914	8,254,770

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

(Consolidated Statements of Income)

(Thousands of yen)

	Previous fiscal year (September 1, 2022 - August 31, 2023)	Current fiscal year (September 1, 2023 - August 31, 2024)
Sales	4,679,023	6,588,712
Cost of sales	121,660	1,494,509
Gross profit	4,557,363	5,094,203
Selling, general and administrative expenses	4,683,752	4,789,426
Operating profit (loss)	(126,388)	304,776
Non-operating income		
Interest income	27	399
Income from refund	9,240	10,832
Gain on sale of securities	—	4,500
Consulting fee income	—	6,014
House rent received	—	1,656
Other	451	2,452
Total non-operating income	9,719	25,855
Non-operating expenses		
Interest expenses	199	3,960
Equity in losses of affiliates	—	208
Loss on valuation of investment securities	49,500	90,000
Loss on amortization of stock compensation	—	9,556
Other	1,908	1,235
Total non-operating expenses	51,608	104,960
Ordinary profit (loss)	(168,277)	225,671
Extraordinary income		
Gain on reversal of share acquisition rights	12,500	—
Total extraordinary income	12,500	—
Extraordinary losses		
Cancellation penalty	—	55,345
Total extraordinary losses	—	55,345
Profit (loss) before income taxes	(155,777)	170,325
Income taxes - current	16,689	86,518
Income taxes - deferred	—	(22,126)
Total income taxes	16,689	64,391
Profit (loss)	(172,466)	105,933
Profit (loss) attributable to non-controlling interests	(96,567)	(137,782)
Profit (loss) attributable to owners of parent	(75,899)	243,716

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Previous fiscal year (September 1, 2022 - August 31, 2023)	Current fiscal year (September 1, 2023 - August 31, 2024)
Profit (loss)	(172,466)	105,933
Other comprehensive income		
Valuation difference on available-for-sale securities	3,012	(865)
Total other comprehensive income	3,012	(865)
Comprehensive income	(169,454)	105,068
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(75,881)	243,711
Comprehensive income attributable to non-controlling interests	(93,573)	(138,642)

(3) Consolidated Statements of Changes in Equity

Fiscal Year Ended August 31, 2023 (September 1, 2022 to August 31, 2023)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	1,221,560	2,366,763	(1,601,139)	1,987,184
Changes during period				
Issuance of new shares (Exercise of share acquisition rights)	14,610	14,610		29,221
Issuance of new shares (Restricted stock compensation)	2,515	2,515		5,030
Profit (loss) attributable to owners of parent			(75,899)	(75,899)
Capital increase of consolidated subsidiaries		452		452
Decrease due to merger				
Net changes in items other than shareholders' equity				
Total changes during period	17,125	17,578	(75,899)	(41,195)
Balance at end of period	1,238,686	2,384,341	(1,677,039)	1,945,989

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	94	94	12,500	437,888	2,437,666
Changes during period					
Issuance of new shares (Exercise of share acquisition rights)					29,221
Issuance of new shares (Restricted stock compensation)					5,030
Profit (loss) attributable to owners of parent					(75,899)
Capital increase of consolidated subsidiaries					452
Decrease due to merger					—
Net changes in items other than shareholders'equity	18	18	98,499	630,974	729,492
Total changes during period	18	18	98,499	630,974	688,296
Balance at end of period	112	112	110,999	1,068,862	3,125,963

Fiscal Year Ended August 31, 2024 (September 1, 2023 to August 31, 2024)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	1,238,686	2,384,341	(1,677,039)	1,945,989
Changes during period				
Issuance of new shares (Exercise of share acquisition rights)	3,759	3,759		7,519
Issuance of new shares (Restricted stock compensation)	2,511	2,511		5,022
Profit attributable to owners of parent			243,716	243,716
Capital increase of consolidated subsidiaries				
Decrease due to merger		(59)	(87)	(146)
Net changes in items other than shareholders' equity				
Total changes during period	6,270	6,211	243,629	256,111
Balance at end of period	1,244,957	2,390,553	(1,433,410)	2,202,100

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	112	112	110,999	1,068,862	3,125,963
Changes during period					
Issuance of new shares (Exercise of share acquisition rights)					7,519
Issuance of new shares (Restricted stock compensation)					5,022
Profit attributable to owners of parent					243,716
Capital increase of consolidated subsidiaries					
Decrease due to merger					(146)
Net changes in items other than shareholders' equity	(5)	(5)	132,423	271,592	404,010
Total changes during period	(5)	(5)	132,423	271,592	660,121
Balance at end of period	107	107	243,423	1,340,454	3,786,085

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous fiscal year (September 1, 2022 - August 31, 2023)	Current fiscal year (September 1, 2023 - August 31, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	(155,777)	170,325
Depreciation	29,314	36,509
Amortization of deferred assets	—	988
Amortization of goodwill	2,226	32,003
Amortization expense of customer-related assets	1,900	23,792
Amortization of guarantee deposits	7,689	9,705
Loss (gain) on valuation of investment securities	49,500	90,000
Gain on reversal of share acquisition rights	(12,500)	—
Share-based payment expenses	117,191	141,856
Interest income	(27)	(399)
Interest expenses	199	3,982
Equity in losses of affiliates	—	208
Decrease (increase) in trade receivables	(13,571)	(15,068)
Decrease (increase) in prepaid expenses	(21,418)	13,203
Decrease (increase) in long-term prepaid expenses	12,706	14,277
Increase (decrease) in notes and accounts payable - trade	(2,301)	(81,453)
Increase (decrease) in accounts payable - other	(158,890)	145,115
Increase (decrease) in accrued expenses	25,555	3,419
Increase (decrease) in income taxes payable - factor based tax	12,016	23,434
Increase (decrease) in consumption taxes payable	—	(337)
Increase (decrease) in advances received	54,142	96,483
Increase (decrease) in deposits received	74,717	52,659
Increase (decrease) in provision for point card certificates	(374)	(1,208)
Increase (decrease) in provision for coupons	1,053	(1,578)
Decrease (increase) in other current assets	(12,806)	(74,613)
Increase (decrease) in other current liabilities	96,527	—
Other	287	1,252
Subtotal	107,360	684,558
Interest received	27	399
Interest paid	(199)	(3,960)
Income taxes refund	8,295	—
Income taxes paid	(1,254)	(52,493)
Net cash provided by (used in) operating activities	114,229	628,504
Cash flows from investing activities		
Purchase of property, plant and equipment	(98,575)	(1,941)
Purchase of intangible assets	—	(1,900)
Purchase of investment securities	(520,571)	(261,412)
Payments for investments in capital of subsidiaries and affiliates	—	(6,950)
Payments of guarantee deposits	(69,120)	(86,978)
Proceeds from refund of guarantee deposits	—	200
Payments of loans receivable	—	(55,500)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(245,079)	(922,065)
Other	682	—
Net cash provided by (used in) investing activities	(932,664)	(1,336,546)

		(Thousands of yen)
	Previous fiscal year (September 1, 2022 - August 31, 2023)	Current fiscal year (September 1, 2023 - August 31, 2024)
Cash flows from financing activities		
Proceeds from long-term loans payable	—	1,260,000
Repayments of long-term loans payable	—	(48,292)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	29,221	(2,548)
Proceeds from issuance of share acquisition rights	7,000	240
Proceeds from share issuance to non-controlling shareholders	725,000	414,700
Dividends paid to non-controlling shareholders	—	(4,465)
Net cash provided by (used in) financing activities	761,221	1,619,633
Net increase (decrease) in cash and cash equivalents	(57,213)	911,591
Cash and cash equivalents at beginning of period	3,050,945	2,993,732
Cash and cash equivalents at end of period	2,993,732	3,905,323

(5) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Additional Information)

Not applicable.

(Segment Information, Etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are its components for which separate financial information is available and which are subject to periodic reviews by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Company has established business divisions for each service and formulates comprehensive strategies for the services of each business division as well as developing business activities.

Accordingly, the Company consists of segments for each service based on business divisions, and positions "Marketplace," "Media," and "Agent" as its reportable segments.

"Marketplace" operates "coconala," a marketplace of skills to sell and purchase services based on individual knowledge, skills, and experience.

"Media" operates "coconala Legal Consultation," a search media that can find lawyers suitable for each individual.

"Agent" operates "coconala tech," which connects IT freelancers with outsourcing projects from companies, "coconala Pro," which matches top creators with companies, "coconala Consult," which solves management issues of companies by using high-level human resources, and "coconala Assist," which is a monthly service in which talented assistants support businesses.

(Change in Names of Reportable Segments)

From the current fiscal year, the names of reportable segments have been changed from "Skill Market" to "Marketplace," from "Legal Consultation" to "Media" and from "Tech Agent" to "Agent," respectively. Only the names were changed, and such change will have no impact on segment information.

The names after the change are presented also in the segment information for the previous fiscal year.

2. Explanation of measurements of operating revenue, profit (loss), and other items for each reportable segment

The accounting treatments for the reportable segments are in accordance with the accounting policies adopted in the preparation of consolidated financial statements.

The profit of each reportable segment indicates the figure based on operating profit or operating loss.

3. Disclosure of operating revenue, profit (loss), and other items for each reportable segment, and breakdown of revenue

Fiscal Year Ended August 31, 2023 (September 1, 2022 to August 31, 2023)

(Thousands of yen)

	Reportable segments				Other (Note 1)	Total (Note 2)
	Marketplace	Media	Agent	Total		
Sales						
Goods transferred at a point in time	4,001,347	—	—	4,001,347	—	4,001,347
Goods transferred over a certain period	—	533,021	144,655	677,676	—	677,676
Revenue from contracts with customers	4,001,347	533,021	144,655	4,679,023	—	4,679,023
Other revenue	—	—	—	—	—	—
Revenues from external customers	4,001,347	533,021	144,655	4,679,023	—	4,679,023
Intersegment operating revenue or transfers	—	—	—	—	—	—
Total	4,001,347	533,021	144,655	4,679,023	—	4,679,023
Segment profit (loss)	(66,086)	69,889	(97,962)	(94,159)	(32,228)	(126,388)
Other items						
Depreciation	19,564	5,087	4,662	29,314	—	29,314
Amortization of goodwill	—	—	2,226	2,226	—	2,226
Amortization expense of customer-related assets	—	—	1,900	1,900	—	1,900

(Note) 1. The “Other” category represents business segments that are not included in the reportable segments and includes the investment business.
2. Total amount of segment profit (loss) corresponds to operating loss described in the consolidated statement of income.
3. The amounts of segment assets and liabilities are not indicated as they are not regularly provided to the Company's highest decision-making body and are not subject to review in the determination of allocation of management resources and evaluation of performances.

Fiscal Year Ended August 31, 2024 (September 1, 2023 to August 31, 2024)

(Thousands of yen)

	Reportable segments				Other (Note 1)	Total (Note 2)
	Marketplace	Media	Agent	Total		
Sales						
Goods transferred at a point in time	4,403,867	—	—	4,403,867	—	4,403,867
Goods transferred over a certain period	—	649,852	1,534,993	2,184,845	—	2,184,845
Revenue from contracts with customers	4,403,867	649,852	1,534,993	6,588,712	—	6,588,712
Other revenue	—	—	—	—	—	—
Revenues from external customers	4,403,867	649,852	1,534,993	6,588,712	—	6,588,712
Intersegment operating revenue or transfers	—	—	—	—	—	—
Total	4,403,867	649,852	1,534,993	6,588,712	—	6,588,712
Segment profit (loss)	432,649	158,820	(241,482)	349,987	(45,211)	304,776
Other items						
Depreciation	23,818	3,906	8,784	36,509	—	36,509
Amortization of goodwill	—	—	32,003	32,003	—	32,003
Amortization expense of customer-related assets	—	—	23,792	23,792	—	23,792

(Note) 1. The “Other” category represents business segments that are not included in the reportable segments and includes the investment business.
2. Total amount of segment profit (loss) corresponds to operating profit described in the consolidated statement of income.
3. The amounts of segment assets and liabilities are not indicated as they are not regularly provided to the Company’s highest decision-making body and are not subject to review in the determination of allocation of management resources and evaluation of performances.

4. Description of nature of differences between amounts of reportable segments total and consolidated financial statements

Not applicable.

(Per Share Information)

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Current fiscal year (from September 1, 2023 to August 31, 2024)
Net assets per share	81.65	92.20
Basic earnings (loss) per share	(3.20)	10.21
Diluted earnings per share	―	10.00

(Note) 1. Diluted earnings per share for the previous consolidated fiscal year is not indicated as the Company generated net loss for the period, although there are diluted shares.

2. Basic earnings (loss) per share and the basis of calculating them as well as diluted earnings per share and the basis of calculating them are as follows.

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Current fiscal year (from September 1, 2023 to August 31, 2024)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	(75,899)	243,716
Amount not attributable to common shareholders (Thousands of yen)	―	―
Profit (loss) attributable to owners of parent for common shares (Thousands of yen)	(75,899)	243,716
Average number of common shares during the period (Shares)	23,744,925	23,871,886
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (Thousands of yen)	―	―
Increase in common shares (Shares)	―	508,558
Overview of shares not included in the calculation of diluted earnings per share as they have no dilutive effect	Three types of share acquisition rights (number of share acquisition rights: 13,993 (1,399,300 common shares))	Three types of share acquisition rights (number of share acquisition rights: 13,968 (1,396,800 common shares))

(Significant Subsequent Events)

Not applicable.