Financial Results for the Fiscal Year Ended August 31, 2023
[Japanese GAAP] (Consolidated)

October 13, 2023

- Listed company name: The Last One Mile, Co., Ltd.
- Stock Exchange Listing:Tokyo
- Code No. 9252
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- Date of the Annual General Meeting of Shareholders: November 28, 2023
- Date of dividend payment commencement: -
- Date of securities report (Yuho) filing: November 29, 2023
- Preparation of supplementary materials for financial results: Yes
- Holding of financial results briefing: Yes (for institutional and individual investors)

(Amounts are rounded down to nearest million yen)

1. Consolidated Financial Results for the FY2023 (September 1, 2022 - August 31, 2023)

(1) Consolidated operating results

(Percentages represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2023	9,426	—	198	—	243	—	326	—
FY2022	6,544	—	△32	—	△30	—	△54	—

(Note) Comprehensive income: FY2023 326 ¥ million (-%) FY2022: (54) ¥ million (-%)

	Net income per share(basic)	Net income per share (diluted)	Ratio of net income to shareholders' equity	Ratio of Ordinary Income to Total Assets	Operating income to net sales
	¥	¥	%	%	%
FY2023	121.44	114.51	25.4	7.6	2.1
FY2022	△20.20	—	△4.6	△1.0	△0.5

(Reference) Equity in earnings (losses) of affiliates: FY2023 - ¥ million FY2022 - ¥ million

(Note) In FY2022, the Group changed its fiscal year-end from November 30 to August 31. Since it is a transitional period for the change, percentage change between FY2022 (ending August 31, 2022) and FY2023 (ending August 31, 2023) is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2023	3,350	1,475	43.2	534.84
FY2022	3,023	1,119	37.0	417.39

(Reference) Shareholders' equity: 1,448 ¥ million as of August 2023 1,119 ¥ million as of August 2022

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents as of term-end
	¥ million	¥ million	¥ million	¥ million
FY2023	385	△245	13	1,264
FY2022	△284	69	83	1,110

2. Dividends

	Dividends per share					Dividends (annual)	Payout ratio	Dividends over net assets
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2022	—	0.00	—	0.00	0.00	—	—	—
FY2023	—	0.00	—	0.00	0.00	—	—	—
FY2024 (forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of Consolidated Financial Results for FY0204
(Percentages represent changes from the previous year.)

(Percentages represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share(basic)
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	10,100	7.1	300	51.4	293	20.5	192	△41.0	69.14

*Notes

(1) Changes in principal subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: -,

Excluded: 2 companies (Company name: Marutto Change Co., Ltd., IT Support Co., Ltd.)

In FY2023, Marutto Change Co., Ltd. and IT Support Co., Ltd. which were consolidated subsidiaries of the Company, were excluded from the scope of consolidation because they were dissolved in an absorption-type merger with the Company as the surviving company.

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

(i) Changes in accounting policies due to revision of accounting standards: Yes

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Correction and restatement: No

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares outstanding at the term-end (including treasury stock): August 2023: 2,798,418 shares August 2022: 2,743,118 shares

(ii) Number of treasury stock at the term-end: August 31, 2023: 90,072 shares August 31, 2022: 60,000 shares

(iii) Average number of shares outstanding during the year ended August 31, 2023: 2,690,002 shares; August 31, 2022: 2,696,580 shares.

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for FY2023 (September 1, 2022 - August 31, 2023)

（1）Non-Consolidated Financial

(Percentages represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2023	8,884	—	80	—	202	—	97	—
FY2022	3,532	—	69	—	69	—	43	—

	Net income per share(basic)	Net income per share (diluted)
	¥	¥
FY2023	36.17	34.10
FY2022	16.17	15.72

(Note) In FY2022, the Group changed its fiscal year-end from November 30 to August 31. Since it is a transitional period for the change, percentage change between FY2022 (ending August 31, 2022) and FY2023 (ending August 31, 2023) is not shown.

（2）Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2023	3,041	1,262	40.6	456.20
FY2022	2,462	1,136	46.2	423.51

(Reference) Shareholders' equity: ¥ 1,235 million as of August 2023, ¥ 1,136 million as of August 2022

*Financial statements are not subject to audit by a certified public accountant or auditing firm.

*Explanation regarding the appropriate use of earnings forecasts

1. The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Please refer to "1. Overview of Business Results (4) Outlook for the Future" on page 6 of the attached materials for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.
2. We aim to increase the corporate value of the group of Last One Mile Co., Ltd. as a whole; therefore, we have omitted a non-consolidated forecast for FY2024.

(About the financial results briefing)

The Company plans to hold a financial results presentation (on-site and online) for institutional and individual investors on October 19, 2023.

The video of the presentation will be distributed at a later date via our website, YouTube channel, and X (former Twitter).

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1. Overview of Business Results, etc.

Forward-looking statements in the text are based on the judgment of the Group as of the end of the current consolidated fiscal year.

In FY2022, the Group changed its fiscal year end from November 30 to August 31. As a result, there is no prior-year comparable fiscal year corresponding to the current fiscal year (September 1, 2022 to August 31, 2023), so comparisons with the prior-year are not made.

(1) Summary of Business Results for the Current Period

During the consolidated fiscal year under review, the Japanese economy showed signs of a pickup toward normalization of economic activities as the impact of the new coronavirus infection (COVID-19) subsided and society moved into a new phase. However, the outlook remains uncertain due to the prolonged uncertainty of the international situation, rising prices, and the effects of supply-side constraints.

Our group has been working to strengthen existing businesses and establish a new foundation for growth by establishing a sales policy of building a new market (blue ocean) and exclusively selling all kinds of products by considering sales methods that do not yet exist in the world, regardless of industry type or business category.

In this environment, our consolidated business results for the current fiscal year were as follows: net sales of ¥ 9,426,815 thousand, operating income of ¥ 198,168 thousand, ordinary income of ¥ 243,161 thousand, and net income attributable to shareholders of the parent company of ¥ 326,678 thousand. As the Group consists of a single segment of last one mile business, segment information has been omitted.

(2) Summary of Financial Position

(Assets)

Total assets at the end of the current fiscal year amounted to ¥ 3,350,010 thousand, an increase of ¥ 326,209 thousand from the previous fiscal year.

The main factors were ¥ 153,802 thousand increase in cash and deposits, ¥ 160,526 thousand increase in long-term loans receivable, and a ¥ 100,767 thousand increase in deferred tax assets, while accounts receivable decreased ¥ 24,836 thousand, goodwill decreased ¥ 22,217 thousand, customer-related assets decreased ¥ 20,253 thousand, and security deposits and guarantee money decreased ¥ 24,032 thousand.

(Liabilities)

Total liabilities at the end of the current fiscal year amounted to ¥ 1,874,461 thousand, a decrease of ¥ 29,428 thousand from the previous fiscal year. The main factors were a decrease of ¥ 88,948 thousand in accounts payable-other, ¥ 145,000 thousand in short-term loans payable, ¥ 11,529 thousand in refundable liabilities, and ¥ 13,209 thousand in income taxes payable, while current portion of long-term loans payable increased ¥ 83,105 thousand, long-term loans payable increased ¥ 69,173 thousand, accrued expenses increased ¥ 72,449 thousand.

(Net assets)

Total net assets as of the end of the current year amounted to ¥ 1,475,548 thousand, an increase of ¥ 355,637 thousand from the previous year. The main factors were ¥ 326,678 thousand increase in retained earnings due to the posting of net income attributable to owners of parent company, ¥ 13,421 thousand increase in capital stock and capital surplus, respectively, and ¥ 27,021 thousand increase in stock acquisition rights, while treasury stock increased by ¥ 24,905 thousand.

(3) Summary of cash flows for the period

Cash and cash equivalents (hereinafter referred to as "funds") in the current fiscal year increased by ¥ 153,803 thousand from the end of the previous year to ¥ 1,264,655 thousand. The status of each cash flow and their factors during the current fiscal year are as follows.

(Cashflow from operating activities)

Net cash provided by operating activities in the current consolidated fiscal year amounted to ¥ 385,976 thousand, mainly due to income before income taxes and minority interests of ¥ 239,488 thousand, depreciation of ¥ 55,489 thousand, decrease of ¥ 24,836 thousand in trade receivables, increase of ¥ 72,449 thousand in accrued expenses, and decrease of ¥ 91,422 thousand in accounts payable-other.

(Cashflow from investing activities)

Net cash used in investing activities in the current consolidated fiscal year was ¥ 245,884 thousand, mainly due to purchase of property, plant and equipment of ¥ 33,095 thousand, purchase of investment securities of ¥ 63,027 thousand, long-term loans receivable of ¥ 200,000 thousand, and proceeds from collection of security deposit and guarantee money of ¥ 26,850 thousand.

(Cashflow from financing activities)

Net cash provided by financing activities in the current consolidated fiscal year amounted to ¥ 13,711 thousand, mainly due to proceeds from long-term loans payable of ¥ 450,000 thousand, proceeds from stock issuance of ¥ 26,843 thousand, repayment of long-term loans payable of ¥ 297,722 thousand, and decrease in short-term loans payable of ¥ 145,000 thousand.

(4) Future outlook

During the consolidated fiscal year under review, the Japanese economy showed signs of a pickup toward normalization of economic activities as the impact of the new coronavirus infection (COVID-19) subsided and society moved into a new phase. However, the outlook remains uncertain due to prolonged international instability, rising prices, and the effects of supply-side constraints.

For the fiscal year ending August 31, 2024, we forecast consolidated net sales of ¥ 10,100 million (up 7.1% year-on-year), consolidated operating income of ¥ 300 million (up 51.4%), consolidated ordinary income of ¥ 293 million (up 20.5%), and net income attributable to owners of the parent of ¥ 192 million (down 41.0%).

In order to improve the international comparability of financial information in the capital markets, the Company will voluntarily adopt International Financial Reporting Standards ("IFRS") for its consolidated financial statements from FY2024, in place of Japanese GAAP, and will disclose and announce earnings forecasts in accordance with IFRS from the first quarter of FY2024.

2. Basic approach to the selection of accounting standards

The Group plans to adopt IFRS on a voluntary basis from the first quarter of FY2024 in order to improve the international comparability of financial information in the capital markets and for other purposes.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Unit: thousand yen)

	Previous consolidated fiscal year (August 31, 2022)	Current fiscal year (August 31, 2023)
Assets		
Current assets		
Cash and deposits	1,140,854	1,294,656
Trade receivables	1,340,651	1,315,814
Merchandise	9,458	11,304
Supplies	5,238	3,397
Other	184,581	155,888
Allowance for doubtful accounts	(27,778)	(40,688)
Total current assets	2,653,005	2,740,373
Fixed assets		
Property, plant and equipment		
Buildings and accompanying facilities	84,386	80,473
Other	46,053	53,278
Accumulated depreciation	(62,887)	(57,434)
Total property, plant and equipment	67,552	76,318
Intangible fixed assets		
Goodwill	36,319	14,101
Customer-related assets	112,229	91,976
Other	8,076	5,277
Total intangible assets	156,625	111,355
Investments and other assets		
Investment securities	—	63,846
Security deposit and guarantee money	89,519	65,486
Long-term loans receivable	—	160,526
Deferred tax assets	26,972	127,739
Other	52,698	6,517
Allowance for doubtful accounts	(22,571)	(2,151)
Total investments and other assets	146,617	421,964
Total fixed assets	370,796	609,637
Total assets	3,023,801	3,350,010

(Unit: thousand yen)

	Previous consolidated fiscal year (August 31, 2022)	Current fiscal year (August 31, 2023)
Liabilities		
Current liabilities		
Short-term loans payable	200,000	55,000
Current portion of long-term debt	191,642	274,747
Accounts payable	790,639	701,690
Accrued expenses	116,275	188,724
Income taxes payable	25,265	12,055
Accrued consumption taxes	16,125	21,440
Asset retirement obligations	4,794	—
Refund liabilities	165,936	154,406
Other	38,822	38,612
Total current liabilities	1,549,500	1,446,678
Fixed liabilities		
Long-term debt	334,510	403,683
Asset retirement obligations	19,879	24,100
Total long-term liabilities	354,389	427,783
Total liabilities	1,903,890	1,874,461
Total net assets		
Capital stock		
Capital stock	340,594	354,015
Capital surplus	315,377	328,798
Retained earnings	530,383	857,061
Treasury stock	(66,443)	(91,349)
Total shareholders' equity	1,119,911	1,448,527
Stock acquisition rights	—	27,021
Total net assets	1,119,911	1,475,548
Total liabilities and net assets	3,023,801	3,350,010

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Incom

(Unit: thousand yen)

	Previous fiscal year (Dec. 1, 2021 - Aug. 31, 2022)	Current fiscal year (Sep. 1, 2022 - Aug. 31, 2023)
Net sales	6,544,460	9,426,815
Cost of sales	2,573,068	3,463,964
Gross profit	3,971,391	5,962,851
Selling, general and administrative expenses	4,003,653	5,764,683
Operating income (loss)	(32,261)	198,168
Non-operating income		
Interest income	10	579
Gain on recovered debts	—	29,788
Insurance surrender value	—	13,891
Other	5,668	7,864
Total non-operating income	5,679	52,124
Non-operating expenses		
Interest expense	3,487	7,130
Total non-operating expenses	3,487	7,130
Ordinary income (loss)	(30,070)	243,161
Extraordinary income		
Gain on sales of fixed assets	—	50
Total extraordinary income	—	50
Extraordinary loss		
Loss on sales and disposal of fixed assets	3,853	3,724
Total extraordinary loss	3,853	3,724
Income (loss) before income taxes and minority interests	(33,923)	239,488
Corporate, inhabitant and enterprise taxes	33,625	13,577
Income taxes-deferred	(13,079)	(100,767)
Total income taxes	20,545	(87,190)
Net income (loss)	(54,468)	326,678
Net income attributable to owners of the parent or Net loss attributable to	(54,468)	326,678

Consolidated Statements of Comprehensive Income

(Unit: ¥ thousand)

	Previous fiscal year (Dec. 1, 2021 - Aug. 31, 2022)	Current Fiscal Year (Sep. 1, 2022 - Aug. 31, 2023)
Net income (loss)	(54,468)	326,678
Comprehensive income	(54,468)	326,678
(Breakdown)		
Comprehensive income attributable to owners of the parent	(54,468)	326,678

(3) Consolidated Statement of Changes in Net Assets

Previous fiscal year (December 1, 2021 to August 31, 2022)

(Unit: ¥ thousand)

	Shareholder's equity					Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	
Balance at beginning of period	338,684	313,467	584,852	－	1,237,004	1,237,004
Changes during the period						
Issuance of new shares	1,909	1,909			3,818	3,818
Net income (loss) attributable to owners of the parent			(54,468)		(54,468)	(54,468)
Acquisition of treasury stock				(66,443)	(66,443)	(66,443)
Total changes during the period	1,909	1,909	(54,468)	(66,443)	(117,093)	(117,093)
Balance at the end of current period	340,594	315,377	530,383	(66,443)	1,119,911	1,119,911

Current fiscal year (September 1, 2022 to August 31, 2023)

(Unit: ¥ thousand)

	Capital stock					Stock acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity		
Balance at beginning of period	340,594	315,377	530,383	(66,443)	1,119,911	－	1,119,911
Changes during the period							
Issuance of new shares	13,421	13,421			26,843		26,843
Net income (loss) attributable to owners of the parent			326,678		326,678		326,678
Acquisition of treasury stock				(24,905)	(24,905)		(24,905)
Net changes other than shareholders' equity						27,021	27,021
Total changes during the period	13,421	13,421	326,678	(24,905)	328,615	27,021	355,637
Balance at the end of current period	354,015	328,798	857,061	(91,349)	1,448,527	27,021	1,475,548

(4) Consolidated Statements of Cash Flows

(Unit: thousand yen)

	Previous fiscal year (Dec. 1, 2021 - Aug. 31, 2022)	Current Fiscal Year (Sep. 1, 2022 - Aug. 31, 2023)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(33,923)	239,488
Depreciation and amortization	31,154	55,489
Amortization of goodwill	15,391	22,217
Stock compensation expense	—	11,495
Increase (decrease) in allowance for doubtful accounts	30,458	(7,510)
Interest and dividend income	(10)	(579)
Interest expense	3,487	7,130
Decrease (increase) in trade receivables	(236,861)	24,836
Decrease (increase) in inventories	3,469	(4)
Loss on sales and disposal of fixed assets	3,853	3,724
Surrender value of insurance	—	(13,891)
Decrease (increase) in prepaid expenses	(9,535)	40,188
Increase (decrease) in account payables	72,109	(91,422)
Increase (decrease) in accrued expenses	(21,293)	72,449
Increase (decrease) in accrued consumption taxes	(47,159)	5,315
Increase (decrease) in refund liabilities	84,476	(11,529)
Other	(43,116)	42,195
Subtotal	(147,500)	399,592
Interest and dividends received	10	469
Interest expenses paid	(3,605)	(7,079)
Income taxes paid	(133,301)	(44,444)
Refund of income taxes	—	37,438
Cash flows from operating activities	(284,395)	385,976
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,160)	(33,095)
Payments for purchase of intangible fixed assets	—	(605)
Payments for fulfillment of asset retirement obligations	(989)	(7,890)
Payments for purchase of investment securities	—	(63,027)
Net decrease (increase) in short-term loans receivable	—	(1,000)
Payments for long-term loans	—	(200,000)
Payment for lease and guarantee deposits	(3,950)	(2,480)
Proceeds from collection of lease and guarantee deposits	9,182	26,850
Proceeds from collection of investments	—	5,591
Proceeds from cancellation of insurance reserve	—	29,705
Proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation	66,816	—
Other	—	64
Cash flows from investing activities	69,898	(245,884)

(Unit: thousand yen)

	Previous fiscal year (Dec. 1, 2021 - Aug. 31, 2022)	Current Fiscal Year (Sep. 1, 2022 - Aug. 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(25,000)	(145,000)
Proceeds from long-term debt	300,000	450,000
Repayment of long-term debt	(125,491)	(297,722)
Proceeds from issuance of stock	3,818	26,843
Proceeds from issuance of stock acquisition rights	—	15,526
Payments for purchase of treasury stock	(66,443)	(24,905)
Other	(2,941)	(11,030)
Cash flows from financing activities	83,943	13,711
Net increase (decrease) in cash and cash equivalents	(130,554)	153,803
Cash and cash equivalents at beginning of year	1,241,406	1,110,852
Cash and cash equivalents at term-end	1,110,852	1,264,655

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Change in accounting policy)

The new accounting policy prescribed by the "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) is applied from the beginning of the current fiscal year, and the new accounting policy prescribed by the Guidance is applied prospectively in accordance with the transitional treatment prescribed in Section 27-2 of the Guidance on Accounting Standard for Measurement of Fair Value.

This change has no impact on the consolidated financial statements.

(Change of presentation)

(Consolidated Statements of Income)

Subsidy income, Late charge received and Interest subsidy under Non-operating income, which were independently presented in the previous consolidated fiscal year, are included in "Other" in the current consolidated fiscal year because they have become insignificant in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥ 2,130 thousand presented as Subsidy income, ¥ 1,325 thousand presented as Late charge received and ¥ 1,712 thousand presented as Interest subsidy under Non-operating income in the consolidated statement of income for the previous fiscal year have been reclassified as "Other."

(Segment Information, etc.)

Segment information is omitted because the Group's business segment is a single segment of the last one mile business.

(Per share information)

	Previous fiscal year (Dec. 1, 2021 - Aug. 31, 2022)	Current Fiscal Year (Sep. 1, 2022 - Aug. 31, 2023)
Net assets per share	417.39	534.84
Net income (loss) per share	(20.20)	121.44
Diluted net income per share	—	114.51

(Notes) 1. Diluted net income per share for the previous consolidated fiscal year is not shown in the above table, because net loss per share was recorded, although there are residual shares.

2. Basis for calculation of net income (loss) per share and diluted net income per share are as follows

Item	Previous fiscal year (Dec. 1, 2021 - Aug. 31, 2022)	Current Fiscal Year (Sep. 1, 2022 - Aug. 31, 2023)
Net income (loss) per share		
Net income (loss) attributable to owners of the parent (thousand yen)	(54,468)	326,678
Amount not attributable to common shareholders (thousand yen)	—	—
Net income (loss) attributable to shareholders of the parent company related to common stock (thousand yen)	(54,468)	326,678
Average number of shares of common stock during the period (shares)	2,696,580	2,690,002
Diluted net income per share		
Adjustment of net income attributable to parent company shareholders (thousand yen)	—	—
Increase in common stock (shares)	—	162,724
(Of which stock acquisition rights (shares))	—	162,724
Summary of potential stock not included in the calculation of diluted net income per share due to the absence of dilutive effects	—	9th series of stock acquisition rights 1,400 rights (140,000 shares of common stock) Issue date July 31, 2023

(Significant subsequent events)

(Business combination through share acquisition)

At a meeting of the Board of Directors held on July 19, 2023, the Company resolved to acquire all the outstanding shares of Career Co., Ltd. ("Career") and make Career its subsidiary. On the same date the Company executed a share transfer agreement and acquired all shares on September 1, 2023.

1. Outline of Business Combination

(1) Name of acquired company and its business

Name of acquired company: Career Co., Ltd.

Description of business: Sales and wholesale of internet services such as optical collaboration model, etc.

(2) Main reasons for the business combination

The Group's main business is the "last one mile business," which uses its inside sales centers to sell infrastructure services related to daily life, such as electricity, gas, water delivery, and internet, to customers at the timing when they begin their new lives. Currently, the Group operates inside sales centers at three locations: the Ikebukuro Head Office, Fukuoka Sales Office, and Hokkaido, where our subsidiary Broadband Connection Co. Carrer, which will join our group, operates retail and wholesale of internet services in Hokkaido, including optical collaboration models, etc. Through this acquisition of shares, we expect business synergies with Career's know-how, expansion of service areas and customer base, and expansion of each company's business range and stock-type earnings.

(3) Date of business combination:

September 1, 2023 (Share acquisition date)

(4) Legal form of combination:

Acquisition of shares for cash.

(5) Company name of post-combination:

No change.

(6) Percentage of voting rights acquired:

100

(7) Main basis for determining the acquiring company:

The Company acquired the shares of Career Co., Ltd. for cash consideration.

2. Acquisition cost of the acquired company and breakdown by type of consideration

Cash and deposits	¥ 505,000 thousand
Acquisition cost	¥ 505,000 thousand

3. Description and amount of major acquisition-related expenses:

Advisory fees, etc. ¥ 2,000 thousand

4. Amount of goodwill to be accrued, reason for accrual, amortization method and period

Not confirmed at present.

5. Amounts of assets acquired and liabilities assumed on the date of business combination and their breakdowns

Not confirmed at present.