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August 14, 2024

Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (Under Japanese GAAP)

Company name: Bleach, Inc.
Listing: Tokyo Stock Exchange
Securities code: 9162
URL: http://bleach.co.jp (in Japanese)
Representative: Keisuke Odaira, President and CEO
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Telephone: +81-3-6265-8346
Scheduled date of annual general meeting of shareholders: September 27, 2024
Scheduled date to commence dividend payments: –
Scheduled date to file annual securities report: September 30, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Non-consolidated financial results for the fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	13,806	(15.7)	(367)	–	(429)	–	(554)	–
June 30, 2023	16,377	12.1	2,173	111.6	2,147	114.2	1,465	135.6

	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	Yen	Yen	%	%	%
June 30, 2024	(21.85)	–	(8.9)	(4.0)	(2.7)
June 30, 2023	73.07	–	58.5	29.5	13.3

Notes: 1. Diluted earnings per share of the previous fiscal year is not provided because, although there are potential shares, the average share price during the period cannot be obtained because the shares of Bleach, Inc. (the "Company") were unlisted.

2. Diluted earnings per share of the current fiscal year is not provided because, although there are potential shares, basic loss per share was recorded.

3. The Company conducted a 100-for-1 share split of common shares on March 23, 2023 in accordance with a resolution at the Board of Directors' meeting held on March 22, 2023, but basic earnings per share is calculated on the assumption that the share split was conducted 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
June 30, 2024	12,900	9,233	71.6	362.36
June 30, 2023	8,573	3,251	37.9	162.02

Reference: Equity
As of June 30, 2024: ¥9,232 million
As of June 30, 2023: ¥3,248 million

Note: The Company conducted a 100-for-1 share split of common shares on March 23, 2023 in accordance with a resolution at the Board of Directors' meeting held on March 22, 2023, but net assets per share is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

(3) Non-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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2024	(1,858)	(191)	5,789	9,628
June 30, 2023	2,259	111	879	5,889

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2023	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ended June 30, 2024	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending June 30, 2025 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Non-consolidated earnings forecasts for the fiscal year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

The non-consolidated earnings forecast for the fiscal year ending June 30, 2025 has not yet been determined, as it is difficult to calculate a reasonable earnings forecast at the present time. The earnings forecast will be promptly disclosed when it becomes possible to do so. Please refer to "1. Overview of operating results and others (4) Future outlook" for the corresponding reason.

*** Notes**

(1) 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 due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(2) Number of issued shares (common shares)

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

As of June 30, 2024	25,479,200 shares
As of June 30, 2023	20,050,000 shares

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

As of June 30, 2024	–
As of June 30, 2023	–

(iii) Average number of shares outstanding during the period

Fiscal year ended June 30, 2024	25,381,158 shares
Fiscal year ended June 30, 2023	20,050,000 shares

Note: The Company conducted a 100-for-1 share split of common shares on March 23, 2023 in accordance with a resolution at the Board of Directors' meeting held on March 22, 2023, but the "total number of issued shares at the end of the period (including treasury shares)" and the "average number of shares outstanding during the period" are calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

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

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Results may differ materially from the forecasts due to various factors. Please refer to "1. Overview of operating results and others" on page 2 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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1. Overview of operating results and others

Forward-looking statements in this document are based on our views as of the end of the fiscal year ended June 30, 2024.

(1) Overview of operating results for the fiscal year

During the fiscal year ended June 30, 2024, the Japanese economy remained uncertain due to the prolonged instability in Ukraine, soaring raw material prices, and the yen's depreciation, however, a macroeconomic recovery is expected due to the resumption of economic activities following the end of COVID-19 and the effects of various policies such as measures to counter high prices.

Under these circumstances, Bleach, Inc. (the "Company") worked to expand its product categories and marketing methods, and to acquire new clients in response to the continued expansion of the online BtoC market and the online advertising market, as well as the growing demand for its unique business model. In addition, in order to implement these measures, the Company strengthened its recruitment and training of human resources, mainly marketers, and expanded the scale of its business.

However, ROAS (return on advertising spend) for existing products has deteriorated as the product life cycle reaches the later stage as well as the changes in sales strategies by some customers and the rule changes in some advertising media. In addition, for medium- to long-term growth, the Company is focusing on expanding new products and new genres aiming to transform the product portfolio, and although this initiative is making steady progress, it is taking longer than expected for the effects of those marketing measures to emerge and contribute to earnings. In addition, the scandal at a major pharmaceutical manufacturer has caused a decline in consumer sentiment toward foods with functional claims and health foods, and this has had an impact on some of the products handled by the Company.

As a result, operating results for the current fiscal year were net sales of ¥13,806,783 thousand (down 15.7% year on year), operating loss of ¥367,956 thousand (operating profit of ¥2,173,412 thousand in the same period of the previous fiscal year), ordinary loss of ¥429,693 thousand (ordinary profit of ¥2,147,928 thousand in the same period of the previous fiscal year), and loss of ¥554,543 thousand (profit of ¥1,465,026 thousand in the same period of the previous fiscal year).

Segment information is not presented because the Company operates a single segment of "sharing-type integrated marketing business."

(2) Overview of financial position for the fiscal year

Assets

Total assets at the end of the current fiscal year were ¥12,900,894 thousand, an increase of ¥4,327,665 thousand from the end of the previous fiscal year. This was primarily due to increases of ¥3,740,249 thousand in cash and deposits, and ¥386,095 thousand in accounts receivable - other.

Liabilities

Total liabilities at the end of the current fiscal year were ¥3,667,631 thousand, a decrease of ¥1,654,157 thousand from the end of the previous fiscal year. This was primarily due to decreases of ¥720,000 thousand in long-term borrowings and ¥510,632 thousand in income taxes payable.

Net assets

Total net assets at the end of the current fiscal year were ¥9,233,262 thousand, an increase of ¥5,981,823 thousand from the end of the previous fiscal year. This was primarily due to increases of ¥3,275,642 thousand in share capital and ¥3,275,642 thousand in capital surplus.

(3) Overview of cash flows for the fiscal year

Cash and cash equivalents ("cash") at the end of the current fiscal year were ¥9,628,509 thousand, an increase of ¥3,739,149 thousand from the end of the previous fiscal year.

The respective cash flow positions and the factors thereof in the current fiscal year are as follows.

Cash flows from operating activities

Net cash used in operating activities was ¥1,858,366 thousand (¥2,259,281 thousand provided in the previous fiscal year). The main breakdown was the recording of loss before income taxes of ¥427,460 thousand, an increase in trade receivables of ¥66,553 thousand, an increase in advance payments to suppliers of ¥67,556 thousand, a decrease in accounts payable - trade of ¥108,103 thousand, a decrease in accounts payable - other of ¥144,108 thousand, a decrease in accrued consumption taxes of ¥189,329 thousand, and income taxes paid of ¥862,007 thousand.

Cash flows from investing activities

Net cash used in investing activities was ¥191,721 thousand (¥111,309 thousand provided in the previous fiscal year). The main breakdown was purchase of investment securities of ¥16,709 thousand, purchase of property, plant and equipment of ¥12,328 thousand, purchase of intangible assets of ¥93,746 thousand, and payments of leasehold deposits of ¥78,598 thousand.

Cash flows from financing activities

Net cash provided by financing activities totaled ¥5,789,238 thousand (¥879,377 thousand provided in the previous fiscal year). The main breakdown was proceeds from issuance of shares of ¥6,551,276 thousand, repayments of long-term borrowings of ¥720,000 thousand, and payments of listing expenses of ¥42,038 thousand.

(4) Future outlook

In addition to developing new products and genres, the Company will focus on upstream consulting such as product planning, develop new advertising media, and expand marketing methods to expand the product portfolio and increase the number of core products(*) that will become the mainstay of the Company's earnings in order to achieve continuous earnings growth. In addition, the Company will aim to strengthen the marketing support system by investing in human resources and IT, and form a new business portfolio through business alliances and M&A to strengthen the business foundation for stable and continuous growth.

However, the Company has decided not to disclose its non-consolidated earnings forecast for the fiscal year ending June 30, 2025 at the present time for the following reasons.

The external business environment surrounding the Company is becoming increasingly difficult and uncertain due to revisions in advertising-related laws and regulations, changes in rules for some advertising media, fluctuations in Internet advertising unit prices, and a decline in consumer sentiment in foods with functional claims and health foods as a whole due to the scandal involving a major pharmaceutical manufacturer.

In addition, the Company is focusing on expanding new products and aiming to transform its product portfolio to achieve medium- to long-term growth. The Company expects that earnings will grow in the future as many new products become core products. However, it is taking longer than expected to launch new products, and it is difficult to reasonably forecast the timing and degree to which these new products will contribute to the Company's earnings.

(*) Core products are defined as products (products and services of client companies that the Company supports) with average monthly revenue share (the Company's net sales) of at least ¥10 million.

2. Basic rationale for selection of accounting standards

Since the Company does not prepare consolidated financial statements, the financial statements are prepared in accordance with Japanese GAAP, taking into consideration the burden, etc. of establishing a system for preparing financial statements in accordance with international accounting standards.

3. Financial statements and significant notes thereto

(1) Balance sheet

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,902,361	9,642,611
Accounts receivable - trade	1,371,486	1,438,040
Advance payments to suppliers	863,234	930,790
Prepaid expenses	57,289	89,361
Accounts receivable - other	14,233	793
Income taxes refund receivable	–	311,536
Consumption taxes refund receivable	–	87,999
Other	10	–
Total current assets	8,208,614	12,501,132
Non-current assets		
Property, plant and equipment		
Buildings	105,514	105,514
Vehicles	5,636	5,636
Tools, furniture and fixtures	66,493	78,822
Accumulated depreciation	(58,492)	(87,365)
Total property, plant and equipment	119,152	102,607
Intangible assets		
Software	–	5,670
Software in progress	–	86,658
Total intangible assets	–	92,328
Investments and other assets		
Investment securities	72,353	66,267
Investments in capital	10	20
Leasehold deposits	64,832	137,657
Long-term prepaid expenses	1,319	880
Deferred tax assets	106,945	–
Total investments and other assets	245,461	204,825
Total non-current assets	364,614	399,761
Total assets	8,573,228	12,900,894

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	666,912	558,808
Current portion of long-term borrowings	720,000	720,000
Accounts payable - other	518,442	374,334
Accrued expenses	134,184	131,433
Income taxes payable	514,167	3,535
Accrued consumption taxes	189,329	–
Deposits received	16,752	14,750
Provision for bonuses	42,000	53,544
Total current liabilities	2,801,789	1,856,406
Non-current liabilities		
Long-term borrowings	2,520,000	1,800,000
Deferred tax liabilities	–	11,225
Total non-current liabilities	2,520,000	1,811,225
Total liabilities	5,321,789	3,667,631
Net assets		
Shareholders' equity		
Share capital	100,000	3,375,642
Capital surplus		
Legal capital surplus	12,500	3,288,142
Other capital surplus	12,500	12,500
Total capital surplus	25,000	3,300,642
Retained earnings		
Other retained earnings		
Retained earnings brought forward	3,086,550	2,532,007
Total retained earnings	3,086,550	2,532,007
Total shareholders' equity	3,211,550	9,208,293
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	37,016	24,402
Total valuation and translation adjustments	37,016	24,402
Share acquisition rights	2,872	566
Total net assets	3,251,439	9,233,262
Total liabilities and net assets	8,573,228	12,900,894

(2) Statement of income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	16,377,050	13,806,783
Cost of sales	12,976,802	12,410,039
Gross profit	3,400,247	1,396,743
Selling, general and administrative expenses	1,226,835	1,764,700
Operating profit (loss)	2,173,412	(367,956)
Non-operating income		
Interest income	32	103
Gain on investments in capital	245	3,983
Surrender value of insurance policies	54,121	1,794
Miscellaneous income	732	1,123
Total non-operating income	55,132	7,004
Non-operating expenses		
Interest expenses	19,929	25,602
Interest expenses on bonds	2,306	–
Loss on redemption of bonds	2,565	–
Listing expenses	23,924	42,038
Commission for syndicated loans	31,891	1,100
Total non-operating expenses	80,616	68,741
Ordinary profit (loss)	2,147,928	(429,693)
Extraordinary income		
Gain on reversal of share acquisition rights	–	2,297
Total extraordinary income	–	2,297
Extraordinary losses		
Loss on retirement of non-current assets	822	–
Loss on valuation of investment securities	38,267	63
Total extraordinary losses	39,089	63
Profit (loss) before income taxes	2,108,838	(427,460)
Income taxes - current	700,999	3,800
Income taxes - deferred	(57,187)	123,282
Total income taxes	643,811	127,082
Profit (loss)	1,465,026	(554,543)

Detailed schedule of cost of sales

		Fiscal year ended June 30, 2023		Fiscal year ended June 30, 2024	
Category	Note no.	Amount (Thousands of yen)	Composition (%)	Amount (Thousands of yen)	Composition (%)
I. Advertising expenses		12,226,363	94.2	11,498,556	92.7
II. Outsourcing expenses		267,041	2.1	400,507	3.2
III. Personnel expenses		413,476	3.2	465,555	3.8
IV. Expenses		69,921	0.5	45,420	0.3
Total cost of sales		12,976,802	100.0	12,410,039	100.0

Cost accounting method

The Company calculates cost of sales based on the job-order cost system using actual costs.

(3) Statement of changes in equity

Fiscal year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	112,500	12,500	–	12,500	1,621,524	1,621,524
Changes during period						
Transfer from share capital to other capital surplus	(12,500)	–	12,500	12,500	–	–
Profit (loss)	–	–	–	–	1,465,026	1,465,026
Net changes in items other than shareholders' equity	–	–	–	–	–	–
Total changes during period	(12,500)	–	12,500	12,500	1,465,026	1,465,026
Balance at end of period	100,000	12,500	12,500	25,000	3,086,550	3,086,550

	Shareholders' equity	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	1,746,524	11,577	11,577	1,678	1,759,779
Changes during period					
Transfer from share capital to other capital surplus	–	–	–	–	–
Profit (loss)	1,465,026	–	–	–	1,465,026
Net changes in items other than shareholders' equity	–	25,438	25,438	1,193	26,632
Total changes during period	1,465,026	25,438	25,438	1,193	1,491,659
Balance at end of period	3,211,550	37,016	37,016	2,872	3,251,439

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	100,000	12,500	12,500	25,000	3,086,550	3,086,550
Changes during period						
Issuance of new shares	3,275,642	3,275,642	–	3,275,642	–	–
Profit (loss)	–	–	–	–	(554,543)	(554,543)
Net changes in items other than shareholders' equity	–	–	–	–	–	–
Total changes during period	3,275,642	3,275,642	–	3,275,642	(554,543)	(554,543)
Balance at end of period	3,375,642	3,288,142	12,500	3,300,642	2,532,007	2,532,007

	Shareholders' equity	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	3,211,550	37,016	37,016	2,872	3,251,439
Changes during period					
Issuance of new shares	6,551,285	–	–	–	6,551,285
Profit (loss)	(554,543)	–	–	–	(554,543)
Net changes in items other than shareholders' equity	–	(12,613)	(12,613)	(2,305)	(14,919)
Total changes during period	5,996,742	(12,613)	(12,613)	(2,305)	5,981,823
Balance at end of period	9,208,293	24,402	24,402	566	9,233,262

(4) Statement of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	2,108,838	(427,460)
Depreciation and amortization	33,215	36,504
Loss on retirement of non-current assets	822	–
Interest and dividend income	(32)	(103)
Interest expenses on borrowings and bonds	22,235	25,602
Loss (gain) on valuation of investment securities	38,267	63
Loss on redemption of bonds	2,565	–
Gain on reversal of share acquisition rights	–	(2,297)
Listing expenses	23,924	42,038
Commission for syndicated loans	31,891	1,100
Loss (gain) on investments in capital	(245)	(3,983)
Loss (gain) on cancellation of insurance policies	(54,121)	(1,794)
Decrease (increase) in trade receivables	390,922	(66,553)
Decrease (increase) in advance payments to suppliers	225,865	(67,556)
Decrease (increase) in business guarantee deposits	37,000	–
Increase (decrease) in accounts payable - trade	(192,898)	(108,103)
Increase (decrease) in accounts payable - other	122,694	(144,108)
Increase (decrease) in accrued expenses	(185,477)	(3,184)
Increase (decrease) in accrued consumption taxes	137,157	(189,329)
Increase (decrease) in provision for bonuses	1,459	11,544
Decrease (increase) in consumption taxes refund receivable	–	(87,999)
Other, net	(46,425)	14,325
Subtotal	2,697,659	(971,293)
Interest received	32	102
Dividends received	0	0
Interest paid	(19,957)	(25,169)
Income taxes paid	(418,452)	(862,007)
Net cash provided by (used in) operating activities	2,259,281	(1,858,366)
Cash flows from investing activities		
Payments into time deposits	(1,200)	(1,100)
Proceeds from withdrawal of time deposits	55,000	–
Purchase of investment securities	(20,000)	(16,709)
Purchase of property, plant and equipment	(35,376)	(12,328)
Purchase of intangible assets	–	(93,746)
Payments of leasehold deposits	(3,200)	(78,598)
Proceeds from return of leasehold deposits	5,205	–
Purchase of insurance funds	(5,254)	–
Proceeds from cancellation of insurance funds	116,134	–
Proceeds from share of profits on investments in capital	–	8,977
Other, net	–	1,784
Net cash provided by (used in) investing activities	111,309	(191,721)

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(16,660)	–
Proceeds from long-term borrowings	3,567,742	–
Repayments of long-term borrowings	(1,144,333)	(720,000)
Redemption of bonds	(1,528,565)	–
Proceeds from issuance of shares	–	6,551,276
Proceeds from issuance of share acquisition rights	1,193	–
Payments of listing expenses	–	(42,038)
Net cash provided by (used in) financing activities	879,377	5,789,238
Net increase (decrease) in cash and cash equivalents	3,249,968	3,739,149
Cash and cash equivalents at beginning of period	2,639,391	5,889,359
Cash and cash equivalents at end of period	5,889,359	9,628,509

(5) Notes to financial statements

Notes on premise of going concern

Not applicable.

Changes in accounting policies

Not applicable.

Equity in earnings (losses) of affiliates if equity method is applied

Not applicable.

Notes on segment information, etc.

Segment information is omitted because the Company operates a single segment of sharing-type integrated marketing business.

Related information

Fiscal year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

1. Information about products and services

   This information is omitted because sales to external customers for a single product or service category account for more than 90% of net sales in the statement of income.

2. Information about geographical areas

   (1) Net sales

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

   (2) Property, plant and equipment

   Not applicable since the Company has no property, plant and equipment located outside of Japan.

3. Information about main customers

(Thousands of yen)

Name or designation of customer	Net sales
R Corporation	10,273,412

Note: Related segment name is omitted because the Company operates a single segment of sharing-type integrated marketing business.

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

1. Information about products and services

   This information is omitted because sales to external customers for a single product or service category account for more than 90% of net sales in the statement of income.

2. Information about geographical areas

   (1) Net sales

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

   (2) Property, plant and equipment

   Not applicable since the Company has no property, plant and equipment located outside of Japan.

3. Information about main customers

(Thousands of yen)

Name or designation of customer	Net sales
R Corporation	6,513,750

Note: Related segment name is omitted because the Company operates a single segment of sharing-type integrated marketing business.

Information about impairment loss of non-current assets by reportable segment

Not applicable.

Information about amortization and unamortized balance of goodwill by reportable segment

Not applicable.

Information about gain on bargain purchase by reportable segment

Not applicable.

Per share information

(Yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net assets per share	162.02	362.36
Basic earnings (loss) per share	73.07	(21.85)

Notes: 1. Diluted earnings per share of the previous fiscal year is not provided because, although there are potential shares, the average share price during the period cannot be obtained because the shares of the Company were unlisted.

2. Diluted earnings per share of the current fiscal year is not provided because, although there are potential shares, basic loss per share was recorded.

3. The Company conducted a 100-for-1 share split of common shares on March 23, 2023 in accordance with a resolution at the Board of Directors' meeting held on March 22, 2023, but net assets per share and basic earnings per share are calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

4. The basis for calculating profit (loss) per share is as follows.

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Profit (loss) (Thousands of yen)	1,465,026	(554,543)
Profit not attributable to common shareholders (Thousands of yen)	–	–
Profit (loss) attributable to common shares (Thousands of yen)	1,465,026	(554,543)
Average number of common shares outstanding during the period (Shares)	20,050,000	25,381,158
Summary of potential shares not included in the calculation of diluted earnings per share because of lack of dilutive effects	10 classes of share acquisition rights (Number of the share acquisition rights: 21,005) (Number of shares underlying share acquisition rights: 2,100,500)	6th series of share acquisition rights by resolution of the Extraordinary General Meeting of Shareholders held on June 29, 2022 Number of the share acquisition rights: 602 (Common shares: 60,200 shares) 7th series of share acquisition rights by resolution of the Extraordinary General Meeting of Shareholders held on June 29, 2022 Number of the share acquisition rights: 1,003 (Common shares: 100,300 shares) Expired on July 14, 2023 8th series of share acquisition rights by resolution of the Ordinary General Meeting of Shareholders held on September 29, 2022 Number of the share acquisition rights: 623 (Common shares: 62,300 shares) Expired on July 14, 2023 9th series of share acquisition rights by resolution of the Extraordinary General Meeting of Shareholders held on March 10, 2023 Number of the share acquisition rights: 1,286 (Common shares: 128,600 shares) Expired on July 5, 2023 10th series of share acquisition rights by resolution of the Extraordinary General Meeting of Shareholders held on March 10, 2023 Number of the share acquisition rights: 602 (Common shares: 60,200 shares) Expired on July 5, 2023

Subsequent events

Not applicable.